

First quarter of 2009

Business impacted by the adverse conditions – beginnings of recovery expected at the end of 2009

- Occupancy rates and revenues down in the first quarter
- Difficult conditions on the hotel market pull sales down by 19 per cent
- Cautiously optimistic outlook for the real estate market in CEE

Key figures in EUR millions	Q1/2009	Change	Q1/2008*
<i>Total revenues</i>	14,715	-19%	18,240
Gains from the sale of project companies	-	-	9,219
EBITDA	-3,840	-	9,843
EBIT	-7,316	-	6,888
Profit for the period	-10,276	-	-1,884
Earnings/loss per share in EUR	-0.28	-	-0.05
Number of hotels**	18	2	16
Number of rooms (adjusted for proportionate share of ownership) **	2,916	427	2,489
Number of office and commercial properties	6	-1	7
Number of hotel development projects	6	-10	16
Gross asset value (GAV) in EUR millions ***	666.7	8%	614.8
Triple net asset value (NNNAV) in EUR millions ***	301.9	- 22%	387.4
NNNAV per share in EUR ***	8.4	- 22%	10.8

* restated, ** andel's hotel in Łódź opened in May, after 31 March 2009, *** 31 December 2008

Vienna, 25 May 2009 – The first quarter of 2009 saw lower occupancy rates and lower revenues at Warimpex's hotels. Group sales fell by 19 per cent from EUR 18.2 million to EUR 14.7 million in the first three months of the 2009 financial year.

“Tourism is very sensitive to economic trends and cycles. The Warimpex hotels were not able to escape the effects of the currently poor economic environment and saw significant decreases in sales, especially in the Czech Republic and France. However, business at our hotel in Munich has grown nicely as of late, and conference business at the newly opened andel's in Berlin has gotten off to a promising start. And in Prague, we are seeing a slight turnaround after the significant declines in recent months,” reported Franz Jurkowitsch, chairman of Warimpex's Management Board. “Falling interest rates and rising property yields in CEE are causing increased interest among institutional real estate investors. Because of this change, I expect that the volume of real estate transactions will begin rising again at the end of 2009. Cheap money is effective, even if it is only flowing very slowly into the economy right now because banks are still pursuing cautious lending strategies,” said Jurkowitsch, expressing his cautious optimism.

Financial result

Consolidated sales fell by 19 per cent from EUR 18.2 million to EUR 14.7 million in the first three months of financial year 2009. Revenues from the hotel segment declined to EUR 13.3 million compared to EUR 16.8 million in the first quarter of 2008 in spite of the fact that the average number of rooms increased. Most of this decline in sales can be attributed to the adverse conditions in Prague and Paris. According to HotStat (*European Chain Hotels Market Review – March 2009*), occupancy rates at four- and five-star hotels in Prague were down by 17 per cent compared to the first quarter of 2008, while average occupancy fell by roughly 7 per cent in Paris. The Warimpex hotels were not immune to the effects of these adverse market conditions and saw turnover decline significantly. Revenues from the rental of offices and the provision of development services remained stable at EUR 1.5 million.

EBITDA fell from EUR 9.8 million to EUR -3.8 million, and EBIT were down from EUR 6.9 million in the first quarter of 2008 to EUR -7.3 million. This EUR 14.2 million decline can primarily be attributed to the higher revenues achieved through the sale of properties and shares in development projects in the prior period. The Group's financial result improved from EUR -9.5 million to EUR -2.6 million. Above all, this EUR 6.9 million change can be attributed to adjustments in the fair values of short-term financial investments in the amount of EUR 5.9 million in the first quarter of 2008.

Key events

The largest four-star superior andel's design hotel to date was opened in Berlin at the beginning of March 2009. Compared to 31 March 2008, the number of available hotel rooms (adjusted for the proportionate share of ownership) rose by 427, from 2,489 to 2,916, as of 31 March 2009. This is primarily attributable to the opening of the angelo hotel in Munich, the 69 additional rooms at angelo airport hotel in Bucharest, the opening of the angelo in Plzen, and the opening of the andel's in Berlin. The Hansa hotel ship, which was operated as a branch of the Amber Baltic hotel, was closed.

Real estate assets

At 31 March 2009, the real estate portfolio of the Warimpex Group comprised eighteen hotels with a total of 4,300 rooms (2,916 rooms when adjusted for the proportionate share of ownership), plus seven office properties with a total lettable floor area of some 32,000 square metres (23,000 square metres when adjusted for the proportionate share of ownership). Eleven real estate projects are currently under construction or in advanced stages of development (not including the planned budget hotels).

Outlook

Our strategic focus in 2009 will be on the completion of the projects that we currently have under construction. The andel's in Berlin is one of the largest conference hotels in the city and enjoyed a very successful start to business in the first quarter. The andel's in Łódź opened in the middle of May 2009. The angelo airport hotel in Ekaterinburg will be completed in the third quarter of 2009, and Airport City in St. Petersburg (including the Crowne Plaza Hotel) will follow at the end of 2010.