

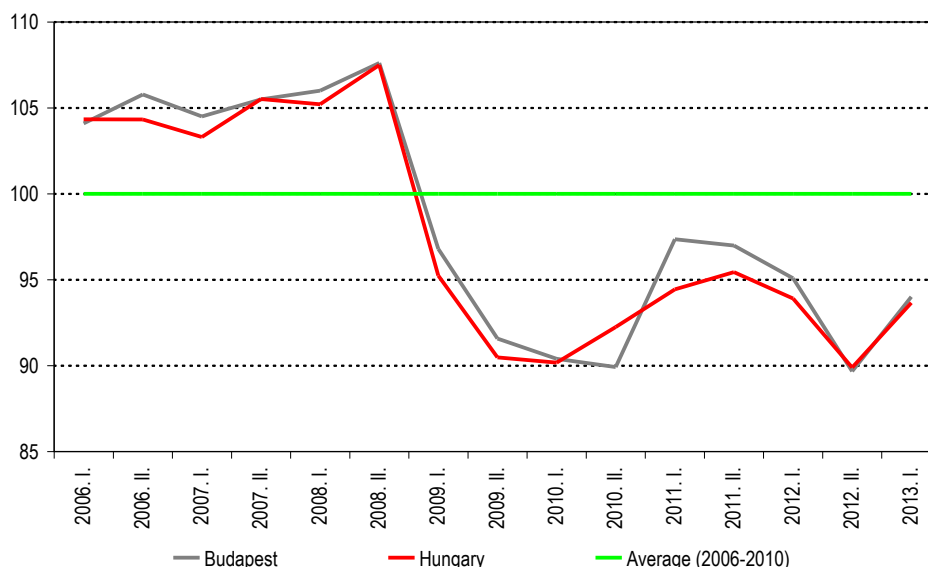


DESPITE OF POSITIVE CORRECTION MARKET EXPECTATIONS REMAINED GLOOMY

(Current situation and outlook of the Hungarian real estate market, April of 2013)

GKI Economic Research Co. conducts real estate surveys twice a year in order to assess plans, intentions and prospects of market players (realtors, developers, operators, households and companies) for the next one year. The real estate market indexes of GKI (referring to the capital and Hungary) synthesize the expected outlooks for the individual market segments (including the residential, office space, retail space and warehouse markets), and provides **an overall view of the entire real estate sector**. In particular, the indexes reflect the relationship between supply and demand as well as the future plans and expectations of market actors.

Real estate market indexes of GKI*, 2006-2013



**/Value 100 represents the long term average of two indexes.*

In April of 2013 both indexes showed significant increase compared to the previous survey (in October of 2012). Both of them returned to their values one year ago. The players of real estate market are not so depressed than they were six months ago but they do not see the light at the end of the tunnel. Market expectations have been improved slightly on residential market and significantly on retail and office space markets but deteriorated on warehouse market.

Office space market

The most popular behaviour on office space market is sitting on the fence. There is no any sign about increase of market demand, so developments have not been implemented. The occupancy rates in Budapest have been slightly improved but they are still high. The occupancy rate is 70% in Eastern-Hungary (it was 67% in October of

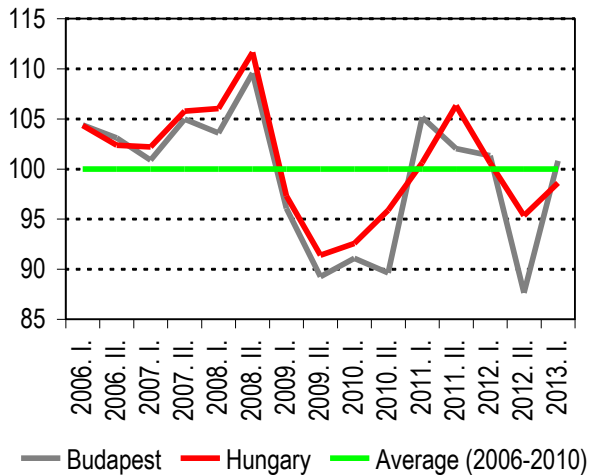
2012) and 62% in Western-Hungary (it was 66% in October of 2012). The national average mildly increased.

Occupancy rates on the Budapest office space market

	Type A (%)	Type B (%)
Pest	75 (74.5)	79 (78)
Buda	70.5 (71)	72.5 (72.5)

The results of the previous, October 2012 survey are shown in parentheses.

Office space market indexes, 2006-2013



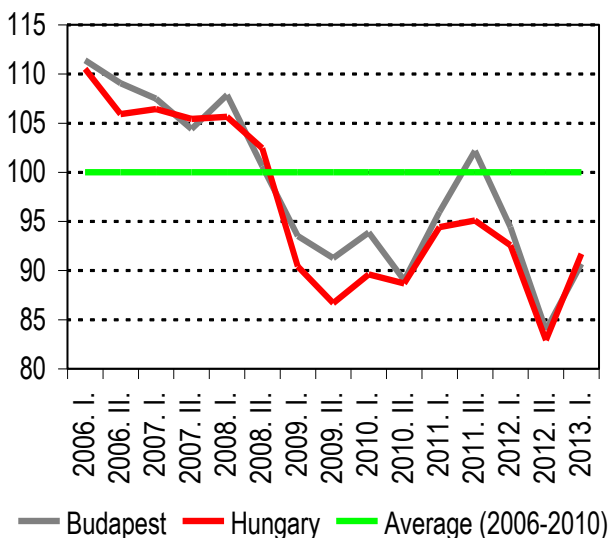
Office space market indexes (which reflect expectation of real estate developers, realtors and companies) plummeted six months ago. According to results of current survey they increased. The market index referring to Budapest reached the line of long-term average.

The background of these processes is not clear. Maybe the one thing is sure: the uncertainty.

Retail space market

The volume of Hungarian retail trade sector has been increased almost continuously since 2007.

Retail space market indexes, 2006-2013

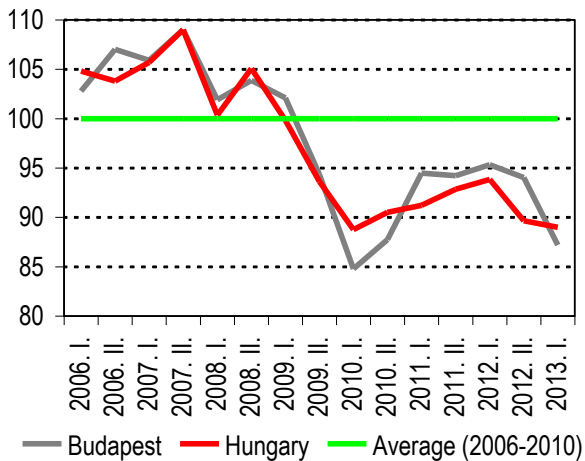


Outlooks are not favourable: consumption of the Hungarian households will probably stagnate in 2013. Low demand and strong government influence – these are the main problems in this sector. The competitors are searching for their place on the market. The retail property market - due to the strong retail competition - has stabilized at a high level of turnover rate.

Retail space market indexes (which reflect expectation of real estate developers, realtors and companies) reached a local maximum point one and a half year ago. These indexes decreased at both of surveys in 2012. In April of 2013 they increased. The values of them are practically the same as they were one year ago.

Market of warehouses

Warehouse market indexes, 2006-2013



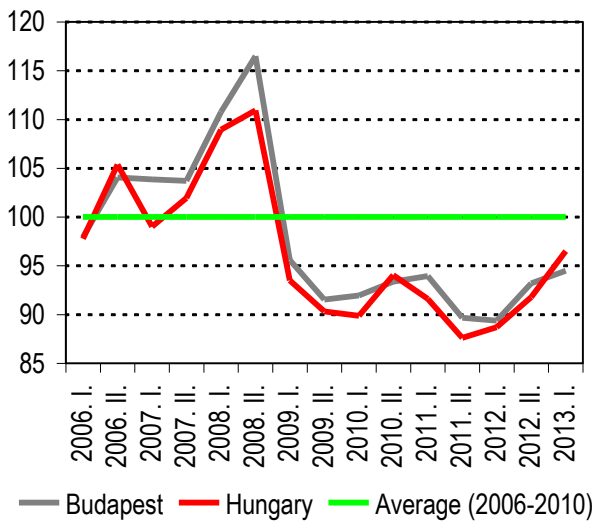
In Hungary the developments of warehouses have been practically stopped. The expected economic growth is very slight so the demand on this market segment will probably stagnate.

Warehouse market indexes (which reflect expectation of real estate developers, realtors and companies) decreased slightly in the rural areas, but significantly in Budapest.

Residential market

In April of 2013 assessment of residential market is practically unchanged compared to the previous survey in country total and in Budapest as well. Positive assessments arrived from the western part of Hungary.

Residential market indexes, 2006-2013



Residential market indexes (which reflect expectation of real estate developers, realtors and households) increased slightly in Budapest and in the rural areas as well.

Between 2009 and 2013 these indexes waved but the main market tendency is stagnation.

For the next 12 months, responding developers and realtors expect an improving market in Western-Hungary. In Eastern-Hungary and in Budapest an unchanged situation can be forecast.

Expectations of housing market segments for the forthcoming 12-month period*

	October of 2012	April of 2013	Probable change
Budapest			
Non-prefab condominium homes			
Buda, green belt	-38	-32	↗
Buda, other areas	-31	-32	→
Downtown Pest	-44	-35	↗
Pest, green belt	-40	-37	→
Pest, other areas	-48	-37	↗
Prefab housing estates			
Northern Pest	-44	-42	→
Southern Pest	-44	-42	→
Buda	-41	-40	→
Single family homes			
Pest	-41	-39	→
Buda	-39	-39	→
Eastern Hungary			
Non-prefab condominium homes	-53	-50	→
Prefab housing estates	-56	-46	↗
Single family homes	-50	-58	↘
Western Hungary			
Non-prefab condominium homes	-39	-24	↗
Prefab housing estates	-46	-34	↗
Single family homes	-54	-36	↗↗

* / balance indicators: weighted difference between the indices indicating the rates of oversupply and excess demand, with 0 reflecting balanced market conditions, negative values indicating oversupply and positive values signalling excess demand.

According to the October of 2012 survey data, household expectations for home building and purchase slightly improved. But they are in a very low level.

Households' plans to build, purchase or remodel homes

(4-quarter moving averages, thousand households)

	Home construction or purchase		Home remodelling	
	Certain	Likely	Certain	Likely
2008. 01.	27	96	71	296
2008. 02.	26	78	59	247
2008. 03.	30	83	51	233
2008. 04.	26	74	45	207
2009. 01.	27	60	37	164
2009. 02.	25	46	32	153
2009. 03.	22	32	37	144
2009. 04.	22	32	33	147
2010. 01.	17	34	32	139
2010. 02.	11	47	30	131
2010. 03.	5	54	23	123
2010. 04.	3	53	25	116
2011. 01.	4	56	30	114
2011. 02.	8	49	27	107
2011. 03.	7	38	23	97
2011. 04.	8	38	21	84
2012. 01.	7	35	16	81
2012. 02.	4	31	12	77
2012. 03.	10	38	19	99
2012. 04.	10	38	19	99
2013. 01.	9	37	19	104
2013. 02.	11	37	21	106

Source: GKI household survey

Prices, rents

Expectations regarding prices of real estate in the next 12 months

(Percentage changes compared with current prices)

	Budapest	Western-Hungary	Eastern-Hungary	Hungary average
Existing residential unit	-1.4 (-2)	-1.8 (-2.5)	-2 (-3.3)	-1.7 (-2.6)
Newly built residential unit	-0.5 (-0.5)	0 (0.5)	-2.5 (-0.5)	-1 (0)
Office space	-3.2 (-3.5)	-2.5 (-6)	-1 (0)	-2.3 (-3.2)
Retail space	-3 (-1.5)	0 (-6.5)	-1 (-2.5)	-1.5 (-3.5)
Warehouse	-3.5 (-3)	-1.5 (-2)	-1 (-2.5)	-2 (-2.5)
Construction lots	-1 (-5)	-1 (-2)	-3 (-2)	-1.7 (-3)

The results of the previous, October 2012 survey are shown in parentheses.

Expectations regarding rents the next 12 months

(Percentage changes compared with current prices)

	Budapest	Western-Hungary	Eastern-Hungary	Hungary average
Office space	-3.5 (-3)	-1.5 (-2.5)	0 (0)	-1.8 (-2)
Retail space	-3 (-2.5)	-3 (-3)	-2 (-2)	-2.8 (-2.5)
Warehouse	-3 (-2)	-2 (-1)	-1 (-1)	-2 (-1.4)

The results of the previous, October 2012 survey are shown in parentheses.