

quarter	index value
1998Q1	45,63
1998Q2	51,18
1998Q3	54,75
1998Q4	54,96
1999Q1	59,31
1999Q2	65,75
1999Q3	70,98
1999Q4	77,54
2000Q1	91,71
2000Q2	99,45
2000Q3	102,87
2000Q4	105,97
2001Q1	114,04
2001Q2	117,72
2001Q3	117,58
2001Q4	119,84
2002Q1	128,49
2002Q2	133,80
2002Q3	135,78
2002Q4	139,89
2003Q1	153,01
2003Q2	159,14
2003Q3	160,01
2003Q4	169,51
2004Q1	166,08
2004Q2	173,65
2004Q3	172,29
2004Q4	179,87
2005Q1	175,61
2005Q2	177,04
2005Q3	177,35
2005Q4	178,70
2006Q1	183,94
2006Q2	185,73
2006Q3	186,59
2006Q4	189,07
2007Q1	192,82
2007Q2	195,19
2007Q3	192,83
2007Q4	200,03
2008Q1	200,70
2008Q2	196,37
2008Q3	195,40
2008Q4	196,56
2009Q1	191,12
2009Q2	195,10
2009Q3	179,11
2009Q4	174,34

We are pleased to respond to any inquiries.

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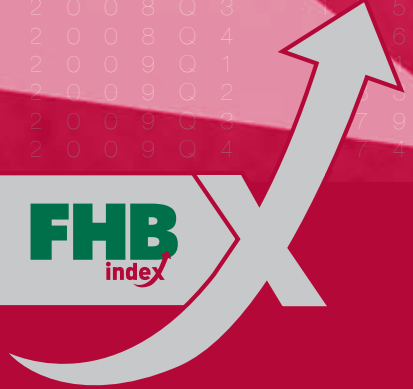
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FHB House Price index 1998-2009

1 9 9 8 Q 1	4 5
1 9 9 8 Q 2	5 1
1 9 9 8 Q 3	5 4
1 9 9 8 Q 4	5 4
1 9 9 9 Q 1	5 9
1 9 9 9 Q 2	6 5
1 9 9 9 Q 3	7 0
1 9 9 9 Q 4	7 7
2 0 0 0 Q 1	9 1
2 0 0 0 Q 2	9 9
2 0 0 0 Q 3	1 0 2
2 0 0 0 Q 4	1 0 5
2 0 0 1 Q 1	1 1 4
2 0 0 1 Q 2	1 1 7
2 0 0 1 Q 3	1 1 7
2 0 0 1 Q 4	1 1 9
2 0 0 2 Q 1	1 2 8
2 0 0 2 Q 2	1 3 3
2 0 0 2 Q 3	1 3 5
2 0 0 2 Q 4	1 3 9
2 0 0 3 Q 1	1 5 3
2 0 0 3 Q 2	1 5 9
2 0 0 3 Q 3	1 6 0
2 0 0 3 Q 4	1 6 9
2 0 0 4 Q 1	1 6 6
2 0 0 4 Q 2	1 7 3
2 0 0 4 Q 3	1 7 2
2 0 0 4 Q 4	1 7 9
2 0 0 5 Q 1	1 7 5
2 0 0 5 Q 2	1 7 7
2 0 0 5 Q 3	1 7 7
2 0 0 5 Q 4	1 7 8
2 0 0 6 Q 1	1 8 3
2 0 0 6 Q 2	1 8 5
2 0 0 6 Q 3	1 8 6
2 0 0 6 Q 4	1 8 9
2 0 0 7 Q 1	1 9 2
2 0 0 7 Q 2	1 9 5
2 0 0 7 Q 3	1 9 2
2 0 0 7 Q 4	2 0 0
2 0 0 8 Q 1	2 0 0
2 0 0 8 Q 2	1 9 6
2 0 0 8 Q 3	1 9 5
2 0 0 8 Q 4	1 9 6
2 0 0 9 Q 1	1 9 9
2 0 0 9 Q 2	1 9 9
2 0 0 9 Q 3	1 9 9
2 0 0 9 Q 4	1 9 4

FHB
index

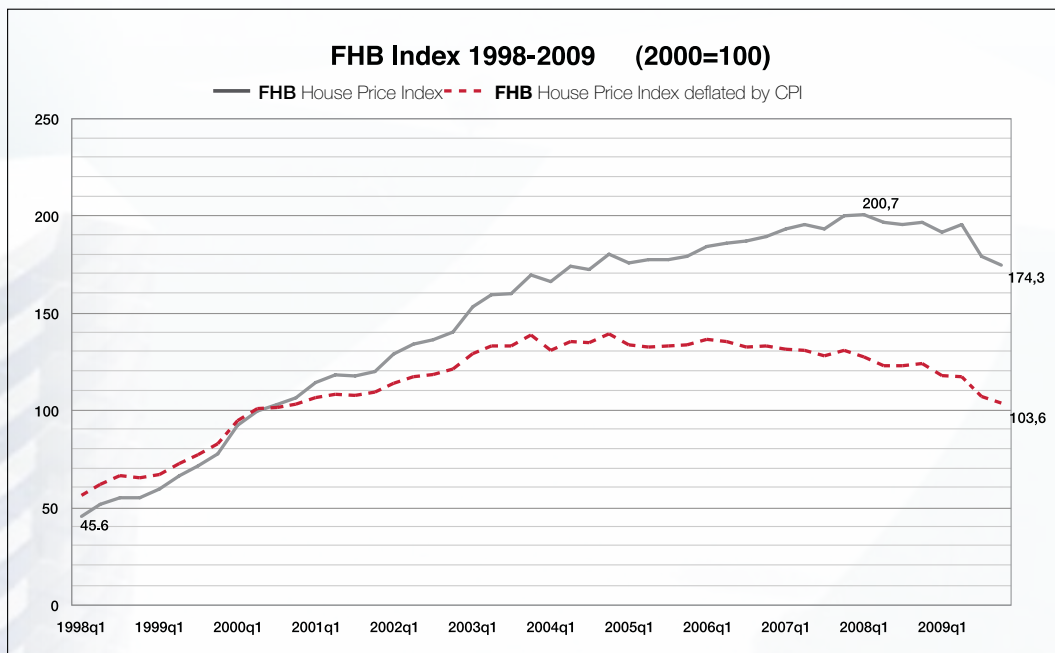


1 9 9 8 Q 1	4 5
1 9 9 8 Q 2	5 1
1 9 9 8 Q 3	5 4
1 9 9 8 Q 4	5 4
1 9 9 9 Q 1	5 9
1 9 9 9 Q 2	6 5
1 9 9 9 Q 3	7 0
1 9 9 9 Q 4	7 7
2 0 0 0 Q 1	9 1
2 0 0 0 Q 2	9 9
2 0 0 0 Q 3	1 0 2
2 0 0 0 Q 4	1 0 5
2 0 0 1 Q 1	1 1 4
2 0 0 1 Q 2	1 1 7
2 0 0 1 Q 3	1 1 7
2 0 0 1 Q 4	1 1 9
2 0 0 2 Q 1	1 2 8
2 0 0 2 Q 2	1 3 3
2 0 0 2 Q 3	1 3 5
2 0 0 2 Q 4	1 3 9
2 0 0 3 Q 1	1 5 3
2 0 0 3 Q 2	1 5 9
2 0 0 3 Q 3	1 6 0
2 0 0 3 Q 4	1 6 9
2 0 0 4 Q 1	1 6 6
2 0 0 4 Q 2	1 7 3
2 0 0 4 Q 3	1 7 2
2 0 0 4 Q 4	1 7 9
2 0 0 5 Q 1	1 7 5
2 0 0 5 Q 2	1 7 7
2 0 0 5 Q 3	1 7 7
2 0 0 5 Q 4	1 7 8
2 0 0 6 Q 1	1 8 3
2 0 0 6 Q 2	1 8 5
2 0 0 6 Q 3	1 8 6
2 0 0 6 Q 4	1 8 9
2 0 0 7 Q 1	1 9 2
2 0 0 7 Q 2	1 9 5
2 0 0 7 Q 3	1 9 2
2 0 0 7 Q 4	2 0 0
2 0 0 8 Q 1	2 0 0
2 0 0 8 Q 2	1 9 6
2 0 0 8 Q 3	1 9 5
2 0 0 8 Q 4	1 9 6
2 0 0 9 Q 1	1 9 1
2 0 0 9 Q 2	1 8 3
2 0 0 9 Q 3	1 7 9
2 0 0 9 Q 4	1 7 4

6 3
1 8
7 5
9 6
3 1
7 5
9 8
5 4
7 1
4 5
7
9
0
7
2
8

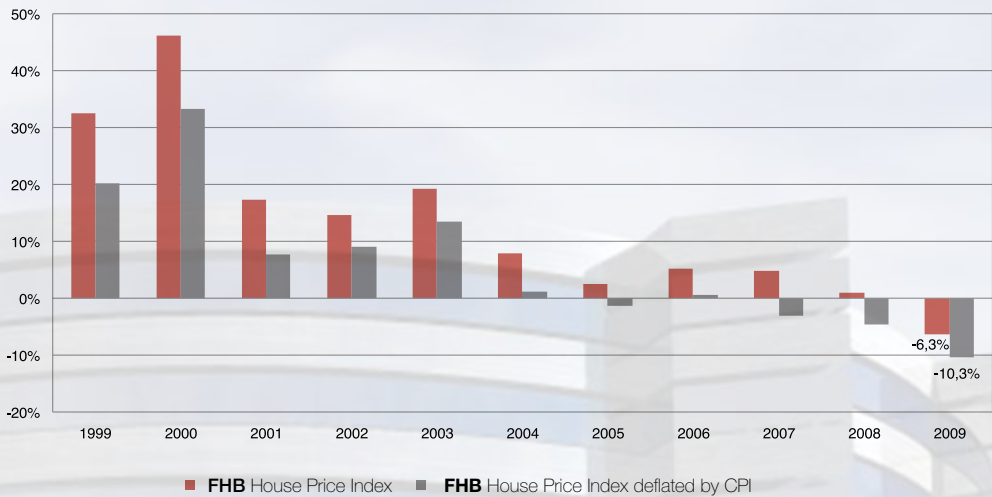


1. FHB Index



AFHB Index continues to decline on the basis of data obtained in the fourth quarter of 2009, which corresponds to the level of the beginning of year 2005. In producing the latest index, we relied on FHB's market information and observations, as well as data received by Levy Offices for the fourth quarter of 2009. Newly obtained data have helped us to form a fully completed picture of 2009. A slight pick-up was observed in the second quarter due to the increased demand generated by the announcement that state subsidies were to be cut. After the amendment of the support system a significant fall in prices occurred; in 2009 an average drop of 6.3% was measured compared to the previous year that corresponds to our previous expectations. The value of FHB House Price Index in the fourth quarter of 2009 is: 174.34.

Yearly changes of FHB Index, nominal and deflated by CPI



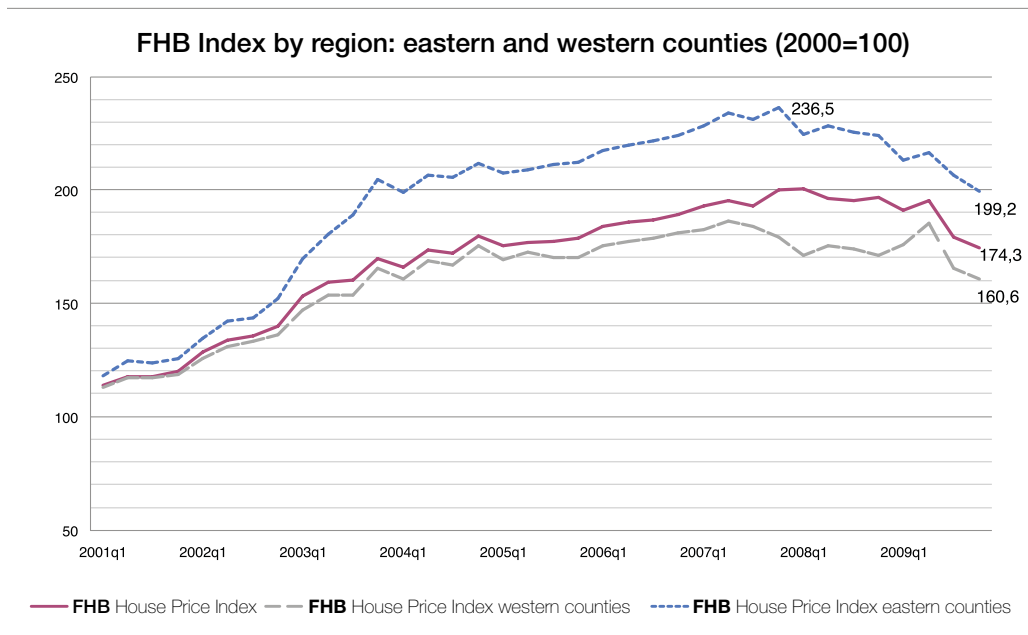
2. Evaluation of the housing market

In 2009 a decline can be observed in almost every segment of the housing market. The economic crisis led to the set-back of demand through two different channels: layoffs and wage corrections resulted in a significant reduction in the real income of the population, while corrective actions taken in the financial industry initially increased the price and tightened the supply of loans offered. While the financial sector gradually adapted to the financial shock, real income continues to deteriorate, resulting in decreased demand for housing. Reduction in demand has led to a 50% decline in the turnover of the housing market compared to the previous year. Reduction within the developers' side can also be observed: in 2009 construction of new housing units fell by 11% compared to 2008 and unsold new housing units still pose problems for developers. While there are signs that real economic situation has stabilised and is slowly starting to recover (this is also suggested by export figures showing an upturn in volume at the end of 2009), demand for loans continues to remain at a low level and the volume of housing loans stagnates despite expanding supply of loans characterised by newly introduced products and more favourable interest rates. Supply of loans and housing units is sufficient; it is the level of demand that poses market barrier, strongly depending on the households' expectations. In 2004 real property prices started to stagnate then to sink which makes housing market become a more attractive sphere for investments, especially when considering the highly volatile capital market environment and low interest rates on deposits. That makes households (and investors) to begin to contemplate property as an alternative for investment. Nominal house prices are expected to sink lower at several locations, at the same time evolution of inflation may help real house prices to fall by a smaller rate compared to 2009.



3. Regional and territorial observations

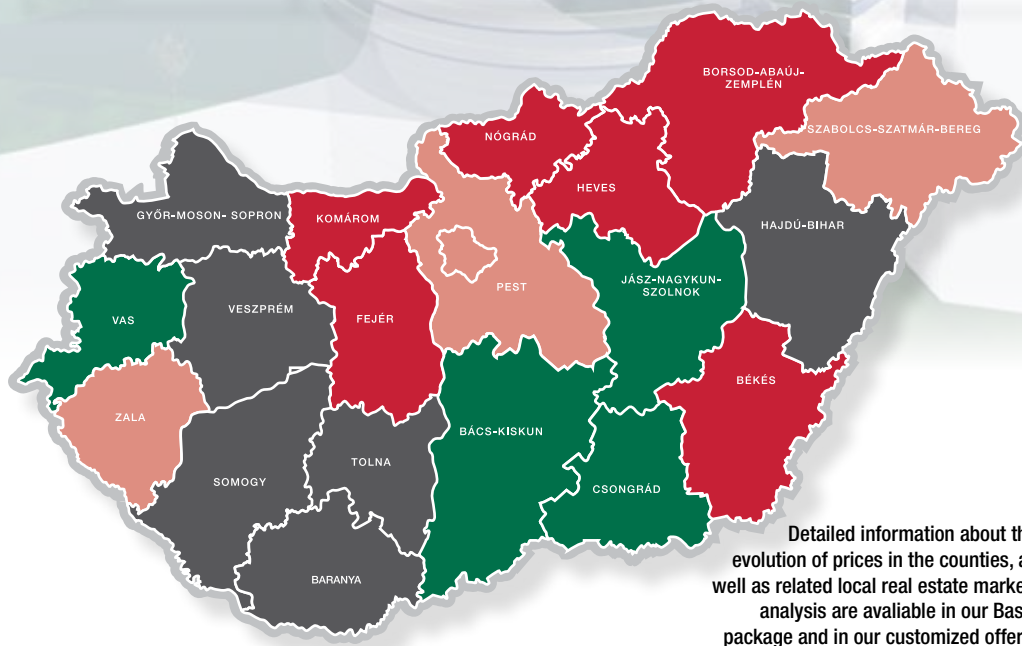
In addition to the evolution of nationwide prices we have also measured the price changes in the counties as a reflection of the regional housing market. The tendency drawn from our observations over the last decade shows that house prices in the eastern half of the country increased at a higher rate than average while prices in the west increased generally slower than average since the millennium. House prices in the eastern counties have approached and at some places even reached those of the western counties.



The short period since the outbreak of the crisis brings us to the conclusion that general decrease in prices had a stronger impact on the countryside; with very few exceptions, markets in the smaller villages have slowed down. The crisis affected the counties differently in 2009: property prices – with the exception of the county of Pest – fell the most in the northern counties. It must be noted, however, that the very same counties went through the highest price increase between 2000 and 2008.

4. Price changes by counties (2009)

Higher drop than average (<-8%)	Average drop (-8% <<-5%)	Smaller drop (-5% << 0%)	Stagnation, growth 0% <
Békés	Bács-Kiskun	Baranya	Pest
Borsod	Csongrád	Győr-Moson-Sopron	Szabolcs-Szatmár-Bereg
Fejér	Jász-Nagykun-Szolnok	Hajdú-Bihar	Zala
Heves	Vas	Somogy	
Komárom-Esztergom		Tolna	
Nógrád		Veszprém	



FHB House Price Prognosis is updated every six months and provides a 12-month forecast of housing prices on the basis of a structural model. The last prognosis was published in February 2010, in which we were expecting an average fall of 9% for the whole year, albeit at a slower rate than before. Our present forecast shows the same numbers; the next update of the forecast will be published in September 2010.

A more detailed justification of the forecast, the extent and dynamics of the evolution of prices, and an analysis of the risks surrounding the realization of the forecast are available in our Basis Package, as well as customized special offers. In addition, in September 2010 – together with the third quarter issue of the Basis Package – we present FHB Agricultural Land Price Index.

5. FHB Index offers

FHB Index is an accomplishment of a unique innovation, and it is our honour that this compound market indicator – already having three important components – has raised your interest. In addition to FHB House Price Index and FHB House Price Prognosis, FHB Agricultural Land Price Index will also be available from September 2010. FHB House Price Index is based on real transactional data and calculated by hedonic regressive method. The Index presents changes in housing prices from 1998 until the present time. Before its introduction by FHB Real Estate Zrt. in 2009 no other product of this kind was available on the domestic market; FHB was awarded for Innovation in real estate valuation by the Hungarian Real Estate Association. In contrast to price indicators previously used, FHB Index is based on a transparent, disclosed methodology and reflects real sale prices. FHB Index is a new market gauge and reference tool, which is distinctive in terms of the measured time intervals and the quality of the underlying data, combining international practice with FHB's own housing market experience.

From 2010 FHB House Price Prognosis is available exclusively from FHB Real Estate Zrt. The Prognosis, with its regular updates every six months and its 12-month forecast based on a structural model and transparent methodology, serves as a reliable support for planning on the real estate market. Responding to demand and filling a market niche, our new market information source, FHB Agricultural Land Price Index will be introduced in September that will further benefit our clients based on FHB's professional experience.

FHB Index Basis Package is a standard product (package), which has been developed to provide useful and practical information to domestic and foreign players of the real estate market within and outside of Budapest. The Basis Package contains the following:

- Publicly available nationwide index plus the Budapest price index,
- The housing price index for 12-15 larger cities,
- Indices for types of real estate (flats, single family homes, by above locations),
- Forecast for the development of the nationwide index for 2010 and the presentation of the forecast methodology,
- Analysis of actual market processes, as well as analysis by county
- International comparisons and analysis of market outlook.

The Basis Package can be ordered for 300,000 HUF/quarter + VAT; 15% discount available for annual subscription: 1,020,000 HUF/year + VAT. Due to the complexity of the package, the content described above is spread out over an entire year. Our issues of 2010 include the full range of various analyses mentioned above, based on the needs of our current subscribers, according to the following schedule:

- 1st quarter: forecast + territorial indices (10-12 larger cities) ✓
- 2nd quarter: full territorial and type indices + assessment of real estate market for the full year of 2009 ✓
- 3rd quarter: revision of forecast and international outlook
- 4th quarter: territorial analyses (presenting "value-map").

Please note that issues following 19 May 2010 are scheduled for the end of September and the beginning of December. Special requests concerning our package offers are welcome.