

First three quarters of 2012

Warimpex: Operating business still developing positively

- Revenues from hotel operations up by 7 per cent to EUR 46.5 million; consolidated revenue improved by 16 per cent to EUR 54.3 million
- EBITDA down by 7 per cent to EUR 9.3 million despite higher contributions from existing properties due to lower earnings from property sales
- Slightly negative result for the period, but substantial improvement over previous year
- Successful completion of the negotiations for the sale of the InterContinental hotel in Warsaw – encouraging sign for the annual result for 2012

Vienna, 28 November 2012 – Warimpex Finanz und Beteiligungs AG succeeded in further expanding its hotel operations in the first three quarters of 2012. Occupancy improved in nearly all markets, and the room rates also increased at most establishments. As a result, sales revenues from the fully consolidated hotels rose by 7 per cent from EUR 43.5 million in the first three quarters of 2011 to EUR 46.5 million in the reporting period. This trend was spearheaded above all by the hotels in Ekaterinburg and Prague, which reported substantially increased revenue.

Sales including joint venture projects on a proportionate basis were also encouraging. Sales revenues grew by 10 per cent to EUR 84 million, and the net operating profit improved by 20 per cent to EUR 24.2 million thanks to higher occupancy levels and room rates.

Financial result

Driven by the overall good performance of the fully consolidated hotels, the cash flow from operating activities grew by 36 per cent to EUR 9.3 million. EBITDA, one of the most important performance indicators for real estate companies because it is not distorted by industry-specific valuation methods, and the operating result (EBIT) were both down, the former by 7 per cent to EUR 9.3 million and the latter by 42 per cent to EUR 5.7 million. This can be attributed to lower profit contributions from property sales and lower non-cash impairment reversals. This caused a moderately negative result for the period, but a result that is still well above that of the previous period (Q1–Q3 2012: minus EUR 0.7 million, Q1–Q3 2011: minus EUR 2.8 million).

Largest hotel deal in the history of Warimpex

The most important event since the publication of the results for the first half of the financial year occurred after the end of the third quarter. The preliminary contracts on the sale of the 50 per cent share in the InterContinental hotel in Warsaw with the buyer, a real estate fund of Germany's DekaBank, were signed at the end of October. The selling price, which can still rise depending on the performance of the hotel, is over EUR 100 million, and well above the asset's book value. The sales contract is still pending subject to the fulfilment of the standard closing prerequisites for such real estate transactions in Poland. The closing is scheduled for the end of 2012. Warimpex will lease the hotel back together with its joint venture partner UBM

in equal shares until 2027, thereby retaining future profit potential. The successful completion of this transaction in the current year will also have a positive effect on the Company's earnings position in 2012.

Development projects nearing completion

In the development segment, the opening of the Le Palais office building in Warsaw at the end of 2012 is coming ever closer, and the conversion of Palais Hansen on Vienna's Ringstraße into an exquisite hotel and residential complex is entering its final phase. In Russia, the multi-functional Airport City St. Petersburg has been enjoying good demand at the Crowne Plaza hotel that opened at the end of 2011 and at the two completed office towers. If this trend continues, we will be able to proceed with the completion of the third office tower, for which the shell has already been built.

Outlook

Overall, the hotel and transaction markets can be seen to be recovering. Warimpex is laying the groundwork for one or two further property sales. The successful completion of the negotiations for the sale of the InterContinental hotel in Warsaw are in any case an encouraging sign for the annual result for 2012.

The numbers for Q1–Q3 2012 at a glance

Key figures in EUR '000	1–9/2012	Change	1–9/2011*	7–9/2012	+/-	7–9/2011*
Revenues from the Hotels & Resorts segment	46,502	7%	43,536	17,163	4%	16,505
Revenues from the Development & Asset Management segment	7,772	126%	3,434	3,851	201%	1,281
Total revenues	54,273	16%	46,970	21,015	18%	17,786
Gains from the sale of project companies	329	-87 %	2,620	-	-	696
EBITDA	9,323	-7%	10,010	4,537	-18%	5,545
EBIT	5,689	-42%	9,820	2,805	-26%	3,718
Profit for the period	-701	-	-2,812	-1,306	-	345
Net cash flow from operating activities	9,303	36%	6,842	3,712	-20%	4,645
Earnings/loss per share in EUR	-0.02	-	-0.05			
Number of hotels	21	1	20			
Number of rooms (adjusted for proportionate share of ownership)	3,467	154	3,313			
Number of office and commercial properties	5	1	4			

* Retrospective adjustment after the change to the equity method on 31 December 2011