GRAPHISOFT PARK SE ANNUAL REPORT 2014

GRAPHISOFTPARK

Dear Shareholders,

It is our great pleasure to announce that the occupancy rate in the completed 55 thousand square meters office, laboratory and educational space in Graphisoft Park has reached 95% by the end of the third quarter in 2014. With this figure occupancy surpassed not just the level before AMRI's leave in 2012, but also that of 2008 before the crisis. This we achieved without having to change the rent levels, cornerstones of the Park's quality and profitability; and without getting to compete with the artificially low, therefore unsustainable rates on Budapest's overcrowded office market. In 2014, we have achieved 8.5 million euros revenue, that is 4% higher than in 2013, and net profit grew by 18% to 2.4 million euros, due to new rental agreements concluded. For 2015 we are expecting a 12% higher revenue than 2014 at 9.5 million euros and a 12% higher net profit at 2.7 million euros as well.

All this proves that our concept for the "micro-silicon-valley" articulated some 15 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 from ordinary activities*:

	IFRS 2013 thousand EUR	IFRS 2014 thousand EUR
Revenue	**8,125**	**8,473**
Operating expense	(938)	(931)
Other income (expense)	115	203
EBITDA	**7,302**	**7,745**
Depreciation and amortization	(3,749)	(4,079)
Operating profit	**3,553**	**3,666**
Net interest expense	(1,142)	(1,286)
Exchange rate differences	(88)	222
Profit before tax	**2,323**	**2,602**
Income taxes	(295)	(199)
Profit for the year	**2,028**	**2,403**
EBITDA margin (%)	**89.9**	**91.4**
Operating profit margin (%)	**43.7**	**43.3**

Extraordinary results (legal proceedings):

	IFRS 2013 thousand EUR	IFRS 2014 thousand EUR
Other income (expense)	2,151	-
Income tax expense	(215)	-
Profit for the year	**1,936**	**-**

* On this page results of the Group are presented in "Results from ordinary activities" / "Extraordinary results" breakdown. The "Extraordinary results" section includes the income and expenditures relating solely to the cancellation of the lease contract with AMRI Hungary Zrt. (Legal proceedings) realized in the base period. Total results of the Group (ordinary and extraordinary results combined) are presented on the next page. Periodic comparative analyses are prepared using "Results from ordinary activities", which do not include the extraordinary items.

Financial highlights

IFRS, consolidated, thousand EUR

Results (total)*:

	IFRS 2013 thousand EUR	IFRS 2014 thousand EUR
Revenue	**8,125**	**8,473**
Operating expense	(938)	(931)
Other income (expense)	2,266	203
EBITDA	**9,453**	**7,745**
Depreciation and amortization	(3,749)	(4,079)
Operating profit	**5,704**	**3,666**
Net interest expense	(1,142)	(1,286)
Exchange rate differences	(88)	222
Profit before tax	**4,474**	**2,602**
Income taxes	(510)	(199)
Profit for the year	**3,964**	**2,403**
Investment property at book value	**61,171**	**63,151**
Investment property at fair value**	**133,655**	**156,920**
Net asset value at book value	**23,050**	**22,308**
Net asset value at fair value***	**95,342**	**116,176**
Number of ordinary shares outstanding****	10,122,598	10,082,598
Net asset value at fair value per share (euro)	**9.4**	**11.5**

* On this page total results of the Group are presented including extraordinary items. Results of the Group in the “Results from ordinary activities” / “Extraordinary results” breakdown are shown in the tables on the previous page. “Extraordinary results” section includes the income and expenditures relating solely to the cancellation of the lease contract with AMRI Hungary Zrt. (Legal proceedings) realized in the base period. Periodic comparative analyses are prepared using “Results from ordinary activities”, which do not include the extraordinary items.

** Investment property fair value estimates are disclosed in the Consolidated Financial Statements, Note 11.

*** Net asset value (equity) at book value and at fair value are disclosed in the Consolidated Financial Statements, Note 25.

**** Treasury shares possessed by the Group 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 year 2014,
- Utilization, occupancy,
- Development activities,
- Other key issues,
- Forecast for the year 2015.

Financial results for the year 2014

Changes in the results for 2014 compared to the 2013 bases ("Results from ordinary activities", see details in "Financial highlights" on previous pages) occurred by the effects of the following main factors:

- **Revenue** (2014: 8,473 thousand euros; 2013: 8,125 thousand euros) is up 4% in 2014 compared to 2013. Loss of rental fees from premises rented formerly by Ustream Hungary Kft. decreased revenue by 400 thousand euros, or 5%, however rental income from newly leased premises and inflationary adjustments of the rental fees increased it by 750 thousand euros, or 9% total.

- **Operating expense** (2014: 931 thousand euros; 2013: 938 thousand euros) did not change substantially in 2014 compared to 2013. Employee related expense is on level with that of the previous year, while the decreasing property related expenses (fewer unrented spaces left less utility and operation expenses to be absorbed) were offset by a few larger one-off items resulting in a rise in other operating expenses.

- **Other income** (2014: 203 thousand euros; 2013: 115 thousand euros) net amount is 88 thousand euros higher than the base last year.

- **Depreciation** (2014: 4,079 thousand euros; 2013: 3,749 thousand euros) increased by 9% in 2014 compared to 2013 due to newly capitalized developments (see details in the "Development activities" section below).

- **EBITDA** (2014: 7,745 thousand euros; 2013: 7,302 thousand euros) increased by 6%, while **operating profit** (2014: 3,666 thousand euros; 2013: 3,553 thousand euros) rose 3% compared to the previous year due to the factors mentioned above.

- **Net interest expense** (2014: 1,286 thousand euros; 2013: 1,142 thousand euros) increased by 144 thousand euros, or 13% in 2014 compared to 2013. Interest expenses fell by 121 thousand euros as a result of lower loan interest rates and loan liability, but interest income dropped more significantly by 278 thousand euros due to the lower interest rates on deposits and because of the depleting effect of this year's large developments on the cash reserves.

- **Exchange rate differences** (2014: 222 thousand euros gain; 2013: 88 thousand euros loss) worked out more favorably in 2014 than in 2013. 2014 gains are attributable mostly to cash reserves held partly in USD strengthening significantly against the euro (nearly 2 million USD, 185 thousand euros not realized exchange rate gain).

- **Income tax expense** (2014: 199 thousand euros; 2013: 295 thousand euros) is lower than in the previous year despite the larger tax base (profit before tax and adjusted revenue), that is because 2014 corporate income tax was lowered by one tax base decreasing item (monument renovation tax credit) to a larger extent than in 2013 (263 thousand euros in 2014, compared to 150 thousand euros in 2013).

- **Net profit** (2014: 2,403 thousand euros; 2013: 2,028 thousand euros) rose by 375 thousand euros, that is 18% in 2014 compared to 2013 because of the following factors: (1) operating profit rose by 113 thousand euros, or 3% because of the high occupancy rates in the last two quarters, (2) financial results improved by 166 thousand euros, or 13% due mostly to favorable exchange rate differences despite the rise in net interest expenses, and finally (3) income tax expense was lower by 96 thousand euros than the base last year due to a tax-base decreasing item.

Utilization, occupancy

Occupancy rate of Graphisoft Park's completed 52,000 m2 (46,000 m2 until the fourth quarter of 2013; 46,800 m2 until July 2014) rentable office, laboratory and educational space developed as follows (at the end of the quarter):

2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014Q3	2014Q4
84%	84%	84%	84%	80%	81%	90%	95%

Ustream Hungary Kft. moved to a downtown location on January 1, 2014, reducing the 84% occupancy rate in 2013 to 80% by the beginning of 2014.

New contracts with tenants operating in smaller offices raised overall occupancy by 1%, to 81% by the end of the first half year.

After the educational purpose development in the monument area completed in July (see details in the "Development activities" section below), rentable office, laboratory and educational space in Graphisoft Park grew by 5,200 m2 to 52,000 m2 while occupancy rate rose from 81% to 83%, with a nearly 100% rate in the newly developed areas.

With new leases concluded in the second half year for 5,300 m2 office space, Graphisoft Park's occupancy rate surpassed 95% by the end of the year.

The completed 3,000 m2 floor area, 85 rooms' dormitory building (see "Development activities" section below for details) within the housing developments in the southern development area started operation from September, 2014 with 100% occupancy. (At housing developments occupancy rate is calculated by the ratio of housing units rented to housing units available.)

Development activities

The total area of Graphisoft Park is nearly 18 hectares. Over the past 17 years 45,000 m2 of office and laboratory space have been developed and occupied on the core 8.5 hectares. Further investments in the **core area** are focused currently on meeting the needs of tenants by remodeling and renovation of office space and by infrastructure development. The Company spent 846 thousand euros on these activities in 2014 (with the comprehensive remodeling costs of the newly leased premises included), and the costs are expected at 500 thousand euros total in 2015.

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 below) 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 below (see details in the "Realization of the education function" section).

In March 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 below) 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.

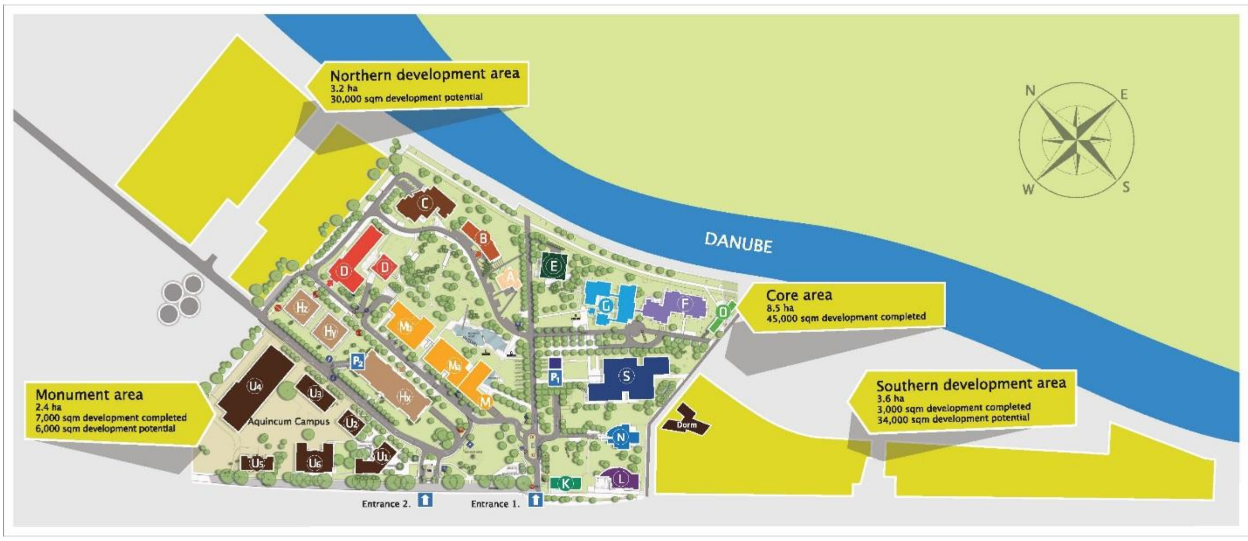
The renovation of the last and largest building in the monument area, the former purifier building marked U4 on the map, will start when actual tenant interest is shown in the building. The façade on the university campus side is now covered up under a series of Hungarian scientist portraits.

The building marked 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.

The planned total costs of the program including public utilities works and landscaping were 10.7 million euros. Out of this 1.2 million were spent during 2010-11, another 1.2 million euros in 2012, 2.1 million euros in 2013 and 5.1 million euros in 2014 – 9,6 million euros total – were spent on the renovation of 5 industrial monument buildings with 7,000 m2 leasable space in them and on the construction of the dormitory building. As the buildings were renovated to suit lease contracts preceding the works, the monument area's occupancy stands near to 100%, which in turn guarantees profitable operation despite the significantly higher costs associated with the high quality renovation and repurposing of industrial monuments, as opposed to the cost of new constructions.

The 7 hectares of free **development lands** 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:

- significant risk of environmental pollution,
- 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. 8 semesters have been concluded since the pilot program, with 120 students in 2014 already. To this date a total of 40 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.

At the time of making this report the 2015 Spring semester is taking place. Tuition collected from the North American students makes AIT-Budapest's operation sustainable on the long term from 2014 on.

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.

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.

Management Share Ownership Plan

On July 21, 2014, the General Meeting of Graphisoft Park SE approved the Management Share Ownership Plan of the Company, and gave authorization to the Board of Directors at the same time to raise share capital. The purpose of raising share capital is to issue employee shares up to 15% of the raised share capital, with the potential maximum of 1,876,178 employee shares issued at the face value of 2 euro cent each, at a potential maximum value of 37,524 euros. Management Shares bear voting rights equivalent to their face value, but different (reduced) rights to dividend at the proportion of one third of their face value.

The primary purpose of the Management Share Ownership Plan is to enable employees of the Company in management positions through multiple voting shares to meaningfully participate in the decision-making at issues in the sole competence of the General Meeting, thus enabling them to obfuscate takeover attempts hindering the Company's interests and reasonable operations when needed, while preserving the primacy of interests of the Company and acting within the framework provided by the law. The other purpose of the Management Share Ownership Plan is to provide a long-term roadmap for the compensation and motivation of employees in leadership positions with higher responsibilities, thus contributing to attracting the most talented employees, and to keep those already in position providing further motivation. The Board of Directors of the Company shall award employee shares within the framework of the Management Share Ownership Plan.

By the mandate given by the General Meeting on July 21, 2014, the Board of Directors made a decision to raise the Company's share capital through issuing employee shares and modified the Articles of Association accordingly. The value of the share capital increase is 37,523 euros and the number of newly issued shares is 1,876,167. These changes were duly registered by the Company Registry Court of the Budapest-Capital Regional Court on December 11, 2014. The employee shares were transferred to the authorized employees.

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 95% (see details in caption "Utilization, occupancy"; 2013 results are shown without the extraordinary items related to the legal proceedings.)

(million euros)	2013 actual	2014 actual	2015 forecast
Rental revenue	**8,12**	**8,47**	**9,5**
Operating expense	-0,94	-0,93	-0,9
Other income, net	0,12	0,21	0,2
EBITDA	**7,30**	**7,75**	**8,8**
Depreciation	-3,75	-4,08	-4,2
Operating profit	**3,55**	**3,67**	**4,6**
Net interest expense	-1,14	-1,29	-1,3
Exchange rate difference	-0,09	0,22	-
Profit before tax	**2,32**	**2,60**	**3,3**
Income tax expense	-0,29	-0,20	-0,6
Net profit	**2,03**	**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, occupation" 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 (by the amount of the exchange rate gain in 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, net profit is expected to grow by 300 thousand euros in 2015 compared to 2014.

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. At the same time, we would like to emphasize that in the 15 year history of Graphisoft Park Ustream Hungary Kft. has been the one and only tenant that did not prolong its contract on expiration, despite its successful business (see “Utilization, occupancy” section). The root cause of this decision was not the rental fee but the fact that the business activity of Ustream is connected to the ecosystem evolved in the center of Budapest.

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 315 HUF/EUR exchange rate, EURIBOR of 0.1% and an inflation rate of 0.5% and unchanged legal and taxation environment.

Forward-looking statements *- The forward-looking statements contained in this Annual 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 attached Consolidated Financial Statements which have 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, March 19, 2015

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFTPARK

GRAPHISOFT PARK SE

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2014

in accordance with International Financial Reporting Standards (IFRS)

(audited)

Budapest, March 19, 2015

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

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Building a better working world

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This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság

Report on financial statements

1.) We have audited the accompanying 2014 consolidated annual financial statements of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság ("the Company"), which comprise the consolidated statement of financial position as at 31 December 2014 - showing a balance sheet total of EUR 68,908 thousand and a profit for the year of EUR 2,403 thousand -, the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

2.) Management is responsible for the preparation and presentation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

3.) Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5.) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Building a better working world

Opinion

6.). In our opinion the consolidated annual financial statements give a true and fair view of the equity and financial position of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság as at 31 December 2014 and of the results of its operations for the year then ended in accordance with the International Financial Reporting Standards as adopted by EU.

Other reporting requirement - Report on the consolidated business report

7.) We have reviewed the consolidated business report of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság for 2014. Management is responsible for the preparation of the consolidated business report in accordance with the Hungarian legal requirements. Our responsibility is to assess whether the consolidated business report is consistent with the consolidated financial statements for the same financial year. Our work regarding the consolidated business report has been restricted to assessing whether the consolidated business report is consistent with the consolidated annual financial statements and did not include reviewing other information originated from non-audited financial records. In our opinion, the consolidated business report of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság for 2014 corresponds to the disclosures in the 2014 consolidated annual financial statements of Graphisoft Park SE Ingatlanfejlesztő Európai Részvénytársaság.

Budapest, 19 March 2015

(The original Hungarian language version has been signed.)

Alan Griffiths Ernst & Young Kft. Registration No. 001165	Bodócsy Ágnes Registered auditor Chamber membership No.: 007117

GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2014
(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2013	December 31, 2014
Cash and cash equivalents	4	10,160	4,822
Trade receivables	5	453	275
Inventory	6	6	-
Current tax receivable	7	87	107
Other current assets	8	209	154
Current assets		**10,915**	**5,358**
Investment property	9, 11	61,171	63,151
Other tangible assets	9	200	276
Investments	12	107	100
Deferred tax asset	13	26	23
Non-current assets		**61,504**	**63,550**
TOTAL ASSETS		**72,419**	**68,908**
Short-term loans	14	2,836	2,935
Trade payables	15	680	534
Current tax liability	7	178	191
Other short-term liabilities	16	1,107	1,361
Current liabilities		**4,801**	**5,021**
Long-term loans	14	44,313	41,377
Deferred tax liability	13	255	202
Non-current liabilities		**44,568**	**41,579**
TOTAL LIABILITIES		**49,369**	**46,600**
Share capital	1,3	213	250
Retained earnings		26,552	25,953
Treasury shares	24	(784)	(962)
Accumulated translation difference		(2,931)	(2,933)
Shareholders' equity		**23,050**	**22,308**
TOTAL LIABILITIES & EQUITY		**72,419**	**68,908**

The accompanying notes form an integral part of the consolidated financial statements.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2013	December 31, 2014
Property rental revenue	17	8,125	8,473
Revenue		**8,125**	**8,473**
Property related expense	18	(99)	(57)
Employee related expense	18	(576)	(579)
Other operating expense	18	(263)	(295)
Depreciation and amortization	9, 10, 18	(3,749)	(4,079)
Operating expense		**(4,687)**	**(5,010)**
Other income (expense)	19	2,266	203
OPERATING PROFIT		**5,704**	**3,666**
Interest income	20	335	57
Interest expense	20	(1,477)	(1,343)
Exchange rate difference	21	(88)	222
Financial expense		**(1,230)**	**(1,064)**
PROFIT BEFORE TAX		**4,474**	**2,602**
Income tax expense	22	(510)	(199)
PROFIT FOR THE YEAR		**3,964**	**2,403**
Attributable to equity holders of the parent		3,964	2,403
Basic earnings per share (EUR)	23	0.39	0.24
Diluted earnings per share (EUR)	23	0.39	0.24

The accompanying notes form an integral part of the consolidated financial statements.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2013	December 31, 2014
Profit for the year		**3,964**	**2,403**
Valuation reserve*		(107)	-
Valuation reserve – tax effect		11	-
Translation difference**		2	(2)
Other comprehensive income* **		**(94)**	**(2)**
COMPREHENSIVE INCOME		**3,870**	**2,401**
Attributable to equity holders of the parent		3.870	2.401

* Fair value changes of available-for-sale securities.
** Translation difference of subsidiaries with functional currency other than EUR.
*** Net other comprehensive income to be reclassified to profit or loss in subsequent periods.

The accompanying notes form an integral part of the consolidated financial statements.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts in thousands EUR unless otherwise stated)

	Share capital	Retained earnings	Valuation reserve	Treasury shares*	Accum. translation difference	Total equity
December 31, 2012	**213**	**23,939**	**96**	**(669)**	**(2,933)**	**20,646**
Profit for the period	-	3,964	-	-	-	**3,964**
Valuation reserve	-	-	(96)	-	-	**(96)**
Translation difference	-	-	-	-	2	**2**
Purchase of treasury shares	-	-	-	(115)	-	**(115)**
Dividend**	-	(1,351)	-	-	-	**(1,351)**
December 31, 2013	**213**	**26,552**	**-**	**(784)**	**(2,931)**	**23,050**
Profit for the period	-	2,403	-	-	-	**2,403**
Translation difference	-	-	-	-	(2)	**(2)**
Purchase of treasury shares	-	-	-	(178)	-	**(178)**
Dividend**	-	(2,965)	-	-	-	**(2,965)**
Share capital increase***	37	(37)	-	-	-	**-**
December 31, 2014	**250**	**25,953**	**-**	**(962)**	**(2,933)**	**22,308**

* Treasury share details are disclosed in Note 24.
** Dividend details are disclosed in Note 30.
** Share capital increase is disclosed in Note 1.3.

The accompanying notes form an integral part of the consolidated financial statements.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts in thousands EUR unless otherwise stated)

	December 31, 2013	December 31, 2014
OPERATING ACTIVITIES		
Profit before tax	4,474	2,602
Depreciation and amortization	3,749	4,079
Interest expense	1,477	1,343
Interest income	(335)	(57)
Unrealized foreign exchange losses / (gains)	15	(28)
Changes in working capital:		
Decrease in receivables and other current assets	215	266
Increase / (decrease) in inventory	(6)	6
Increase in payables and accruals	451	270
Corporate income tax paid	(244)	(290)
Net cash from operating activities	**9,796**	**8,191**
INVESTING ACTIVITES		
Expenditure on investment property	(2,202)	(6,047)
Expenditure on other tangible assets and intangibles	(65)	(234)
Interest paid - capitalized	(88)	(94)
Sale of tangible assets	6	-
Purchase of investment	(7)	-
Sale of investment	-	7
Sale of securities	1,811	-
Interest received	452	45
Net cash used in investing activities	**(93)**	**(6,323)**
FINANCING ACTIVITIES		
Loan repayments	(2,721)	(2,837)
Interest paid	(1,466)	(1,373)
Purchase of treasury shares	(115)	(178)
Dividend paid	(1,385)	(2,994)
Net cash used in financing activities	**(5,687)**	**(7,382)**
Increase / (decrease) in cash and cash equivalents	4,016	(5,514)
Cash and cash equivalents at beginning of year	6,186	10,160
Exchange rate (loss) / gain on cash and cash equivalents	(42)	176
Cash and cash equivalents at end of year	**10,160**	**4,822**

The accompanying notes form an integral part of the consolidated financial statements.

(all amounts in thousands EUR unless otherwise stated)

1. General information

1.1. Graphisoft Park Group

Graphisoft Park SE Real Estate Development European Company Limited by Shares (the "Company" or “Graphisoft Park SE”) with its subsidiaries form the Graphisoft Park Group (“the Group” or “Graphisoft Park”).

Graphisoft Park SE and subsidiaries are incorporated under the laws of Hungary. The court registration number of Graphisoft Park SE is CG 01-20-000002. The registered address of the Company is H-1031 Budapest, Záhony utca 7., Hungary.

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.

Average headcount of the Group was 16 in 2014 and 14 in 2013.

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 m2 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 m2 of total rentable net internal area of the monument buildings, out of which 7,000 m2 has been renovated
Development areas	6.8 hectares of development land, on which a 3,000 m2 floor area dormitory has been constructed

Investment property book values and fair value estimates are disclosed in Notes 9 and 11.

(all amounts in thousands EUR 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, 2013 Shares (pcs)	December 31, 2013 Share (%)	December 31, 2014 Shares (pcs)	December 31, 2014 Share (%)
ORDINARY SHARES:	**10,631,674**	**100.00**	**10,631,674**	**85.00**
Directors and management*	**3,506,493**	**32.98**	**3,511,538**	**28.09**
Bojár Gábor - Chairman of the BoD	3,185,125	29.96	3,185,125	25.47
Dr. Kálmán János - Member of the BoD	13,500	0.13	13,500	0.11
Szigeti András - Member of the BoD	121,555	1.14	126,000	1.01
Kocsány János - Member of the BoD, CEO	180,913	1.70	180,913	1.45
Hajba Róbert - CFO	5,400	0.05	6,000	0.05
Shareholders over 5% share	**2,705,843**	**25.45**	**2,802,189**	**22.40**
Tari István Gábor****	1,074,329	10.10	1,074,329	8.59
Concorde Alapkezelő Zrt.	1,631,514	15.35	1,727,860	13.81
Other shareholders	**3,910,262**	**36.78**	**3,768,871**	**30.12**
Treasury shares**	**509,076**	**4.79**	**549,076**	**4.39**
EMPLOYEE SHARES*:**	**-**	**-**	**1,876,167**	**15.00**
Kocsány János - Member of the BoD, CEO	-	-	1,250,778	10.00
Hajba Róbert - CFO	-	-	625,389	5.00
SHARES TOTAL:	**10,631,674**	**100.00**	**12,507,841**	**100.00**

* Former members of the Board (membership ended on July 21, 2014) possessed the following number of shares on December 31, 2013: Hornung Péter – 530,426 shares (5.00%), Gáthy Tibor - 100,000 shares (0.93%).

** Treasury shares possessed by the Company do not pay dividend and bear no voting rights. For details, see Note 24.

*** 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.

**** Shareholder over 5%, Tari István Gábor passed away on March 16, 2015.

(all amounts in thousands EUR unless otherwise stated)

By the mandate given by the General Meeting on July 21, 2014, the Board of Directors made a decision to raise the Company's share capital through issuing employee shares and modified the Articles of Association accordingly. The value of the share capital increase is 37,523 euros and the number of newly issued shares is 1,876,167. These changes were duly registered by the Company Registry Court of the Budapest-Capital Regional Court on December 11, 2014. The employee shares were transferred to the authorized employees.

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

Members of the Graphisoft Park SE Board of Directors (Bojár Gábor, Dr. Kálmán János, Hornung Péter, Gáthy Tibor and Kocsány János) have all resigned from their duties as board members on June 25, 2014 – taking effect on the next general meeting with a quorum –, in order to allow the next general meeting to vote new members into the Board, with regards to the significant changes in the Company's Articles of Association, and the increased responsibility of the Board members specifically. The general meeting of the Company held on July 21, 2014, elected Dr. Martin-Hajdu György and Szigeti András to the Board and re-elected Bojár Gábor, Dr. Kálmán János and Kocsány János.

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

2.1. Basis of preparation

The consolidated financial statements of Graphisoft Park Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). All standards and interpretations issued by the International Accounting Standards Board (IASB) effective at the time of preparing the consolidated financial statements and applicable to Graphisoft Park Group have been adopted by the EU. Therefore, the consolidated financial statements currently also comply with IFRS as issued by the IASB and also comply with the Hungarian Accounting Law on consolidated financial statements, which refers to IFRS as adopted by the EU.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2. Changes in accounting policies

Change in disclosure of fair value of investment properties

From January 1, 2014 the Group determines the fair value of the development areas (building sites) on the basis of the income generating potential of the property. Until December 31, 2013 the disclosed fair value was historical cost with incidental amortization. In the management's assumption the income based assessment presumably reflects the fair value of the development areas more accurately, with special regards to time elapsed and market changes since the time of purchase. The effects of the change in the accounting policy on the comparative data are disclosed in Note 11.

Adoption of new or modified standards and interpretations

In 2014, the Group adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are effective for accounting periods beginning on January 1, 2014. Where the transition provisions of a standard allow a preparer to determine the date the standard is effective from the Group has elected to apply the standard prospectively from January 1, 2014. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise in some cases to additional disclosures, including in some cases, revisions to accounting policies. The changes in accounting policies result from the adoption of the following new or revised Standards:

- IAS 27 Separate Financial Statements (as revised in 2011)
- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
- IAS 32 Financial instruments: Presentation
- IAS 36 Impairment of Assets
- IAS 39 Financial Instruments: Presentation and Disclosure
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Involvement with Other Entities
- IFRIC 21 Levies
- Improvements to IFRSs

IAS 27 Separate Financial Statements (as revised in 2011): The amendment became effective for annual periods beginning on or after January 1, 2014. As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to presentation of subsidiaries, jointly controlled entities, and associates in separate financial statements. The amendment has no impact on the Group.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011): The amendment became effective for annual periods beginning on or after January 1, 2014. As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment has no impact on the Group.

IAS 32 Financial instruments: Presentation. The amendment of IAS 32 becomes effective for annual periods beginning on or after January 1, 2014. The amendments clarify some of the requirements for offsetting financial assets and financial liabilities in the balance sheet. The amendment has no impact on the Group.

IAS 36 Impairment of Assets: The amendment is effective for annual periods beginning on or after January 1, 2014. The amendment removes the requirement to disclose recoverable amount of those CGUs to which goodwill or other intangibles with indefinite useful lives had been allocated when there was no impairment or reversal of impairment recognized on the related CGU. The amendment has no impact on the Group.

IAS 39 Financial Instruments: Presentation and Disclosure. These amendments are effective for annual periods beginning on or after January 1, 2014. Novation of Derivatives and Continuation of Hedge Accounting: These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendment has no impact on the Group.

IFRS 10 Consolidated Financial Statements: This standard became effective for annual periods beginning on or after January 1, 2014. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 requires management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The standard has no impact on the Group.

IFRS 11 Joint Arrangements: This standard became effective for annual periods beginning on or after January 1, 2014. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The standard has no impact on the Group.

IFRS 12 Disclosure of Involvement with Other Entities: This standard became effective for annual periods beginning on or after January 1, 2014. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The standard affects the presentation of the financial statements, but it has no impact on the Group's financial position and results.

IFRIC 21 Levies: This interpretation became effective for annual periods beginning on or after January 1, 2014. It provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The interpretation has no significant impact on the Group.

Improvements to IFRSs:

The below amendments became effective for annual periods on or after July 1, 2014.

Annual Improvements – 2010-2012

IAS 16 Property, Plant and Equipment: The amendment clarifies that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The amendment is applied retrospectively.

IAS 38 Intangible Assets: The amendment clarifies that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The amendment is applied retrospectively.

IAS 24 Related Party Disclosures: The amendment clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is applied retrospectively.

IFRS 2 Share-based Payment: This amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions: (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition. If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The improvement is applied prospectively.

IFRS 3 Business Combinations: The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). The amendment is applied prospectively.

IFRS 8 Operating Segments: The amendment clarifies that an entity must disclose the judgments made by management in applying the aggregation criteria (based on paragraph 12 of IFRS 8), including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are similar. The other amendment clarifies that the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendments are applied retrospectively.

Annual Improvements – 2011-2013

IAS 40 Investment Property: The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The amendment is applied prospectively.

IFRS 3 Business Combinations: The amendment clarifies for the scope exceptions within IFRS 3 that joint arrangements, not just joint ventures, are outside the scope of IFRS 3. This scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively.

IFRS 13 Fair Value Measurement: The amendment clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The amendment is applied prospectively.

Improvements to IFRSs have no impact on the Group.

At the date of authorization of these financial statements, the following standards and interpretations were in issue but not yet effective:

IAS 16 Property, Plant and Equipment: The amendment clarifies the principle that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment. The amendments are effective for annual periods beginning on or after January 1, 2016.

IAS 38 Intangible Assets: The amendment clarifies the principle that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method may only be used in very limited circumstances to amortize intangible assets. The amendments are effective for annual periods beginning on or after January 1, 2016.

IFRS 9 Financial Instruments: Classification and Measurement: In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The standard is effective retrospectively for annual periods beginning on or after January 1, 2018, but comparative information is not compulsory.

IFRS 11 Joint Arrangements: The amendment requires that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendment also clarifies that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are effective for annual periods beginning on or after January 1, 2016.

IFRS 15 Revenue from Contracts with Customers: IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. The standard is effective for annual periods beginning on or after January 1, 2017.

Management anticipates that these changes will have no material effect on the Group financial statements, except for the adoption of the first phase of IFRS 9, which might have an effect on the classification and measurement of the Group’s financial assets and except for IFRS 15 where the Group is assessing the possible effects.

(all amounts in thousands EUR unless otherwise stated)

2.3. Consolidated financial statements

The consolidated financial statements include the accounts of Graphisoft Park SE and the subsidiaries that it controls. Control is evidenced when the Group is exposed, or has rights, to variable returns from its involvement with a company, and has the ability to affect those returns through its power over the company. Power over an entity means having existing rights to direct its relevant activities. The relevant activities of a company are those activities which significantly affects its returns.

The table below shows subsidiary details in 2014 and 2013:

Subsidiary	Date of foundation	Registered capital HUF thousand	Registered capital EUR
Graphisoft Park Kft.	November, 2005	-	1,846,108
Graphisoft Park Services Kft.	October, 2008	10,000	-

Graphisoft Park SE is the 100% owner of Graphisoft Park Kft., while Graphisoft Park Kft. is the 100% owner of Graphisoft Park Services Kft. Subsidiaries are incorporated in Hungary.

The consolidated financial statements are prepared in accordance with the measurement and presentation basis applied in IFRS.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany transactions, balances and unrealized gains on transactions between the companies are eliminated. Accounting policies of subsidiaries are adjusted to ensure consistency with the policies adopted by the Group.

The consolidated financial statements are prepared under the historical cost convention.

2.4. Foreign currency translations

Functional and presentation currency:

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"), as follows:

	December 31, 2013	December 31, 2014
Graphisoft Park SE	EUR	EUR
Graphisoft Park Kft.	EUR	EUR
Graphisoft Park Services Kft.	HUF	HUF

Management assessment on functional currency determination is disclosed in Note 3 (Critical accounting estimates and judgments).

The consolidated financial statements are presented in thousands of EUR, which is the Group's presentation currency.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of these transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities are recognized in the income statement.

Group companies:

The results and financial position of all of the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(b) income statements are translated at average exchange rates;
(c) all resulting exchange differences are recognized directly in the consolidated equity (accumulated translation difference).

Exchange rates used were as follows:

Rate	2013	2014
EUR/HUF opening:	291.29	296.91
EUR/HUF closing:	296.91	314.89
EUR/HUF average:	296.92	308.66

2.5. Cash and cash equivalents

Cash and cash equivalents include cash on hand and in the bank, short-term bank deposits with less than three months to maturity and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.6. Securities (available-for-sale financial assets)

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are included in current or non-current financial assets depending on the forecasted date of the disposal.

Available-for-sale financial assets are initially recognized and also subsequently carried at fair value. The unrealized changes in the fair value of available-for-sale financial assets are recognized in equity (valuation reserve).

Interest on available-for-sale debt securities calculated using the effective interest method is recognized in the income statement (interest income). Dividends on available-for-sale equity instruments are recognized in the income statement (other financial income) when the Group's right to receive payment is established.

The Group assesses at each financial statement date whether there is objective evidence that a financial asset is impaired. There is objective evidence of impairment if as a result of loss events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset that can be reliably estimated. In the case of securities classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the security below its cost. 'Significant' is evaluated against the original cost of the security (in general 20%) and 'prolonged' against the period in which the fair value has been below its original cost (in general 6-12 months). When there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that security previously recognized in the income statement - is removed from other comprehensive income and recognized in the income statement. Impairment losses recognized on equity instruments are not reversed through the income statement, while impairment losses recognized on debt instruments are reversed through the income statement.

When available-for-sale financial assets are sold or redeemed, therefore derecognized, the fair value adjustments accumulated in equity are reclassified from other comprehensive income to the income statement.

2.7. Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the underlying arrangement. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments as well as historical collections are considered indicators that the trade receivable may have been impaired.

2.8. Investment property and other tangible assets

Investment properties and other tangible assets are stated at historical cost less accumulated depreciation and impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

The initial cost of assets comprises its purchase price, including duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, such as borrowing costs.

Replacements and improvements, which prolong the useful life or significantly improve the condition of the asset are capitalized. Maintenance and repairs are recognized as an expense in the period in which they are incurred.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets. General depreciation rules are stated as follows:

Type of asset	**Depreciation**
Assets in the course of construction	not depreciated
Land	not depreciated
Park infrastructure	50 years
Buildings – rented	20 years
Machinery and equipment	3-7 years
Office equipment	3-7 years
Vehicles	5 years - 20% residual value

The useful life and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of investment property and other tangible assets.

2.9. Fair value of investment property

The Group determines the fair value of investment property on the basis of internal valuations prepared annually.

Fair value determination principles:

The fair value of investment property is determined on the basis of the income generating potential of the property.

Fair value determination methods:

The valuations are carried out using the income approach, discounted cash flow method. This method involves the projection of a series of periodic cash flows. To this projected cash flow series, a market derived discount rate, which reflects the yield expectations (capital cost) of the investors and creditors, is applied to establish an indication of the present value of the income stream associated with the property.

For buildings, the calculated periodic cash flow is estimated as gross income less expense related to the operation and maintenance of the property. A series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the fair value of the building.

For development areas (building sites), the calculated periodic cash flow is estimated - based on a development plan determined by the Group - as gross income less expenses related to the operation and maintenance of the property, less expense related to the realization of the development (infrastructure, landscaping, cost of construction of the building and other expenses), and less expenses related to the development land incurring until the expected realization of the development (property tax and other costs). A series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the fair value of the development land.

Fair value hierarchy:

With regards to the investment property, the fair value measurement's IFRS 13 hierarchy level based on the valuations shown above is level 3.

Investment property fair value estimates are disclosed in Note 11.

2.10. Intangible assets

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will accrue; and the cost of the asset can be measured reliably. Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. The amortization period and the amortization method are reviewed annually at each financial year-end. Amortization is provided on a straight-line basis over the 3-7 year estimated useful lives of these assets.

2.11. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense. Borrowing costs include interest and other costs that the Group incurs in connection with the borrowing of funds. The borrowing costs eligible for capitalization are capitalized applying the weighted average of the borrowing costs applicable to the general borrowings during the period. A qualifying asset is an asset that necessarily takes a substantial period of time, in general over 6 months, to get ready for its intended use.

2.12. Impairment of assets

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years.

2.13. Leases

The determination of whether an arrangement is a lease, or contains lease elements, is based on the substance of the arrangement at inception date as to whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment after inception of the lease is possible only if one of the following applies:

(a) there is a change in contractual terms, other than renewal of extension of the arrangement;
(b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

(c) there is a change in determination of whether fulfillment is dependent on a specific asset; or
(d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and at the date of renewal or extension period for scenario (b).

Group as a lessee:

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Group as a lessor:

Finance lease is where the Group transfers substantially all the risks and benefits of ownership of the asset. Assets held under a finance lease are presented in the balance sheet as a receivable at an amount equal to the net investment in the lease. Finance incomes are recognized in the income statement.

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating lease. Initial indirect cost incurred while concluding an operating lease agreement are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

2.14. Loans and other borrowings

Borrowings are recognized initially at fair value less transaction costs, and subsequently measured at amortized costs using the effective interest rate method. The effective interest is recognized in the income statement (finance expenses) over the period of the borrowings.

Fair value hierarchy:

With regards to the loans, the fair value measurement's IFRS 13 hierarchy level is level 2. The effective rate of interest used to present fair value is calculated considering market rates and the Group specific premium.

2.15. Trade and other payables

Trade and other payables (including accruals) are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The carrying values of trade and other payables approximate their fair values due to their short maturity.

2.16. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will occur in order to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured and recorded as the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2.17. Pensions

The Group, in the normal course of business, makes fixed contributions into the Hungarian State and private pension funds on behalf of its employees. The Group does not operate any other pension scheme or post retirement benefit plan, and consequently, has no legal or constructive obligation to make further contributions if the funds do not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

2.18. Treasury shares

Treasury stock represents the cost of shares repurchased and is displayed as a reduction of shareholder's equity. Premiums and discounts on repurchase and subsequent disposal are credited and debited respectively directly to retained earnings.

2.19. Employee shares

Payouts related to employee shares (reduced rate dividend payments) are shown under employee related expenses in the statement of income in the period in which the dividends are approved by the shareholders.

2.20. Earnings per share

Basic earnings per share is calculated by dividing profit attributable to the equity holders of the Company for the period by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated considering the weighted average number of diluting share options (if any) in addition to the number of ordinary shares outstanding.

2.21. Income taxes

Current taxes:

Corporate income tax is payable to the Hungarian central tax authority, and local business tax is payable to the local governments. The basis of the corporate income tax is the taxable entities' accounting profit adjusted for non-deductible and non-taxable items. The basis of the local business tax is the taxable entities' revenue reduced by certain expenditure and cost items (gross margin).

Deferred taxes:

Deferred tax is recognized applying the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit. Deferred tax is determined using income tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit (or reversing deferred tax liabilities) will be available against which the temporary differences can be utilized.

Deferred tax is also provided on taxable temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.22. Dividend

Dividends payable to the Company's shareholders are recorded as a liability and debited against equity in the period in which the dividends are approved by the shareholders.

2.23. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognized.

Rental revenue:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

Sale of goods:

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest income:

Revenue is recognized as interest accrues (using the effective interest method). Interest income is included in financial results in the income statement.

Dividends:

Revenue is recognized when the Group's right to receive the payment is established.

Other income (expense):

Incomes from agency agreements, where the Group acts as a mediator, are not shown as revenues, but rather as other income (expense) in the income statement together with directly related expenditures (net).

2.24. Operating profit

Operating profit is defined as revenues less operating expenses and other income (expense).

2.25. Segment information

For management purposes the Group comprises a single operational (business and geographical) segment. For this reason, the consolidated financial statements contain no segment information.

2.26. Reclassification of comparative information

Comparative figures are reclassified to conform with presentation in the current period, where necessary.

3. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

3.1. Functional and presentation currency

The functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity. IAS 21 – "The Effects of Changes in Foreign Exchange Rates" determines factors to be considered in determining functional currency. When the indicators are mixed and the functional currency is not obvious, management exercises judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Functional and presentation currency details are disclosed in Note 2.4.

3.2. Impairment of investment property, other tangibles and intangibles

We assess the impairment of investment property, other tangibles and intangibles whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The calculations of recoverable amounts are primarily determined by value in use calculations, which use a broad range of estimates and factors affecting those. Among others, we typically consider future revenues and expenses, technological obsolescence, discontinuance of services and other changes in circumstances that may indicate impairment. If impairment is identified using the value in use calculations, we also determine the fair value less cost to sell (if determinable), to calculate the exact amount of impairment to be charged. As this exercise is highly judgmental, the amount of a potential impairment may be significantly different from that of the result of these calculations.

3.3. Fair value of investment property

As investment property fair value determination is based on estimates and assumptions, the actual results may be significantly different from the results of these estimates, especially in case of development land.

Investment property fair value estimates are disclosed in Note 11.

3.4. Provisions

Provisions in general are highly judgmental, especially in case of legal disputes. The Group assesses the probability of an adverse event as a result of a past event and if the probability of an outflow of economic benefits is evaluated to be more probable than not, the Group fully provides for the total amount of the estimated liability.

(all amounts in thousands EUR unless otherwise stated)

4. Cash and cash equivalents

	December 31, 2013	December 31, 2014
Cash in hand	1	1
Cash at banks	10,159	4,821
Cash and bank	**10,160**	**4,822**

5. Trade receivables

	December 31, 2013	December 31, 2014
Trade receivables	453	275
Provision for doubtful debts	-	-
Trade receivables	**453**	**275**

Trade receivables are on 8-30 day payment terms.

Trade receivables' aging is as follows:

	December 31, 2013	December 31, 2014
Not overdue	168	182
Overdue less than 3 months	113	54
Overdue between 3 and 12 months	172	30
Overdue over 12 months	-	9
Trade receivables	**453**	**275**

(all amounts in thousands EUR unless otherwise stated)

6. Inventory

	December 31, 2013	December 31, 2014
Expenses to be recharged	6	-
Inventory	**6**	**-**

7. Current tax receivables and liabilities

	December 31, 2013	December 31, 2014
Current tax receivables	87	107
Current tax liabilities	(178)	(191)
Current tax liability, net	**(91)**	**(84)**

8. Other current assets

	December 31, 2013	December 31, 2014
Accrued income	166	105
Prepaid expense	17	44
Other receivables	26	5
Other current assets	**209**	**154**

(all amounts in thousands EUR unless otherwise stated)

9. Investment property and other tangible assets

The table shows movements of investment property and other tangible assets:

	Land and buildings	Constr. in progress	**Invest-ment property**	Machinery and equipm.	Vehicles	Constr. in progress	**Other tangible total**	**Tangible assets**
Net value:								
December 31, 2012	58,733	3,521	**62,254**	116	83	-	**199**	**62,453**
Gross value:								
December 31, 2012	82,731	3,521	**86,252**	280	152	-	**432**	**86,684**
Additions	-	2,609	**2,609**	-	-	46	**46**	**2,655**
Capitalizations	2,222	(2,222)	**-**	28	37	(46)	**19**	**19**
Disposals	-	-	**-**	-	(21)	-	**(21)**	**(21)**
Translation diff.	-	-	**-**	(1)	-	-	**(1)**	**(1)**
December 31, 2013	84,953	3,908	**88,861**	307	168	-	**475**	**89,336**
Depreciation:								
December 31, 2012	23,998	-	**23,998**	164	69	-	**233**	**24,231**
Additions	3,692	-	**3,692**	29	27	-	**56**	**3,748**
Disposals	-	-	**-**	-	(14)	-	**(14)**	**(14)**
Translation diff.	-	-	**-**	-	-	-	**-**	**-**
December 31, 2013	27,690	-	**27,690**	193	82	-	**275**	**27,965**
Net value:								
December 31, 2013	57,263	3,908	**61,171**	114	86	-	**200**	**61,371**
Gross value:								
December 31, 2013	84,953	3,908	**88,861**	307	168	-	**475**	**89,336**
Additions	-	5,905	**5,905**	-	-	233	**233**	**6,138**
Capitalizations	8,659	(8,659)	**-**	173	60	(233)	**-**	**-**
Translation diff.	-	-	**-**	(5)	(2)	-	**(7)**	**(7)**
December 31, 2014	93,612	1,154	**94,766**	475	226	-	**701**	**95,467**
Depreciation:								
December 31, 2013	27,690	-	**27,690**	193	82	-	**275**	**27,965**
Additions	3,925	-	**3,925**	127	26	-	**153**	**4,078**
Translation diff.	-	-	**-**	(2)	(1)	-	**(3)**	**(3)**
December 31, 2014	31,615	-	**31,615**	318	107	-	**425**	**32,040**
Net value:								
December 31, 2014	61,997	1,154	**63,151**	157	119	-	**276**	**63,427**

(all amounts in thousands EUR unless otherwise stated)

Additions in construction in progress of 5,905 thousand EUR comprise the following:

- developments in the monument area and the southern development area (5,059 thousand EUR),
- developments in the core area (846 thousand EUR).

Capitalizations in the value of 8,659 thousand EUR comprise the following:

- developments completed in the monument area and the southern development area (7,826 thousand EUR),
- developments completed in the core area (833 thousand EUR).

Construction in progress totaling 1,154 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 (13 thousand EUR).

In 2014 the Company capitalized 94 thousand EUR interest expense on construction in progress (88 thousand euros in 2013).

Investment property **fair value** estimates are disclosed in Note 11.

10. Intangible assets

The table shows movements of intangible assets:

	Software	**Intangible assets**		Software	**Intangible assets**
Net value:			***Net value:***		
December 31, 2012	1	**1**	**December 31, 2013**	-	**-**
Gross value:			***Gross value:***		
December 31, 2012	47	**47**	December 31, 2013	47	**47**
Additions	-	**-**	Additions	1	**1**
Translation diff.	-	**-**	Translation diff.	-	**-**
December 31, 2013	47	**47**	**December 31, 2014**	48	**48**
Depreciation:			***Depreciation:***		
December 31, 2012	46	**46**	December 31, 2013	47	**47**
Additions	1	**1**	Additions	1	**1**
Translation diff.	-	**-**	Translation diff.	-	**-**
December 31, 2013	47	**47**	**December 31, 2014**	48	**48**
Net value:			***Net value:***		
December 31, 2013	-	**-**	**December 31, 2014**	-	**-**

(all amounts in thousands EUR unless otherwise stated)

11. Fair value of investment property

The table below presents investment property fair value estimates:

	December 31, 2013	December 31, 2014
Office park	112,674	122,500
Campus	9,602	13,432
Buildings	**122,276**	**135,932**
Development areas*	**17,572**	**20,988**
Fair value**	**139,848**	**156,920**
Cost to completion of buildings under construction***	(6,193)	-
Fair value for financial reporting purposes	**133,655**	**156,920**

* From January 1, 2014 the Group determines the fair value of the development areas (building sites) on the basis of the income generating potential of the property. In order to make the different periodical valuations comparable, we have completed the income based valuation of the development areas by December 31, 2013 as well. In the 2013 report the disclosed fair value was historical cost with incidental amortization, 13,179 thousand euros on December 31, 2013.

** The valuation of December 31, 2014 was calculated with the assumed capital cost of 7.25% for the buildings and 8.25% for the development areas, at 100% long-term occupancy rate in the campus and 90% in the office park. The valuation of December 31, 2013 was calculated with the assumed capital cost of 7.75% for the buildings and 8.75% for the development areas, at 100% long-term occupancy rate in the campus and 90% in the office park. Main assumptions for the valuations are presented in detail later within this note.

*** As of December 31, 2013, the cost to completion of buildings under construction (which is total project cost less construction cost incurred until December 31, 2013) includes the anticipated remaining total cost to completion of the renovation of the buildings in the monument area (U2, U5 and U6) and the construction of the dormitory building on the southern development area, all within the frame of the educational development project.

11.1. Investment property

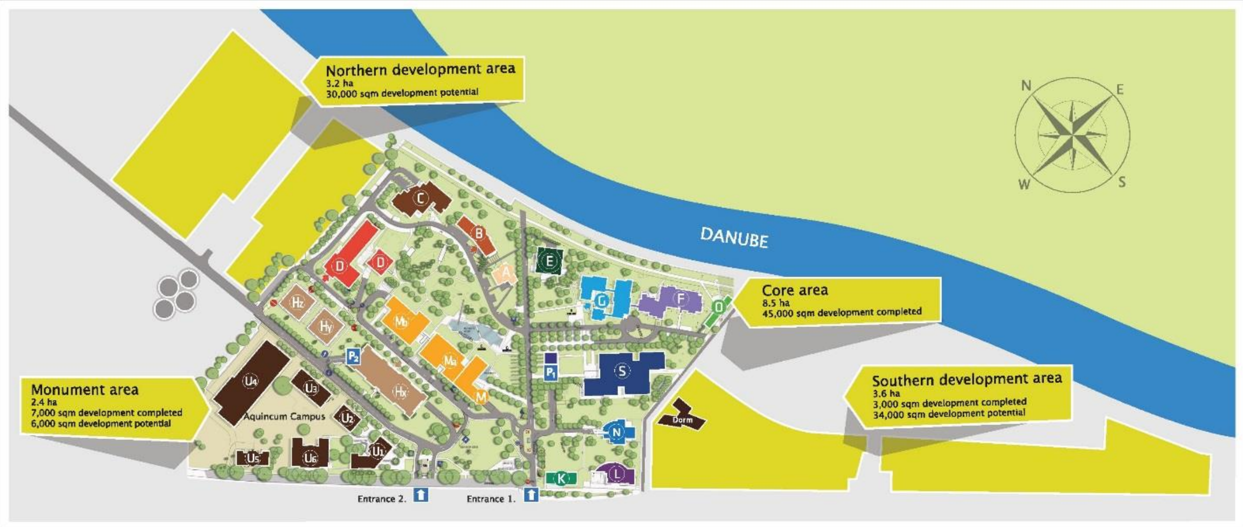
Office park:

The office park within the 8.5 hectares core area of Graphisoft Park includes nine office buildings with a combined 45.000 m2 of leasable office and laboratory space, one warehouse, two restaurants and a service building. The office park development had begun in 1996; the first buildings were completed in 1998 while the last one (building H) was handed over in 2009. Occupancy rates in the office building stood at 94% on December 31, 2014 and are the same at the time of writing this report.

Campus:

The educational campus formed in the preserved buildings of the old Gasworks' is located on the 2.4 hectares monument area of Graphisoft Park. Renovation of the buildings and formation of the campus had begun in 2010. By December 31, 2013, 1,800 m2 were completed (in buildings U1 and U3), with an additional 5,200 m2 completed by December 31, 2014 (in buildings U2, U5 and U6) yielding a combined total of 7,000 m2 net usable educational space. In relation to the education program, we have constructed a 3,000 m2 dormitory building housing 85 persons on the southern development area. Occupancy rate in the campus and the dormitory is 100% at the time of writing this report.

Renovation of the largest building of the monument area (building U4) has not begun at the time of writing this report. This building along with the attached land is considered to be development area until renovation starts.



Development areas:

The 7 hectares of free development lands in Graphisoft Park (the southern development area without the dormitory, the northern development area and parts of the monument area occupied by building U4) allow for the development of a combined total of 70,000 m2 leasable office space.

11.2. Valuation principles, methods and assumptions

Valuation principles:

The fair value of investment property is determined on the basis of the income generating potential of the property.

Valuation methods:

The valuations are carried out using the income approach, discounted cash flow method.

This method involves the projection of a series of periodic cash flows. To this projected cash flow series, a market derived discount rate, which reflects the yield expectations (capital cost) of the investors and creditors, is applied to establish an indication of the present value of the income stream associated with the property.

For buildings, the calculated periodic cash flow is estimated as gross income less expenses related to the operation and maintenance of the property. A series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the fair value of the building.

For development areas (building sites), the calculated periodic cash flow is estimated - based on a development plan determined by the Group - as gross income less expenses related to the operation and maintenance of the property, less expense related to the realization of the development (infrastructure, landscaping, cost of construction of the building and other expenses), and less expenses related to the development land incurring until the expected realization of the development (property tax and other costs). A series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the fair value of the development land.

Investment property fair value determination principles and methods are disclosed in detail in Note 2.9 (Accounting policies).

Assumptions:

Valuations of December 31, 2014 and December 31, 2013 were performed by the Group.

Key assumptions in the valuations are set out below:

- For the duration of executed and operative contracts rental rates were calculated as provided in the contracts, while after expiration actual (indexed) market rental fees were used.
- Operating expenses related to the property were planned at then current cost levels of the Group (11% of gross income).
- Property maintenance expenses were determined with regards to actual (indexed) market reinstatement rates (2% per year).
- When calculating reinstatement costs actual (indexed) specific market building rates were used.
- In the December 31, 2013 valuation the assumption regarding occupancy rates was that the office park's then current rate of 80% will grow to 90% by 2020, and the rate in the campus will be 100% after completion. During 2014 occupancy of the office park grew from 80% to 94% and the buildings of the campus under development were all completed. In the December 31, 2014 valuation we assumed 100% long-term occupancy rate for the campus in line with the leases concluded. With the office park we will not use the current 94% percent occupancy rate there for long-term estimates, but remain with our practice of assuming 90% occupancy for the offices in the long-term.
- We are anticipating office space development on the development areas, at a pace calculated with regards to developments already completed in Graphisoft Park.
- The valuation of the buildings (office park and campus) of December 31, 2014 was calculated with the assumed capital cost (discount rate) of 7.25%; and 7.75% in the valuation of December 31, 2013. With the valuation of the development areas, higher yearly capital costs (discount rates) of 8.25% and 8.75% were used than for the completed buildings to reflect the risks inherent with incomplete developments.
- When determining future incomes and expenses, the European Central Bank's long term inflation forecasts were used.

Main input data sources for the valuations are summarized in the table below:

(all amounts in thousands EUR unless otherwise stated)

		December 31, 2013	December 31, 2014
BUILDINGS:			
Leasable area	• office area	45,000 m2	45,000 m2
	• educational area	7,000 m2	7,000 m2
	• dormitory	3,000 m2 / 85 persons	3,000 m2 / 85 persons
Rent	• actual	contracted	contracted
	• forecast	actual market rate indexed	actual market rate indexed
Occupancy	• office park actual	80%	94%
	• office park forecast	90%	90%
	• campus actual	100%	100%
	• campus forecast	100%	100%
Rental revenue	• actual	8.1 million EUR (2014)	9,6 million EUR (2015)
	• forecast	9.7 million EUR (from 2020)	9.7 million EUR
	• maximum	10.6 million EUR	10.6 million EUR
Expenses	• operation	11% of rental revenue	11% of rental revenue
	• maintenance	2% of constr. cost yearly	2% of constr. cost yearly
DEVELOPMENT AREAS:			
Development area	land plot	7 hectares	7 hectares
	development potential	70,000 m2	70,000 m2
	development plan	constant, full build up in 20 years (2016-2035)	constant, full build up in 20 years (2016-2035)
Rent	forecast	actual market rate indexed	actual market rate indexed
Occupancy	forecast 1st year	60%	60%
	forecast 2nd year	75%	75%
	forecast from 3rd year	90%	90%
Rental revenue	forecast	13.4 million EUR	13.4 million EUR
	maximum	14.9 million EUR	14.9 million EUR
Expenses	operation	11% of rental revenue	11% of rental revenue
	maintenance	2% of constr. cost yearly	2% of constr. cost yearly
	construction	actual market rate indexed	actual market rate indexed
FINANCIAL:			
Capital cost	buildings	7.75%	7.25%
(discount rate)	development areas	8.75%	8.25%
Inflation rate		2% (from 2014)	0.3% (2015) – 1.8% (from 2018)

(all amounts in thousands EUR unless otherwise stated)

Management judgment on fair value determination is disclosed in Note 3.3 (Critical accounting estimates and judgments).

11.3. Analyses

Fair value changes:

Changes in the fair value of investment property reflect the effects of the main factors below:

	December 31, 2013	December 31, 2014
Fair value in previous valuation	129,922	139,848
Changes in financial conditions*	-	11,158
Changes in income generating potential of the properties**	5,533	5,914
Changes in valuation principles***	4,393	-
Fair value	**139,848**	**156,920**
Cost to completion of buildings under construction	(6,193)	-
Fair value for financial reporting purposes	**133,655**	**156,920**

* Reflects the combined effects of the change in capital cost and inflation.
** Combined effect of changes in leasable area, occupancy, rental fees, construction costs and other factors.
*** Effect of the changes in the valuation principles of the development areas (building sites), see Note 2.9 for details (Accounting policies, Fair value of investment property).

Sensitivity analysis:

Valuation as of December 31, 2014

The fair value of investment property varies by the capital cost (discount rate) and the occupancy rate as follows (with a 100% occupancy rate in the buildings of the campus):

Capital cost / buildings:		**7.00 %**	**7.25 %**	**7.50 %**
Capital cost / development areas:		**8.00 %**	**8.25 %**	**8.50 %**
Occupancy	**95 %**	180,128	169,296	159,472
/ buildings:	**90 %**	167,053	***156,920**	147,734
	85 %	152,746	143,377	134,889

* Value calculated based on assumptions considered realistic by the management at the time of the valuation.

(all amounts in thousands EUR unless otherwise stated)

Valuation as of December 31, 2013

The fair value of investment property varies by the capital cost (discount rate) and the occupancy rate as follows (with a 100% occupancy rate in the buildings of the campus):

Capital cost / buildings:		**7.50 %**	**7.75 %**	**8.00 %**
Capital cost / development areas:		**8.50 %**	**8.75 %**	**9.00 %**
Occupancy	**95 %**	160,184	150,830	142,322
/ buildings:	**90 %**	148,610	***139,848**	131,880
(from 2020)	**85 %**	135,981	127,866	120,490

* Value calculated based on assumptions considered realistic by the management at the time of the valuation.

12. Investments

	December 31, 2013	December 31, 2014
AIT-Budapest Aquincum Institute of Technology Kft.	100	100
Aquincum Technológiai Inkubátor Zrt.	7	-
Investments	**107**	**100**

The Group acquired a 10 % ownership share (100 thousand EUR) in AIT-Budapest Aquincum Institute of Technology Kft. in 2009. In 2013 the Group acquired a 20% ownership (7 thousand EUR) share in Aquincum Technológiai Inkubátor Zrt. and consequently sold the shares at face value in 2014.

13. Deferred taxes

	December 31, 2013	December 31, 2014
Development reserve	(488)	(537)
Depreciation	22	22
Loss carried forward	237	336
Deferred tax liability, net*	**(229)**	**(179)**

* 23 thousand EUR asset and 202 thousand EUR liability in 2014 (26 thousand EUR asset and 255 thousand EUR liability in 2013).

(all amounts in thousands EUR unless otherwise stated)

Deferred taxes were calculated with income tax rate of 10% in 2014 and 2013.

14. Loans

	December 31, 2013	**December 31, 2014**
Short-term	2,836	2,935
Long-term	44,313	41,377
Loans	**47,149**	**44,312**

The total original capital amount of the loans is 58 million EUR. The loan contract expires in 2019. 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. The weighted average interest rate of the loans was 3.10 % as of December 31, 2014 (2013: 3.20%) and as of the date of the approval of these financial statements (2013: 3.12%). Collaterals provided for the bank are: mortgage on real estate, revenue assignment and bank account pledge. The Group had no undrawn borrowing facilities as of the balance sheet date.

Capital repayments of the loans are due:

	December 31, 2013	**December 31, 2014**
Within 1 year	2,836	2,935
1– 5 years	12,220	41,377
Over 5 years	32,093	-
Loans	**47,149**	**44,312**

The fair value of the loans was 44,213 thousand EUR as of December 31, 2014 calculated at a 3.2% effective interest rate for the fixed interest rate period (2013: 47,341 thousand EUR at 3.8% effective interest rate).

(all amounts in thousands EUR unless otherwise stated)

15. Trade payables

	December 31, 2013	December 31, 2014
Trade payables - domestic	680	534
Trade payables	**680**	**534**

The Group settles trade payables within the payment term, and had no overdue payables as of December 31, 2014 and 2013.

16. Other short-term liabilities

	December 31, 2013	December 31, 2014
Amounts due to employees	30	38
Deposits from tenants	688	600
Other payables and accruals	389	723
Other short-term liabilities	**1,107**	**1,361**

17. Revenue

	December 31, 2013	December 31, 2014
Property rental	8,125	8,473
Revenue	**8,125**	**8,473**

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

(all amounts in thousands EUR unless otherwise stated)

Rental contracts are treated as operating lease agreements. Total present values of minimum lease payments that can be required from these operating lease agreements over the lease term are as follows:

	December 31, 2013	December 31, 2014
Within 1 year	8,020	9,403
1– 5 years	17,331	14,680
Over 5 years	2,390	2,423
	27,741	**26,506**

18. Operating expense

	December 31, 2013	December 31, 2014
Property related expense	99	57
Employee related expense	576	579
Other operating expense*	263	295
Depreciation and amortization	3,749	4,079
Operating expense	**4,687**	**5,010**

Other operating expense consists of the following items:

	December 31, 2013	December 31, 2014
Office and telecommunication	14	12
Legal and administration*	120	134
Marketing	53	33
Other	76	116
Other operating expense	**263**	**295**

* “Other income (expense)” includes expenditures relating to the legal proceedings (Note 27).

(all amounts in thousands EUR unless otherwise stated)

19. Other income (expense)

	December 31, 2013	December 31, 2014
Income from recharged construction expenses	171	267
Recharged construction expenses	(149)	(235)
Income from recharged operation expenses	3,024	2,929
Recharged operation expenses	(2,918)	(2,758)
Others*	2,138	-
Other income (expense)	**2,266**	**203**

* "Other income (expense)" includes income and expenditures related to the legal proceedings (Note 27): 2,151 thousand EUR net income in 2013.

20. Interest

	December 31, 2013	December 31, 2014
Interest received	335	57
Interest income	**335**	**57**
Interest paid on loans	(1,547)	(1,429)
Other interest paid	(18)	(8)
Borrowing cost capitalized	88	94
Interest expense	**(1,477)**	**(1,343)**
Net interest expense	**(1,142)**	**(1,286)**

(all amounts in thousands EUR unless otherwise stated)

21. Exchange rate difference

	December 31, 2013	December 31, 2014
Exchange rate gain (loss) realized	(61)	18
Exchange rate gain (loss) not realized	(27)	204
Exchange rate gain (loss)	**(88)**	**222**

22. Income taxes

	December 31, 2013	December 31, 2014
Current income tax	(254)	(249)
Deferred income tax	(256)	50
Income tax expense	**(510)**	**(199)**

Applicable tax rates in 2014 and 2013 are: income tax 10%, local business tax 2%.

(all amounts in thousands EUR unless otherwise stated)

The effective income tax rate varied from the statutory income tax rate due to the following items:

	December 31, 2013	December 31, 2014
Profit before tax	**4,474**	**2,602**
Tax at statutory rate	**447**	**260**
Non-taxable items	(150)	(263)
Translation difference	(5)	(19)
Corporate income tax	**292**	**(22)**
Local business tax	**218**	**221**
Tax expense	**510**	**199**
Effective tax rate	**11.4%**	**7.6%**

The effective tax rate is largely influenced by the local business tax expense, which is calculated on a gross margin basis.

(all amounts in thousands EUR unless otherwise stated)

23. Earnings per share

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

	December 31, 2013	December 31, 2014
Net profit attributable to equity holders of the parent	3,964	2,403
Weighted average number of ordinary shares outstanding	10,151,530	10,097,064
Basic earnings per share (EUR)	**0.39**	**0.24**
Weighted average number of ordinary shares outstanding	10,151,530	10,097,064
Diluted earnings per share (EUR)	**0.39**	**0.24**

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.

24. Treasury shares

Graphisoft Park SE treasury share details are as follows:

	December 31, 2013	December 31, 2014
Number of shares	509,076	549,076
Face value per share (EUR)	0.02	0.02
Total face value (EUR)	10,182	10,982
Treasury shares (at historical cost)	**784**	**962**

The Company acquired 40,000 Graphisoft Park SE shares on May 12, 2014, from Gáthy Tibor, then member of the Board of Directors at a price of 1,360 HUF per share in an over the counter transaction.

(all amounts in thousands EUR unless otherwise stated)

25. Net asset value

Book value and fair value of assets and liabilities as of December 31, 2014:

	Note	Book value December 31, 2014	Fair value December 31, 2014
Investment property	9	63,151	156,920
Other tangible assets	9, 11	276	276
Investments	12	100	100
Non-financial instruments		**63,527**	**157,296**
Loans	14	(44,312)	(44,213)
Trade payables	15	(534)	(534)
Current tax liability, net	7	(84)	(84)
Deferred tax liability, net	13	(179)	(179)
Other-short-term liabilities	16	(1,361)	(1,361)
Cash and cash equivalents	4	4,822	4,822
Trade receivables	5	275	275
Other current assets	8	154	154
Financial instruments		**(41,219)**	**(41,120)**
Net asset value		**22,308**	**116,176**

(all amounts in thousands EUR unless otherwise stated)

Book value and fair value of assets and liabilities as of December 31, 2013:

	Note	Book value December 31, 2013	Fair value December 31, 2013
Investment property	9	61,171	133,655
Other tangible assets	9, 11	200	200
Investments	12	107	107
Inventory	6	6	6
Non-financial instruments		**61,484**	**133,968**
Loans	14	(47,149)	(47,341)
Trade payables	15	(680)	(680)
Current tax liability, net	7	(91)	(91)
Deferred tax liability, net	13	(229)	(229)
Other-short-term liabilities	16	(1,107)	(1,107)
Cash and cash equivalents	4	10,160	10,160
Trade receivables	5	453	453
Other current assets	8	209	209
Financial instruments		**(38,434)**	**(38,626)**
Net asset value		**23,050**	**95,342**

(all amounts in thousands EUR unless otherwise stated)

26. Related party disclosure

Transactions with related parties:

Graphisoft Park SE did not hold interests in entities other than its - consolidated - subsidiaries (100%), AIT-Budapest Kft. (10%) and Aquincum Technológiai Inkubátor Zrt (20%).

AIT-Budapest Kft., Graphisoft SE and vintoCON Kft. are deemed related parties of the Group in 2014 and 2013, in view of the following facts:

- Chairman (Bojár Gábor) of the Board of Directors of Graphisoft Park SE is Managing Director at AIT-Budapest Kft.,
- Chairman (Bojár Gábor) and former member (Hornung Péter, until July 21, 2014) of the Board of Directors of Graphisoft Park SE are members of the Board of Directors of Graphisoft SE,
- Member (Szigeti András) and former member (Gáthy Tibor, until July 21, 2014) of the Board of Directors of Graphisoft Park SE are members of the executive management of vintoCON Kft.

Total amount of transactions that have been entered into with these parties and year-end balances are as follows:

Item	December 31, 2013	December 31, 2014
Sales to related parties	1,608	1,611
Purchases from related parties	23	4
Amounts owed by related parties	11	6
Amount owed to related parties	20	27

Transactions with the related parties were as follows in 2014 and 2013:

- AIT-Budapest Kft., Graphisoft SE and vintoCON Kft. leased a total office space of 5,700 m2 in Graphisoft Park in 2014 and 2013,
- Graphisoft Park SE provided financial and administration services for AIT-Budapest Kft. in 2014 and 2013,
- AIT-Budapest Kft. provided marketing services for Graphisoft Park SE in 2013,
- vintoCON Kft. provided software administration services for Graphisoft Park Services Kft. in 2014 and 2013,
- Graphisoft SE provided software administration services for Graphisoft Park Kft. in 2014.

Transactions (sales to and purchases from) with the related parties are made at market prices. Office lease rent and service charges are similar to other tenants of the Group. No guarantees were provided or received for any related party receivables or payables. In 2014 and 2013, the Group has not recorded any impairment loss relating to amounts owed by related parties.

The Group signed a cooperation agreement with AIT-Budapest Kft. as disclosed in Note 27.

(all amounts in thousands EUR unless otherwise stated)

Remuneration of the board of directors, compensation of key management personnel*:

	December 31, 2013	December 31, 2014
Remuneration of the Board of Directors	50	53
Compensation of key management personnel	223	184
Total	**273**	**237**

* Key management personnel: the Chief Executive Officer and the Chief Financial Officer of Graphisoft Park SE, and the Managing Director of Graphisoft Park Services Kft.

No loans or advance payments were granted to the members of the Board of Directors or the Key Management Personnel, and the Group did not undertake guarantees in their names.

Interests of the board of directors and the key management personnel in Graphisoft Park SE:

	December 31, 2013		December 31, 2014	
Shareholder	**Shares (pcs)**	**Share (%)**	**Shares (pcs)**	**Share (%)**
ORDINARY SHARES:	**3,506,493**	**32.98**	**3,511,538**	**28.09**
Bojár Gábor - Chairman of the BoD	3,185,125	29.96	3,185,125	25.47
Dr. Kálmán János - Member of the BoD	13,500	0.13	13,500	0.11
Szigeti András - Member of the BoD	121,555	1.14	126,000	1.01
Kocsány János - Member of the BoD, CEO	180,913	1.70	180,913	1.45
Hajba Róbert - CFO	5,400	0.05	6,000	0.05
EMPLOYEE SHARES:	**-**	**-**	**1,876,167**	**15.00**
Kocsány János - Member of the BoD, CEO	-	-	1,250,778	10.00
Hajba Róbert - CFO	-	-	625,389	5.00
SHARES TOTAL:	**3,506,493**	**32.98**	**5,387,705**	**43.09**

The Company acquired 40,000 (in 2014) and 30,000 (in 2013) Graphisoft Park SE shares from Gáthy Tibor, then member of the Board of Directors at actual market prices in off-exchange (OTC) transactions.

Information on shareholders and governance of the Company are provided in Notes 1.3 and 1.4.

27. Commitments, contingencies

Termination of leasehold, legal proceedings

Graphisoft Park's tenant AMRI Hungary Zrt. went under voluntary winding up on July 23, 2012, which led to the termination of the lease on August 31, 2012 in accordance with its terms. After this both parties initiated legal proceedings at different forums in Hungary and in the United States. The parties reached an out-of-court settlement agreement terminating all ongoing procedures on August 27, 2013. "Other income (expense)" includes income and expenditures relating to the legal procedures (Note 19).

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 Group 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.

28. Financial risk management

Changes in market conditions may affect results, assets and liabilities of the Group. Financial risk management aims to limit these risks through ongoing operational and finance activities.

Market risk:

Office rental price risk:

The Group has been pursuing consistent and calculable rental pricing policies for years. Current rental prices and conditions are confirmed by the market (tenants) to be in line with the unique environment and top quality of the property. Considering the current global economic climate and oversupply of Budapest office market, however, there is no assurance that current rental prices and conditions can be maintained in the future.

Currency risk:

The Group does not run currency risk on the fulfillment of the debt service, since the great majority of rental revenues are denominated in EUR and cover debt service. The Group is exposed to foreign currency risk to a certain extent as the major part of its operating and development expenditures are incurred in HUF.

Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates (7.6 million EUR as of December 31, 2014, 6.7 million EUR as of December 31, 2013).

(all amounts in thousands EUR unless otherwise stated)

To manage interest rate risk, the major part of the bank loans of the Group are subject to fixed interest rates (3-5 years fixed period from start of term). Conditions and balances of bank loans are disclosed in Note 14.

Credit risk:

Credit risk is the risk that counterparty does not meet its payment obligations. The Group is exposed to credit risk from its leasing activities and from its financing activities, including deposits with banks and financial investments.

Tenant receivables:

Credit risk is managed by requiring tenants to pay deposits or give bank guarantees in advance, depending on the credit quality of the tenant assessed at the time of entering into a lease agreement. Tenant receivables are regularly monitored.

Credit risk related to tenant receivables is limited due to the composition of the tenant portfolio.

Revenue from 3 tenants (SAP Hungary Kft., Microsoft Magyarország Kft. and Graphisoft SE) exceeded 10% of the total revenue of the Group in 2014 and 2013 (separately). Revenue from these 3 tenants represents 45.4% of the total revenue in 2014, and 43.4% in 2013.

Cash deposit and financial investments:

Credit risk from balances with banks and financial investments is managed in accordance with the Group's conservative investment policy. To limit credit risk, reserves are held in cash or low-risk securities (e.g. bonds), with substantial financial institutions.

Liquidity risk:

The Group's revenues are sufficient to cover debt service and operating costs, and therefore liquidity problems are to be expected. Property development projects are planned together with their financing needs, and funds required to complete the projects are secured in advance.

The Group settles its payment obligations within the payment term, and had no overdue payables as of December 31, 2014 and 2013.

The two tables below summarize the maturity profile of financial liabilities based on contractual undiscounted payments as of December 31, 2014 and 2013.

December 31, 2014	**Overdue**	**Due within 1 year**	**Due between 1-5 years**	**Due over 5 years**	**Total**
Loans*	-	4.185	45.050	-	**49.235**
Trade payables	-	534	-	-	**534**
Current tax liability	-	191	-	-	**191**
Other liabilities	-	1.361	-		**1.361**
Financial liabilities	**-**	**6.271**	**45.050**	**-**	**51.321**

(all amounts in thousands EUR unless otherwise stated)

December 31, 2013	Overdue	Due within 1 year	Due between 1-5 years	Due over 5 years	Total
Loans*	-	4.161	16.748	32.746	**53.385**
Trade payables	-	680	-	-	**680**
Current tax liability	-	178	-	-	**178**
Other liabilities	-	1.107	-	-	**1.107**
Financial liabilities	**-**	**6.126**	**16.748**	**32.746**	**55.350**

* Capital plus interest calculated for the fixed interest period of the loan.

29. Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The management proposes to the owners to approve dividend payments or adopt other changes in the equity capital in order to optimize the capital structure of the Group. This can be achieved primarily by adjusting the amount of dividends paid to shareholders, or alternatively, by returning capital to shareholders by capital reductions, selling or buying own shares.

Consistent with others in the industry, the management monitors capital structure based on the debt service cover ratio (DSCR) and the loan-to-value ratio (LTV). DSCR is calculated as cash available for debt service (rental revenues less operating and other costs) divided by debt service (capital plus interest), while LTV is calculated as the ratio between the sum of the outstanding balances of the loan and the market value of the property. The objective of the Group is to keep DSCR above 1.25 and LTV below 0.60 (in line with the requirements of the existing loan agreement).

30. Approval of financial statements

Following the recommendation of the Board of Directors, the Annual General Meeting on April 23, 2014 approved the 2013 consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS) showing a balance sheet total of 72,419 thousand EUR and a profit for the year of 3,964 thousand EUR. Together with the approval of the consolidated financial statements for issue, the Annual General Meeting approved dividend distribution of 90 HUF per share, 911,034 thousand HUF in total (2,965 thousand EUR on the exchange rate of April 23, 2014). The starting date for dividend payments was May 29, 2014. The Company paid out the dividends to the shareholders identified by shareholder's registration.

The consolidated financial statements of the Company for the year 2014 prepared in accordance with International Financial Reporting Standards (IFRS) are authorized for issue in accordance with the resolution of the Board of Directors on March 19, 2015. Together with the approval of the consolidated financial statements for issue, the Board proposes dividend distribution of 60 HUF per ordinary share, 642.479 thousand HUF in total (2.040 thousand EUR as of December 31, 2014) to be approved by the Annual General Meeting of Graphisoft Park SE of April 23, 2015. The Annual General Meeting has the power to amend the consolidated financial statements.

31. Declarations

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

Statement of responsibility *- We declare that the Consolidated Financial Statements which have 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.*