

Ad Hoc Release

First Quarter of 2012

Rising hotel revenues confirm upward trend

- Revenues from hotel operations up by 18 per cent, consolidated sales by 21 per cent
- EBITDA 79 per cent higher
- Signing of a head of terms agreement for the intended sale of the 50 per cent share in the InterContinental hotel in Warsaw
- Development pipeline: Palais Hansen, Le Palais office building Warsaw, second office building at Airport City St. Petersburg

Vienna, 24 May 2012 – The first quarter of 2012 brought a good start to the new year for Warimpex Finanz- und Beteiligungs AG despite the turbulent economic conditions. Revenues from hotel operations improved by 18 per cent in annual comparison to EUR 12.2 million. This growth was primarily the result of substantially higher revenues in Ekaterinburg, Prague and Krakow.

The good overall performance of the hotels can especially be seen in the increase in the cash flow from operations from minus EUR 0.4 million to EUR 1.1 million. EBITDA, one of the most important performance indicators for real estate companies because it is not distorted by industry-specific valuation methods, also improved from EUR 0.5 million in the first quarter of 2011 to EUR 0.9 million. Because of lower profit contributions from property sales and lower non-cash reversals of impairments, the operating result (EBIT) fell from minus EUR 0.3 million to minus EUR 1.5 million. Overall, this resulted in a profit for the reporting period. The profit for the period amounted to EUR 0.3 million, after a minus of EUR 3.0 million in the first quarter of the previous year.

Sales revenues from hotels grew at a significantly higher rate in 2012 than in 2011 when the joint ventures are consolidated on a proportionate basis. The average number of available rooms was nearly unchanged at 3,621, while sales revenues from hotel operations increased by 10 per cent from EUR 19.6 million to EUR 21.6 million. The net operating profit improved by 93 per cent to EUR 4.3 million. This significantly higher NOP margin can above all be attributed to improved occupancy levels and higher room rates.

Planned hotel sale on the Polish market

The encouraging trend on the transaction markets continued into the current year. The head of terms agreement for the intended sale of the 50 per cent stake in the InterContinental hotel in Warsaw was signed at the end of the quarter. The closing is expected to take place this year. The expected purchase price will be greater than the carrying value of the property and have a very positive effect on Warimpex's earnings and liquidity position in 2012. The planned sale corresponds to Warimpex's strategy of developing properties and then selling them at the best possible point in time to generate capital for new projects.

Current development projects

In the development segment, there are currently seven real estate projects under construction or in advanced stages of development – including the Le Palais office building in Warsaw, which is scheduled to open at the end of 2012. In Vienna, Warimpex is involved in developing Palais Hansen on the city's Ring boulevard into a high-end hotel and residential property. The project, which is scheduled to open in the spring of 2013, is Warimpex's first in Austria. At Airport City St. Petersburg, the four-star Crowne Plaza hotel and a neighbouring office building were already opened last year. The shell of the second office building with 15,000 square metres of lettable space has also been completed; the building can be finished this year depending on rental demand and financing.

Financial result

Consolidated revenues rose by a substantial 21 per cent to EUR 13.9 million in the reporting period. Revenues from hotel operations improved by 18 per cent from EUR 10.3 million in the first three months of 2011 to EUR 12.2 million. Revenues from the rental of offices and the provision of development services increased from EUR 1.1 million to EUR 1.6 million, primarily due to the progress made in the construction of the Le Palais office building in Warsaw.

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose substantially by 79 per cent to EUR 0.9 million, though the operating result (EBIT) fell from minus EUR 0.3 million to minus EUR 1.5 million. This resulted in a profit for the quarter of EUR 0.26 million, a significant improvement over the loss of EUR 3.0 million reported in the first quarter of 2011. The cash flow from operating activities rose to EUR 1.1 million.

Outlook

As already announced in the annual report for 2011, the new tightening of conditions on the financing markets has led Warimpex to focus on bolstering its financial foundation to ensure that it is ideally positioned to seize promising new development opportunities when they arise. With the good results achieved in the first quarter of 2012, Warimpex will likely see pleasing performance in the traditionally stronger quarters to come.

The numbers for the first quarter of 2012 at a glance (reporting date 31 March 2012)

Key figures in thousands of euros	1–3/2012	Change	1–3/2011
Revenues from the Hotels & Resorts segment	12,238	18%	10,335
Revenues from the Development & Asset Management segment	1,612	49%	1,085
Total revenues	13,850	21%	11,419
Gains from the sale of project companies	319	-79%	1,521
EBITDA	932	79%	522
EBIT	-1,513	-	-330
Profit for the period	259	-	-3,007
Net cash flow from operating activities	1,086	-	-418
Earnings/loss per share in EUR	0.01	-	-0.05
Average shares in the period	54,000,000	-	54,000,000
Number of hotels	21	-	21
Number of rooms (adjusted for proportionate share of ownership)	3,462	95	3,367
Number of office and commercial properties	5	-	5