

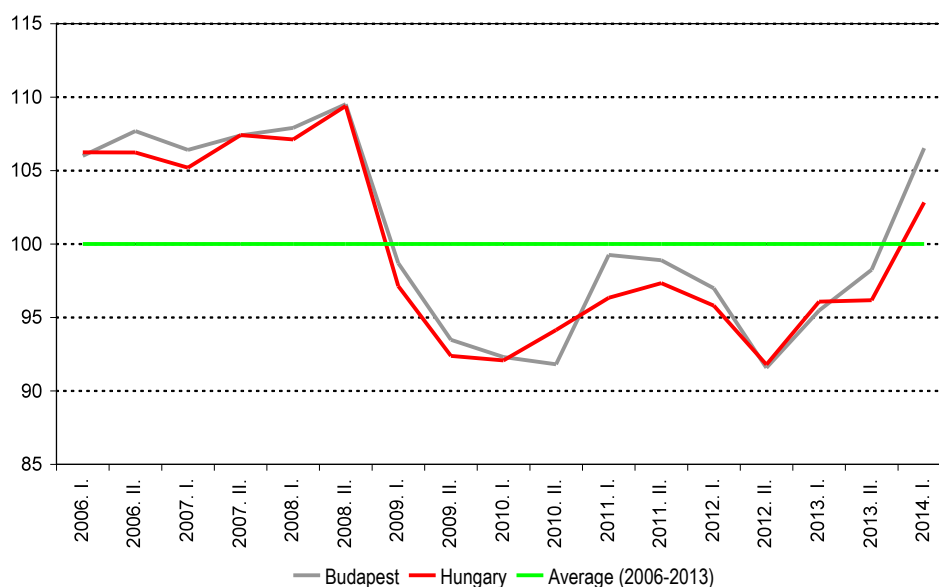


SIGNIFICANTLY IMPROVING OUTLOOKS ON THE REAL ESTATE MARKET

(RESULTS OF THE SURVEY ABOUT THE HUNGARIAN REAL ESTATE MARKET CONDUCTED IN APRIL OF 2014)

GKI 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*, 2006-2014



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

In April of 2014 real estate market indexes referring to Budapest and to Hungary show significant increase compared to the previous survey (in October of 2013). Among the actors of real estate market a serious optimism was developed referring to the capital city and the whole country as well. It is very similar to the results of business and consumer surveys. The fundamental basics of this exuberant optimism are not clear, the available statistical information does not indicate any significant pick-up in the case of the utilization rates or the home-sale transactions. The process of economic growth, the slightly increasing demand for home loans and the extension of Funding for Growth Scheme of the National Bank to real estate sector are promising signs and they have been waited by real estate developers and realtors for a long time. According to the results of this survey the importance of positive signs can be slightly overrated by the actors of the Hungarian real estate market.

OFFICE SPACE MARKET

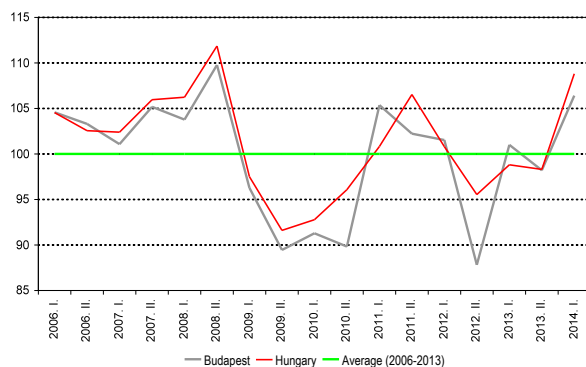
In the first quarter of 2014 the tendency of decreasing occupancy rates continued. On the capital market – expect for Pest type ‘A’ – the utilization rates decreased in every segments. Utilization of the locations on Pest side is still significantly higher than ones on Buda side. On the rural areas negative shifts can be registered. In Eastern-Hungary occupancy rate of 67% (a half year ago) decreased to 65%. In Western-Hungary the same rate decreased from 68% to 65%.

Occupancy rates on the Budapest office space market

	Type A (%)	Type B (%)
Pest	72.8 (73)	72 (76)
Buda	67.3 (68.5)	70.2 (71)

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

Office space market indexes, 2006-2014

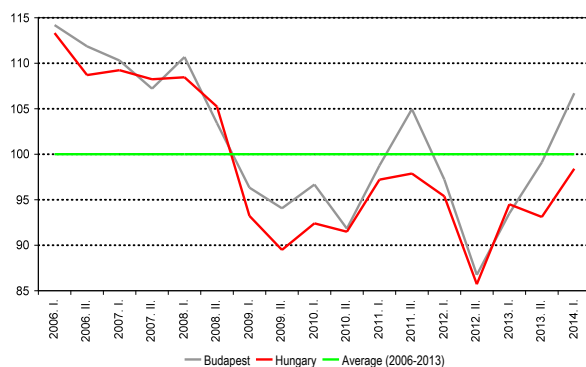


Office space market indexes (which reflect expectations of real estate developers, realtors and companies) increased by 8 points in Budapest and by 10 points in Hungary. The values of these indexes are slightly higher than they were in 2011 (when local maximums were reached). Although the expectations of real estate developers and realtors became more positive, the notably improving outlooks of the companies set up the significant increase of the composite indexes.

RETAIL SPACE MARKET

Investors who are active on the Hungarian retail trade sector prefer to purchase of an existing property rather than to build new facilities. Last year, the market was relatively strong, but the main stories were rather sad. (The shopping centre Koki declared bankruptcy, the DIY chain Praktiker is very close to a bankruptcy situation.) Good news for the market that retail sale increased slightly in 2013 and the growth can continue this year.

Retail space market indexes, 2006-2014

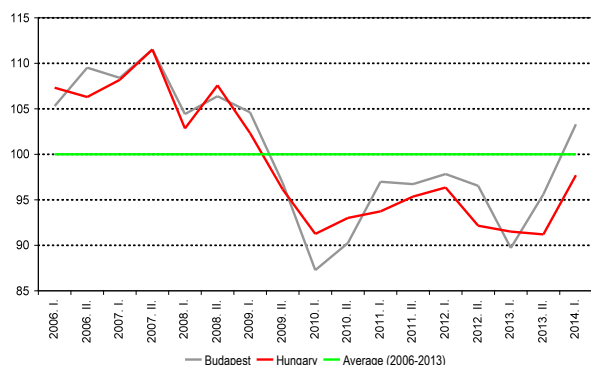


Retail space market indexes (which reflect expectations of real estate developers, realtors and companies) for Budapest and for Hungary show significant improvement compared to the previous survey.

The index referring to Budapest shows more optimistic outlooks than they were in the first half year of 2011.

MARKET OF WAREHOUSES

Warehouse market indexes, 2006-2014



In 2014 production of industry and the performance of transport sector will probably grow, so demand on the warehouse market can increase.

Warehouse market indexes (which reflect expectations of real estate developers, realtors and companies) increased significantly in the rural areas and in Budapest as well. These expectations are similar to the outlooks before the financial and economic crisis.

RESIDENTIAL MARKET

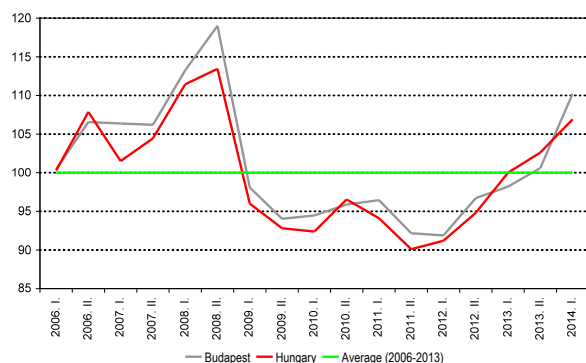
In April of 2014 assessment of residential market improves in every segments of the market.

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

	October of 2013	April of 2014	Probable change
Budapest			
Non-prefab condominium homes			
Buda, green belt	-26	-20	↗
Buda, other areas	-35	-20	↗
Downtown Pest	-33	-20	↗
Pest, green belt	-30	-16	↗
Pest, other areas	-28	-16	↗
Prefab housing estates			
Northern Pest	-44	-23	↗
Southern Pest	-48	-25	↗
Buda	-42	-20	↗
Single family homes			
Pest	-41	-21	↗
Buda	-39	-15	↗↗
Eastern Hungary			
Non-prefab condominium homes	-50	-31	↗
Prefab housing estates	-58	-35	↗
Single family homes	-46	-27	↗
Western Hungary			
Non-prefab condominium homes	-19	-20	→
Prefab housing estates	-23	-26	→
Single family homes	-28	-26	→

* / 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.

Residential market indexes, 2006-2014



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

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

According to the results of consumer surveys in the first half of 2014 household expectations for home building and purchase slightly improved compared to the second half of 2013.

Households' plans to build, purchase or remodel homes, 2008-2014

(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
2013. 03.	20	43	28	112
2013. 04.	21	40	26	104
2014. 01.	23	47	27	111
2014. 02.	20	49	26	123

Source: GKI household surveys

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	0.5 (-0.6)	0.7 (-1.3)	-1.3 (-2)	0 (-0.6)
Newly built residential unit	0.3 (-0.5)	1.7 (0)	-2 (-1)	0 (-0.5)
Office space	-1 (-5)	-2 (-1)	-1.5 (-1)	-1.5 (-2.3)
Retail space	-0.7 (0)	-2 (-2.5)	1 (-1.7)	-0.7 (-1.8)
Warehouse	1 (-2)	-1 (-2.5)	2 (-1.8)	0.7 (-2)
Construction lots	0 (-3)	-2 (-4)	-5 (0)	-2.3 (-2.3)

The results of the previous, October 2013 survey are shown in parentheses.

Expectations regarding rents in the next 12 months

(Percentage changes compared with current prices)

	Budapest	Western-Hungary	Eastern-Hungary	Hungary average
Office space	0 (-2.5)	0 (0)	0 (-1)	0 (-1.2)
Retail space	-0.7 (-5)	-1 (-2)	-1 (-1)	-0.8 (-2.7)
Warehouse	0 (-1.5)	-1.7 (-2.5)	1.5 (-1)	0 (-1.7)

The results of the previous, October 2013 survey are shown in parentheses.