2017. Q1
Quarterly report

May 26, 2017

dunahouse.com

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DUNA HOUSE GROUP

EXECUTIVE SUMMARY 1.-3. 2017 months

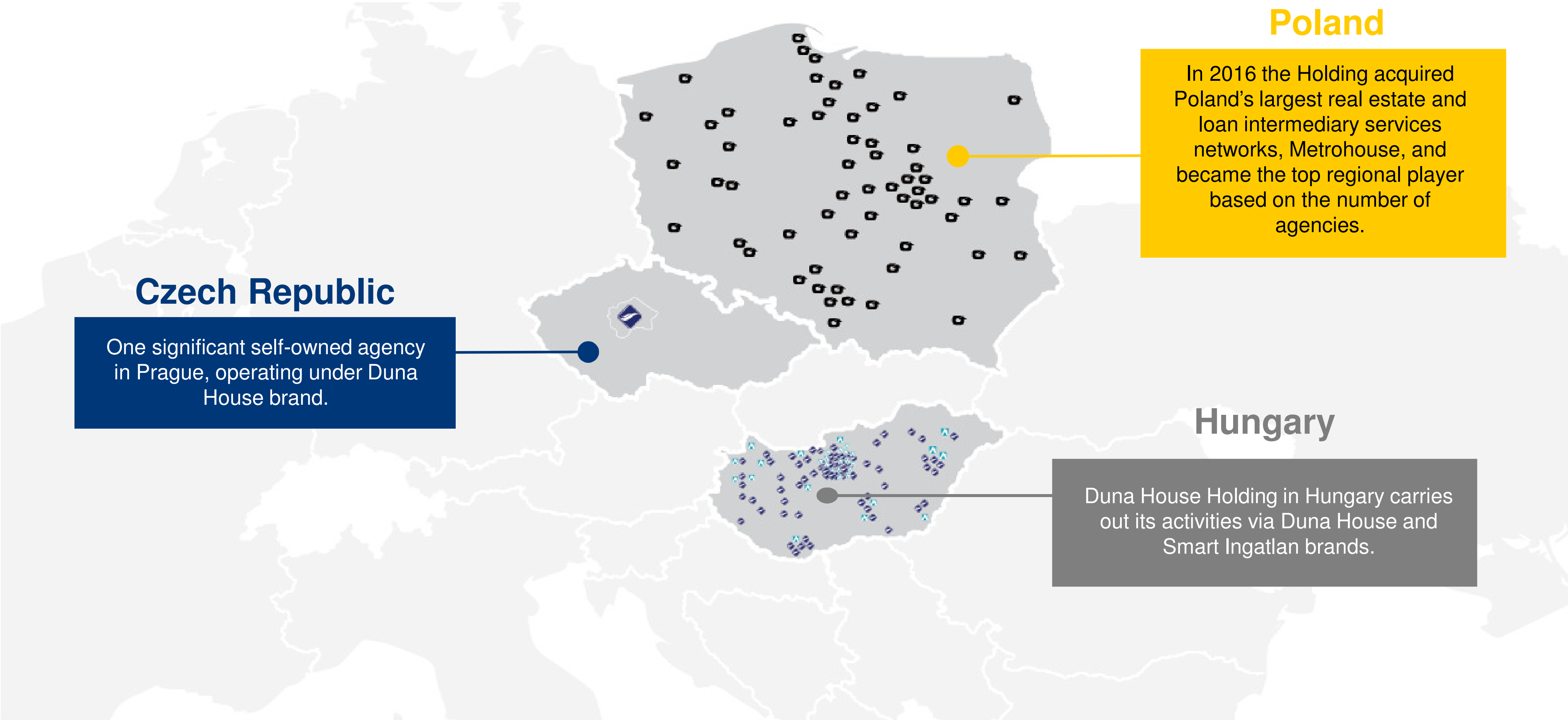
- The Holding's consolidated operating income (EBIT) amounts to HUF 166 Million, while the profit after tax (PAT) figure reached HUF 266 Million in Q1 of 2017.
- In terms of net sales revenue realized in the operating segmens in Hungary, most of them shows higher figures in this quarter than in the previous ones.
- When compared to the previous quarters, the operation in Poland has further expanded (with Q2 of 2017 being the first fully comparable period since the acquition of Metrohouse), and is profitable on EBIDTA level, while nearly reaching the break-even point in terms of profit after tax.
- The Holding realized HUF 140 Million financial income (badwill) when acquiring the MyCity group in March 2017 due to the favorable purchase price compared to net asset value acquired.
- The Holding's share in the financial profit from MyCity group members' results as a joint venture until the end of Q1 of 2017, amounts to HUF 20.5 Million loss. Sales revenue earned on the real estate development projects ongoing in the MyCity group is realized upon the closure of projects - in accordance with current accounting standards relevant to the sector. Indirect (operational) costs arising before sales revenue recognition have a negative impact on profitability.
- The decrease of the major part of the consolidated operating income in comparison with the comparative period is mainly due to the commission cap on residential mortgage based loans introduced in late March 2016, affecting the financial product intermediary services segment.
- The negative operating income of the activity in the Czech Republic is primarily due to seasonality reasons. Based on on-going transactions, Q2 of 2017 is predicted to be stronger.
- The Management confirms its profit forecast for the full year published on March 5, 2017.

Franchise segment

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

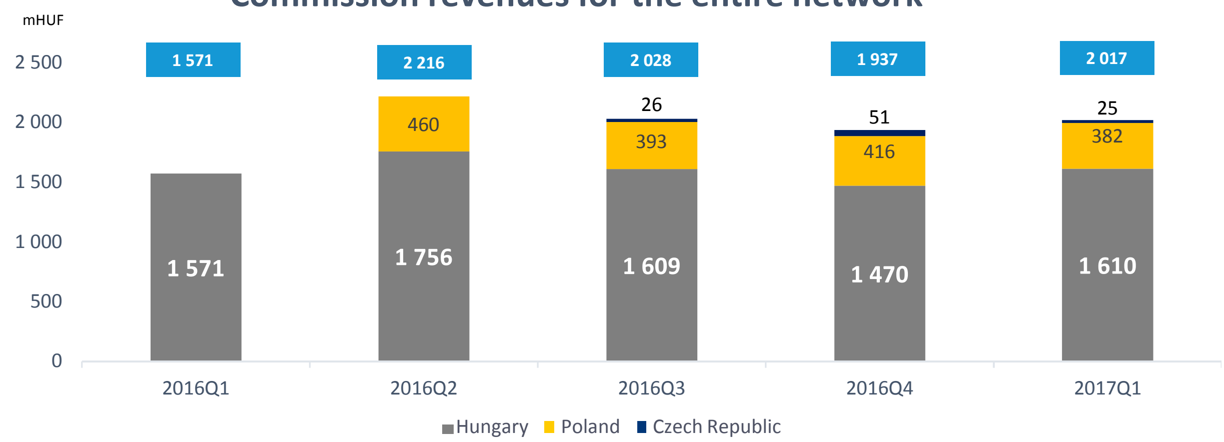
One significant self-owned agency in Prague, operating under Duna House brand.

Hungary

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

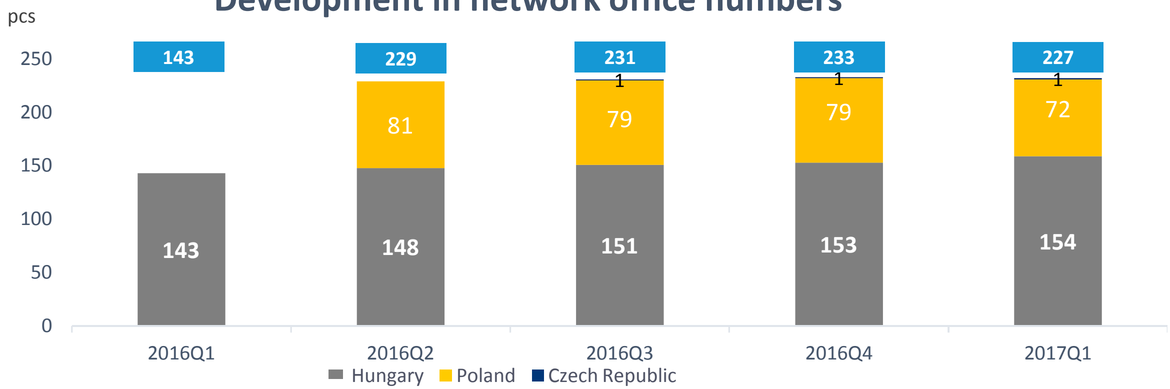
DEVELOPMENT IN NETWORK COMMISSION REVENUES AND OFFICE NUMBERS

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

Development in network office numbers



The performance of the DUNA HOUSE and SMART networks, despite the generally weaker Q1 -resulting from seasonality-, was strong, with the total commission income presenting a 2.7% increase when compared to Q1 of the previous year. Commission related income growth has been accompanied by network agency number expansion, reaching 154 by the end of the quarter.

Commission related income in the Polish METROHOUSE network is regarded as normal for the season. Decrease in the number of agencies is mainly the result of a network cleansing effect following the introduction of tighter operation rules and higher franchisee fees following the acquisition of the METROHOUSE network. Although this trend is foreseen to continue in a slower pace during the forthcoming quarters, a net growth in the number of agencies is predicted for the end of the year.

The sales of the METROHOUSE franchise rights has significantly exceeded Management's expectations. At present -considering already signed franchise agreements- the opening of 7 new offices in under way, and according to Management, a more efficient and profitable cooperation can be established based on the new regulation.

In the Czech Republic, the Group currently operates one own office. Indicators related to the operation of own offices are presented on page 12.

The difference between the commission income of Q1 and the preliminary numbers published on April 4, 2017 is negligible.

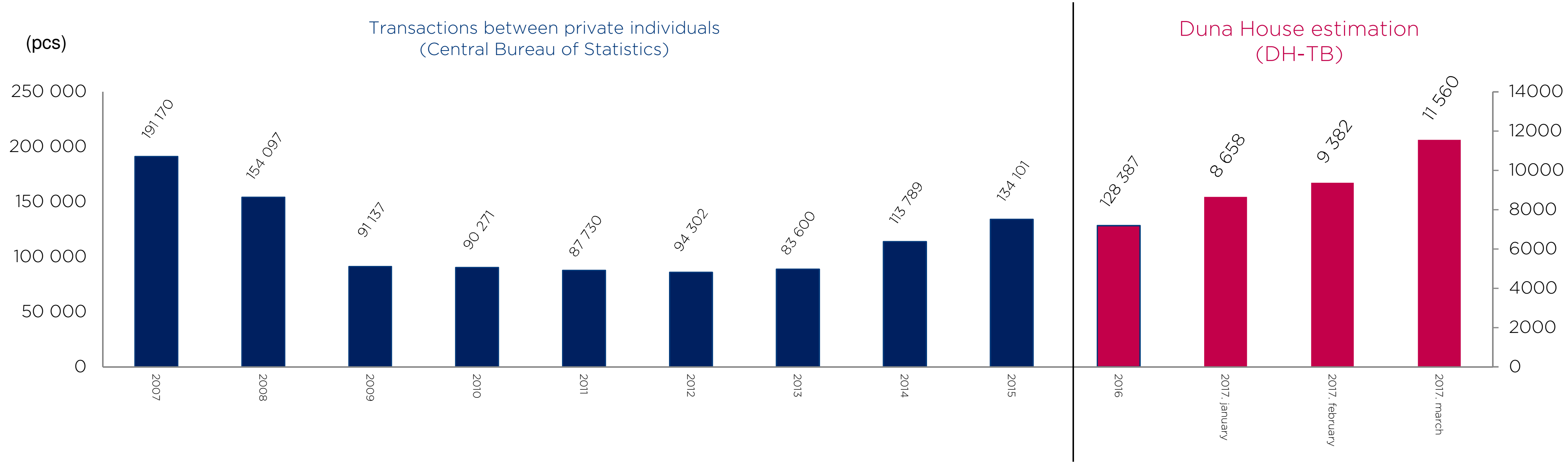
PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

(data in thHUF)	FRANCHISE SEGMENT							
	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**331 425**	**232 674**	**98 751**	**42%**	**331 425**	**232 674**	**98 751**	**42%**
Direct expenses	57 707	32 806	24 901	76%	57 707	32 806	24 901	76%
Gross profit	**273 717**	**199 868**	**73 849**	**37%**	**273 717**	**199 868**	**73 849**	**37%**
Gross profit margin (%)	*83%*	*86%*			*83%*	*86%*		
Depreciation and impairment	8 797	8 277	520	6%	8 797	8 277	520	6%
Indirect expenses	214 055	143 424	70 631	49%	214 055	143 424	70 631	49%
Operating income (EBIT)	**50 865**	**48 167**	**2 698**	**6%**	**50 865**	**48 167**	**2 698**	**6%**
EBIT margin (%)	15%	21%	-6%		15%	21%	-6%	

Sales revenue of the Franchise segment is nearly 42% higher than in the same period of the previous year. In addition to the strengthening of the Hungarian operation, the growth is also backed up by the consolidation of the activity in Poland.

During the comparative term, the Polish Metrohouse group has not yet been owned by Duna House.

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

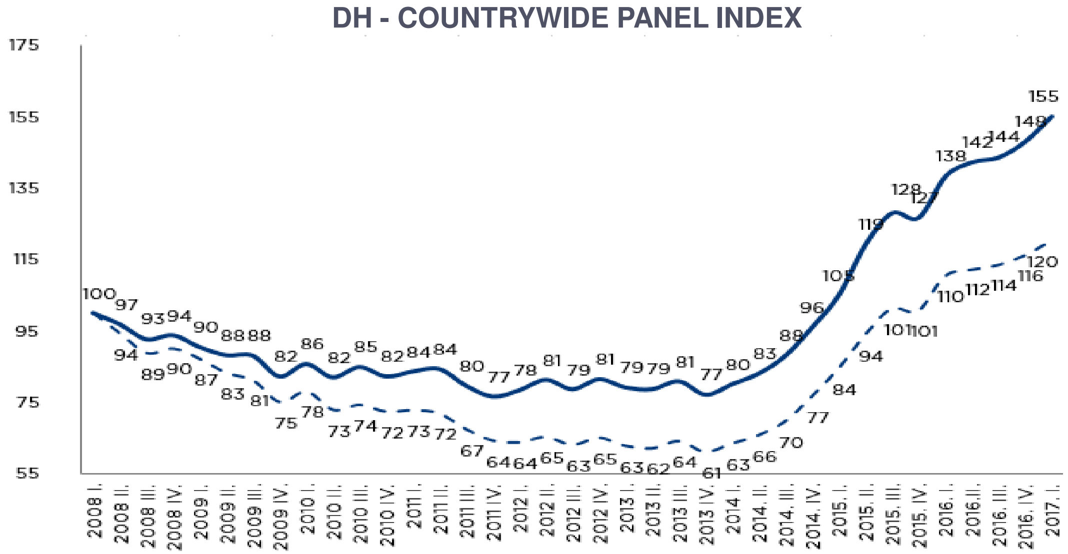


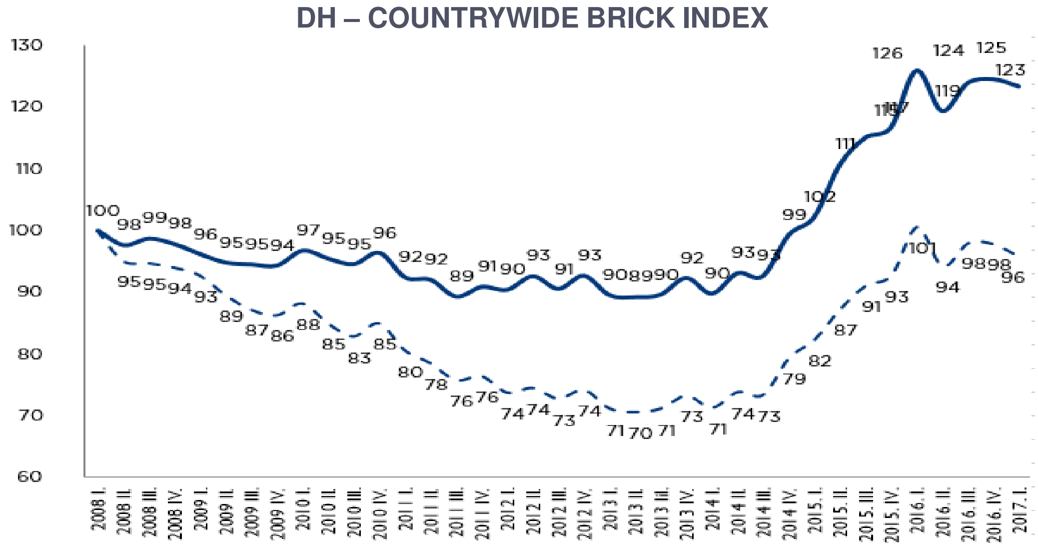
According to Management estimates, in Q1 of 2017 the decrease in residential market transaction numbers in Hungary has come to a stop and began to grow. At this point, no factful estimates can be presented in relation of the persistency of the trend, but according to the Management, the transaction volume for the full year will not fall behind last year's level.

** 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





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

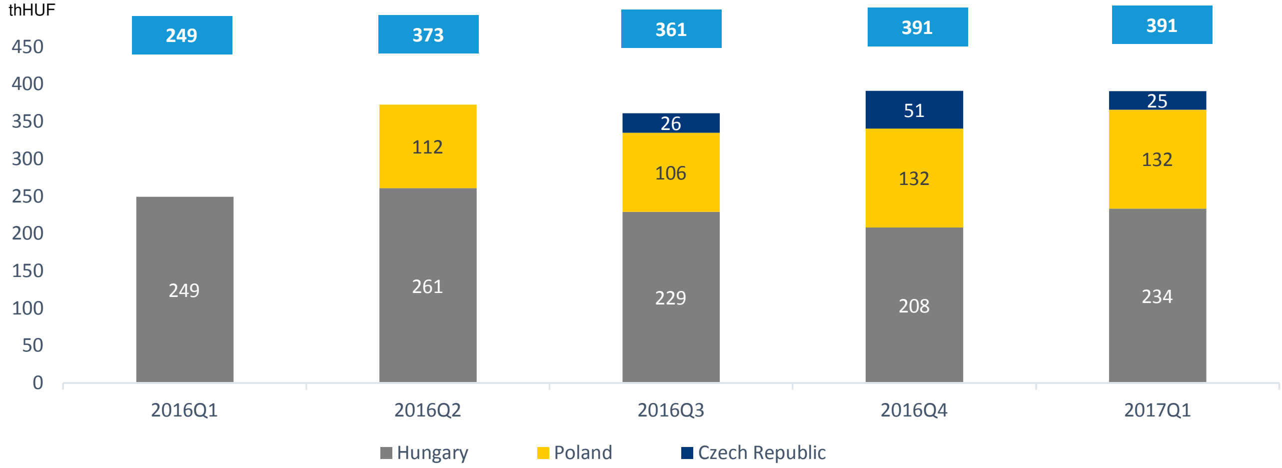
* No similar data available in relation of Poland at present

DUNA HOUSE GROUP

Own office operation segment

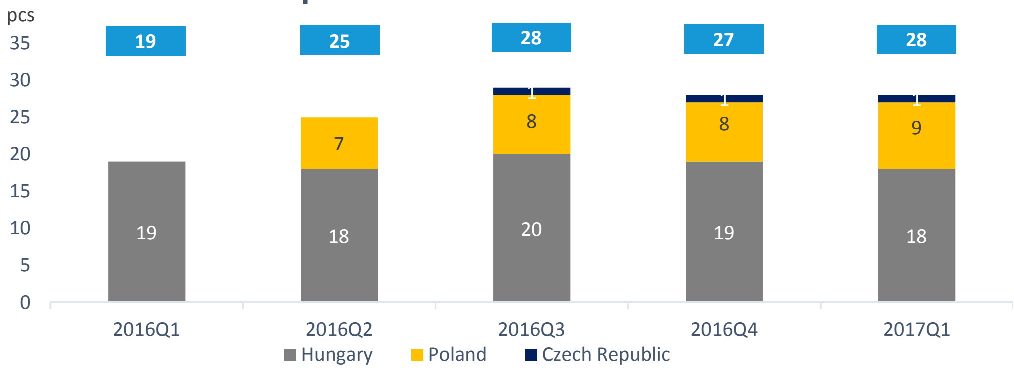
DEVELOPMENT IN COMMISSION REVENUES AND OFFICE NUMBERS FOR OWN OFFICES

Commission revenues for own offices*



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

Development in own office numbers



Performance of the Hungarian own office segment in the first quarter is regarded as positive. The negative trend affecting commission revenues has turned and commission revenues presented a nearly 13% growth in comparison with the last three months of the previous year. Although there is still a 6% fallback when looking at Q1 of the previous year, the Management is satisfied with the positive trend overall, and forecasts further growth.

Own offices in Poland -despite the seasonality effect resulting in a generally weaker Q1- have been able to generate a commission revenue volume nearly the same as in the previous quarter, accounting for an overall overperformance.

The performance of the Czech own office during this year's first quarter was weaker than in the previous quarter. Resulting from the significantly smaller office size, the performance of the office is much less even with one or two more significant transactions generating higher commission income closed in the forthcoming quarter, significantly affecting the results. Based on on-going transactions the Managements forecasts a stronger second quarter.

The difference between the commission income of own offices of Q1 and the preliminary numbers published on April 4, 2017 is negligible.

PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

(data in thHUF)	OWN OFFICE SEGMENT							
	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**341 535**	**165 000**	**176 535**	**107%**	**341 535**	**165 000**	**176 535**	**107%**
Direct expenses	189 591	56 538	133 053	235%	189 591	56 538	133 053	235%
Gross profit	**151 944**	**108 462**	**43 482**	**40%**	**151 944**	**108 462**	**43 482**	**40%**
Gross profit margin (%)	44%	66%	-22%		44%	66%	-22%	
Depreciation and impairment	6 295	2 819	3 475	123%	6 295	2 819	3 475	123%
Indirect expenses	129 073	60 398	68 676	114%	129 073	60 398	68 676	114%
Operating income (EBIT)	**16 576**	**45 245**	**-28 669**	**-63%**	**16 576**	**45 245**	**-28 669**	**-63%**
EBIT margin (%)	5%	27%	-22%		5%	27%	-22%	

The significant growth of the realized sales revenue in the own office segment compared to the previous quarter is mainly the result of acquisition.

The invoicing procedure reflecting Polish processes plays an important role in the worsening of the gross profit margin.

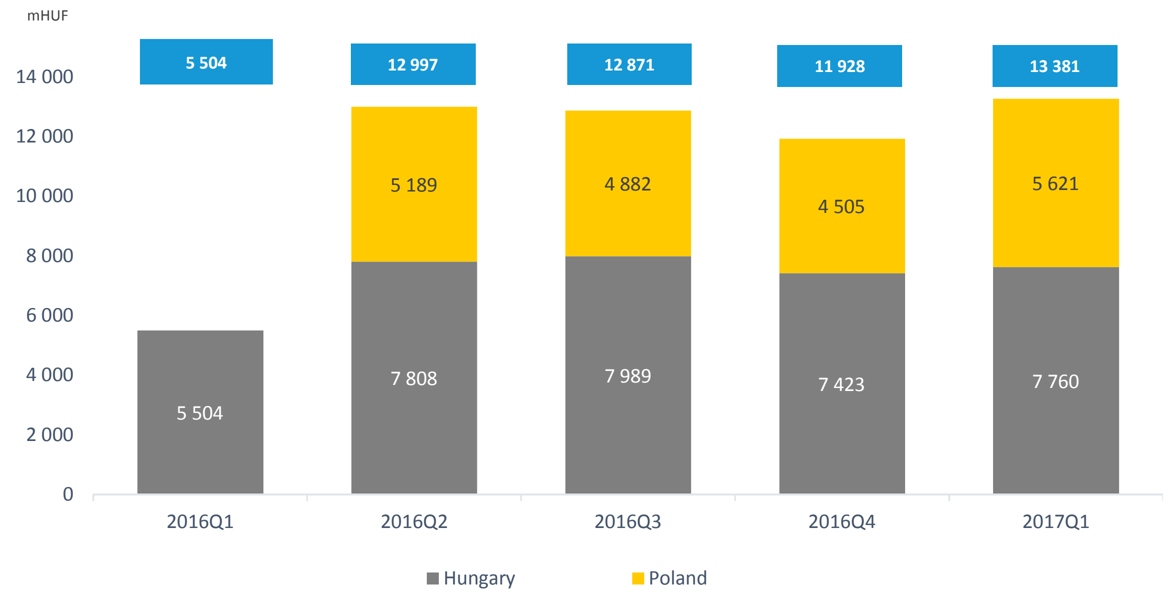
Weakening of the operation income is due to the nearly 6% decrease of realized commission revenue in the Hungarian own offices and the weaker performance of Metrohouse own offices and the Center Reality s.r.o in the Czech Republic.

The HUF 7.4 Million operating loss of the Czech operation in the first quarter has significant seasonality background. Based on on-going transactions it can be stated that the second quarter of the present year will be stronger.

DUNA HOUSE®
GROUP

Financial product intermediary services segment

DEVELOPMENT IN INTERMEDIATED LOAN VOLUMES BY QUARTERS



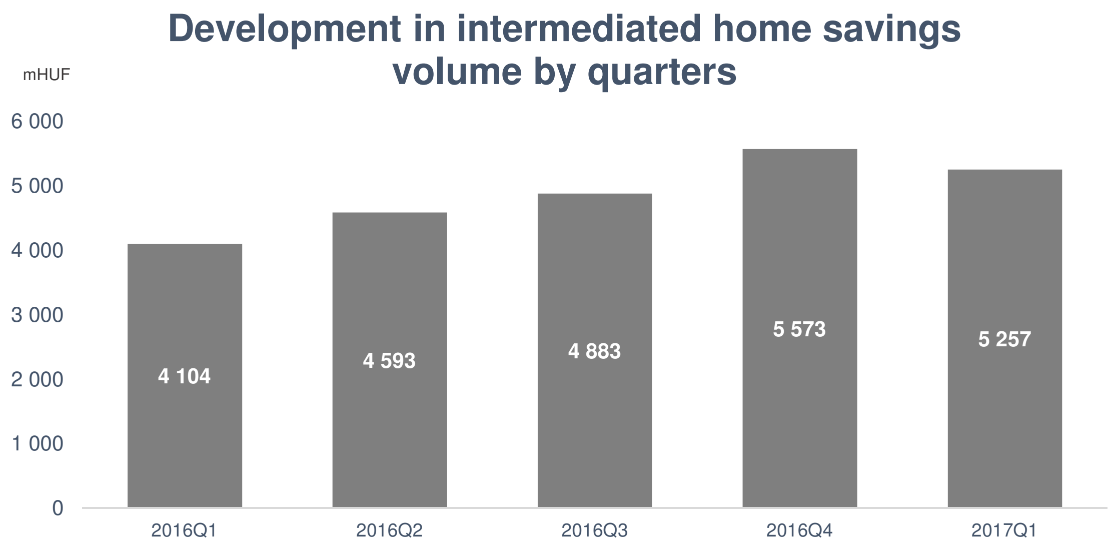
The loan intermediation segment has closed an outstandingly strong first quarter, with the intermediated loan volume exceeding the volume during Q1 of the previous year by 38%.

In Poland, having been able to overcome the difficulties arosen upon acquisition- a positive turn was experienced, and the amount of intermediated loan volume (5.621 Million) has reached a new peak with a 25% growth - when compared to the previous quarter.

The Management believes that the trends affecting the performance of the Polish segment are positive, and foresees the further expansion of the intermediated loan volume in the second quarter of 2017 as well.

The difference between the actual intermediated loan volume of Q1 and the preliminary numbers presented on April 4, 2017 is negligible.

DEVELOPMENT IN INTERMEDIATED HOME SAVINGS VOLUME



The Holding's intermediatory activity related to home savings is at present limited to Hungary. The activity which is part of financial products intermediation has closed an outstanding quarter with the intermediated home savings volume during the first quarter of 2017 exceeding the same period of the previous year by 28%.

The intermediated home savings volume during the first quarter exceeded the estimated numbers published on April 4, 2017 by HUF 663 Million.

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PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

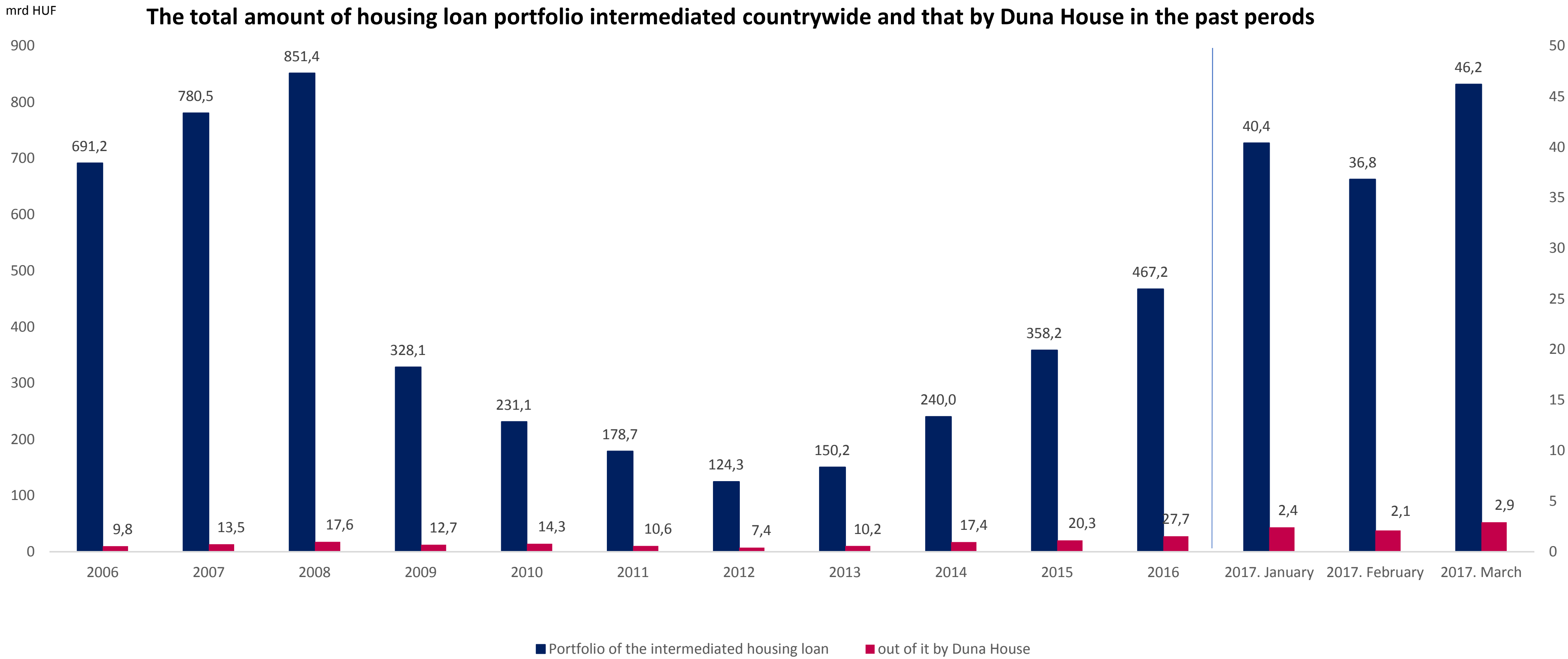
(data in thHUF)	FINANCIAL INTERMEDIARY SERVICES SEGMENT							
	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**376 453**	**359 685**	**16 767**	**5%**	**376 453**	**359 685**	**16 767**	**5%**
Direct expenses	226 106	141 394	84 711	60%	226 106	141 394	84 711	60%
Gross profit	**150 347**	**218 291**	**-67 944**	**-31%**	**150 347**	**218 291**	**-67 944**	**-31%**
Gross profit margin (%)	40%	61%			40%	61%		
Depreciation and impairment	148	272	-125	-46%	148	272	-125	-46%
Indirect expenses	49 871	27 650	22 221	80%	49 871	27 650	22 221	80%
Operating income (EBIT)	**100 328**	**190 368**	**-90 041**	**-47%**	**100 328**	**190 368**	**-90 041**	**-47%**
EBIT margin (%)	27%	53%	-28%		27%	53%	-28%	

The commission cap introduced at the end of Q1 of 2016 had a negative impact on the performance of the financial products intermediary services segment.

While the increase in the volume of submitted loan applications from the period before March 21, 2016 had a positive impact on last year’s quarter, the realized commission revenue of residential mortgage based loan products during the first quarter of the present year fell fully under the 2% cap.

The loan intermediary activity in Poland is profitable on operational level, thus the acquisition effect on the quarterly performance of the segment is positive.

HUNGARIAN HOUSING LOAN TRENDS



Complementary services segment

COMPLEMENTARY SERVICES SEGMENT

Complementary services segment at present include 4 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

Fund Manager controlled by the Group

- MNB cert.No:

  H-EN-III-130/2016
- Date of registry:

  April 2016.

Currently managed fund:

ILBA, open end, public

IMPACT FUND MANAGER

The 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, out of which 50% is paid to the brokers of units of the Fund as “trailer fee”. The Fund Manager is also entitled to charge a contingent fee. The Fund Manager is entitled to claim a contingent fee only when achieving a higher yield than the Fund’s benchmark in the relevant year. The amount of the contingent feel shall be 20% of the yield above benchmark. Basis for benchmark is RMAX index.

Amount of the accrued contingent fee as of March 31, 2017: HUF 2.388 thousand.

Events regarded as significant due to relevance to the operation of the Fund are as follows:

- Medasev Holding Ltd. (owner of 39,68% of Duna House Holding Plc.), from April 13, 2017, in 5 equal amounts, recurring monthly, issued an irrevocable purchase order valuing the total of HUF 500 Million for the units of the Fund, and undertakes to keep a maintenance obligation in relation of the given units for a defined 2-year-long term. Since the Fund Manager is not obliged to pay any “trailer fee” in relation of this amount, the amount of income realizable by the Fund Manager (and thus, the Group is equivalent to an income realizable with an asset-portfolio worth HUF 1 Blli)
- On May 15, 2017, another institutional investor purchased units from the Fund for an amount of HUF 100 Million.

IMPACT

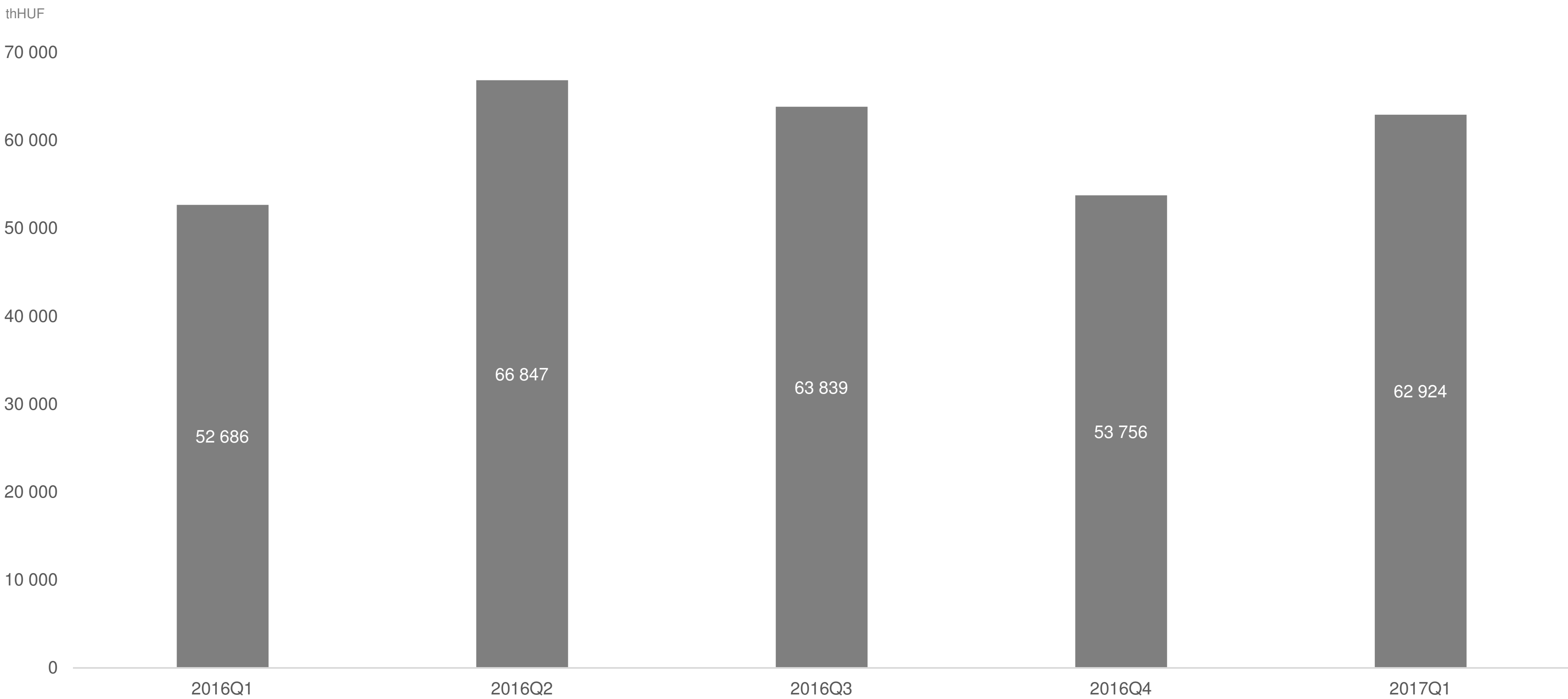
ASSET MANAGEMENT

impactalapkezelo.hu

PROPERTY FUND MANAGEMENT	ILBA*	
		31 March 2017
Net asset value (thHUF)		**1 169 384**
Invested in properties (thHUF)		**858 670**
Return on investment (%)	period data	
- since the beginning of the year	1,94%	
- In the 3-month-period before 31 March 2017	**1,94%**	
In the 6-month-period before 31 March 2017	4,60%	
In the 12-month-period before 31 March 2017	n/a	
- From the set-up of ILBA until 31. March 2017	**6,65%**	
*Impact Residential Property Investment Fund		

The Management regards the performance of Impact Residential Property Investment Fund achieved until March 31, 2017 as outstanding, with reference to the fact that based on achieved yield it is among the three best performing public property funds in Hungary. The Management is expecting further growth in the managed asset volume of the Fund.

DEVELOPMENT IN SEGMENT SALES REVENUE BY QUARTERS



PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

(data in thHUF)	COMPLEMENTARY SERVICES SEGMENT							
	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**62 924**	**52 896**	**10 028**	**19%**	**62 924**	**52 896**	**10 028**	**19%**
Direct expenses	24 005	20 101	3 904	19%	24 005	20 101	3 904	19%
Gross profit	**38 919**	**32 794**	**6 125**	**19%**	**38 919**	**32 794**	**6 125**	**19%**
Gross profit margin (%)	62%	62%	0%		62%	62%	0%	
Depreciation and impairment	438	276	162	59%	438	276	162	59%
Indirect expenses	42 619	22 125	20 495	93%	42 619	22 125	20 495	93%
Operating income (EBIT)	**-4 139**	**10 394**	**-14 532**	**-140%**	**-4 139**	**10 394**	**-14 532**	**-140%**
EBIT margin (%)	-7%	20%	-27%		-7%	20%	-27%	

Beginning in 2017, the performance of Impact Asset Management Plc. will be presented under the complementary services segment, which, in Q1 presented a HUF 11 Million loss.

Among the indirect expenses HUF 2.5 Million represents losses recorded on bad debts in the present quarter, which is due to the winding-up of our debtor or other reasons not enabling the recovery of our receivables.

Property investments segment

PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

(data in thHUF)	PROPERTY INVESTMENT SEGMENT							
	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**26 571**	**57 150**	**-30 579**	**-54%**	**26 571**	**57 150**	**-30 579**	**-54%**
Direct expenses	3 447	20 103	-16 655	-83%	3 447	20 103	-16 655	-83%
Gross profit	**23 123**	**37 048**	**-13 924**	**-38%**	**23 123**	**37 048**	**-13 924**	**-38%**
Gross profit margin (%)	87%	65%	22%		87%	65%	22%	
Depreciation and impairment	5 289	3 017	2 273	75%	5 289	3 017	2 273	75%
Indirect expenses*	5 590	14 284	-8 693	-61%	5 590	14 284	-8 693	-61%
Operating income (EBIT)	**12 244**	**19 747**	**-7 503**	**-38%**	**12 244**	**19 747**	**-7 503**	**-38%**
EBIT margin (%)	46%	35%	11%		46%	35%	11%	

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

The Management's focus shift from investment purpose property portfolio to property development project underway in MyCity, which began in August 2016 had a significant impact on the sales revenue and operating income of the property investment segment.

Although the sale of the significant part of the investment portfolio during last year resulted in the decrease of rental income to be realized during this year's first quarter, due to the decrease of direct and indirect operational expenses, the EBIT margin could grow from 35% to 46%.

Since the full consolidation of MyCity group following its acquisition took place for the first time on March 31, 2017, MyCity group's Q1 performance is not yet included in the present profit and loss statement.

VOLUME* AND VALUE OF INVESTMENT AND OPERATIVE PROPERTIES

(data in thHUF)	31 December 2016		31 March 2017	
	Number (pcs)**	Carrying amount	Number (pcs)**	Carrying amount
Investment properties*	12	939 362	12	953 429
Properties	4	369 739	5	409 623
Total	**16**	**1 309 101**	**17**	**1 363 052**

*˙properties owned by MyCity group not included

** number of properties doesn't include the number of parking lots, storage rooms.

We appraise investment purpose properties on market value. Market appraisal is carried out every six months, next time on June 30, 2017. Realization of the change in value of investment purpose properties is carried out in Q2 of 2017.

PROPERTY DEVELOPMENT ACTIVITY

Duna House Holding, under MyCity brand, manages the development of 430 residential properties -4 projects-, as follows:

	Forest Hill Budapest III. district	Reviczky Liget Budapest XVIII. district	Írisz Ház Budapest XIII. district	MyCity Residence Budapest III. district	Összesen
Duna House Group's share in Project	**100%**	**100%**	**100%**	**50%**	
Landsize (m2)	29 314	5 625	1 319	3 345	**39 603**
Sellable area (m2)	16 085	4 672	2 228	7 069	**30 054**
Number of Apartements (pcs.)	196*	86	44	105	**430**
Average price (thHUF/ m2)**	576	435	541	578	**552**
Average Apartements size (m2)	82,1	54,3	51,8	67,3	**69,9**
Actual status of Projects					
Construction permit	✓	✓	✓	✓	
Construction is ongoing	✓	✓	-	-	
Active presale started	✓	✓	-	✓	

*Currently 148 Apartements have Construction permit
** by MyCity's average selling price

ON-GOING PROJECTS

Forest Hill

Reviczky Liget

Írisz Ház

MyCity Residence

Other- and consolidation segment

PROFIT AND LOSS STATEMENT ON SEGMENT LEVEL

(data in thHUF)	OTHERS- AND CONSOLIDATION SEGMENT							
	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)	1.-3. 2017	1.-3. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**-86 865**	**-98 401**	**11 536**	**-12%**	**-86 865**	**-98 401**	**11 536**	**-12%**
Direct expenses	-33 008	9 861	-42 869	-435%	-33 008	9 861	-42 869	-435%
Gross profit	**-53 857**	**-108 262**	**54 405**	**-50%**	**-53 857**	**-108 262**	**54 405**	**-50%**
Gross profit margin (%)	62%	110%	-48%		62%	110%	-48%	
Depreciation and impairment	1 036	2 523	-1 487	-59%	1 036	2 523	-1 487	-59%
Indirect expenses	-45 157	-101 169	56 013	-55%	-45 157	-101 169	56 013	-55%
Operating income (EBIT)	**-9 736**	**-9 616**	**-120**	**1%**	**-9 736**	**-9 616**	**-120**	**1%**
EBIT margin (%)	11%	10%	1%		11%	10%	1%	

Performance of Duna House Holding Plc's activity, as well as the consolidating effects of yield expense consolidation are presented under the other- and consolidation segment.

Duna House Holding Plc's operating result (after-consolidation) shows a HUF 10 Million loss, which is primarily made up of accounting, legal, KELER, BÉT publication and translation related costs not passed on to the operational segments.

Beginning in Q1, 2017, the performance of Impact Asset Management Plc., with the relating income and expenses, is presented as part of the complementary services segment.

DUNA HOUSE® GROUP

Consolidated financial statements

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet data in thHUF	31. March 2017 (not audited)	31. december 2016 (audited)	Variance	
			thHUF	%
Other intangible assets	83 614	84 692	-1 078	-1%
Goodwill	1 023 936	992 089	31 847	3%
Investment property	1 142 817	939 362	203 455	22%
Property, plant	554 652	519 319	35 333	7%
Equipment	71 419	53 920	17 499	32%
Investment in a joint venture	100 591	506 273	-405 682	-80%
Deferred tax assets	171 927	158 829	13 098	8%
Other financial assets	69 214	66 401	2 813	4%
Non-current assets	**3 218 170**	**3 320 885**	**-102 715**	**-3%**
Inventories	1 943 762	11 616	1 932 146	16633%
Trade receivables	367 294	286 205	81 089	28%
Receivables from affiliates	140 667	378 709	-238 042	-63%
Other receivables	85 836	53 648	32 188	60%
Current tax asset	75 810	35 119	40 691	116%
Other assets	346 295	321 744	24 551	8%
Cash and cash equivalents	750 793	1 583 686	-832 893	53%
Current assets	**3 710 456**	**2 670 727**	**1 039 729**	**39%**
Total assets	**6 928 626**	**5 991 612**	**937 014**	**16%**

Consolidated balance sheet data in thHUF	31. March 2017 (not audited)	31. December 2016 (audited)	Variance	
			thHUF	%
Share capital	171 989	153 050	18 939	12%
Share premium	1 490 536	9 479	1 481 057	15625%
Other reserves	11 592	-23 318	34 910	150%
Retained earnings	2 711 614	2 444 092	267 522	11%
Equity attributable to the owners of the Company	**4 385 731**	**2 583 303**	**1 802 428**	**70%**
Non-controlling interests	-42 353	-40 154	-2 199	5%
Total equity	**4 343 378**	**2 543 149**	**1 800 229**	**71%**
Borrowings	786 399	582 664	203 735	35%
Deferred tax liabilities	131 093	86 557	44 536	51%
Other non-current liabilities	6 580	10 629	-4 049	-38%
Non-current liabilities	**924 072**	**679 850**	**244 222**	**36%**
Borrowings	189 443	198 830	-9 387	-5%
Trade payables	188 609	68 975	119 634	173%
Payables to affiliates	83 275	1 740 880	-1 657 605	-95%
Other liabilities	747 049	264 302	482 747	183%
Current tax liabilities	11 845	11 284	561	5%
Accrued expenses	440 955	484 342	-43 387	9%
Current liabilities	**1 661 176**	**2 768 613**	**-1 107 437**	**-40%**
Total equity and liabilities	**6 928 626**	**5 991 612**	**937 014**	**16%**

DUNA HOUSE GROUP

CONSOLIDATED INCOME STATEMENT

Consolidated income statement (data in thHUF, except earnings per share)	1.-3. 2017 (not audited)	1.-3. 2016 (not audited)	Variance thHUF	Variance %	1.-3. 2017 (not audited)	1.-3. 2016 (not audited)	Variance thHUF	Variance %
Net sales revenue	1 052 042	769 005	-283 037	-37%	1 052 042	769 005	-283 037	-37%
Other operating income	28 553	3 373	25 180	747%	28 553	3 373	25 180	747%
Consumables used	15 145	10 176	-4 969	49%	15 145	10 176	-4 969	49%
Cost of goods and services sold	197 553	215 775	-18 222	-8%	197 553	215 775	-18 222	-8%
Services purchased	497 440	115 362	382 078	331%	497 440	115 362	382 078	331%
Personnel expenses	152 596	103 676	48 920	47%	152 596	103 676	48 920	47%
Depreciation and impairment	22 003	17 185	4 818	28%	22 003	17 185	4 818	28%
Other operating expenses	29 720	5 898	23 822	404%	29 720	5 898	23 822	404%
Operating income (EBIT)	**166 138**	**304 306**	**-138 168**	**-45%**	**166 138**	**304 306**	**-138 168**	**-45%**
Finance income	150 678	332	150 346	45285%	150 678	332	150 346	45285%
Finance costs	6 998	4 069	2 929	72%	6 998	4 069	2 929	72%
Share of the losses of a joint venture	-20 531	-1 000	-19 531	-1953%	-20 531	-1 000	-19 531	-1953%
Profit before tax	**289 288**	**299 569**	**-10 281**	**-3%**	**289 288**	**299 569**	**-10 281**	**-3%**
Income tax expense	23 313	7 598	15 715	207%	23 313	7 598	15 715	207%
Profit after tax	**265 974**	**291 971**	**-25 997**	**-9%**	**265 974**	**291 971**	**-25 997**	**-9%**
Currency translation difference	11 003	0	11 003		11 003	0	11 003	
Other comprehensive income	**11 003**	**0**	**11 003**		**11 003**	**0**	**11 003**	
Total comprehensive income	**276 977**	**291 971**	**-14 994**	**-5%**	**276 977**	**291 971**	**-14 994**	**-5%**
attributable to								
Shareholders of the Company	**279 113**	**291 971**	**-12 858**	**-4%**	**279 113**	**291 971**	**-12 858**	**-4%**
Non-controlling interest	**- 2 136**	**0**	**-2 136**		**- 2 136**	**0**	**-2 136**	
Earnings per share (basic and diluted)	**81**	**95**	**-14**	**-15%**	**81**	**95**	**-14**	**-15%**

CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement	1.-3. 2017 (not audited)	1.-12. 2016 (audited)
data in thHUF		
Cash flows from operating activities		
Profit after tax	265 974	1 167 859
Adjustments:		
Depreciation	22 003	77 795
Deferred tax expense	-53 773	-96 164
Fair value adjustments of investment properties	0	-188 031
Badwill	-139 595	-56 272
Share of profit of a joint venture	20 531	-505 273
Movements of working capital		
Increase in inventories	-1 429	-3 122
Increase in trade- and other receivables	-542 498	-612 728
Decrease of other assets	-38 829	90 658
Increase of trade payables	-123 680	33 742
Increase of other short term liabilities	107 117	238 807
Increase in accruals	-30 053	191 543
Net cash generated by operating activities	***-514 233***	***338 815***

Consolidated cash flow statement	1.-3. 2017 (not audited)	1.-12. 2016 (audited)
Cash flows from investing activities		
Payments for property, plant and equipment	-86 946	-819 605
Proceeds from the sale of properties	0	1 096 588
Net cash outflow on acqusition of subsidiaries	-171 668	-873 464
Net cash used in investing activities	***-258 614***	***-596 481***
Cash flows from financing activities		
Proceeds from borrowings	- 60 046	172 339
Proceeds from shareholders for capital increase	0	1 499 997
Dividends paid	0	-246 730
Securities sold	0	0
Net cash generated from financing activities	***- 60 046***	***1 425 605***
Net increase in cash and cash equivalents	-832 893	1 167 939
Cash and cash equivalents at the beginning of the year	1 583 686	415 747
Cash and cash equivalents at the end of the year	**750 793**	**1 583 686**

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 2015	**153 050**	**9 479**	**0**	**1 525 238**	**1 687 767**	**0**	**1 687 767**
Dividend paid	0	0	0	-247 600	-247 600	0	-247 600
Aquisition of Subsidiary	0	0	0	0	0	-40 214	-40 214
Total comprehensive income	0	0	-23 318	1 166 454	1 143 136	60	1 143 196
31. December 2016	**153 050**	**9 479**	**-23 318**	**2 444 092**	**2 583 303**	**-40 154**	**2 543 149**
Capital increase	18 939	1 481 057	0	0	1 499 996	0	1 499 996
Total comprehensive income	0	0	34 910	267 522	302 431	-2 199	300 233
31. March 2017	**171 989**	**1 490 536**	**11 592**	**2 711 614**	**4 385 731**	**-42 353**	**4 343 378**

REVENUE, OPERATING INCOME AND PROFIT AFTER TAX BY COUNTRIES

Data in thHUF Including all the countries in the period 1. January 2017 – 31. March 2017	HUNGARY	POLAND	CZECH REPUBLIC	Duna House TOTAL
Net sales revenue	**735 856**	**285 587**	**30 599**	**1 052 042**
Operating income (EBIT)	**178 602**	**- 5 023**	**- 7 441**	**166 138**
Profit after tax	**275 703**	**- 1 991**	**- 7 738**	**265 974**
w/o MyCity*				
Operating income (EBIT)	**183 920**	**- 5 023**	**- 7 441**	**171 456**
Profit after tax	**299 595**	**-1 991**	**- 7 738**	**289 865**

The activity in Poland presents profit on EBITDA level, from after-tax profit perspective it has nearly reached the break-even point.
The HUF 7.4 Million negative operating income of the activity in the Czech Republic has mainly seasonality reasons. Based on on-going transactions, Q2 of 2017 is predicted to be stronger.

- *Excluding the individual performance of MyCity group (MyCity Residential Development Kft., Pusztakúti 12 Kft., Revicky 6-10 Kft., Zsinór 39 Projekt Kft., Hunor utca 24 Ingatlanfejlesztő Kft.) , but taking into account the performance of transactions arising from the Holding's cooperation with MyCity, and as a result of the control over MyCity group acquired in March 2017, the Holding recognized a badwill. Sales revenue related to the real estate development projects within MyCity group -in accordance with current accounting standards relevant to the sector- is realized following project closure. Indirect (operational) costs arising before sales revenue recognition have a negative impact on profitability.*

Annex 1

Time-series report of the different operational segments for the previous four quarters is attached to the interim report as a separate file.

Duna House Holding Nyrt 2017Q1 negyedeves
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Disclaimer

Undersigned, members of the Board of Directors of DUNA HOUSE HOLDING Plc. (seated H-1016 Budapest, Gellérthegy str 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 in April 2018.

Budapest, May 26, 2017.

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

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

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

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