

**Presentation for the transfer of Fotex open Incorporation
into European Incorporation
(Draft of transfer)**

The Board of Directors of Fotex open Incorporation provides a review in the current draft of transfer concerning the legal and economical aspects of the transfer into a European Incorporation including the advantages of such a transfer as well as the risks involved, the way of transfer and its schedule, the financial results and suggested business strategy to be expected upon the transfer, further the fact what consequences the transfer shall have on the share-holders and the employers.

By the transfer into a European Incorporation (hereinafter called SE) the completion of the inner market shall be possible for business companies, where business activities are not limited to meet exclusively local demands and requirements.

Condition of the transfer is - in accordance with the resolution of the Board No. 2157/2001/EK - that the Incorporation has to possess over a subsidiary company in a member country differing from the site of the Incorporation according to the Articles of Incorporation for at least 2 years period.

Fotex Inc. established on November 10, 2005 with 100% ownership the Cyprus incorporated subsidiary, called Upington Investments Limited.

The Cyprus based subsidiary established on March 16, 2006 with 100% ownership the company Downington Holding LLC incorporated in Luxembourg.

Both companies are dealing with financial investments realised in the member countries of the European Union.

After the transformation Fotex open Incorporation wishes to increase their financial investments in the member states of the Union and also wishes to utilize the experiences obtained through the subsidiaries. By the transformation it will also be possible to transfer their site into another member country in accordance with their economic interests.

Main advantages and major risks to be expected after the transformation

According to the experiences of the past few years the physical presence of our management at the markets aimed by our investments is unavoidable. To achieve an expansion with european standards and to reach the flexibility needed for the future expansion targets, the Incorporation seeks for a higher mobility than it has now.

The transfer to a union company enables the transfer of the site within the European Union, thus making it possible to make use of the advantages of the direct presence necessary for the optimum future expansion, for obtaining information more precise and faster, for the realisation of more flexible financing and/or capital involvements, for optimizing taxes, for starting an effective way to launch consulting activity as a new business brand, for accomplishing lobby activities on the markets targeted, for the expansion of the current holding activity to international level as well as for the marketing and financial support of the holding members interested in the inceased of export. The registration of financial books in official euro enables the proper information of small international investors, besides a remarkable increase in the

liquidity at the markets might also be achieved. It could provide the chance for institutional investors to invest in shares of the Company which otherwise would not be able to buy shares at the developing markets due to their business strategies. All the above might significantly assist the operation of the Company, further these could provide remarkable advantages for their share-holders compared to the current situation.

Since the basic activity of the Company does not change, the risk of transfer beyond the financable increase costs of the operation is negligible, in no way comparable with the economic advantages due to the extended business opportunities. The over-activity due to the transfer and the expexctable profit to be realised through this transfer may cover the increase of costs in full extent.

With regard to the fact that the Fotex Group realises their income partly in forint and partly in foreign currencies or at a rate bound to euro even today, the risk of excahnge rates concerning the income of the Group and respectively the mother company shall not change compared to the recent situation.

They way of transfer into a SE

The Fotex open Incorporation is an incorporation of public operation, registered at the Budapest Stock Exchange, which desires to transfer into a SE in accordance with chapter 5. of the Regulation referred to in the introduction.

The transfer shall not result the establishing of a new legal person, the SE shall however be the legal successor of the current Company. In the course of the transfer the site of the Company may not be placed from a member state into another state.

The General Assembly shall approve the current draft established by the Board of Directors by their resolution, before a decision about being transferred into a SE shall be brought.

In the course of the transfer it is to be justified by an independent expert, that the net company assets of Fotex open Inc., are at least equal to their capital stock, further to the value of reserves, which – according to the legal regulations or the articles of association - may not be devided.

Based on the proposal of the Board of Directors the transfer shall take place on a value according to the books, a revaluation of the company's assets shall not be effected.

The proposed turning day of the company assets shall be June 30, 2008 and the proposed day of transfer shall be December 31, 2008.

Proposed name of the company transferred

The exact and full name and company form of the company after the transfer shall be: Fotex First American-Hungarian Trust SE Incorporation (Fotex First American Hungarian Public Holding SE European Company Limited by Shares)

Short form of the company's name: Fotex SE

Major steps of the transfer process

It is the General Assembly who will decide about the transformation.

Upon approval of the draft for transformation, the Board of Directors shall decide at the first General Assembly about the intention of transformation, preliminarily estimating which of the share-holders shall not be willing to be member of the successor company, and takes decision about how and to what deadline these share-holders may declare their intention to secess, decides further about the determination of the turning day of the draft of the company's assets balance sheet, about the person of the independant auditor, and finally entrusts the Board of Directors to furnish all the documents necessary for the transformation. Between the two General Assemblies a special negotaiating delegation has to be set up to involve the employees in the process of tranformation into a SE in accordance with the stipulations of the Act XLV of 2004.

This is the period when drafts of the assets balance sheet and assets inventory have to be processed and audited by an independent auditor, the draft of account of persons not intending to participate inthe future company as well as the draft of articles of association of the new SE.

The second Assembly has to be held 3 months within the turning day of the drafts for assets balance sheet. During this Assembly the members shall accept and approve the drafts of balance sheet including its enclosures and attachements, then upon the knowledge of the above they will decide about the transformation into an SE.

The Assembly shall determine the proporation of share capital of the individual share-holders of the successor company as well as the assets proportion due to members who were not willing to participate in the successor company, further the way of disbursment of this proportion. The Assembly shall entrust the Board of Directors to buy the shares of share-holders, not willing to participate in the successor company according to the rules of buying own-shares. This Assembly shall then upon approval of the Articles of Association choose and appoint the members of the Board of Directors as well as those of the Audit Committee, the person of the auditor and decides about their fees.

Employee's participation

The rules of the employee's participation in the course of the tranformation are regulated by § 48-50. of the Act XLV of 2004, according to which the employees are entitled to represent themselves in the Board of Directors in the same proportion as they have been represented in the Board of Directors prior to the transformation. By the transformation the rights and liabilities emerging from the employee's contracts or labour relations shall be transferred to the SE.

Based on the proposal of the Board of Directors the basis of the management's interest system shall remain to be secured by dividend-priority shares.

The financial results of the SE to be expected and the proposed business strategy

The basic activity of the Company shall not be effected by the transformation, their main activity remains to be trust management. The flow of incomes and costs shall not be influenced as long as the transfer of the site of the Company shall not be processed. The annual result will show a planned level of reduction compared to the basic year. The expected and estimated negative reasult shall be 300 M.HUF without accounting the dividends of the subsidiary companies. The main reason of this reduction is the reduction of franchise fees, which is resulting from the reduced income of subsidiaries due to the termination of the business activity of the Group, but it is also essentially influenced by the income interruption of re-lodging activity, representing an

even stronger activity within the basic period, further the interruption of incomes due to non-recurrent penalties and recompenations as a result of re-development of this activity within the basic year. The result of the Company shall basically be changed from the accounting of dividends of the subsidiary companies beside the unchanged status of the activity without transfer of the company site.

Legal declaration

Although the proposed transformation contains certain risk factors and there is no assurance if the proposed plan can after the transformation be realised, the Board of Directors shares the point of view, that the balance of the expectable advantages and the risk factors remains positive, therefore they suggest the current transformation draft for approval.

This proposal has been prepared upon the knowledge and estimation of the Board of Directors as well as upon the opinion of the experts involved.

There may be facts or information, which are unknown to the Board of Directors, respectively there may occur future events, which can negatively influence the result of proposed transformation.

Budapest, June 30, 2008

Fotex open Incorporation / Board of Directors