



warimpex

Key figures of the Warimpex Group

in 'EUR	1-9/2007	Change	1-9/2006
Revenues from			
Hotels & Resorts segment	51,594	35 %	38,212
Revenues from			
Asset Management & Development segment	6,102	107 %	2,952
Total revenues	57,696	40 %	41,164
Gains from the sale of project companies	2,367	-63 %	6,395
EBITDA	23,673	6 %	22,398
EBIT	16,604	1 %	16,422
Profit for the period	11,450	- 10 %	12,707
Net cash flows from operating activities	12,774	98 %	6,442
Equity and liabilities	450,986	47 %	307,324
Equity	153,609	96 %	78,495
Number of hotels	14		10
Number of office and commercial properties	7		4
Number of hotel development projects	9		10
Ø employees in the Group	1,165	33 %	879

in EUR m	30.6.2007 ²	Change	31.12.2006
Gross Asset Value (GAV)	574.8	20 %	477.5
Triple Net Asset Value (NNNAV)	391.9	22 %	320.6 ¹
NNNAV per share in EUR	10.9	22 %	8.9

¹ Incl. proceeds from flotation² No external valuation of the property portfolio was performed as of 30 September 2007

Key share data

ISIN	AT0000827209
Number of shares	36,000,000
Ticker symbol	Stock Exchanges WXF Reuters WXFB.VI
Issue price	EUR 11.00 PLN 42.83
High	EUR 14.00 PLN 56.00
Low	EUR 8.31 PLN 31.1
Price as of 28/9/2007	EUR 8.10 PLN 33.22

Warimpex is included in the following indices:

Vienna	ATX Prime, Immobilien-ATX
Warsaw	Market Main 250, Real estate developers

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear shareholders,

This January we raised fresh capital via an IPO with the clear objective of both increasing the number of development projects and achieving faster and more efficient growth as an asset manager of hotel properties. The success of the IPO demonstrated investors' great confidence in our strategy. In the course of our stock exchange flotation we set ourselves a number of ambitious goals for 2007:

- **Acquisition of two hotels/Increase in the number of operational hotels to 15 – 18 by the end of the year**

In mid-July we acquired an airport hotel in Bucharest, and the negotiations regarding acquisition of a further existing hotel are at an advanced stage. Warimpex will thus have 15 hotel properties in its portfolio by year end.

- **Construction work scheduled to commence on eight hotels**

Our development projects are also making good progress. We have already been able to start construction work on four hotels, and at the end of September we received building permission for the Airportcity development project in St. Petersburg. At the beginning of October we acquired a site in Poznan complete with valid building permits, so construction work can be expected to commence in the fourth quarter.

- **Sale of one to two properties/projects**

In the period under report we decided to sell just one small office property, with a further sale meanwhile effected in the fourth quarter. At the end of November a co-investor joined in on the Airportcity development project in St. Petersburg, and the sale of the shares in the project company will allow us to post disposal proceeds amounting to tens of millions of euros in the fourth quarter.

- **Significant increase in revenues**

Revenues increased significantly by 40% from EUR 41.2m to EUR 57.7m in comparison to the first nine months of the previous year.

- **Two-digit growth in NNNAV per share**

In connection with the IPO we promised to increase the intrinsic value of the company by a minimum annual average of 10% in 2007. The increase in the Triple Net Asset Value (NNNAV), which we use as our performance yardstick, already amounted to 22% as of 30 June. NNNAV per share rose commensurately from EUR 8.91 to EUR 10.89 as of 30 June. Since these increases in value are not recognised annually in income, our results are subject to strong fluctuations depending on our sales activities; the continuous increase in NNNAV and our cash flows from operating activities are therefore the key indicators of the success of the Warimpex Group.

Despite the current weakness of the US real estate market and the turmoil it has triggered in the capital markets, we still expect to see the property markets in CEE and CIS develop well over the year as a whole and therefore confidently predict a further increase in our Triple Net Asset Value by the end of the year. At year end we will once again have our real estate portfolio valued by CB Richard Ellis.

Based on the results of the past nine months we expect to achieve our ambitious growth and earnings targets for 2007 as a whole and deliver the expected operational contribution to the recovery of the Warimpex share price. Our staff and partners have made a significant contribution to this, and we should like to take this opportunity to thank them for their support.



Franz Jurkowitsch

REPORT FOR THE THIRD QUARTER 2007

Economic environment

The growth market of hotel real estate in Eastern Europe

The IMF (International Monetary Fund) predicts economic growth of 2.3% in the euro zone for 2007 and 2008. The forecast growth rates for CEE are 5.5% for 2007 and 5.3% for 2008, though individual countries such as Russia, Romania and Poland will achieve significantly higher growth still.

The so-called "real estate crisis" had an impact on all European and North American property development companies as well as on their share prices. Fundamentally, however, there are currently no tangible indications of a weakness in the real estate markets in those countries in which Warimpex is active. Office rents and hotel room rates in Poland and the Czech Republic continue to rise, vacancy rates are declining, and the hotel segment in Paris is booming.

Main business activities in the first three quarters of 2007

• Acquisition of an additional 16.67% stake in the InterContinental Hotel, Warsaw

In mid-June Warimpex concluded the purchase of a further 16.67% interest in the holding company of the Hotel InterContinental in Warsaw. Warimpex now holds a 50% stake in this 404-room hotel in a prime location in Warsaw.

• Start of construction work on hotels Andel's Łódź, Andel's Berlin, Angelo Munich and Angelo Pilsen

Back in the first quarter construction already started on a further Andel's Hotel in Łódź comprising 278 rooms and suites, with opening anticipated for the fourth quarter of 2008.

Building work also commenced on an Andel's Hotel in Berlin; featuring 556 rooms and suites, the establishment is scheduled to open at the end of 2008.

In the second quarter construction began on the 149-room Hotel Angelo in Munich. Since this is a redevelopment project involving the conversion of an existing office building into a hotel, the opening is slated for as early as March 2008.

Construction work on a Hotel Angelo was also started in Pilsen; completion of the 147-room hotel and adjacent office building is planned for the end of 2008.

• Issue of building permit and preparations for start of construction on Airportcity in St. Petersburg

At the end of September building permission was granted for the Airportcity development project in St. Petersburg, a 85:15 joint venture with St. Petersburg Airport under which Warimpex is developing a business park on a 62,000 sqm site beside Pulkovo 2 International Airport. Plans for the first phase foresee the construction of a four-star hotel operated by an international chain (300 rooms and 1,600 sqm of conference facilities), plus 3 office buildings with about 40,000 sqm of net lettable floor space. With an investment volume of EUR 120 million, the Airportcity St. Petersburg project is the largest real estate development project in Warimpex' history to date.

• Acquisition of site in Poznan for construction of a further Andel's Hotel

At the beginning of October Warimpex acquired a piece of land in Poznan complete with building permission for a further Andel's. The hotel will feature some 240 rooms, with construction projected to commence in the fourth quarter of 2007.

• Market entry in Romania through acquisition of Airport Hotel Angelo Bucharest

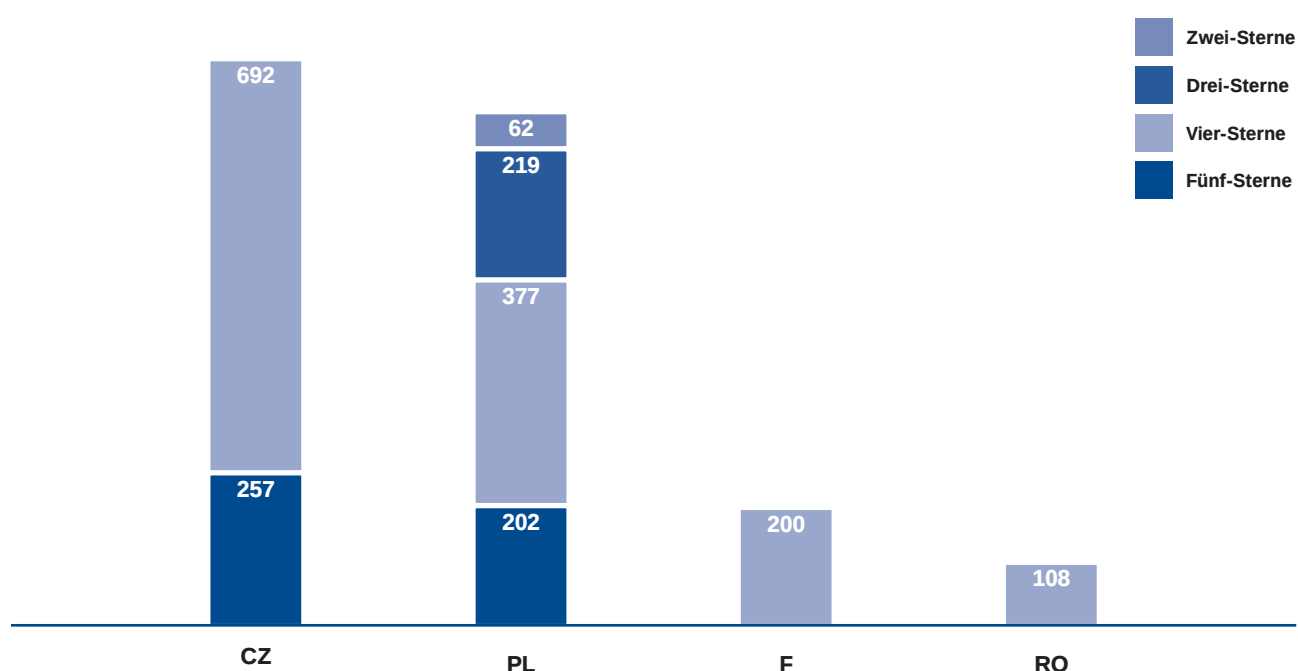
Mid-July saw the acquisition of a hotel in Bucharest in immediate proximity to the airport. The hotel currently comprises 108 rooms, plus 3,000 sqm of office space that can be converted into approximately 70 additional rooms. The hotel is already operating under the new name Angelo Airporthotel Bucharest, and the preparatory work for the redevelopment of the office space and the redesign of the lobby is currently underway.

• **Realisation of real estate projects – sale of a property in Prague, preparations for the sale of shares in the Airportcity business park in St. Petersburg**

At the end of November a co-investor joined in on the Airport City development project in St. Petersburg, acquiring a 25% share in the project company. The transaction benefits Warimpex by allowing the Group to realise development profits with a positive effect on cash flow as well as bringing a reliable equity partner on board. The sale will have a significant impact on the profit indicators in the fourth quarter.

In the first quarter of 2007 Warimpex sold an office property in Prague that was fully let and therefore ready for realisation. The 50% stake in the holding company previously owned by Warimpex was sold to the joint venture partner.

Hotel portfolio as at 30- September 2007 (number of rooms)



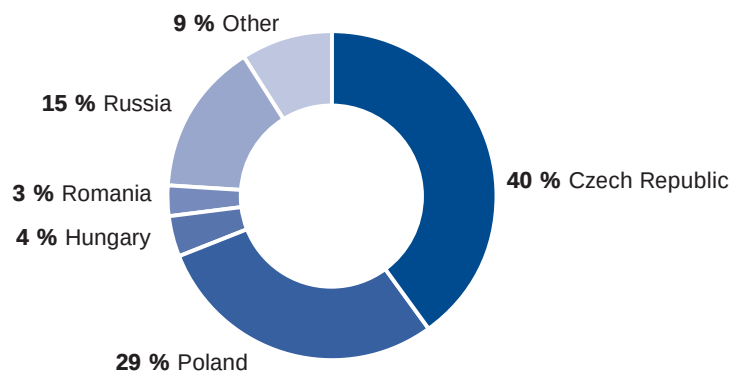
As at the reporting date of 30 September 2007 the number of hotel rooms adjusted for the proportionate share of ownership had risen by 255 since the end of 2006, from 1,862 to 2,117. This was due to the acquisition of the additional share in the Hotel InterContinental, Warsaw, the opening of the Andel's Hotel in Krakow and the acquisition of the Hotel Angelo in Bucharest.

Based on the ongoing development projects (excluding budget hotels), the adjusted number of hotel rooms will climb to over 3,000 by the end of 2008.

Business development

The Warimpex portfolio meanwhile comprises 14 hotels and 7 office properties, plus numerous plots of land and development projects in seven countries in Central and notably Eastern Europe. The focus of the Group's portfolio is on the home markets of the Czech Republic, Poland and Hungary as well as the promising future market of Russia. The Group's entry into the Romanian market was effected in mid-July, while the end of September saw an important step in Warimpex' expansion into Russia with the granting of the building permit in St. Petersburg.

Real estate assets by country (share of GAV)



Gross Asset Value (GAV) as at 30 September 2007

Approx. 40% of the Warimpex Group's real estate assets (Gross Asset Value) are located in the Czech Republic, and 30% in Poland. The progress made with the Airport City real estate development project in St. Petersburg led to an increase in the Russian share in the portfolio to 15%.

In terms of sector breakdown, the lion's share of over 90 % of the Group's existing real estate assets (excluding development projects) are hotels.

Assets, financial position and earnings situation

In the first nine months of fiscal 2007, Warimpex was able to raise total Group revenues by 40% from EUR 41.2m to EUR 57.7m. In comparison to the first nine months of the previous year sales revenues from hotel operations increased 35% from EUR 38.2m to EUR 51.6m, while sales revenues from letting of office space and real estate development climbed by 107% from EUR 3.0m to EUR 6.1m.

As Warimpex carries property, plant and equipment at cost less depreciation and amortisation and increases in the value of real estate assets are not realised annually and recognised in income, the profit indicators are strongly dependent on real estate sales and are therefore subject to fluctuations. This is because Warimpex can only determine the "true" market value and report the proceeds accordingly when a property is sold.

The typical strategy of a "hybrid" real estate company is to develop projects, operate and manage them upon completion and then sell them on, depending on the market situation and degree of maturity, as soon as the maximum value added can be attained.

In the comparable period of the previous year, for instance, the Velký Špalíček Shopping and Multiplex Centre in Brno was sold and recognised in income and in the cash flow statement. The only project realised in the first nine months of 2007 was Warimpex' 50% stake in a smaller office property in Prague, which resulted in gains from the sale of project companies in an amount of EUR 2.4m, compared to EUR 6.4m in the first nine months of 2006. The comparable period of the previous year likewise saw the acquisition of the Hotel Chopin in Krakow at a price below the fair market values of the acquired assets, which resulted in a positive contribution to profits but had no effect on cash flow. In the third quarter of 2007 Warimpex acquired the Airport Hotel Angelo in Bucharest, again at a price substantially below the fair market values of the acquired assets as calculated by the real estate appraiser CB Richard Ellis, which likewise resulted in a positive contribution to profits.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 6% from EUR 22.4m to EUR 23.7m, while the operating result (EBIT) increased from EUR 16.4m to EUR 16.6m in comparison to the same period of the previous year. The increase as measured by the profit indicators is principally attributable to the profit contribution of the Hotels segment, which climbed from EUR 6.8m to EUR 10.3m. As outlined above, however, this increase is countered by lower gains from the sale of project companies.

Owing to the increase in the number of hotel rooms, net cash flows from operating activities saw a clear increase from EUR 6.4m to EUR 12.8m, reflecting Warimpex' earning power and operational growth.

Real estate assets

As at the reporting date of 30 September 2007, the real estate portfolio of the Warimpex Group comprised 14 hotels with a combined total of more than 2,900 rooms (2,117 rooms if adjusted for proportionate share of ownership) plus seven office properties with a total lettable floor area of some 36,000 sqm (27,000 sqm if adjusted for proportionate share of ownership).

In addition – apart from the planned budget hotels – nine further hotel projects are currently under construction or at an advanced stage of development.

In accordance with the regulations laid down in IAS 40.12 – pertaining to owner-managed hotels – Warimpex carries its hotel properties at cost less depreciation and amortisation, and increases in the value of the remainder of the real estate portfolio are not realised annually and recognised in income. A comparison of the Group's assets, financial position and earnings situation with that of real estate companies that report unrealised profits is therefore only possible to a limited extent. To enhance comparability Warimpex reports both the Triple Net Asset Value and the annual increase in NNNNAV separately.

All existing real estate and development projects are valued twice annually (as at 30 June and 31 December) by the international independent real estate appraiser CB Richard Ellis (CBRE).

Poland

Existing portfolio: 6 hotels, 2 office properties

Warimpex holds an interest in the five-star Hotel InterContinental and the four-star Hotel Sobieski in Warsaw.

In Krakow Warimpex has been the owner of the three-star Hotel Chopin since July 2006. It also owns the self-developed Andel's, which opened in June 2007. At the very beginning of 2008 work will start on the refurbishment of 50 rooms at the Hotel Chopin. In Międzyzdroje on the Polish Baltic coast Warimpex owns the Amber Baltic Spa Resort Hotel, a hotel ship and a 27-hole golf course.

In addition to the hotels, Warimpex holds shares in the Sobieski and Parkur Tower office buildings in Warsaw through joint ventures.

Under development: 4 hotels, 2 budget hotels, 1 shopping centre

Construction work on a further Andel's in Łódź featuring 278 rooms and suites started back in the first quarter, with opening scheduled for the fourth quarter of 2008.

In Katowice, a Hotel Angelo is at the development stage. In Krakow an existing office building has been purchased for conversion into a two- to three-star hotel in the coming two years. The office building is currently fully let, and the costs of the project development activities can be covered from the rental income. This hotel development in Krakow will probably be sold to the joint venture with Louvre Hotels at the beginning of 2008. Construction work on these two projects is due to start in spring 2008.

In Warsaw, project development is under way on a five-star luxury hotel of the Le Palais brand. As the building is one of the few in Warsaw whose historic fabric has been preserved, the approval process in compliance with the specifications set forth by the Office for the Preservation of Historic Monuments is proving more difficult than originally envisaged. Construction work is expected to begin in mid-2008.

A site in Poznan was acquired at the beginning of October, with construction work on the planned Andel's Hotel due to start in the fourth quarter.

In Białystok Warimpex has commenced development of a shopping centre and a budget hotel.

Czech Republic

Existing portfolio: 6 hotels

In Prague, the Warimpex Group owns the five-star hotels Savoy, Palace, and Le Palais, all of which are members of the "Leading Hotels of the World".

In the period under report Warimpex acquired the building adjacent to the Hotel Savoy, with plans to increase the number of rooms from the current 61 to approx. 86 as well as enlarging the hotel's conference facilities.

In the four-star hotel segment the Group owns the Dvůrák health resort in Karlovy Vary, as well as the Hotel Diplomat and the Hotel Angelo in Prague.

Under development: 1 hotel

In the Czech Republic, construction work on the Hotel Angelo in Pilsen commenced in the second quarter of 2007. The building activities are progressing as planned, so the hotel's opening can be expected in the third quarter of 2008.

Hungary

Existing portfolio: 5 office properties

In Budapest Warimpex owns the Pauler, Cetelem, Erzsebet, Dioszegi and Sajka office buildings, which together have a total net floor space of around 21,000 sqm.

Under development: 1 budget hotel, 1 office property

The Erzsebet office complex was acquired at the end of 2006. Centrally located, the building is partially let and consists of two separate office towers with a total floor area of approx. 15,000 sqm. Plans are to modernise the office complex in stages, with one office tower to be redeveloped as a budget hotel while the other continues to be let as office space.

Romania

Existing portfolio: 1 hotel

Mid-July saw Warimpex acquisition of a hotel in Bucharest in immediate proximity to the international airport. The hotel has since been operating under the new name Angelo Airporthotel Bucharest, and the preparatory work for the redesign of the lobby and the conversion of existing office space into 70 additional rooms is currently underway.

Germany

Under development: 3 hotels

An Andel's Hotel with 556 rooms and suites is under construction in Berlin, with opening scheduled for the end of 2008.

In Munich, construction on a further Hotel Angelo started back in the second quarter. Since this is a redevelopment project involving the conversion of an existing office building into a hotel, the opening is slated for as early as March 2008. Plans for the second phase of this project foresee the development of city archives and a second hotel on the site.

France

Existing portfolio: 1 hotel

In Paris, Warimpex and a joint venture partner have been the joint leaseholders of the 400-room four-star Hotel Dream Castle since June 2006. The hotel's occupancy rate has shown an extremely gratifying trend, and its operating profits have more than doubled since the takeover.

Russia

Under development: 1 hotel and airport office park

In cooperation with St. Petersburg Airport, Warimpex has started developing a business park (Airportcity) on a 62,000 sqm plot beside Pulkovo 2 International Airport in St. Petersburg. On this piece of land, plans for the first phase foresee the construction of a four-star hotel to be operated by an international hotel chain (300 rooms and 1,600 sqm of conference facilities), plus 3 office buildings with about 40,000 sqm of net lettable floor space. The development of further office buildings with 50,000 to 60,000 sqm of net lettable floor space is projected in a second phase. Building permission for the first phase was granted at the end of September, so construction work can be expected to start before the end of 2007.

Budget hotels

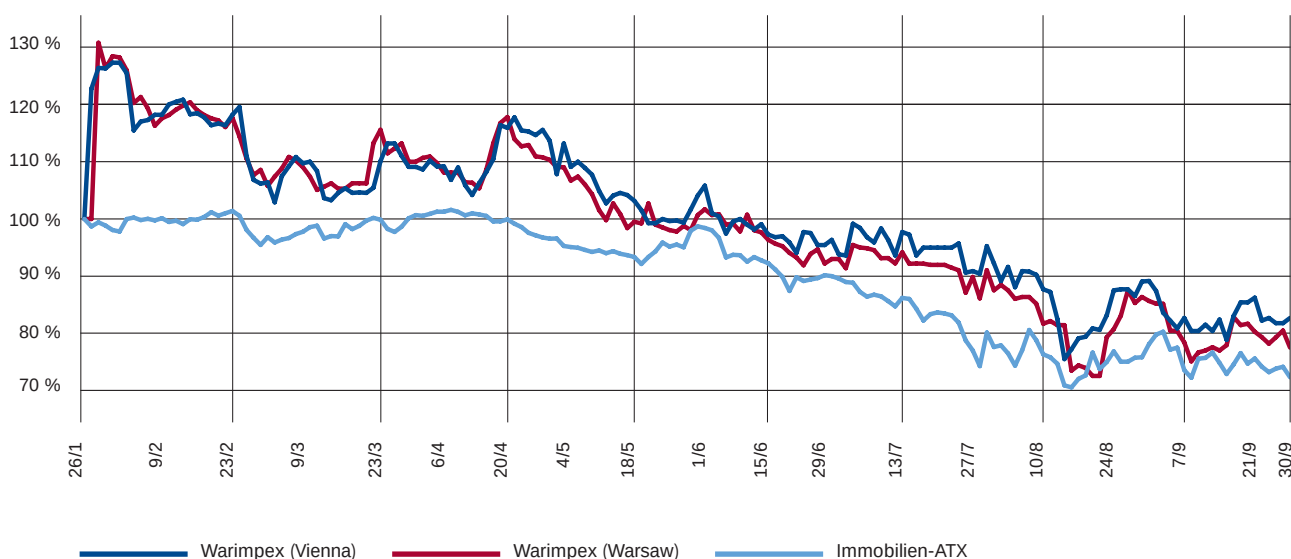
With regard to the joint venture with Louvre Hotels, the last few months were used to put the organisational structures in place for a swift roll-out and identify suitable sites for the construction of budget hotels. First joint projects have already been evaluated and initial investment decisions made, with the opening of the first joint budget hotel envisaged for spring 2009. Warimpex currently owns three plots of land, with further options on others. Plans for the first phase of investment provide for the building of 30 new budget hotels; the aim is to start work on around seven hotel developments in the first year of business.

Investor relations

Following the very successful IPO on the Vienna and Warsaw stock exchanges in January 2007 and a pleasing development of the share price until the middle of the year, the Warimpex share was caught up in the wake of turbulence affecting international real estate stocks at the end of the first half. Higher interest rates and a weak real estate market in the USA were the triggers for significant declines in the price of listed real estate stocks in North America and Europe. Despite its focus as a "hybrid" real estate company, the performance of the Warimpex share largely mirrored the adverse environment for real estate stocks.

At end of quarter on 28 September 2007 the share was trading at EUR 9.10 and PLN 33.22.

Share price performance since IPO (indexed)



Outlook

The development of business in the first nine months of 2007 confirms Warimpex' strategy of expansion and the Group's dynamic growth. The start of construction work on four hotel properties, the intensive preparations for the launch of the joint venture to develop a chain of budget hotels and the market entries in Romania and Russia have created a solid basis for further growth.

To strengthen the market position of the Warimpex Group in its home markets, Warimpex will start construction of the following real estate projects in the second half of 2007:

- Angelo, Katowice
- Andel's, Poznan
- Airportcity (incl. international hotel), St. Petersburg
- Airport Hotel Angelo, Bucharest; addition of 70 rooms

The following hotels are currently under construction:

- | | |
|-------------------|---|
| • Angelo, Munich | (opening anticipated in 2nd quarter 2008) |
| • Angelo, Pilsen | (opening anticipated in 3rd quarter 2008) |
| • Andel's, Łódź | (opening anticipated in 4th quarter 2008) |
| • Andel's, Berlin | (opening anticipated in 4th quarter 2008) |

Ongoing expansion

For the four- and three-star-plus hotels – the Andel's and Angelo hotel brands – further expansion opportunities will also be sought in the region's secondary metropolitan areas. For the further development of the Le Palais luxury brand Warimpex will focus its search for suitable land and properties on the capital cities.

Outlook for the remainder of 2007

At the end of October 2007 a preliminary contract was signed for the acquisition of a 4-star hotel, with the closing scheduled for 30 November 2007.

At the end of November a co-investor joined in on the St. Petersburg Airportcity development project, acquiring a 25% share in the project company with an investment of EUR 30 million. The sale of these shares will allow Warimpex to post disposal proceeds amounting to tens of millions of euros in the fourth quarter, which means that the Group's annual profits will in any case clearly exceed the previous year's figure.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

CONSOLIDATED INCOME STATEMENT

for the period 1 January to 30 September 2007 – *unaudited*

in EUR

	Note	1/1–30/9/2007	1/1–30/9/2006	1/7–30/9/2007	1/7–30/9/2006
Revenues – Hotels & Resorts segment		51,594,033	38,212,277	20,401,040	16,600,552
Revenues – Asset Management & Development segment		6,102,032	2,951,908	1,859,510	872,790
		57,696,065	41,164,185	22,260,550	17,473,342
Changes in real estate projects under development or construction		(1,091,269)	810,616	(90,718)	205,725
Gains from the sale of Group subsidiaries	[05]	2,367,262	6,394,792	37,960	(15,000)
Other income	[6.1]	4,743,639	1,640,402	(5,134)	1,389,939
		6,019,632	8,845,810	(57,892)	1,580,664
Expenses for materials and services received		(21,587,080)	(15,555,794)	(8,337,239)	(5,697,940)
Expenses for project development		(638,272)	(1,448,523)	(32,832)	(771,384)
Personnel expenses	[08]	(15,827,677)	(10,815,674)	(5,719,640)	(4,078,971)
Depreciation and amortisation expense		(7,068,529)	(5,975,991)	(2,556,101)	(2,182,508)
Other expenses	[09]	(6,241,661)	(3,269,064)	(2,143,715)	(1,141,812)
Negative goodwill recognised in income		4,251,099	3,477,090	4,251,099	–
		(47,112,119)	(33,587,957)	(14,538,428)	(13,872,614)
Operating profit		16,603,577	16,422,038	7,664,230	5,181,391
Finance revenue	[10]	2,197,077	1,784,051	102,090	192,758
Finance costs	[10]	(8,748,624)	(4,932,694)	(3,088,944)	(2,029,658)
Profit before tax		10,052,031	13,273,395	4,677,375	3,344,492
Income tax expense	[11]	(6,503)	(1,298,144)	19,771	(780,613)
Deferred taxes	[11]	1,404,546	732,112	1,233,269	706,413
Profit for the period		11,450,074	12,707,364	5,930,415	3,270,293
Attributable to:					
- Equity holders of the parent		11,425,567	12,407,898	5,946,337	3,210,378
- Minority interests		24,507	299,466	(15,922)	59,915
		11,450,074	12,707,364	5,930,415	3,270,293
Earnings per share:					
basic, for the profit for the period attributable to ordinary equity holders of the parent	[17]	0.33	0.41	0.17	0.11

CONSOLIDATED BALANCE SHEET

at 30 September 2007

ASSETS		At 30/9/2007	At 31/12/2006	At 30/9/2006
in EUR	Note	<i>unaudited</i>	<i>audited</i>	<i>audited</i>
Non-current assets				
Property, plant and equipment	[12]	332,559,960	288,327,053	234,014,700
Investment properties	[13]	17,975,686	25,338,478	12,288,437
Goodwill		7,409,809	7,400,765	6,089,466
Acquired computer software		227,526	244,577	150,080
Available-for-sale investments		–	603,145	731,625
Other financial assets		30,063,348	26,491,931	18,480,610
Deferred tax assets		4,642,952	2,529,622	3,157,486
		392,879,282	350,935,572	274,912,403
Current assets				
Inventories		2,548,968	3,148,360	2,926,313
Trade and other receivables	[15]	13,166,147	12,959,409	11,331,594
Available-for-sale investments		12,412,500	–	–
Other financial assets	[16]	594,350	308,314	184,311
Cash and short-term deposits		20,706,158	17,649,563	17,969,194
		49,428,123	34,065,645	32,411,413
Assets of a disposal group classified as held for sale	[07]	8,678,139	–	–
		58,106,262	34,065,645	32,411,413
Total assets		450,985,544	385,001,217	307,323,816

CONSOLIDATED BALANCE SHEET

at 30 September 2007

EQUITY AND LIABILITIES		At 30/9/2007	At 31/12/2006	At 30/9/2006
in EUR	Note	<i>unaudited</i>	<i>audited</i>	<i>audited</i>
<i>Equity attributable to equity holders of the parent</i>				
Issued capital	[17]	36,000,000	30,000,000	30,000,000
Capital reserves		56,002,672	–	–
Retained earnings		57,207,108	51,181,541	42,685,900
Other reserves		4,251,616	5,565,543	5,478,616
		153,461,396	86,747,084	78,164,516
<i>Minority interests</i>		147,859	280,651	330,295
Total equity		153,609,255	87,027,736	78,494,810
Non-current liabilities				
Interest-bearing loans and borrowings	[14]	197,979,581	169,981,798	139,800,921
Provisions		3,889,175	3,478,290	5,642,879
Other liabilities		649,924	631,367	692,193
Deferred tax liability		17,921,658	17,348,669	16,527,875
		220,440,338	191,440,124	162,663,867
Current liabilities				
Trade and other payables	[15]	19,103,143	38,698,938	24,307,416
Interest-bearing loans and borrowings	[14]	49,959,376	65,844,876	37,680,448
Derivative financial instruments	[16]	–	129,839	263,149
Income tax payable		135,101	253,392	794,329
Provisions		1,306,753	1,606,312	3,119,796
		70,504,372	106,533,358	66,165,138
Liabilities directly associated with assets classified as held for sale	[07]	6,431,578	–	–
		76,935,950	106,533,358	66,165,138
Total equity and liabilities		450,985,543	385,001,217	307,323,816

CONSOLIDATED CASH FLOW STATEMENT

for the period 1 January to 30 September 2007 – unaudited

in EUR	1/1–30/9 2007	1/1–30/9 2006
Cash receipts from operating activities		
From the operation of hotels and rents received	54,658,081	39,549,269
From real estate development projects	2,343,228	17,407
From interest received	767,055	208,216
	57,768,363	39,774,893
Cash payments for operating activities		
For real estate development projects	(708,861)	(645,977)
For materials and services received	(21,890,965)	(17,867,573)
For personnel and related expenses	(15,756,715)	(10,312,603)
For other expenses	(6,538,668)	(3,792,241)
Income tax paid	(99,543)	(714,244)
	(44,994,752)	(33,332,639)
Net cash flows from operating activities	12,773,611	6,442,254
Cash flows from investing activities		
Proceeds from the sale of property, plant and equipment	195,347	18,705
Payments for the purchase of property, plant and equipment	(24,171,167)	(22,154,315)
Proceeds from the sale of Investment properties	–	486,163
Payments for the purchase of Investment properties	(792,542)	(14,303)
Proceeds from the sale of Available-for-sale investments	653,640	6,163,168
Payments for the purchase of Available-for-sale investments	(14,737,231)	(103,125)
Payments for the purchase of computer software	(27,618)	(10,476)
Payments relating to Other financial assets	(3,569,361)	(5,637,915)
	(42,448,931)	(21,252,096)
Cash flows from business combinations, other changes in the scope of consolidation and acquisition of minority interests		
Proceeds from the sale of disposal groups	3,248,066	10,249,364
Cash and cash equivalents of disposal groups	(80,459)	(546,764)
Payments made for business combinations	(9,693,867)	(7,710,517)
Cash acquired from business combinations	475,531	600,590
Payments for business combinations and other changes in the scope of consolidation effected in previous periods	(14,202,000)	(4,953,566)
Net cash flows used in/from investing activities and changes in the scope of consolidation	(62,701,659)	(23,612,990)
Cash flows from financing activities		
Cash receipts from capital measures	60,937,660	–
Cash receipts from/payments to minority interests	(7,128)	297
Proceeds from loans and borrowings	26,114,732	34,717,601
Repayment of loans and borrowings	(19,639,541)	(12,810,304)
Interest and other payment costs paid	(9,035,643)	(4,235,927)
Dividends paid	(5,400,000)	(2,000,000)
Net cash flows from/used in financing activities	52,970,081	15,671,668
Net change in cash and cash equivalents	3,042,033	(1,499,068)
Net foreign exchange difference	162,930	(124,632)
Cash and cash equivalents at 1 January	17,649,563	19,592,893
Cash and cash equivalents at end of period	20,854,525	17,969,194
<i>thereof relating to disposal groups pursuant to IFRS 5</i>	<i>148,367</i>	<i>–</i>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1 January to 30 September 2007 – *unaudited*

in EUR	Issued capital	Capital reserves	Retained earnings	Other reserves	TOTAL	Minority interests	Total Equity
At 1 January 2007	30,000,000	-	51,181,541	5,565,543	86,747,084	280,651	87,027,736
Foreign currency translation	-	-	-	(30,375)	(30,375)	32,756	2,382
(Deferred) tax effects of foreign currency translation	-	-	-	(411)	(411)	162	(249)
Fair value gains of available-for-sale investments	-	-	-	(2,241,429)	(2,241,429)	-	(2,241,429)
(Deferred) tax effects of fair value gains of available-for-sale	-	-	-	552,936	552,936	-	552,936
Changes in tax rates relating to revaluation reserve (IFRS3)	-	-	-	211,530	211,530	-	211,530
Net gains (losses) from hedging	-	-	-	239,286	239,286	1,293	240,579
(Deferred) tax effects of hedging	-	-	-	(45,464)	(45,464)	(246)	(45,710)
Total income and expenses for the period recognised directly in equity	-	-	-	(1,313,927)	(1,313,927)	33,965	(1,279,961)
Changes in the scope of consolidation	-	-	-	-	-	(184,137)	(184,137)
Profit for the period	-	-	11,425,566	-	11,425,566	24,507	11,450,074
Total income and expense for the period	-	-	11,425,566	(1,313,927)	10,111,640	(125,664)	9,985,975
Other changes in minority interests	-	-	-	-	-	(7,128)	(7,128)
Capital increase	6,000,000	60,000,000	-	-	66,000,000	-	66,000,000
Costs of funds	-	(4,981,429)	-	-	(4,981,429)	-	(4,981,429)
(Deferred) tax effects of costs of funds	-	984,101	-	-	984,101	-	984,101
Dividends paid	-	-	(5,400,000)	-	(5,400,000)	-	(5,400,000)
At 30 September 2007	36,000,000	56,002,672	57,207,108	4,251,616	153,461,396	147,859	153,609,255

in EUR	Issued capital	Capital reserves	Retained earnings	Other reserves	TOTAL	Minority interests	Total Equity
At 1 January 2006	15,000,000	-	46,958,118	5,926,903	67,885,020	11,686,516	79,571,537
Foreign currency translation	-	-	-	(4,395)	(4,395)	22,867	18,472
(Deferred) tax effects of foreign currency translation	-	-	-	(571)	(571)	-	(571)
Fair value gains of available-for-sale investments	-	-	-	(5,642)	(5,642)	-	(5,642)
(Deferred) tax effects of fair value gains of available-for-sale	-	-	-	1,410	1,410	-	1,410
Other transfers	-	-	439,089	(439,089)	-	-	-
Total income and expenses for the period recognised directly in equity	-	-	439,089	(448,287)	(9,198)	22,867	13,669
Changes in the scope of consolidation	-	-	-	-	-	(11,685,556)	(11,685,556)
Profit for the period	-	-	12,407,898	-	12,407,898	299,466	12,707,364
Losses of minority interests allocated against majority	-	-	(6,705)	-	(6,705)	6,705	-
Total income and expenses for the period	-	-	12,840,282	(448,287)	12,391,995	(11,356,519)	1,035,476
Other changes in minority interests	-	-	-	-	-	297	297
Capital increase	15,000,000	-	(15,112,500)	-	(112,500)	-	(112,500)
Agreed dividend	-	-	(2,000,000)	-	(2,000,000)	-	(2,000,000)
At 30 September 2006	30,000,000	-	42,685,900	5,478,616	78,164,515	330,295	78,494,810

[01] Corporate information

Warimpex Finanz- und Beteiligungs AG (the “Company”) is registered with the Commercial Court of Vienna under registration number FN 78485 w. Its registered address is Floridsdorfer Hauptstrasse 1, A-1210 Vienna (formerly Porzellangasse 4, A-1090 Vienna), Austria.

On 26 January 2007 and 29 January 2007 the shares of the Company were admitted for trading on the official market of the Vienna Stock Exchange and the Warsaw Stock Exchange, respectively. In the course of this transaction the Company issued 6 million shares at an offer price of EUR 11.00/per share.

The interim financial statements of Warimpex Finanz- und Beteiligungs AG for the period ended 30 September were authorised for release by the directors on 28 November 2007. The main activities of the Company are described in Note [4] “Segment information”.

[02] Basis of preparation

The interim consolidated financial statements for the period ended 30 September 2007 have been prepared in accordance with IAS 34. Interim financial statements do not contain all information and notes included in annual financial statements; they should therefore be read in conjunction with the consolidated financial statements of 31 December 2006.

With respect to the changes effective under IFRS as of 1 January 2007 and their effects, please refer to the details stated in the consolidated half-year report as of 30 June 2007.

By their very nature, interim consolidated financial statements are based on estimates to a greater extent than annual consolidated financial statements. In addition to the principal estimation uncertainties identified in the consolidated annual statements (goodwill as well as the valuation of land and buildings for first-time consolidation purposes), the interim financial statements are affected by estimation uncertainties resulting from the timing of asset impairments or write-ups.

The accounting and valuation methods applied in preparing the interim consolidated financial statements of 30 September 2007 have remained unchanged from the consolidated financial statements of 31 December 2006.

[03] Seasonal fluctuations in results

Owing to seasonal fluctuations in tourism, in particular city tourism, earnings contributions from hotel properties are generally higher in the second half of the year. By contrast, no determinable pattern can be identified with regard to contributions from the sale of subsidiaries or business combinations.

[04] Segment information

The Warimpex Group's operations are divided into two business segments (primary segmentation): “Hotels & Resorts” and “Asset Management & Development”. Operations are classified into one of the segments at the level of individual subsidiaries. For purposes of secondary segmentation, operations are classified according to target markets.

PRIMARY SEGMENTS – OVERVIEW

for the period from 1 January to 30 September – *unaudited*

in EUR	Hotels & Resorts		Asset Management & Development		Total	
	2007	2006	2007	2006	2007	2006
External sales	51,594,033	38,212,277	6,102,032	2,951,908	57,696,065	41,164,185
Inter-segment sales	(1,143,840)	(887,194)	1,143,840	887,194	–	–
Segment results (EBIT)	10,169,928	6,753,570	6,433,650	9,668,467	16,603,578	16,422,038
Capital expenditure						
for tangible fixed assets and software	19,563,402	27,117,797	2,474,208	6,766,804	22,037,610	33,884,601
for financial assets	202,407	–	5,865,595	3,628,701	6,068,002	3,628,701
Business combinations and other changes in the scope of consolidation	34,785,004	20,258,333	(5,069,899)	4,018,809	29,715,105	24,277,142
	54,550,813	47,376,130	3,269,905	14,414,314	57,820,717	61,790,444
ordinary depreciation	(6,587,765)	(5,657,995)	(480,764)	(317,996)	(7,068,529)	(5,975,991)
Net cash flows from operating activities	15,538,413	9,380,070	(2,764,802)	(2,937,816)	12,773,611	6,442,254
Segment assets	356,311,249	237,843,352	94,674,294	69,480,464	450,985,544	307,323,816
Segment liabilities (gross)	(282,389,333)	(196,082,803)	(14,986,955)	(32,746,202)	(297,376,288)	(228,829,005)
Intra-Group financing	32,771,944	24,235,318	(32,771,944)	(24,235,318)	–	–
Segment liabilities (net)	(249,617,389)	(171,847,486)	(47,758,899)	(56,981,520)	(297,376,288)	(228,829,005)
Average payroll	1,101	825	64	54	1,165	879

SECONDARY SEGMENTS – OVERVIEW

for the period from 1 January to 30 September – *unaudited*

	Czech Rep.	Poland	Hungary	Austria	Germany	France	Others
External sales 2007	29,043,824	16,879,987	3,027,023	1,477,066	221,164	6,451,543	595,458
External sales 2006	28,292,826	8,443,759	1,024,212	187,166	384,045	2,832,176	–
Segment assets 2007	163,177,739	137,029,579	21,491,356	54,626,283	18,799,917	28,354,563	27,506,106
Segment assets 2006	161,751,327	86,399,315	11,765,204	28,963,117	15,795,601	2,649,251	–
Capital expenditure 2007	6,586,200	7,791,770	118,309	6,122,786	2,598,947	78,068	4,809,532
Capital expenditure 2006	17,221,649	13,939,116	6,845	2,742,185	2,531,814	1,071,692	–
Depreciation 2007	(3,345,658)	(2,529,973)	(216,410)	(105,000)	–	(799,971)	(71,518)
Depreciation 2006	(4,245,129)	(1,468,640)	(182,281)	(47,392)	(29,700)	(2,848)	–

Segment results “Hotels & Resorts” – year-on-year comparison

for the period from 1 January to 30 September 2007 – *unaudited*

	Luxury		Up-Market		Others	
	2007	2006	2007	2006	2007	2006
Sales revenues	14,437,801	13,388,896	33,457,416	23,085,714	3,477,653	1,739,711
Expenses for materials and services	(5,601,364)	(4,876,925)	(11,187,869)	(7,289,247)	(934,215)	(509,909)
Personnel expenses	(3,816,575)	(3,141,313)	(6,917,528)	(4,369,634)	(595,427)	(287,980)
Gross operating profit	5,019,862	5,370,658	15,352,018	11,426,833	1,948,011	941,823
<i>Hotel employees</i>	<i>321</i>	<i>223</i>	<i>648</i>	<i>453</i>	<i>90</i>	<i>40</i>
Management fees	(661,586)	(718,584)	(1,933,966)	(1,469,506)	(277,193)	(155,904)
Property costs	(365,397)	(219,291)	(374,045)	(1,424,303)	(209,181)	(171,200)
Net operating profit	3,992,878	4,432,782	13,044,008	8,533,023	1,461,636	614,719
Other costs after GOP	(297,071)	(255,332)	(1,073,874)	(534,241)	(72,322)	–
Pre-opening costs	–	–	(133,220)	(328,621)	–	–
Depreciation	(2,448,270)	(2,319,092)	(3,671,012)	(3,123,934)	(468,484)	(214,930)
Contribution to operating profit	1,247,538	1,858,358	8,165,903	4,546,227	920,831	383,960
thereof in						
• Czech Republic	980,780	1,847,761	5,935,470	3,638,386	–	–
• Poland	266,758	10,598	1,247,974	856,655	920,831	383,960
• France	–	–	801,865	51,186	–	–
• Others	–	–	180,593	–	–	–
	1,247,538	1,858,358	8,165,903	4,546,227	920,831	383,960
Total for hotels in operation					10,334,271	6,788,546
Plus income from hotels under construction/at the planning stage					221,164	(2,044)
Less expenses for hotels under construction/at the planning stage					(385,508)	(32,932)
Segment contribution to operating profit					10,169,928	6,753,570

Segment cash flows “Hotels & Resorts”

	Luxury		Up-Market		Others	
	2007	2006	2007	2006	2007	2006
Cash receipts	14,447,037	13,541,544	32,562,636	21,339,127	3,175,917	1,600,636
Interest received	49,034	19,374	61,351	(5,495)	3,375	2,029
Cash paid for materials and services	(5,647,230)	(5,674,600)	(13,732,823)	(9,927,530)	(1,039,186)	(642,397)
Cash paid for personnel expenses	(3,955,758)	(3,281,800)	(7,413,330)	(4,780,352)	(655,914)	(302,796)
Cash paid for other expenses	(573,400)	(295,295)	(1,250,015)	(1,716,646)	(254,071)	(143,421)
Income taxes paid	–	(325,813)	(31,500)	(88,789)	–	–
	4,319,683	3,983,411	10,196,319	4,820,313	1,230,122	514,052
thereof in						
• Czech Republic	2,638,784	3,044,211	7,037,977	3,135,916	–	–
• Poland	1,680,899	946,766	1,374,057	926,046	1,230,122	514,052
• France	–	–	1,554,303	776,176	–	–
	4,319,683	3,990,977	9,966,337	4,838,137	1,230,122	514,052
Total for hotels in operation					15,746,124	9,317,776
Less cash payments made for hotels under construction/at the planning stage					(207,711)	62,294
Segment cash flow from operating activities					15,538,413	9,380,070

Segment results “Asset Management & Development” – year-on-year comparison for the period from 1 January to 30 September – *unaudited*

	Asset Management		Development		Others	
	2007	2006	2007	2006	2007	2006
Sales revenues	1,875,304	1,764,970	3,802,186	1,047,267	424,542	139,670
Sale of subsidiaries	–	–	2,367,262	6,394,792	–	–
Negative goodwill recognised in income	–	4,251,099	3,477,090	–	–	–
Other income	–	18,606	4,715,852	1,605,531	2,190	–
Changes in real estate projects under development	–	–	(1,091,269)	810,616	–	–
Expenses for materials	(712,100)	(528,475)	(198,180)	(296,565)	(368,621)	(124,714)
Project development expenses	(74,347)	–	(338,276)	(1,410,985)	–	–
Employee expenses	(25,401)	(63,043)	(3,819,099)	(2,183,037)	–	–
Depreciation	(251,861)	(192,297)	(196,098)	(95,608)	(32,805)	(30,092)
Other operating expenses	(166,362)	(114,010)	(3,717,633)	(535,792)	(12,735)	(15,457)
Segment operating results	645,234	885,752	5,775,845	8,813,308	12,571	(30,593)
thereof in						
• Czech Republic	(29,347)	521,619	(112,754)	811,657	–	–
• Poland	244,102	11,939	(228,803)	2,480,781	12,571	(30,593)
• Germany	–	–	–	197,157	–	–
• Austria	–	–	5,768,538	4,804,989	–	–
• Hungary	430,478	352,194	439,156	610,813	–	–
• Others	–	–	(90,292)	(92,089)	–	–
	645,234	885,752	5,775,845	8,813,308	12,571	(30,593)

Segment cash flows “Asset Management & Development”

	Asset Management		Development		Others	
	2007	2006	2007	2006	2007	2006
Cash receipts from rent	1,938,646	1,977,043	1,829,595	886,866	471,002	112,837
Cash receipts from development	–	–	2,343,228	17,407	–	–
Interest received	2,743	5,515	642,546	186,734	75	6
Cash paid for development	(74,347)	(24,507)	(225,477)	(591,077)	–	–
Cash paid for materials and services	(785,525)	(920,553)	(287,090)	(598,714)	(401,656)	(108,754)
Cash paid for personnel expenses	(113,219)	(52,328)	(3,586,810)	(1,895,327)	–	–
Cash paid for other expenses	(161,609)	(123,458)	(4,275,000)	(1,498,445)	(14,428)	(11,419)
Income tax paid	(1,262)	(146,060)	(66,213)	(153,582)	–	–
Segment cash flows from operating activities	805,427	715,651	(3,625,221)	(3,646,138)	54,992	(7,329)
Cash flows from the sale of disposal groups			3,248,066	10,249,364		
thereof in						
• Czech Republic	264,987	112,624	(111,428)	(101,311)	–	–
• Poland	341,767	44,481	(276,488)	263,244	54,992	(7,329)
• Germany	–	–	–	217,128	–	–
• Austria	–	–	(4,100,303)	(3,405,920)	–	–
• Hungary	198,674	558,546	1,048,788	(540,869)	–	–
• Intra-segment transfers	185,790	78,410	(185,790)	(78,410)	–	–
	805,427	715,651	(3,625,221)	(3,646,138)	54,992	(7,329)

[05] Sale of shareholding in UBX Praha 2 s.r.o.

Under a contract dated 30 March 2007, 50% of the shares in the company UBX Praha 2 s.r.o. were sold to the joint venture partner for EUR 2.4 million. The assets and liabilities of the sold company (proportionate to the 50% interest) developed as follows in the reporting period:

in EUR	At 1/1/2007	±Change 1/1–31/3/2007	At 30/3/2007
Property under construction	4,411,537	667,405	5,078,943
Cash and cash equivalents	787	79,673	80,459
Other current receivables	83,206	94,272	177,479
	4,495,530	841,350	5,336,881
External loans and borrowings	(2,720,705)	(1,789,870)	(4,510,576)
Loans from Warimpex	(454,113)	–	(454,113)
Deferred tax liability	(27,380)	–	(27,380)
Other current liabilities	(1,291,407)	919,173	(372,234)
	(4,493,606)	(870,697)	(5,364,303)
Book value of net assets of the sold company			27,422
Agreed sale price for the shares			2,401,800
Directly attributable costs related to the sale of the company			(61,960)
Net proceeds from the sale of the company			2,367,262

[06] Business combinations and other changes in the scope of consolidation and acquisition of minority interests

On 2 April 2007 the Company purchased the minority shares of the company Revital Rt. Budapest; hence, the Warimpex Group now holds 100% of Revital Rt. and its subsidiaries. On 14 June 2007 the Group acquired a further 16.67% interest (from previously 33.33% to now 50%) in Sienna Hotel Sp.z.o.o.. With closing on 8 August 2007 the Company purchased Comtel Focus S.A., a company that owns and operates an airport hotel in Bucharest.

in EUR	99.98 % Comtel Focus S.A.	18.28 % Revital- Group	16.67 % Sienna Hotel Sp.z.o.o.	Total
Acquired property, plant and equipment, and software	18,400,000	–	16,380,968	34,780,968
Goodwill	–	9,044	–	9,044
Other financial assets	4,037	–	–	4,037
Consolidation loans given by Warimpex	–	–	(3,062,227)	(3,062,227)
Deferred tax assets	–	–	183,747	183,747
Inventories	38,875	–	17,212	56,088
Trade receivables and other current assets	119,339	–	245,750	365,088
Cash and cash equivalents acquired	162,900	–	312,631	475,531
	18,725,151	9,044	14,078,081	32,812,276
Minority interests	2,750	(186,887)	–	(184,137)
Deferred tax liabilities	1,757,298	–	–	1,757,298
Interest-bearing loans and borrowings	2,899,081	–	13,897,727	16,796,808
Trade payables and other payables and provisions	316,988	–	180,353	497,341
	4,976,117	(186,887)	14,078,080	18,867,310
Negative goodwill directly recognised in income	(4,251,099)	–	–	(4,251,099)
Total cost of acquisition	9,497,934	195,932	1	9,693,867

[6.1.] As regards the acquisition of the shares in Sienna Hotel Sp. z o.o. the joint venture partner acquired shareholder loans in the amount of EUR 6.4 million for EUR 2 million; the assignment discount in the amount of EUR 4.4 million is reported under Other income.

[07] Subsidiaries classified as held for sale

By decision of the Management Board at the end of the first quarter 2007 the subsidiaries Bocca kft. and Palminvest kft. were classified as held for sale. Their assets and liabilities were transferred in accordance with IFRS 5 and broke down as follows as at 30 September 2007:

in EUR	Bocca kft <i>Office building "Cetelem"</i>	Palminvest kft <i>"Pauler Utca"</i>	Total
Investment properties	3,838,499	4,359,292	8,197,790
Current receivables	101,034	149,839	250,872
Cash	15,271	133,096	148,367
Deferred tax assets	–	81,110	81,110
	3,954,803	4,723,336	8,678,139
Project loans	2,585,069	3,715,787	6,300,856
± <i>Changes in the reporting period</i>	(94,090)	(45,241)	(139,331)
Deferred tax liabilities	60,467	–	60,467
Current payables	13,833	195,754	209,587
	2,565,279	3,866,299	6,431,578
Net assets of the disposal group	1,389,524	857,037	2,246,560

[08] Personnel expenses

in EUR	1 January to 30 September	
	2007	2006
Wages and salaries	11,047,684	7,434,000
Social security costs	2,833,663	2,029,503
Other payroll-related taxes and contributions	554,482	286,545
Voluntary employee benefits	21,883	8,550
Expenses for posted employees	683,072	596,552
Payments in respect of severance payments and pensions	287,912	100,370
Changes in accrual for compensated absences	60,632	14,487
	15,489,327	10,470,007
Changes in payroll-related provisions	338,350	345,667
	15,827,677	10,815,674

During the reporting period January to September the Group employed an average of 1,165 employees (comparable period of the previous year: 879).

The increase in the number of employees is essentially attributable to the hotels Chopin Krakow, Angelo Prague, Sobieski Warsaw and Dream Castle Paris, which were not yet included in the consolidated group or only included pro rata temporis in the comparable period of the previous year.

Higher personnel expenses are on the one hand explained by the higher number of employees; in addition, the number of Management Board members was raised from two to four and the staff employed at the Group holding company in Vienna was increased by six persons.

The personnel expenses also contain an amount of TEUR 573 for a bonus of 5% of the Group result to which the Management Board is entitled in the period under report; this bonus system had not yet been introduced as of 30 September of the previous year.

This item also contains one-off bonuses of approximately EUR 0.15 million relating to the IPO effected in the period under report.

[09] Other expenses

in EUR	1 January to 30 September	
	2007	2006
Foreign exchange differences	296,535	110,867
Pre-opening costs Andel's Hotel Krakow (previous year Hotel Angelo Prague)	133,220	328,621
Legal fees	986,907	467,853
Pro-rata costs of capital measures *)	1,125,935	–
Non-recoverable VAT	301,884	205,321
Property costs**)	795,014	1,494,561
Impairment charges (reversal of impairment) for current assets	(5,439)	(463,494)
Others***)	2,607,606	1,125,335
	6,241,661	3,269,064

*) This item includes the costs incurred in connection with the IPO in January 2007, which in accordance with IAS 32.35 are not to be accounted for as a deduction from equity.

**) The comparable period of the previous year contains TEUR 996 in rent payments related to the hotel "Dream Castle Paris", which were discontinued in the fourth quarter of 2006 when the contract was classified as a financelease.

***) Other expenses' contain one-off costs incurred in connection with the relocation of the headquarters of the Group holding company in Vienna and the branch office in Prague.

[10] The financial result

in EUR	1 January to 30 September	
	2007	2006
Finance revenue		
Interest income from cash management	902,249	167,845
Interest on loans to joint ventures	716,472	362,616
	1,618,721	530,461
Foreign currency gains on interest-bearing, CHF-denominated loans	358,410	630,511
Gains from fair value adjustments of derivative financial instruments	219,945	623,080
	2,197,077	1,784,051
Finance costs		
Interest on short-term borrowings, project loans and other loans*)	(8,043,068)	(4,372,446)
Interest on loans from minority interests	(1,551)	(3,365)
Interest on loans relating to joint ventures	(462,086)	(259,906)
Interest on loans from related parties	(11,723)	(18,660)
	(8,518,429)	(4,654,377)
Interest cost for provisions for pensions and other long-term employee benefits	(98,400)	(100,564)
Interest costs of derivative financial instruments	(98,989)	(65,589)
Net loss on the sale of available-for-sale investments	(32,806)	(20,941)
Mark-to-market of derivative financial instruments	–	(91,223)
	(8,748,624)	(4,932,694)

*) In the reporting period interest on short-term borrowings, project loans and other loans increased by EUR 3.67 million or 84% against the previous year. Of this total, about 58% or EUR 2.16 million relate to interest on loans that did not yet exist in the comparative period of the previous year, about 21% or EUR 0.77 million to loans shown on a pro-rata-temporis basis in the comparative period of the previous year, and about 21% or EUR 0.74 million of the increase is attributable to higher interest rates.

[11] Income taxes

The reconciliation between income tax expenses and the product of accounting profit and the Group's domestic tax rate for the period under report is as follows:

in EUR	1 January to 30 September	
	2007	2006
Accounting profit before income tax	10,052,031	13,273,395
Accounting profit before income tax x 25% (previous year: 25%)	(2,513,007)	(3,318,349)
± Effects of changes in tax rates*)	1,432,893	–
± Other foreign tax rates	136,210	18,097
± Tax-free profits from the participation exemption (Sec.10 Austrian CIT Act)	590,816	1,711,261
± Permanent differences	(251,135)	(101,295)
± Valuation allowance on deferred tax assets	(238,919)	(19,855)
± Income from the first-time recognition of deferred tax assets	1,605,294	288,668
± Permanent differences relating to (negative) goodwill	674,383	672,304
± Effects of exchange rate fluctuations	(38,492)	183,138
	1,398,044	(566,031)
Thereof income tax expenses	(6,503)	(1,298,144)
Thereof change in deferred taxes	1,404,546	732,112
	1,398,044	(566,031)
Effective tax rate	-13,91 %	4,26 %

*) In the Czech Republic the income tax rate is scheduled to drop from hitherto 24% to 21% in 2008.

[12] Property, plant and equipment

The item "Property, plant and equipment" comprises land & rights equivalent to land, buildings incl. plant under construction, and equipment.

in EUR	1 January to 30 September	
	2007	2006
Net carrying amount at 1 January	288,327,053	189,132,670
Changes in the scope of consolidation	29,672,988	20,257,497
Additions	21,217,450	34,017,655
Transfers of "Investment properties"	–	(3,624,747)
Disposals	–	(441)
Depreciation	(6,699,386)	(5,736,410)
Exchange adjustments	41,854	(31,525)
Net carrying amount at 30 September	332,559,960	234,014,700
<i>Capitalised interest contained in additions</i>	<i>107,416</i>	<i>158,028</i>

Additions from investments relate to the following projects:

	2007	2006
Development progress on Airport City St. Petersburg	4,607,083	–
Completion of Andel's Krakow	3,985,229	3,286,465
Completion of Hotel Angelo Prague	–	14,439,815
Expansion of Hotel Savoy Prague (purchase of land)	2,092,692	–
Refurbishment of Hotel Palace Prague	955,178	–
Construction progress on Andel's Hotel Berlin	1,971,787	2,530,866
Construction progress on Hotel Angelo Plzeň	1,282,076	–
Construction progress on Andel's Hotel Łódź	1,731,789	5,068,154
Completion of UBX 2 – Prague office building (sold on 30 March 2007)	667,405	–
Project development progress on Hotel Angelo Munich	627,160	–
	17,920,400	25,325,300
Other developments and current investment related to hotels	3,297,050	8,692,355
	21,217,450	34,017,655

[13] Investment properties

Investment properties comprise land and buildings and are stated at historical cost less accumulated depreciation, which is calculated on a straight-line basis over the estimated useful lives of the assets, and accumulated impairment in value.

in EUR	1 January to 30 September	
	2007	2006
Net carrying amount at 1 January	25,338,478	5,028,903
Changes in the scope of consolidation	–	4,018,809
Additions	792,542	14,303
Disposals	–	(257,867)
Transfers to “Property under construction”	–	3,624,747
Transfers according to IFRS 5	(7,859,724)	–
Depreciation	(295,146)	(169,370)
Exchange adjustment	(463)	28,912
Net carrying amount at 30 September	17,975,686	12,288,437
Result from “Investment properties”:		
Rental income and charged expenses	1,882,843	1,024,212
Direct expenses	(712,100)	(380,928)
	1,170,743	643,284

Fair market value appraisals were obtained for all “Investment properties” in the context of the preparation of the consolidated half-year financial statements as of 30 June 2007; the fair market value of all “Investment properties” amounted to EUR 25.13 million at 30 June 2007.

[14] Interest-bearing loans and borrowings

in EUR	At 1/1/2007	Changes in the scope of consolidation	New borrowings	Repayment of loans	Foreign currency and exchange adjustments	At 30/9/2007
a) Project-related loans secured by mortgage Subsidiaries (full consolidation)						
For Hotel Diplomat	37,605,233	–	–	(1,244,235)	–	36,360,998
For Hotel Palace	17,490,500	–	–	(969,000)	–	16,521,500
For Hotel Chopin	12,975,511	–	–	(433,131)	–	12,542,380
For Hotel Angelo Prag	11,638,840	–	–	(569,414)	–	11,069,425
For Hotel Amber Baltic	9,698,011	–	–	(989,409)	(358,410)	8,350,192
For Hotel Savoy	8,499,829	–	–	(414,870)	–	8,084,959
For Erzsebet office building bridge loan	8,031,869	–	–	(4,266)	–	8,027,603
For Hotel Le Palais	7,690,818	–	–	(282,548)	–	7,408,270
For Hotel Dvorak	7,264,798	–	–	(498,006)	–	6,766,792
For Angelo Airporthotel	–	2,887,249	9,943,580	(79,103)	–	12,751,727
For Pauler Utca office building	3,715,787	(3,715,787)	–	–	–	–
For Cetelem office building	2,585,069	(2,585,069)	–	–	–	–
For Örs Utca residential real estate project	2,416,437	–	–	(2,480,407)	63,970	–
For Warsaw gas pipeline	381,553	–	–	(44,358)	5,294	342,488
For Sajka Utca office building	175,742	–	–	(36,257)	–	139,485
	130,169,998	(3,413,607)	9,943,580	(8,045,005)	(289,147)	128,365,819
Joint ventures (proportionate consolidation)						
For Hotel InterContinental 50 %	20,253,395	10,835,502	1,161,103	–	–	32,250,000
For Hotel Dream Castle 50 %	19,426,035	–	–	(115,458)	(202,325)	19,108,251
For Leuchtenbergring project 49,5 %	10,730,994	–	–	–	–	10,730,994
For Sobieski hotel and office complex 25%	7,000,000	–	–	(110,425)	–	6,889,575
For Parkur Tower office building 50%	3,208,733	–	422,422	–	–	3,631,155
For UBX 2 – Prague office building 50%	2,243,686	(4,033,556)	1,789,870	–	–	–
For Andel's Hotel Krakow 50%	1,775,507	–	6,223,641	–	–	7,999,148
For Warsaw gas heating plant 40%	242,906	–	–	(33,543)	3,310	212,673
	195,051,254	3,388,339	19,540,617	(8,304,433)	(488,162)	209,187,615
b) Other interest-bearing loans						
Short-term working capital loans	15,571,879	–	4,130,899	(8,084,560)	–	11,618,218
Short-term loans	265,585	11,832	(74,250)	(192,246)	–	10,921
Long-term loans from joint ventures	16,775,532	2,585,206	2,515,915	(2,918,970)	545	18,958,227
Call options and loans under lease agreements	7,453,499	–	–	–	–	7,453,499
Non-interest-bearing loans	650,995	–	–	–	–	650,995
Long-term loans from minority interests	57,931	–	1,551	–	–	59,483
	40,775,420	2,597,038	6,574,116	(11,195,777)	545	38,751,342
Total interest-bearing loans and borrowings	235,826,674	5,985,376	26,114,732	(19,500,210)	(487,617)	247,938,957

The loan for the Hotel InterContinental Warsaw failed to meet the conditions of the loan agreement as of 30 September 2006 and the amount of the Group's proportionate share (27.67%) was consequently to be presented as current liabilities. At the reporting date of 30 June 2007 the loan had already been re-financed and predominantly reclassified as non-current in the amount of the Group's proportionate share (50 %).

[15] Receivables and liabilities (current)

	At 30/9/2007	At 31/12/2006	At 30/9/2006
Trade and other receivables			
Trade receivables	6,415,368	4,498,393	5,342,142
Receivables for taxes	3,784,285	4,593,290	3,142,630
Extended purchase price receivables relating to the sale of subsidiaries	–	205,744	273,837
Advance payments made	430,770	442,844	237,440
Other current receivables and other current assets	483,399	525,473	352,261
Receivables due from joint ventures	674,080	600,269	166,098
Receivables due from related parties	11,901	15,530	6,268
Receivables due from minority interests	16	–	4,886
Deferred expenses	1,366,328	2,077,865	1,806,033
	13,166,147	12,959,409	11,331,594
Trade and other payables			
Trade payables	6,074,125	10,796,697	5,572,993
Trade payables due to joint ventures	755,093	800,015	756,718
Trade payables due to related parties	2,766,057	7,870,091	1,542,349
Purchase price obligations	3,423,120	14,421,884	13,441,697
Other payables including accruals for compensated absences	5,096,733	4,004,133	2,491,141
Advance payments received	988,015	806,119	502,516
	19,103,142	38,698,938	24,307,416

[16] Derivative financial instruments

As of 30 September 2007 there are derivative financial instruments (interest rate collars) relating to the Group's financial liabilities. The main terms and parameters of these collars are as follows:

in EUR	30/9/2007	30/9/2006
Project loan Hotel Le Palais, Prague		
Notional amount at 30 September (underlying: 3-month Euribor)	7,408,270	7,782,653
Fair value at 30 September	–	(263)
Project loan Hotel Chopin, Krakow		
Notional amount at 30 September (underlying: 3-month Euribor)	12,542,380	13,110,402
Fair value at 30 September	310,733	–
Project loan Hotel InterContinental Warsaw (amount of the Group's proportionate share)		
Notional amount at 30 September (underlying: 3-month Euribor)	–	16,434,859
Fair value at 30 September	–	(205,579)
Project loan Hotel Sobieski, Warsaw (amount of the Group's proportionate share)		
Notional amount at 30 September (underlying: 3-month Euribor)	6,889,575	–
Fair value at 30 September	69,260	–

Other derivative financial instruments

As of the end of the reporting period the Group is party to the following derivative financial instruments. All derivative financial instruments outstanding as of the reporting date have been concluded between Warimpex Finanz- und Beteiligungs AG, Vienna, and Raiffeisenlandesbank Wien-Niederösterreich. Since there are no hedges for the exposures resulting from these financial instruments, the Group is exposed to interest rate risk and foreign currency risk for the whole term of the contracts.

		Fair value at 30/9/2007	30/6/2006
Knock Out CAP			
Maturity Date			
30. June 2009 buy Cap	15,000,000 3-M-EURIBOR 4 %	120,586	138,013
14. April 2008 buy Cap	5,000,000 3-M-EURIBOR 2 %	93,771	46,298

In 2004 the Company purchased an interest rate cap based on the 3-month EURIBOR for a notional amount of EUR 15 million. If the 3-month EURIBOR exceeds 4%, the Company receives the excess payment. The knock-out rate is 6%.

		Fair value at 30/9/2007	30/6/2006
FX Options			
Maturity Date		30.09.2007	30.06.2006
10. April 2008 >=1.45	EUR/CHF 5m/Strike 1.525	–	(13,817)
Interest rate swap (expired 2006)		expired	(29,993)

Subject to the condition that the CHF exchange rate falls to or below 1.45 by 14 April 2008, the Company is obliged to purchase the CHF equivalent of EUR 5 million for a fixed rate of 1.525. The option premium received by the Company for selling this option was granted in the form of an interest rate cap on the 3-month EURIBOR, the strike price of which is 2%.

Negative fair values from derivative financial instruments are presented within "Derivative financial instruments" in the interim consolidated financial statements, positive fair values are presented within "Other financial assets".

[17] Share capital, shareholder structure, earnings per share, dividend

On 26 and 29 January 2007 respectively a capital increase was effected through the issue of new shares on the Vienna and Warsaw stock exchanges. The Company's share capital was increased from EUR 30 million to EUR 36 million. The gross costs directly attributable to the capital measure were recognised in equity.

In the Annual General Meeting convened on 31 May 2007 to approve the financial statements for the business year 2006 the Board was authorised to issue, within the next five years, convertible bonds with attached conversion or subscription rights to up to 9 million shares representing a proportionate amount of up to EUR 9 million of the share capital and excluding the statutory subscription rights of the existing shareholders.

Additionally, the shareholders' meeting convened on 31 May 2007 to deliberate on the results of the reporting period 2006 approved a dividend of EUR 5.4 million, which was paid to the shareholders on 10 June 2007.

Since there are no circumstances that could lead to a dilution of shareholders' interests, diluted earnings per share equal basic earnings per share. In accordance with IAS 33.64, earnings per share for the previous year were calculated on the basis of 30 million shares; for the business year 2007 the shares issued in the context of the capital increase were taken into account on a pro-rata-temporis basis.

[18] Transactions with related parties

in EUR	1 January to 30 September	
	2007	2006
Amber/Bocca Privatstiftung		
Balances at 1 January	(755,081)	(5,674,503)
Dividends	(2,215,804)	(1,164,000)
Interest on current accounts	(8,471)	(18,660)
± Payments received and made	2,215,804	6,107,749
	(763,553)	(749,414)
Directors who hold substantial shareholdings in the Company		
Balances at 1 January	(681,153)	1,788
Regular remunerations and bonus	(769,341)	(238,710)
Dividends	(1,871,546)	(776,000)
± Payments received and made	2,799,982	1,018,309
	(522,058)	5,387
Other directors		
Balances at 1 January	(3,592,792)	–
Dividends	freefloat	–
Regular remuneration and bonus	(534,500)	–
± Payments received and made	3,778,566	–
	(348,725)	–
Grassi family (Mr. Friedrich Grassi SB member since 31 May 2007)		
Balances at 1 January	(11,180,138)	–
Dividends	freefloat	(60,000)
Purchase 50% "Grassi Hotelbeteiligungs- und Errichtungs GmbH"	–	(11,000,000)
Interest on current accounts	(3,251)	–
± Payments received and made	10,920,194	60,000
	(263,195)	(11,000,000)
Vienna International AG		
Balances at 1 January	(1,058,401)	(2,521,286)
Management fee charged by Vienna International	(2,714,782)	(2,248,865)
± Payments received and made	2,916,559	1,729,232
	(856,624)	(792,054)
Senior managers		
Balances at 1 January	(1,657,507)	126,814
Exchange adjustments	1,904	(4,941)
± Payments received and made	1,767,133	(16,438)
(presented within "Other financial assets")	111,530	105,435

Joint ventures

The following transactions with joint ventures were made in the reporting period:

in EUR	1 January to 30 September	
	2007	2006
Revenues from transactions with joint ventures	915,879	224,505
Loans given to joint ventures	(3,265,366)	1,470,916
Interest income on loans given to joint ventures	716,472	362,616
Interest expense on loans received from joint ventures	(462,086)	(259,906)

[19] Events after the balance sheet date

At the end of October 2007 a preliminary contract for the acquisition of a 4-star hotel was concluded subject to the fulfilment of certain closing conditions; the closing is scheduled for 30 November 2007. The Company's share in this investment will be 50%, the proportionate acquisition price for the Company amounting to EUR 10 million.

Furthermore, at the end of November 2007 a co-investor joined in on the St. Petersburg Airport City development project, acquiring a 25% share in the project with an investment of EUR 30 million. The Company intends to sell further project shares to co-investors.

[20] Other commitments, litigation and contingencies

With one exception, there were no changes in the reporting period with respect to other commitments, litigation and contingencies as compared to the situation described in the consolidated financial statements as of 31 December 2006. This exception relates to the litigation regarding the property on which the Hotel Diplomat is located, which was decided in favour of the Company in the first half of 2007.

The contractual obligation to complete the Hotel Angelo in Krakow, originally to be met by 31 December 2006, was discharged in the period under report; the hotel was opened on 1 June 2007.

Vienna, 29 November 2007



Franz Jurkowitsch



Georg Folian



Christian Fojtl



Alexander Jurkowitsch

Selected Warimpex Group properties

1) Hotel Le Palais****, Prague

CZ-120 00 Prague 2, U Zvonarsky 1
72 rooms (opened in 2002)



2) Hotel InterContinental****, Warsaw

PL-00 125 Warsaw, ul. Emilii Plater 49
404 rooms (opened in 2003)



3) Andel's Hotel****, Krakow

PL-31 547 Krakow, ul. Pawia 3
159 rooms (opened in June 2007)



4) Angelo Airporthotel****, Bucharest

RO-075100, Bucharest – Otopeni
283 Caleo Bucurestilor
108 rooms
(opened in 2001, acquired in July 2007)

5) Andel's Hotel****, Berlin

D-10407 Berlin, Landsberger Allee 106
556 rooms
(opening scheduled for 4th quarter 2008)



6) Andel's Hotel****, Łódź

PL-91 065 Łódź, Ogrodowa 17
278 rooms
(opening scheduled for 4th quarter 2008)



7) Airportcity, St. Petersburg

RU-St. Petersburg, "Pulkovo 2"
International Airport
300 rooms Crowne Plaza Hotel,
40,000 sqm of office space
(opening scheduled for 4th quarter 2009)



Financial calendar

28 April 2008	Publication of Annual Report 2007
26 May 2008	Publication of results for the 1st quarter of 2008
29 May 2008	Annual General Meeting
3 June 2008	Ex-dividend date
6 June 2008	Dividend payment date
28 August 2008	Publication of results for the 1st half of 2008
27 November 2008	Publication of results for the 3rd quarter of 2008

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