

Warimpex achieves positive result again in 2010

- **Preliminary profit for the year of EUR 3.7 million confirmed**
- **182 per cent increase of EBITDA to EUR 22.7million**
- **Sales and earnings expected to increase substantially again in 2011**
- **Development projects in 2011: Airport City St. Petersburg, Le Palais office building Warsaw, budget hotels in Poland and Hungary.**

Vienna, 29 March 2011 – The audited figures for 2010 confirm the preliminary results for the year announced at the end of February. Consolidated sales increased by 21 per cent to EUR 103.2 million and EBITDA by 182 per cent to EUR 22.7 million, while EBIT surged from a negative figure in 2009 to plus EUR 24.4 million in the reporting period. All in all, this brought a solid profit of EUR 3.7 million for the year after a substantial loss of EUR 92.7 million in 2009.

This positive trend in 2010 can be attributed on the one hand to the hotels that were opened in 2009 (angelo Ekaterinburg, andel's Łódź, andel's Berlin) and that had their first full year of operation in 2010, and on the other to the opening of the angelo in Katowice and significant increases in sales in Munich, Berlin and Paris and at the InterContinental hotel in Warsaw. *Hotels are the only real estate class for which prices can be raised on a daily basis. In times of economic expansion, this is a decisive advantage over other types of real estate.*

Project financing, capital increase and transaction markets

Nevertheless, 2010 was a challenging year for Warimpex and the entire industry. Despite the improved market conditions, debt financing was still expensive and difficult to come by. In response to this, Warimpex successfully completed a capital increase in the spring of 2010. A total of 14.4 million new shares were floated. The capital raised through this measure made it possible to continue ongoing projects and to react flexibly to market developments.

At the same time, Warimpex saw banks slowly becoming willing to finance new development projects this year after a long period of restrictive conditions. In October 2010, a EUR 60 million credit agreement was concluded with a Polish bank consortium for the Airport City project in St. Petersburg. Activity on the transaction markets also picked up slightly.

External valuation of the real estate portfolio

Warimpex' real estate portfolio was valued on 30 June and 31 December by the external, independent appraiser CB Richard Ellis (CBRE). The high impairment charges that were recognized in 2009 proved to be overly pessimistic in the second half of the previous financial year already. This view was confirmed again this year, and a part of the impairment losses recognized in the previous financial years was reversed in the reporting period. Impairment losses in the amount of EUR 23.5 million were written up again. The triple net asset value (NNNAV) per share rose to EUR 3.50 compared to 30 June 2010 (in annual comparison it fell by 8 per cent due to the higher number of shares after the capital increase).

Outlook

Warimpex' strategy will continue to focus on investments in major cities other than the often overly developed capitals. A key aspect of this is the successful development of budget hotels in cooperation with Starwood Capital and Louvre Hotels. In addition to the start of construction of the first Campanile and Première Classe budget hotels in the centre of the Polish city of Wrocław, which are to be opened in 2011, five further projects in Zielona Góra, Bydgoszcz and Katowice in Poland and Budapest in Hungary, are in advanced stages of planning. Warimpex' activities on the growth market of Russia are secure and a four-star Crowne Plaza hotel will be completed on schedule at Airport City in St. Petersburg at the end of 2011, followed by modern office buildings. Conversion work is also beginning for the Le Palais office building in the heart of Warsaw.

On the transaction markets, Warimpex expects to exploit the recovery that began last year to a greater degree in 2011 and to sell a number of high-quality properties at appropriate terms. Moreover it is planned to issue bonds with a total volume of PLN 300 million or EUR 75 million over the next three years, primarily for Polish institutional investors. A convertible bond is also a possibility. In addition to refinancing short-term loans, the capital raised will be used for development projects.

The year 2011 should be a period of growth for the Warimpex Group. Warimpex should be able to profit from the positive trends on the hotel and real estate markets. With the good results achieved in 2010, sales and earnings should improve substantially in 2011.

The numbers for 2010 at a glance

Key figures in thousands of euros	2010	+/-	2009
Revenues – Hotels & Resorts	96,364	21%	79,608
Revenues – Development & Asset Management	6,799	20%	5,650
Total revenues	103,164	21%	85,258
Income from the sale of properties	8,756	124%	3,910
EBITDA	22,743	182%	8,053
EBIT	24,384	-	-71,772
Pre-tax profit	2,392	-	-92,358
Profit for the year	3,747	-	-92,667
Earnings/loss per share in EUR	0.11	-	-2.36
Number of shares at 31 December	54,000,000		39,599,999
Number of hotels*	21	+1	20
Number of rooms (adjusted for proportionate share of ownership) *	3,432	+99	3,322
Number of office and commercial properties	5	-	5
	31.12.2010		31.12.2009
Gross asset value (GAV) in millions of euros	589.7	3%	571.9
Triple net asset value (NNNAV*) in millions of euros	187.4	26%	148.9
NNNAV* per share in EUR**	3.5	-8%	3.8
Share price at the end of the year in EUR	2.68	23%	2.18

* The method used by Warimpex to calculate the NNNAV is explained in the 2010 annual report.

** Taking into account the higher number of shares after the capital increase in the spring of 2010. The NNNAV per share increased by 6 per cent compared to the last valuation at 30 June 2010.