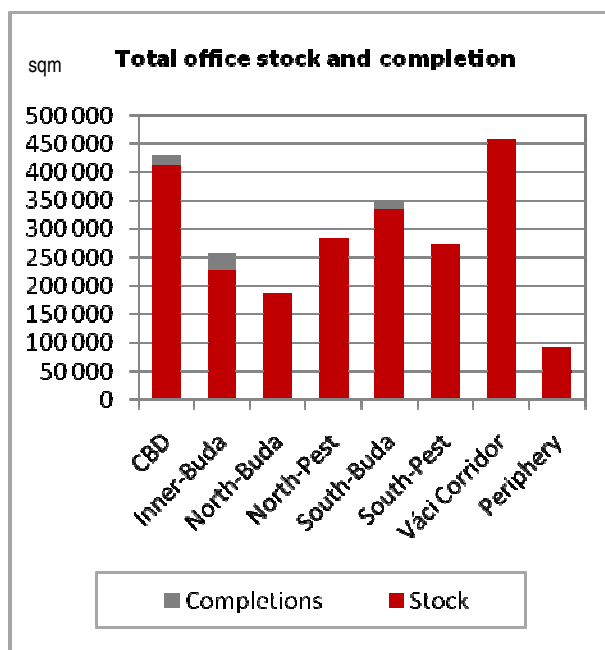


Quarterly office market report

2010 Q1

RERA (Real Estate Research Association) published its quarterly Budapest office market report related to the first quarter of 2010.



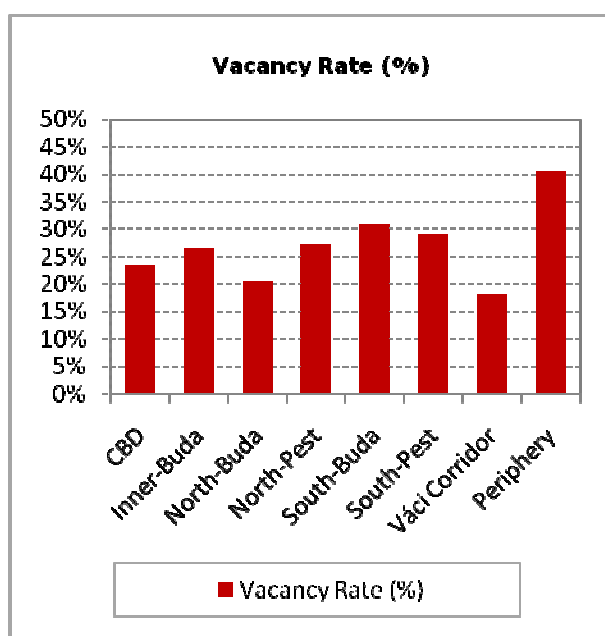
Professional commercial property market alliance RERA (established in January by three property advisors: Colliers International, EHL Hungary and Eston International) completed its 2010 Q1 Budapest office market report.

Office market volume

Base sample examined by RERA comprises a total of 2.3 M square meter of modern office volume, which does not incorporate buildings exclusively occupied by their owners and those premises that have been developed or technically adapted specially for their present tenants.

New deliveries

The growth of Budapest office market accelerated between 2006 and 2009 due to a significant volume of new office space delivered to the market. In 2005, new handover volume was only 71,000 sqm which increased to a total of 182,000 sqm by the next year and rose further to 300,000 square meters by 2009. As a consequence of economic turbulences this growth started to drop back in 2009, which resulted in a narrow 50,500 sqm of new modern office space delivery for Q1 2010, even which was fully projected for 2009. Some two-third of this volume (33,011 sqm) was handed over in Inner-Buda significantly exceeding the submarket's performance in the previous 3 years.



Vacancy

Vacancy rate on the ever popular Váci út office corridor remained below 20% (18.2%), while CBD vacancy rate jumped up to 23.5%, thanks to new office buildings handed over in this location.

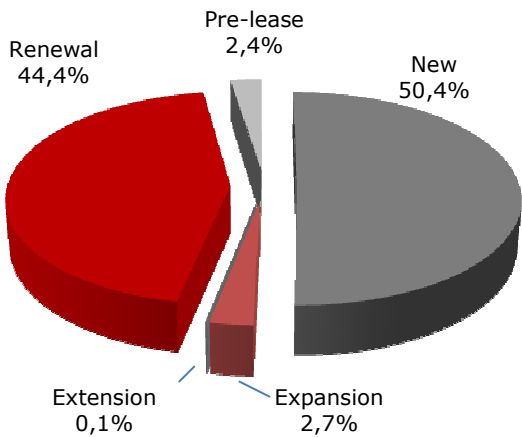
As expected, the so called periphery submarket sees the highest vacancy rate: 40.5 %

RERA average office market vacancy rate shows 24.9%, an increased figure in comparison to the previous quarter.

Quarterly office market report

2010 Q1

Breakdown of lease contracts



Occupier/Letting activity

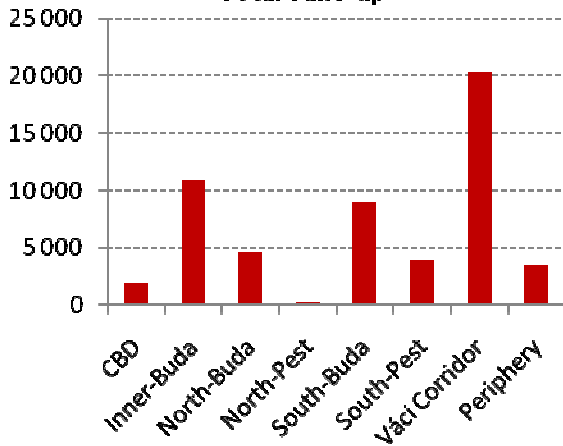
Based on RERA figures, the volume of published open market deals exceeded 54,000 sqm. The submarket of Váci út corridor was the most active, where more than third of the total quarterly take-up (37.6%) was realized. The second was the submarket of Inner-Buda (20%), followed by South-Buda (16.5%), while other submarkets gained only single-digit shares out of the total take-up.

Weak demand is well attributable to the fact that new office leases were consecutively below 2,000 sqm in the 1st quarter.

As expected, lease renewals were signed for considerably large spaces around 5,000 sqm, such as Ernst&Young's lease renewal in WestEnd Business Center.

These facts clearly show that tenants with larger office space requirements rather chose renegotiation in the first quarter of 2010 as well. During data collection several office buildings reported that they rather accepted to reduce leased area sizes prior to the expiry date.

Total Take-up



RERA, apart from the current statistics, aims to pay particular attention to the categorization of each office building by quality and location aspects in the next, Q2 report, which is likely to show a more complete market overview from an entirely new point of view.

In addition, RERA will assign a leading part to 'net absorption' in the next quarter, which would show the decrease or increase of leased stock in total, quarter on quarter.

Quarterly office market report

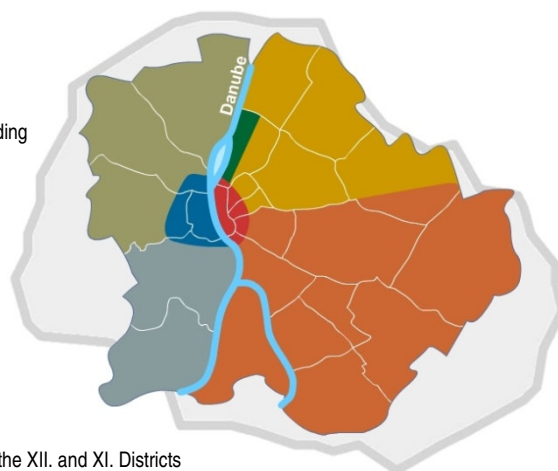
2010 Q1

Offices delivered in Q1 2010

Building name	Sub-market	Total office size (sqm)
Eiffel Square	CBD	17 492
Krisztina Palace	Inner-Buda	17 440
REsidence I	Inner-Buda	11 021
REsidence II	Inner-Buda	4 550

RERA Budapest sub-markets

CBD	The area bordered by the Danube and the Grand Boulevard (between Margit & Petőfi bridges including both sides of the Grand Boulevard)
North-Pest	North to the line of Rákóczi Road up to the Eastern Railway Station, Kerepesi Road defined by the city border, the Danube, the Váci Corridor and CBD area)
Váci Corridor	Area bordered by the Danube, Szent István Boulevard & Váci Road (including 1 parallel street on the eastern side) up to Újpest Városkapu
South-Pest	South to the line of Rákóczi Road up to the Eastern Railway Station & Kerepesi Road, bordered by the city border, the Danube and CBD area
Inner-Buda	The area bordered by Margit Boulevard, Moszkva Square, Bőszörményi Road, Jagelló Road, BAH junction and Hegyalja Road and the Danube
South-Buda	South from Inner-Buda area, bordered by the XII. and XI. Districts, the city border and the Danube
North-Buda	North from Inner-Buda area, bordered by the Danube, the city border and the XII. and XI. Districts
Periphery	Inside the M0 ring excluding all the above described areas



For further information please contact RERA analysts:

Éva Péter: (+36 1) 877 1031, eva.peter@eston.hu

Nóra Teleki: (+36 1) 336 4207, nora.teleki@colliers.hu

Kata Szabó: (+36 1) 451 80 40, k.szabo@ehl-hu.com