



DUNA HOUSE[®]
GROUP

2016. Q4 Quarterly report

February 24, 2017



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EXECUTIVE SUMMARY 1.-12. 2016 months

- Based on the number of agencies, we have become the top player in the region of the V4 countries
- The competition supervision procedure of GVH (Hungarian Competition Authority) was closed on January 10, 2017 by way of mutual agreement
- Record-volume network commission revenues, intermediated loan and home savings volumes on annual basis
- Efficient adaptation to the changed regulatory environment on the mortgage based loan intermediary market
- Record-volume total assets (HUF 6.014 Million), sales revenues (HUF 4.784 Million) and after tax profit (HUF 1.168 Million)
- Earnings before taxes have been affected by significant one-off items, including:
 - „+” MyCity business share revaluation: HUF 505 Million
 - „-” costs related to IPO, GVH competition supervision procedure, acquisition costs of Metrohouse holding, etc.: HUF189 Million (for details see: page 34.-35.)
- Dividend forecast per common shares: HUF 130/share (in total: HUF 447.031 Million), taking into account new common shares to be issued in line with the resolution of the General Meeting on January 5, 2017 on increase of share capital

EXECUTIVE SUMMARY 10.-12. 2016 months

- The 32% growth, in comparison with Q4 of the previous year, resulted in HUF 1.070 Million sales revenue, and is the result of the acquisition of the Polish Metrohouse holding.
- The financial product intermediary services of the Polish network and the performance of the Hungarian own office segment didn't fully meet management expectations.
- The 62% lower EBIT (HUF 152.622 thousand) in comparison with Q4 of the previous year, results mainly from the following:
 - One-off expenses: HUF 85 Million (for details see: page 34.-35.)
 - Financial intermediary services segment, despite the significant growth in the volume of intermediated home savings and loans, presented a HUF110 Million lower EBIT– mainly due to the commission cap introduced during the year.
 - Focus turn towards property development activity under MyCity brand, and the related cutback in the property portfolio resulted in 37% decrease in EBIT (HUF 57.4 Million) from the property investment segment.
- The HUF 39 Million revaluation difference achieved on the My City investment resulted in significant positive effect in earnings before taxes.



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Franchise segment



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DUNA HOUSE HOLDING FRANCHISE BRANDS



DUNA HOUSE[®]



SMART[™]
INGATLAN



metrohouse



HUNGARY, CZECH REPUBLIC

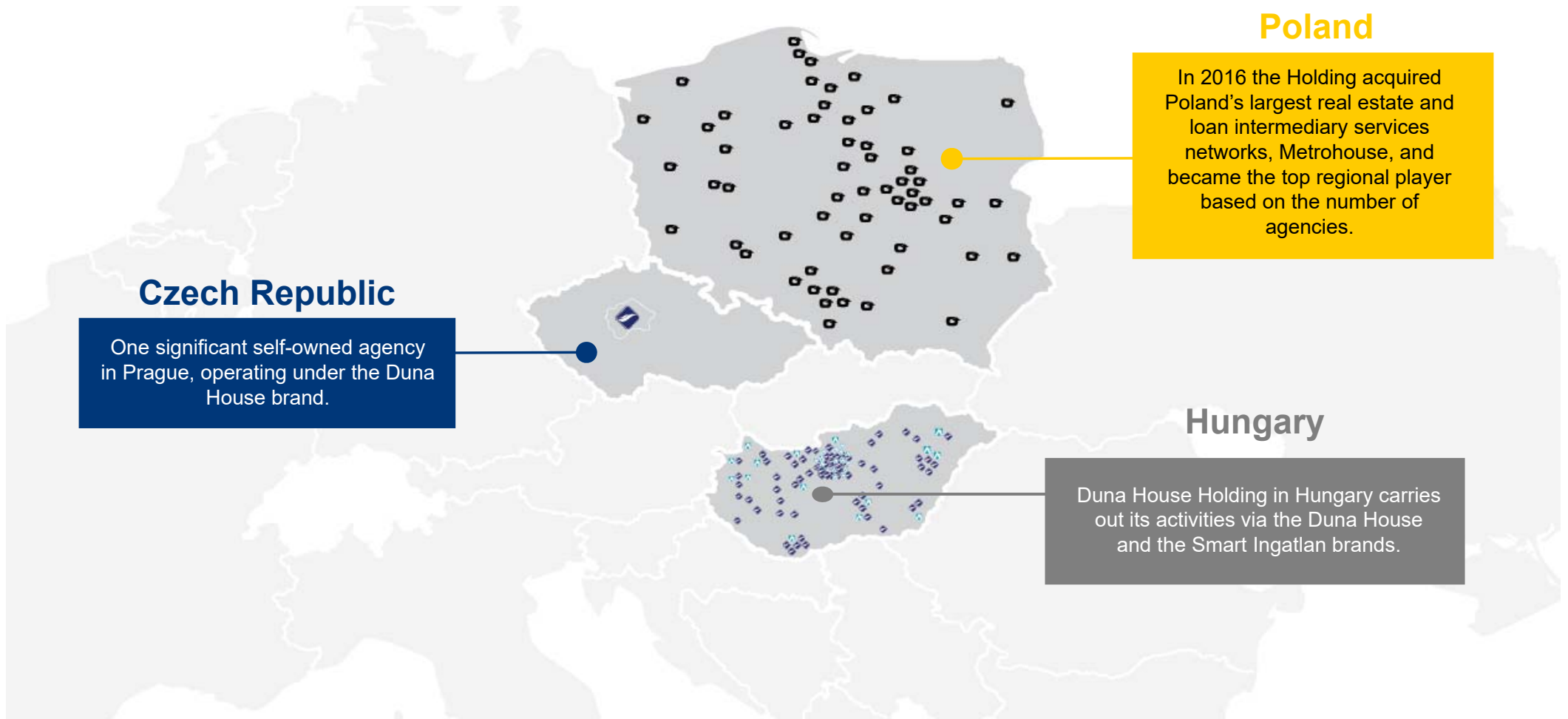


HUNGARY



POLAND

REGIONAL PRESENCE



Poland

In 2016 the Holding acquired Poland's largest real estate and loan intermediary services networks, Metrohouse, and became the top regional player based on the number of agencies.

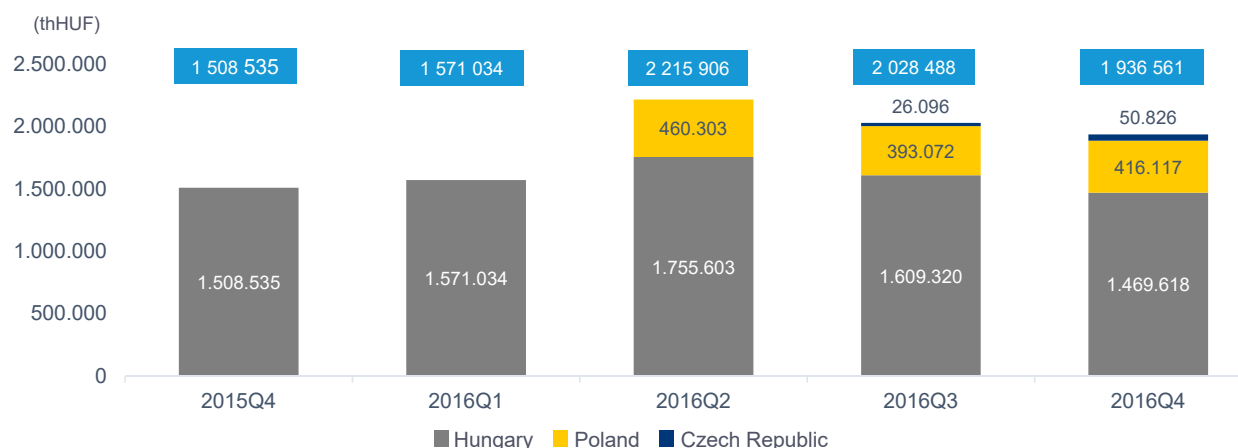
Czech Republic

One significant self-owned agency in Prague, operating under the Duna House brand.

Hungary

Duna House Holding in Hungary carries out its activities via the Duna House and the Smart Ingatlan brands.

Commission revenues for the entire network*



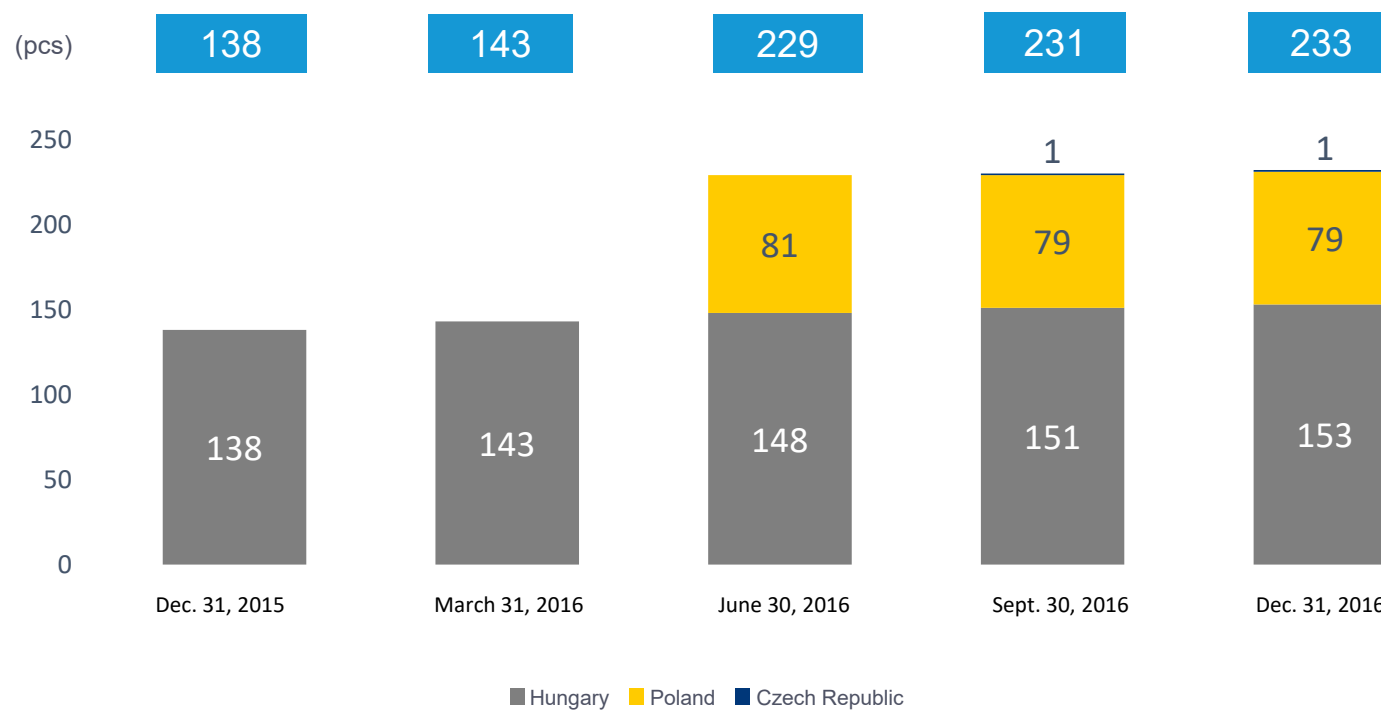
*The total amount of commission revenue that was realized on all intermediated real estate transactions in the franchise networks of Duna House.

The performance of the Hungarian network was negatively affected by the decrease in transaction numbers in the second half of 2016, the dynamics of which could be felt even more during Q4. In our view, the experienced decrease in the transaction numbers in our operation territory is mainly a result of the adaptation process to higher price levels. In terms of total commission revenues, growing prices have partly compensated for market-wise transaction volume fallback, but have not been adequate to keep commission revenue levels constant.

Following the practice in Hungary, we introduced tighter franchise operation rules also in Poland. In addition to the increase of franchise fees for new Metrohouse franchise partners, cooperation with Metrofinance, a Holding member acting on the market of financial products intermediation, has also been made compulsory. This resulted in a few franchise partners with a relatively strong turnover volume deciding against a further cooperation under the new regulation and leaving the network – taking their proportional turnover out from the network. Although several new partners have joined the network accepting the adjusted franchise rules, the development of their turnover is a longer process. The results of the implementation of the Hungarian know-how within the Metrohouse network so far can be seen primarily and first of all in the case of our own offices. (see page 14.)

The operation in the Czech Republic is consolidated into the Group figures from September 2, 2016. As a result, in 2016Q3, it contributes to the total commission revenues only with 1 month's activity.

DEVELOPMENT IN NETWORK OFFICE NUMBERS

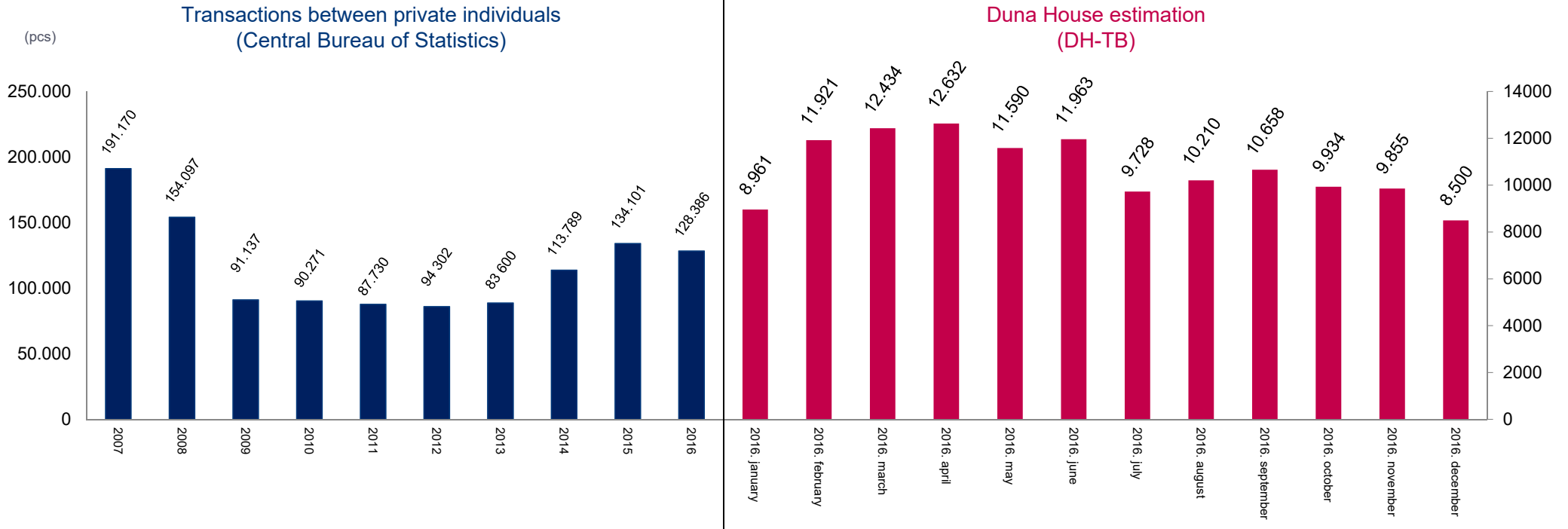


PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

<i>(data in thHUF)</i>	FRANCHISE SEGMENT							
	10.-12. 2016	10.-12. 2015	Variance (thHUF)	Variance (%)	01.-12. 2016	01.-12. 2015	Variance (thHUF)	Variance (%)
Net sales revenue	275 092	208 101	66 990	32%	1 094 171	842 287	251 884	30%
Direct expenses	30 408	17 982	12 427	69%	166 506	89 528	76 978	86%
Gross profit	244 683	190 120	54 564	29%	927 665	752 759	174 906	23%
<i>Gross profit margin (%)</i>	89%	91%	-2%		85%	89%	-4%	
Depreciation and impairment	7 124	9 086	-1 963	-22%	32 101	35 718	-3 617	-10%
Indirect expenses	247 701	161 039	86 662	54%	815 681	567 070	248 611	44%
Operating income (EBIT)	-10 141	19 994	-30 135	-151%	79 883	149 971	-70 088	-47%
<i>EBIT margin (%)</i>	-4%	10%	-14%		7%	18%	-11%	

Beyond those already stated in relation to commission revenues for the entire network, one-off items among the indirect operation expenses (months 1.-12.: HUF 141.534 thousand, months 10.-12.: HUF 44.197 thousand) had an impact on the segment's performance.

The details of the effect of the one-off items on the different segments are presented on pages 34-35.

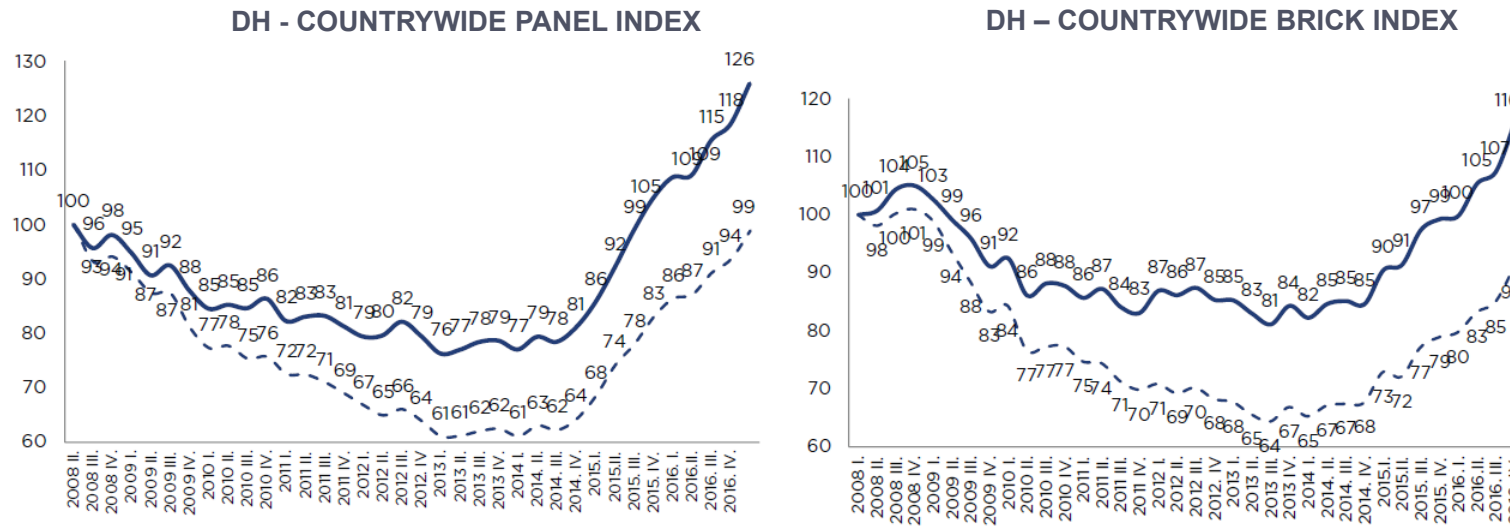
HUNGARIAN* PROPERTY MARKET TRENDS BASED ON DH-BAROMETER**


The performance of the Hungarian network was negatively affected by the decrease in transaction numbers in the second half of 2016, the dynamics of which could be felt even more during Q4. In our view, the experienced decrease in the transaction numbers in our operation territory is mainly a result of the adaptation process to higher price levels.

* No similar data available in relation of Poland at present

**Due to the lack of up-to-date official data, the above presented data is based on Duna House own estimates. In 2015 DH-TB (transaction number estimate) indicated property market transaction volumes within 1% error margin in advance, when compared to official KSH (Central Statistical Office) data published later.

HUNGARIAN* PROPERTY MARKET TRENDS BASED ON DH-BAROMETER



Results of Duna House activity in Hungary, beyond transaction volumes, is also affected by price level changes.

* No similar data available in relation of Poland at present



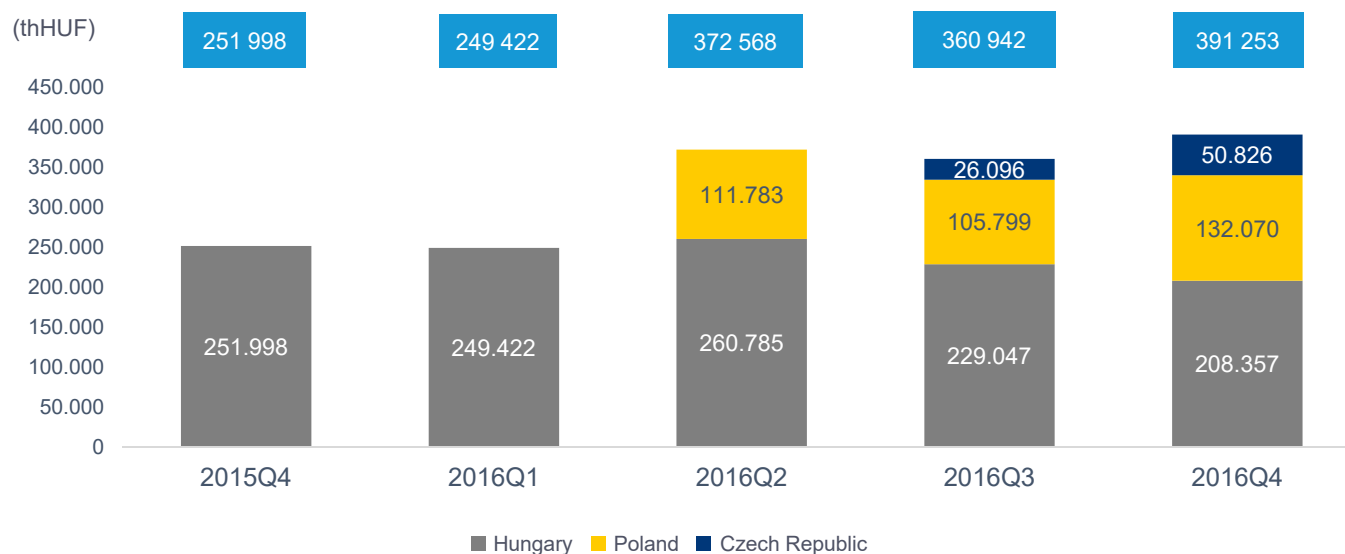
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Own office operation
segment



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Commission revenues for own offices*



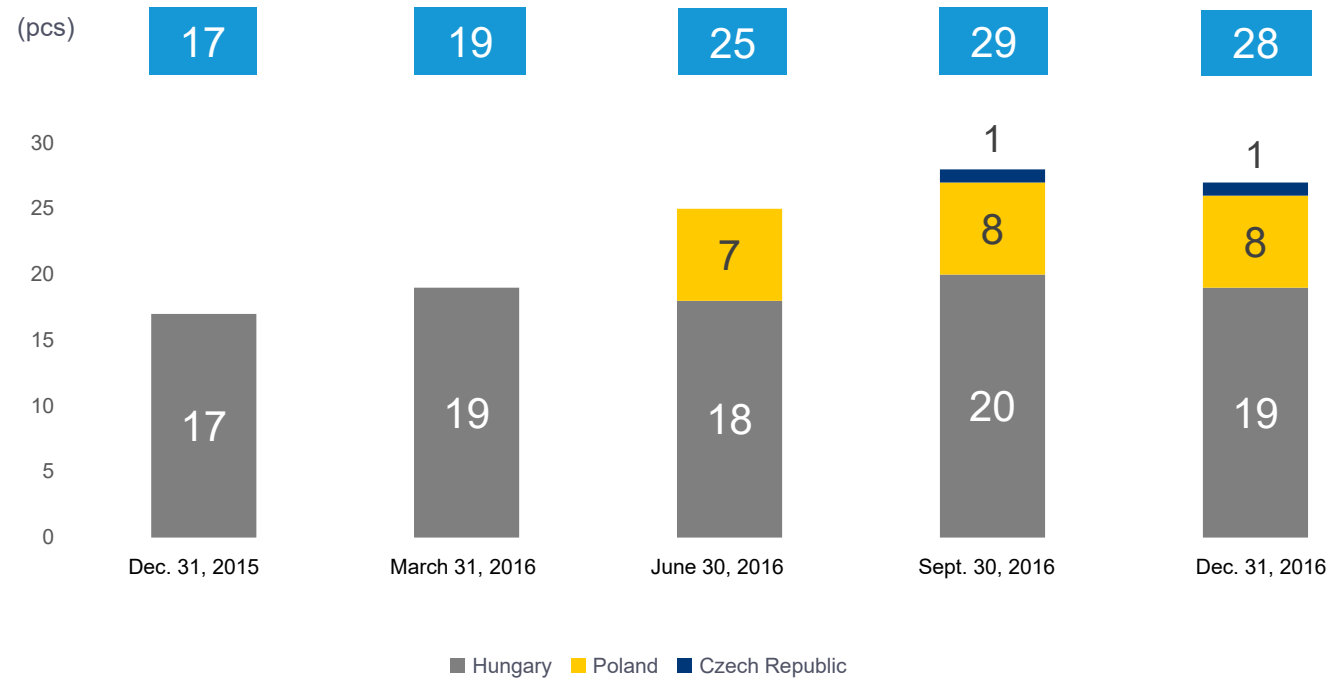
* represents the total amount of commission revenue that was realized on all intermediated real estate transactions in the own offices of Duna House

Self-owned offices in Hungary are primarily found in inner Budapest districts. As per our estimates, price level increase pace has been the highest in these particular districts, thus the decrease of transaction volumes ended up being the most significant in these areas as well. This effected negatively the volume of commission revenues for own offices.

In case of self-owned offices in Poland, implementation of the Hungarian know-how has been successful and resulted in commission revenues' increase.

Activity in the Czech Republic belongs to the Holding from September 2, 2016. As a result, in period 2016, Q3 it contributes to the total commission revenues only with 1 month's activity.

DEVELOPMENT IN OWN OFFICE NUMBERS



PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

<i>(data in thHUF)</i>	OWN OFFICE SEGMENT							
	10.-12. 2016	10.-12. 2015	Variance (thHUF)	Variance (%)	01.-12. 2016	01.-12. 2015	Variance (thHUF)	Variance (%)
Net sales revenue	359 977	165 023	194 954	118%	1 086 393	733 781	352 612	48%
Direct expenses	198 206	46 061	152 146	330%	578 842	278 063	300 779	108%
Gross profit	161 770	118 962	42 808	36%	507 551	455 718	51 833	11%
<i>Gross profit margin (%)</i>	45%	72%	-27%		47%	62%	-15%	
Depreciation and impairment	6 452	2 742	3 710	135%	18 205	8 888	9 317	105%
Indirect expenses	129 784	86 901	42 883	49%	399 868	252 987	146 881	58%
Operating income (EBIT)	25 534	29 319	-3 785	-13%	89 478	193 843	-104 365	-54%
<i>EBIT margin (%)</i>	7%	18%	-11%		8%	26%	-18%	

Decrease in contribution margin is primarily due to differences in the Hungarian and Polish business model.

Since Metrohouse agents receive commissions from Metrohouse's own offices rather than from the clients, Polish subsidiaries of the segment operate next to higher direct expenses ratio than Hungarian subsidiaries.



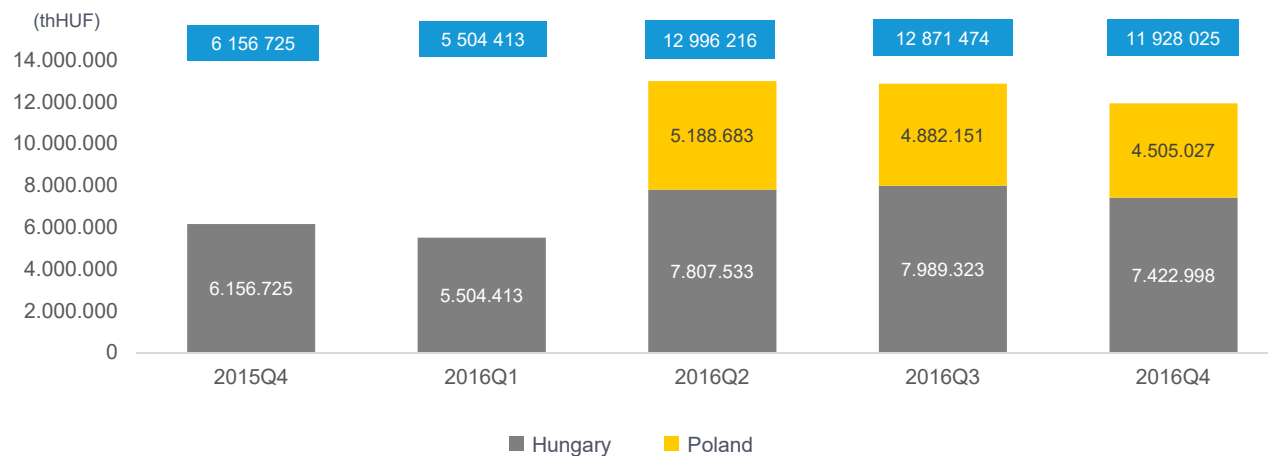
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Financial product
intermediary services
segment



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DEVELOPMENT IN INTERMEDIATED LOAN VOLUMES



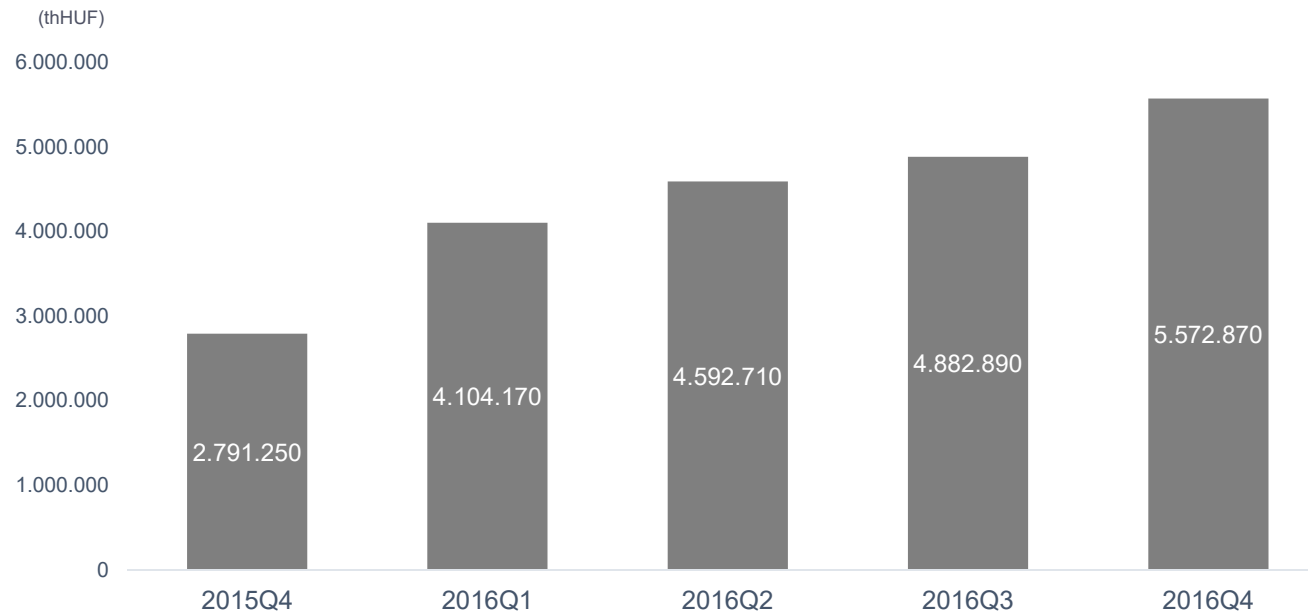
In 2016, and next to a 30% growth on the Hungarian housing loan market in comparison to the previous year*, Duna House achieved a 37% increase in intermediated housing loan volumes, as a result of which DH gained further market share in Hungary.

Organizational changes in connection with Polish loan intermediation activity had a short-term negative impact.

The Czech office at present does not carry out loan intermediating activity.

*based on MNB data

DEVELOPMENT IN INTERMEDIATED HOME SAVINGS VOLUME* BY QUARTERS



As per our opinion, increase in intermediated home savings volume is primarily due to the management's focus shift following the introduction of the commission cap on the mortgage based loan market, rather than to market effects**.

*Duna House holding is at present active on the Hungarian market

** no official data/statistics available regarding intermediated home savings volumes in terms of Hungary and by quarters.

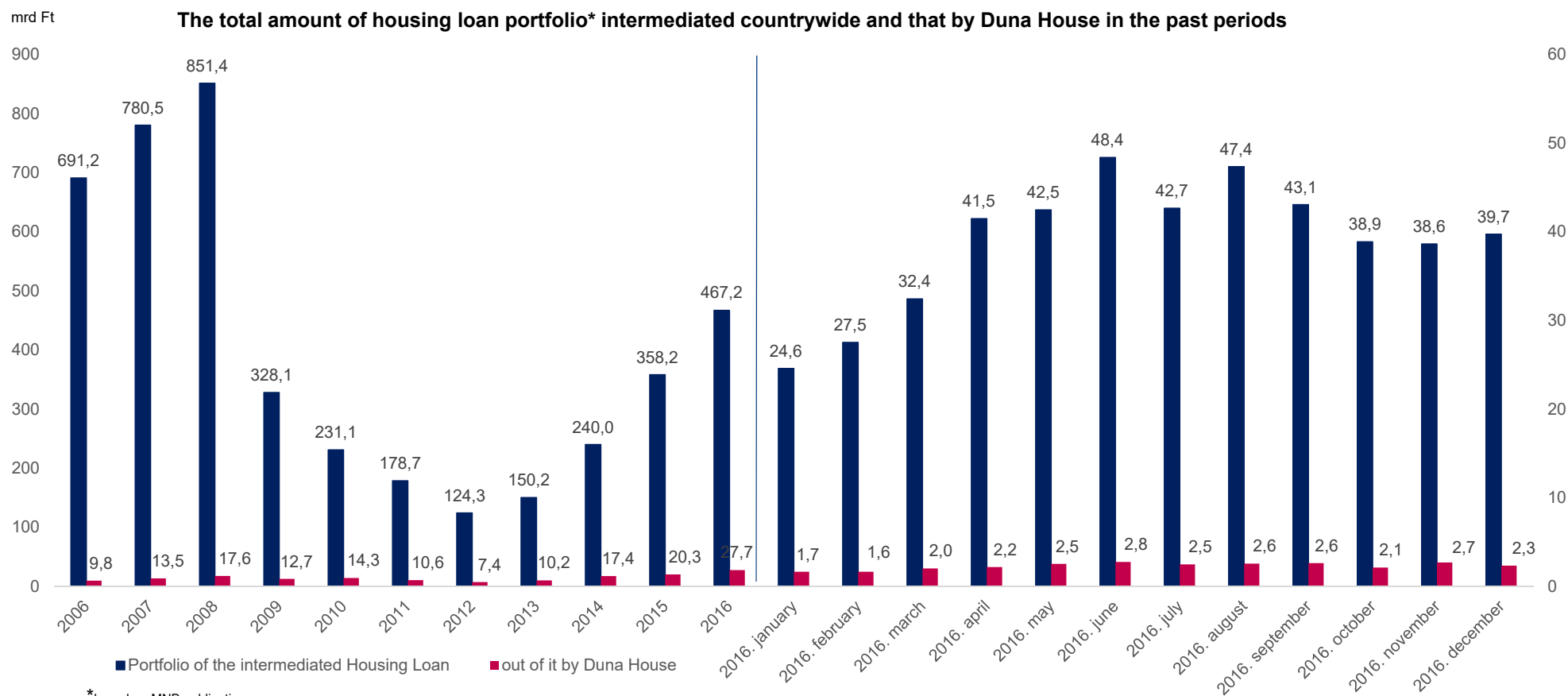
PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

<i>(data in thHUF)</i>	FINANCIAL INTERMEDIARY SERVICES SEGMENT							
	10.-12. 2016	10.-12. 2015	Variance (thHUF)	Variance (%)	01.-12. 2016	01.-12. 2015	Variance (thHUF)	Variance (%)
Net sales revenue	351 438	405 786	-54 349	-13%	1 410 218	1 230 234	179 984	15%
Direct expenses	242 096	199 605	42 490	21%	856 313	623 629	232 684	37%
Gross profit	109 342	206 181	-96 839	-47%	553 905	606 604	-52 700	-9%
<i>Gross profit margin (%)</i>	31%	51%	-20%		39%	49%	-10%	
Depreciation and impairment	183	242	-59	-24%	807	640	166	26%
Indirect expenses	39 945	26 594	13 351	50%	146 449	117 813	28 636	24%
Operating income (EBIT)	69 214	179 345	-110 131	-61%	406 649	488 151	-81 503	-17%
<i>EBIT margin (%)</i>	20%	44%	-24%		29%	40%	-11%	

Growth in the volume of mortgage based loans and home savings intermediated during the year, has not been able to compensate for the negative effects of the commission cap introduced in Hungary in March 2016 on the segment.

The significant shortfall of operational results when compared to 2015 Q4, is also the consequence of the outstanding performance of the compared period.

HUNGARIAN HOUSING LOAN TRENDS





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Complementary services
segment



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COMPLEMENTARY SERVICES SEGMENT

Complementary services segment at present includes 3 activities:



Comprehensive property management services

- Operation of empty and inhabited premises
- Property rent out and sales
- Cleaning, renovation, furnishing



- Deep knowledge of property market transactions – significant additional, up-to-date and detailed information and data.
- Property valuation is carried out by independent professionals throughout the country.

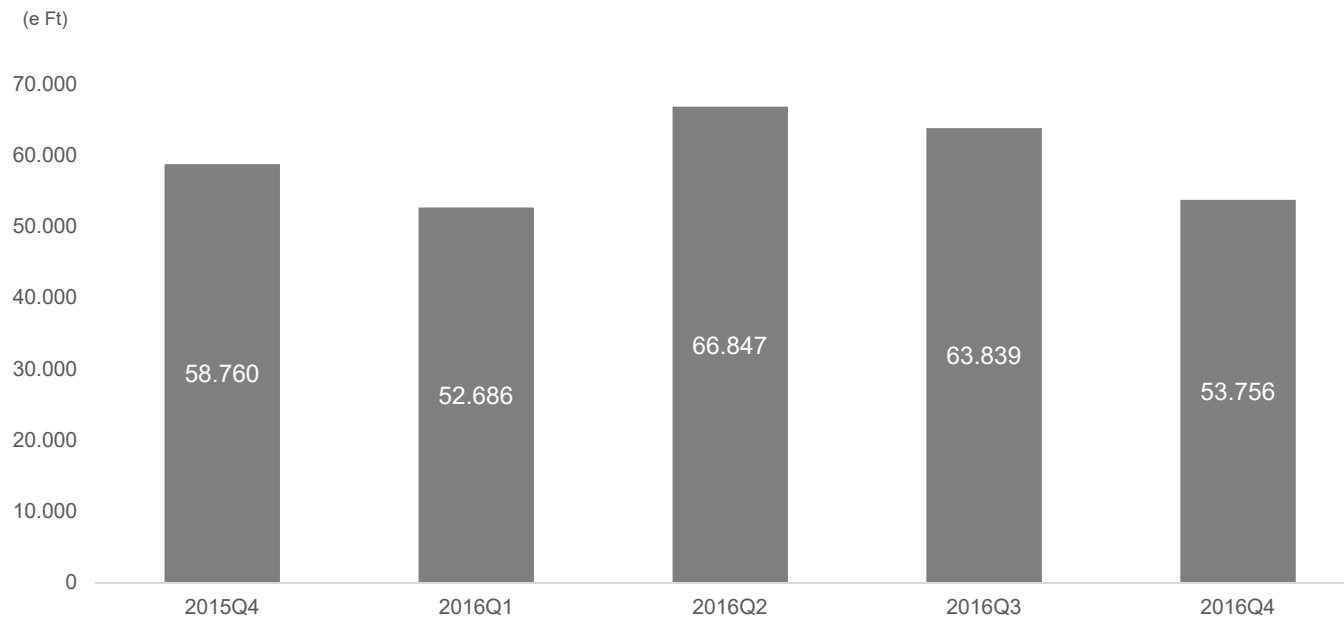
• Top partners:



Serving both individuals and business entities:

- Quality services provisioned by Pannónia Általános Biztosító
- Independent energy certificate preparing professionals
- Countrywide presence

DEVELOPMENT IN SEGMENT SALES REVENUE BY QUARTERS



PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

<i>(data in thHUF)</i>	COMPLEMENTARY SERVICES SEGMENT							
	10.-12. 2016	10.-12. 2015	Variance (thHUF)	Variance (%)	01.-12. 2016	01.-12. 2015	Variance (thHUF)	Variance (%)
Net sales revenue	53 756	58 760	-5 004	-9%	237 128	236 326	802	0%
Direct expenses	20 565	20 453	112	1%	95 165	78 931	16 234	21%
Gross profit	33 191	38 307	-5 116	-13%	141 963	157 395	-15 431	-10%
<i>Gross profit margin (%)</i>	<i>62%</i>	<i>65%</i>	<i>-3%</i>		<i>60%</i>	<i>67%</i>	<i>-7%</i>	
Depreciation and impairment	301	332	-32	-10%	1 686	1 947	-261	-13%
Indirect expenses	23 898	21 573	2 325	11%	94 534	81 409	13 124	16%
Operating income (EBIT)	8 992	16 401	-7 409	-45%	45 744	74 038	-28 294	-38%
<i>EBIT margin (%)</i>	<i>17%</i>	<i>28%</i>	<i>-11%</i>		<i>19%</i>	<i>31%</i>	<i>-12%</i>	

Income statement of the complementary services segment will include Impact Asset Management Zrt.'s results from 2017 onward. At present these are stated in the other- and consolidation segment.



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Property investments segment



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VOLUME AND VALUE OF INVESTMENT AND OPERATIVE PROPERTIES

data in thHUF	31 December 2015		31 December 2016	
	Number (pcs)*	Carrying amount	Number (pcs)*	Carrying amount
Investment properties**	41	1 323 536	12	939 362
Properties	2	332 179	4	369 739
Total	43	1 655 715	16	1 309 101

*number of parking spaces and storage facilities is not included in the number of properties

**investment properties are valued at fair value

PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

(data in thHUF)	PROPERTY INVESTMENT SEGMENT							
	10.-12. 2016	10.-12. 2015	Variance (thHUF)	Variance (%)	01.-12. 2016	01.-12. 2015	Variance (thHUF)	Variance (%)
Net sales revenue	77 646	28 795	48 851	170%	1 213 419	86 427	1 126 992	1304%
Direct expenses	59 946	33	59 913	179724%	1 072 773	334	1 072 439	321036%
Gross profit	17 700	28 762	-11 062	-38%	140 646	86 093	54 553	63%
Gross profit margin (%)	23%	100%	-76%		12%	100%	-88%	
Depreciation and impairment	5 191	10 200	-5 008	-49%	20 451	22 967	-2 516	-11%
Indirect expenses*	-85 306	-136 672	51 366	-38%	-144 318	-133 624	10 693	8%
Operating income (EBIT)	97 815	155 234	-57 419	-37%	264 512	196 750	67 762	34%
EBIT margin (%)	125%	539%	-414%		22%	228%	-206%	

Focus of the property investment segment in 2016 turned from used property portfolio towards property development, under MyCity brand.

Results of the latter, on the other hand, are not entered here, but under share of profit of a joint venture by equity method, in the consolidated income statement.

Due to the on-going investment purpose property portfolio reduction, operation result for Q4 is behind the same period of the previous year.

Results related to property developments under MyCity are accounted for only following the handover of properties.

*includes the gain/loss on the revaluation of investment properties to fair value

PROPERTY DEVELOPMENT ACTIVITY

Duna House Holding, under MyCity brand, manages the development of 430 residential properties -4 projects- in the form of a joint venture cooperation, as follows:



	Forest Hill Budapest III. kerület	Reviczky Liget Budapest XVIII. kerület	Írisz Ház Budapest XIII. kerület	MyCity Residence Budapest III. kerület	Összesen
Duna House Group's share in Project	50%	50%	50%	25%	
Landsize (m2)	29 314	5 625	1 319	3 345	39 603
Sellable area (m2)	16 085	4 672	2 228	7 836	30 821
Number of Apartements (pcs.)	196*	86	44	105	430
Average price (thHUF/ m2)**	530	430	530	555	521
Average Apartements size (m2)	82,1	54,3	51,8	67,3	
Actual status of Projects					
Construction permit	✓	✓	✓	✓	
Construction is ongoing	✓	✓	-	-	
Active preselling	✓	✓	-	-	

*Currently 148 Apartements have Construction permit

** by MyCity's average selling price

ON-GOING PROJECTS

Forest Hill



Reviczky Liget



Írisz Ház



MyCity Residence





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Other- and
consolidation segment



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PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

(data in thHUF)	OTHERS- AND CONSOLIDATION SEGMENT							
	10.-12. 2016	10.-12. 2015	Variance (thHUF)	Variance (%)	01.-12. 2016	01.-12. 2015	Variance (thHUF)	Variance (%)
Net sales revenue	-48 009	-57 465	9 456	-16%	-256 845	-295 683	38 838	-13%
Direct expenses	12 612	9 920	2 692	27%	41 033	29 461	11 572	39%
Gross profit	-60 621	-67 385	6 764	-10%	-297 878	-325 144	27 266	-8%
<i>Gross profit margin (%)</i>	<i>na</i>	<i>na</i>			<i>na</i>	<i>na</i>		
Depreciation and impairment	940	728	212	29%	4 546	3 739	807	22%
Indirect expenses	-13 662	-74 336	60 674	-82%	-218 794	-336 989	118 195	-35%
Operating income (EBIT)	-47 899	6 224	-54 123	-870%	-83 630	8 106	-91 736	-1132%
<i>EBIT margin (%)</i>	<i>na</i>	<i>na</i>			<i>Na</i>	<i>na</i>		

Other- and consolidation segment includes results of Duna House Holding Nyrt. and Impact Asset Management Zrt., as well as consolidating effects. Consolidation effects in total have a zero impact on EBIT.

Duna House Holding Nyrt's operating result (after-consolidation) shows a HUF 45 Million annual loss, while Impact Asset Management's operation result amounts to HUF 39 Million annual loss.

IMPACT ASSET MANAGEMENT

Impact Asset Management Zrt. („Fund Manager“), had no realized income in Q1 and Q2 of 2016. It's sole objective has been the preparation of the Impact Residential Property Investment Fund („Fund“). Fund Manager has successfully completed the funding process on August 3, 2016, afterwarde the Central Bank of Hungary (MNB) has registered Impact Residential Property Investment Fund on August 8, 2016.

Fund Manager charges a fee for the provision of its services. Annual fund management fee is the maximum of 2% of the net asset value of the Fund. Fund Manager is also entitled to charge a success fee. Fund Manager is entitled to claim a succes fee when achieving a higher yield than the Fund's benchmark in the relevant year. Amount of the success fee shall be 20% of the yield above benchmark. The benchmark is the RMAX index.

The amount of accrued success fee on December 31, 2016 amounts to HUF 11.132 thousand.



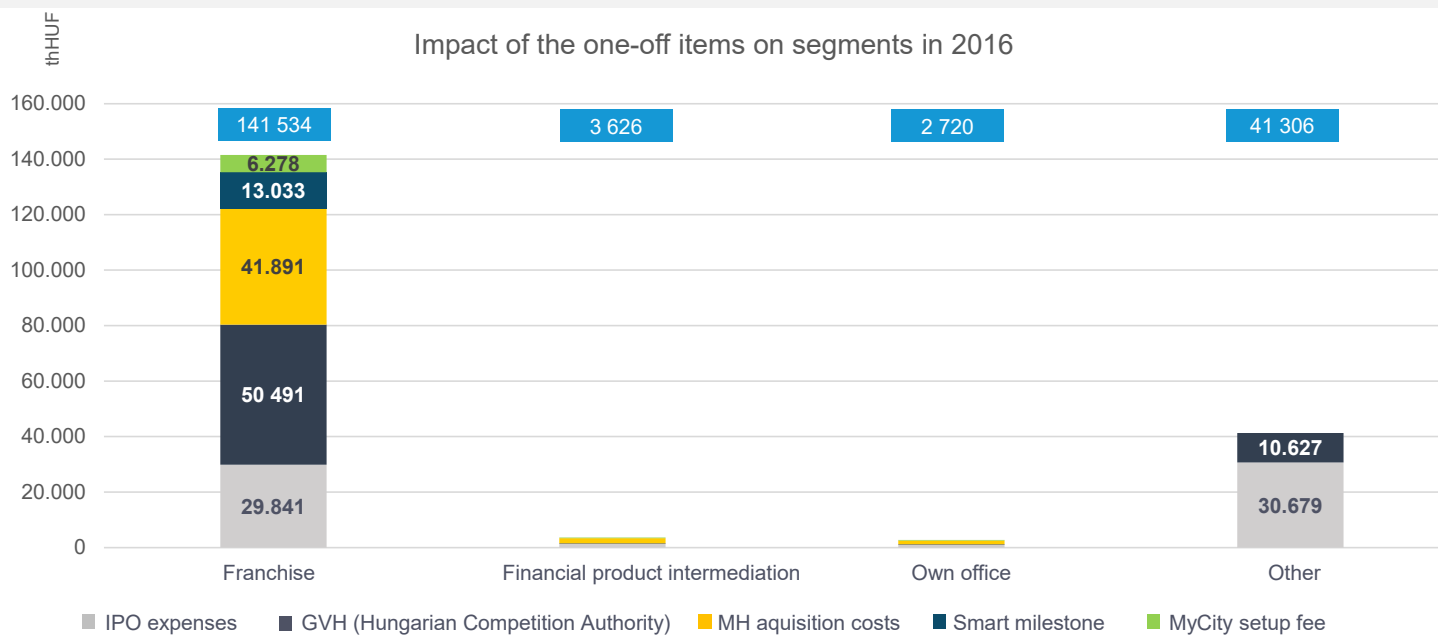
IMPACT

ASSET MANAGEMENT

impactalapkezelo.hu

Property fund management	ILBA*	
		31 December 2016
Net asset value (thHUF)		1 106 419
Invested in properties (thHUF)		836 180
Return on investment (%)		
- since the beginning of the year		n/a
- in 2016Q4		2,54%
- in 2016H2		n/a
- in 2016		n/a
- from the set-up of ILBA until 31 December 2016		4,62%
*Impact Residential Property Investment Fund		

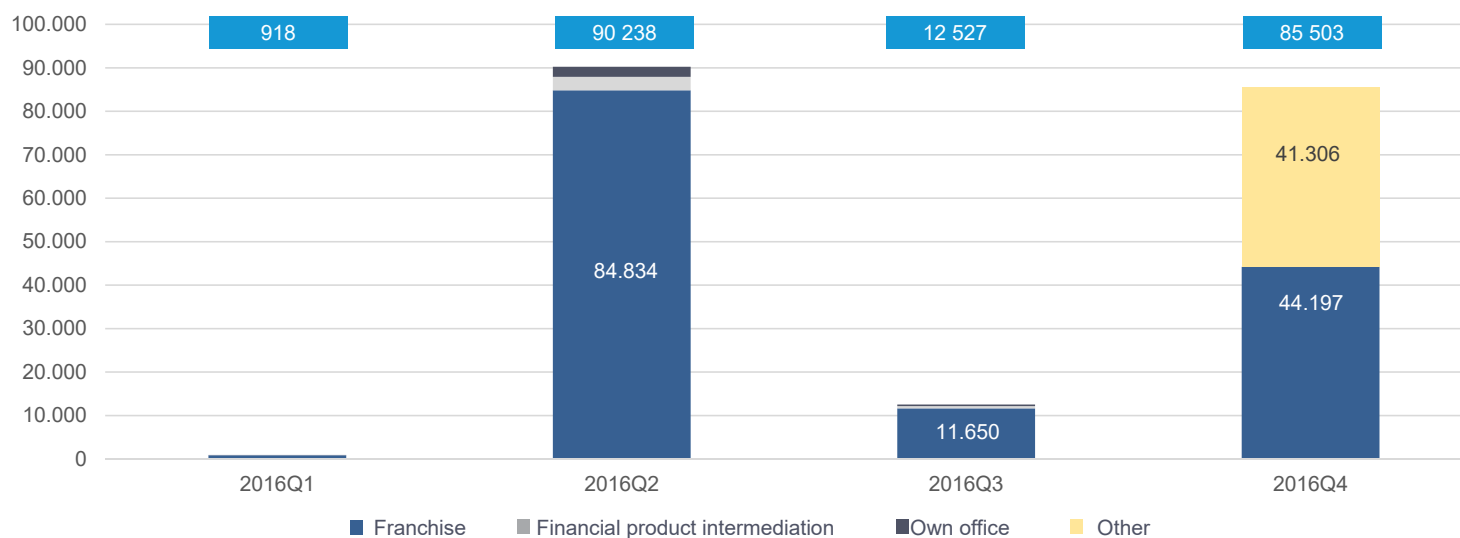
IMPACT OF SIGNIFICANT ONE-OFF ITEMS



One-off items	2016Q1	2016Q2	2016Q3	2016Q4	2016FY
IPO expenses	0	23 579	8 500	30 688	62 767
GVH (Hungarian Competition Authority)	918	1 833	4 027	54 815	61 593
Metrohouse acquisition costs	0	45 044	0	0	45 044
Smart milestone	0	13 033	0	0	13 033
MyCity setup fee	0	6 750	0	0	6 750
TOTAL	918	90 239	12 527	85 503	189 186

IMPACT OF SIGNIFICANT ONE-OFF ITEMS

Impact of the one-off items on segments by quarters in 2016



Segment	2016Q1	2016Q2	2016Q3	2016Q4	2016FY
Franchise	854	84 834	11 650	44 197	141 534
Financial product intermediation	37	3 088	501	0	3 626
Own office	28	2 317	376	0	2 720
Others	0	0	0	41 306	41 306
Total	918	90 238	12 527	85 503	189 186



DUNA HOUSE[®]
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Consolidated financial statements



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CONSOLIDATED BALANCE SHEET

Consolidated balance sheet data in thHUF	31. December 2016 (not audited)	31. December 2015 (audited)	Variance		Consolidated balance sheet data in thHUF	31. December 2016 (not audited)	31. December 2015 (audited)	Variance	
			thHUF	%				thHUF	%
Other intangible assets	84 692	52 665	32 027	61%	Share capital	153 050	153 050	0	0%
Goodwill	982 719	18 500	964 219	5212%	Share premium	9 479	9 479	0	0%
Investment property	939 362	1 323 536	-384 174	-29%	Other reserves	-23 260	0	-23 260	
Property, plant	519 319	469 009	50 310	11%	Retained earnings	2 444 092	1 525 238	918 854	60%
Equipment	53 920	46 679	7 241	16%	Equity attributable to the owners of the Company	2 583 361	1 687 767	895 594	53%
Investment in a joint venture	506 273	0	506 273		Non-controlling interests	-37 819	0	-37 819	
Deferred tax assets	158 829	15 134	143 694	949%	Total equity	2 545 542	1 687 767	857 775	51%
Other financial assets	66 401	48 119	17 782	37%	Borrowings	582 664	495 155	87 509	18%
Non-current assets	3 311 515	1 973 642	1 337 873	68%	Deferred tax liabilities	86 557	39 026	47 531	122%
Inventories	11 616	8 494	3 122	37%	Other non-current liabilities	12 854	9 597	3 257	34%
Trade receivables	297 968	76 126	221 842	291%	Non-current liabilities	679 850	543 778	136 072	25%
Receivables from affiliates	398 709	0	398 709		Borrowings	198 830	114 000	84 830	74%
Other receivables	53 648	40 913	12 735	31%	Trade payables	68 974	35 233	33 741	96%
Current tax asset	35 119	23 915	11 204	47%	Payables to affiliates	1 764 180	11 031	1 753 149	15893%
Other assets	321 744	412 402	-90 658	-22%	Other liabilities	261 002	240 884	20 118	8%
Cash and cash equivalents	1 583 686	415 747	1 167 939	281%	Current tax liabilities	11 284	25 747	-14 463	-56%
Current assets	2 702 490	977 597	1 724 893	176%	Accrued expenses	484 342	292 799	191 543	65%
					Current liabilities	2 788 612	719 694	2 068 918	287%
Total assets	6 014 005	2 951 239	3 062 766	104%	Total equity and liabilities	6 014 005	2 951 239	3 062 766	104%

CONSOLIDATED INCOME STATEMENT

Consolidated income statement (data in thHUF, except earnings per share)	10.-12. 2016 (not audited)	10.-12. 2015 (not audited)	Variance		1.-12. 2016 (not audited)	1.-12. 2015 (audited)	Variance	
			thHUF	%			thHUF	%
Net sales revenue	1 069 899	809 001	260 898	32%	4 784 484	2 833 371	1 951 113	69%
Other operating income	90 196	164 364	-74 168	-45%	328 641	232 193	96 448	42%
Consumables used	19 164	4 275	14 888	348%	58 063	35 240	22 823	65%
Cost of goods and services sold	274 165	232 324	41 841	18%	1 896 586	732 309	1 164 277	159%
Services purchased	484 058	211 586	272 472	129%	1 589 098	752 768	836 331	111%
Personnel expenses	146 200	78 708	67 492	86%	519 317	298 159	221 158	74%
Depreciation and impairment	20 191	23 330	-3 139	-13%	77 795	73 900	3 895	5%
Other operating expenses	72 803	14 625	58 178	398%	169 629	62 330	107 299	172%
Operating income (EBIT)	143 515	408 518	-265 003	-65%	802 636	1 110 858	-308 222	-28%
Finance income	2 584	4 415	-1 830	-41%	87 902	17 930	69 971	390%
Finance costs	19 099	6 744	12 355	183%	66 924	7 450	59 474	798%
Share of profit of a joint venture	39 122	0	39 122		505 273	0	505 273	
Profit before tax	166 122	406 188	-240 066	-59%	1 328 886	1 121 338	207 548	19%
Income tax expense	24 400	53 242	-28 842	-54%	161 027	155 598	5 429	3%
Profit after tax	141 722	352 946	-211 225	-60%	1 167 859	965 740	202 119	21%
Currency translation difference	-24 546	0	-24 546		-23 200	0	-23 200	
Other comprehensive income	-24 546	0	-24 546		-23 200	0	-23 200	
Total comprehensive income attributable to	117 176	352 946	-235 771	-67%	1 144 659	967 740	176 919	18%
Shareholders of the Company	116 525	352 946	-236 422	-67%	1 143 789	967 740	176 049	18%
Non-controlling interest	651	0	651		870	0	870	
Earnings per share (basic and diluted)	46	109	-63	-58%	373	300	73	24%

CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement	10.-12. 2016 (not audited)	10.-12. 2015 (not audited)	Consolidated cash flow statement	10.-12. 2016 (not audited)	10.-12. 2015 (not audited)
data in thHUF			Cash flows from investing activities		
Cash flows from operating activities			Payments for property, plant and equipment	-867 097	-1 027 295
Profit after tax	1 167 859	965 740	Proceeds from the sale of properties	1 096 588	0
Adjustments:			Net cash outflow on acquisition of subsidiaries	-887 510	0
Depreciation	77 795	73 900	Net cash used in investing activities	-658 019	-1 027 295
Deferred tax expense	26 689	17 600	Cash flows from financing activities		
Fair value adjustments of investment properties	-237 583	-183 038	Proceeds from borrowings	172 339	352 675
Badwill	-56 272	0	Proceeds from shareholders for capital increase	1 499 997	12 529
Share of profit of a joint venture	-505 273	0	Dividends paid	-246 730	-405 000
Movements of working capital			Securities sold	0	351 585
Increase in inventories	-3 122	-3 506	Net cash generated from financing activities	1 425 605	311 789
Increase in trade- and other receivables	-644 490*	108 051	Net increase in cash and cash equivalents	1 167 939	148 996
Decrease of other assets	90 658	-113 367	Cash and cash equivalents at the beginning of the year	415 747	266 751
Increase of trade payables	33 742	23 678			
Increase of other short term liabilities	258 807	-125 962	Cash and cash equivalents at the end of the year	1 583 686	415 747
Increase in accruals	191 543	101 406			
Net cash generated by operating activities	400 353	864 502			

*thereof: loan given to MyCity thHUF 375.312, trade receivables of the subsidiaries in Poland and the Czech Republic thHUF 149.380

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Attributable to the shareholders of the Company	Attributable to non-controlling interests	Total equity
data in thHUF							
31 December 2014	150 000			968 722	1 118 722	27	1 118 749
Dividend paid				-405 000	-405 000	0	-405 000
Capital increase	3 050	9 479		-1	12 528	0	12 528
Total comprehensive income				967 197	967 197	-1 457	965 740
Transactions with non-controlling interests				-5 680	-5 680	1 430	-4 250
31 December 2015	153 050	9 479	0	1 525 238	1 687 767	0	1 687 767
Dividend paid				-247 600	-247 600		-247 600
Acquisition of subsidiaries					0	-37 879	-37 879
Total comprehensive income			-23 260	1 166 454	1 143 194	60	1 143 254
31 December 2016	153 050	9 479	-23 260	2 444 092	2 583 361	-37 819	2 545 542

DECLARATION

Undersigned, members of the Board of Directors of DUNA HOUSE HOLDING Plc. (seated H-1016 Budapest, Gellérthey street 17. Hungary; Company Reg. No. 01-10-048384) ; hereinafter „Company”) declare that the present quarterly report has been prepared with our best knowledge and conviction, and with the aim to present an extensive look at the financial state of the Company, including statements and estimates referred to for the present.

All statements and estimates are based on estimates and forecasts up-dated with our best knowledge and conviction, and in relation to which we shall not be held responsible for publicly up-dating any of the statements or estimates based on any future information, or events. Statements referring to the present bear a certain level of risk and uncertainty in themselves, thus factual results in some cases may significantly differ from forecast-type statements.

We believe that the present quarterly interim report presents a trustworthy and real picture regarding the assets, liabilities, financial state, as well as the profit and loss of the Company and joint ventures included in the consolidation. The report also presents a trustworthy picture of the state, development and performance of the Company and joint ventures included in the consolidation.

Simultaneously, we shall call attention to the financial statements presented in the interim report not being subject of an accounting audit, and in its present form not being in full compliance with all requirements of the International Financial Reporting Standards implemented by the European Union. The audited annual report of the Company, prepared in compliance with the regulations of International Financial Reporting Standards shall be published following the approval of the ordinary General Meeting of the Company planned to take place on April 20, 2017.

Budapest, February 24, 2017.

Doron Dymshiz, member of the Board of Directors, co-CEO

Gay Dymshiz, member of the Board of Directors, co-CEO

Máté Ferenc, member of the Board of Directors, Deputy to the CEO



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