

REPORT ON THE FIRST THREE QUARTERS OF 2009



warimpex

Key figures of the Warimpex Group

EUR '000	1–9/2009	Change	1–9/2008*
Revenues from Hotels & Resorts segment	58,071	-12%	66,243
Revenues from the Development & Asset Management segment	4,149	-11%	4,659
Total revenues	62,219	-12%	70,901
Gains from the sale of project companies	2,288	-76%	9,585
EBITDA	2,457	-90%	25,453
EBIT	-76,721	–	16,213
Profit for the period	-98,194	–	-889
Net cash flows from operating activities	5,790	-14%	6,750
Equity and liabilities	591,253	-6%	625,708
Equity	45,594	-74%	176,770
Average shares in the period	36,000,000	–	36,000,000
Earnings/loss per share	in EUR -2.63	–	-0.03
Number of hotels	20	+3	17
Number of rooms (adjusted for proportionate share of ownership)	3,322	+691	2,631
Number of office and commercial properties	5	-2	7
Number of hotel development projects	4	-10	14
Average number of employees in the Group	1,489	+34	1,455
	30/6/2009*	Change	31/12/2008
Gross Asset Value (GAV)	in EUR m 557.5	-16 %	666.7
Triple Net Asset Value (NNNAV)	in EUR m 117.6	-62 %	310.9
NNNAV per share	in EUR 3.3	-62 %	8.4

* An external valuation of the entire portfolio was not completed as of 30 September 2009.

* restated

Key share data

ISIN	AT0000827209
Number of shares as of November 2009	39.599.999
Ticker symbols	Stock Exchanges WXF Reuters WXF.B.VI
High*	EUR 4.85 PLN 16.52
Low*	EUR 0.99 PLN 4.85
Price as of 30 September 2009	EUR 2.74 PLN 11.25
*Last 52 weeks	

Warimpex is included in the following indices:

Vienna	ATX Prime, Immobilien-ATX
Warsaw	Market Main 250, Real estate developers
Research Reports:	
UniCredit CA-IB, 26/5/2009	Coverage in transition
Sal Oppenheim, 28/8/2009	Neutral, target price EUR 2.30
RCB, 17/9/2009	Hold, target price EUR 3.00
SRC Research, 28/10/2009	Buy, target price EUR 4.00
100-day trading average	in Vienna approximately 35,000 shares in Warsaw approximately 26,000 shares

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

After an extended dry spell, we were encouraged to see a stabilization of the hotel market in the third quarter of 2009. Being early cyclical, the market is responding well to the current improvements in general economic conditions. There are exceptions to the upswing in some regions, for example in Prague and Bucharest where the situation remains strained. But the current outlook for other markets is already significantly more positive than it was on 30 June 2009.

This change for the better is evidenced by the figures for the third quarter, with very solid EBITDA of EUR 4.3 million, and also by the fact that some write-downs that were made in the first half of the year have been reversed, bringing a positive result for the period. Updates as of 30 September 2009 were obtained from the independent international appraiser CB Richard Ellis for three properties that were significantly impaired as of 30 June 2009 (Hotel Liner and angelo hotel in Ekaterinburg, and the andel's in Łódź); a corresponding reversal was recognized after the latest appraisals showed that the performance assumptions made on 30 June 2009 were too pessimistic.

The market for property transactions is also clearly gaining momentum again, and the Company was able to sell the andel's hotel in Krakow despite the difficult general conditions. As the property was sold at its carrying value, the transaction had no effect on the current income statement. However, the lease structure is expected to generate net earnings in the coming years because the lease payments should be lower than the hotel's revenue stream.

The extreme fluctuations and the rapid pace of the changes that have taken place over the past two years have shown that companies must implement far-reaching measures in order to remain agile. This is the reason that we decided to obtain approval from an extraordinary general meeting in October to complete capital increases over the coming five years. Because the capital markets are beginning to thaw again, and because debt financing is still very expensive and very difficult to obtain, we already exercised this authority at the end of October and increased our share capital by 10 per cent. The exclusion of shareholder subscription rights has increased the Company's investor base and the number of shares in free-float. The fact that the issue was significantly oversubscribed at its issue price confirms that this step was taken at the right time.

The issue proceeds in the amount of roughly EUR 8.1 million will be used in part to finance new projects. After a long period at very high levels, prices for properties at good locations have come back down to reasonable levels in Central and Eastern Europe since last year. Properties are especially to be purchased for the further development of the promising three-star budget hotel segment under the Campanile and Premiere Classe brands, and for the expansion of the successful four-star angelo brand in Central and Eastern Europe. To this end, a property for two budget hotels was already secured in Katowice in the middle of November. The capital raised through the increase is also to be used for the selective purchase of distressed assets in Central and Eastern Europe, to optimise the current financing structure and to strengthen the Company's equity base.

We are pleased to report that we continued our projects on schedule in the third quarter. After the opening of the four-star angelo airport hotel in Ekaterinburg, we now have another establishment with excellent prospects on the market. Ekaterinburg is home to the fifth-largest airport in Russia, and the city's location near the Urals, at the dividing line between Europe and Asia, makes it a heavily frequented stop for Russian and international airlines. In late autumn 2009, we were also able to win a renowned operator and leaseholder for our first Austrian project, Palais Hansen: the luxury hotel operator Kempinski. This property on Vienna's Ring boulevard will house a hotel and apartments and will be ready for occupancy in 2012.

The angelo design hotel in Katowice, which is slated to open in the first quarter of 2010, and a Crowne Plaza Hotel at Airport City in St. Petersburg are currently under construction. In addition to a number of office buildings and 1,500 square metres of conference space, a four-star Crowne Plaza Hotel with 300 rooms is to be built at the site. Completion of the hotel is expected at the end of 2010, while the 40,000-square-metre office part is to be finished in the middle of 2011. And last but not least, the Magic Circus Hotel at Disneyland® Resort Paris will shine in new splendour after conversion work is completed this November.

Alongside the encouraging developments we saw in the third quarter, we also have an immense loss to report. Our long-time and highly respected Supervisory Board Chairman Alarich Fenyves passed away unexpectedly in September. Heinrich Geyer was appointed as his replacement by vote of the Supervisory Board.



Franz Jurkowitsch

Focuses of business

- 03/2009 Opening of the andel's in Berlin (557 rooms)
- 05/2009 Opening of Erszebet Office B, Budapest, after redevelopment
- 05/2009 Rental of Csalogany Office, Budapest, to city court
- 05/2009 Opening of the andel's in Łódź (278 rooms)
- 06/2009 Sale of Csalogany Office, Budapest
- 09/2009 Sale of the andel's hotel in Krakow (159 room)
- 09/2009 Opening of the angelo hotel in Ekaterinburg (211 rooms)
- 10/2009 Successful capital increase by 3,599,999 shares

Investor relations

The price of the Warimpex share stabilized in the first quarter of 2009. After closing 2008 at a price of EUR 1.25, the share posted a very pleasing rise to EUR 3.25 and PLN 13.05 on its two exchanges. As of 30 September 2009, the share was trading at EUR 2.74 and PLN 11.25.

Since our IPO, we have maintained an open and proactive communication policy with our investors, and conducted three very successful two-day roadshows in Warsaw this year, for example. Warimpex also took part in investor conferences in Kitzbühel, Zürs, Vienna, Paris, Frankfurt, Amsterdam and London.

Authorization for the Management Board to purchase shares in the Company was renewed at the annual general meeting on 28 May 2009. This replaced the stock buy-back programme that was decided last year and permits the purchase of up to 10 per cent of the Company's capital stock at a share price of no more than EUR 8.40.

The purposes for which the purchased shares may be used were also specified. In addition to being held as treasury shares, they can be sold or given to employees of the Company or of an associated company. The shares can also be used in payment for the purchase of real estate, business entities, business operations, or shares in one or more companies in Austria or abroad.

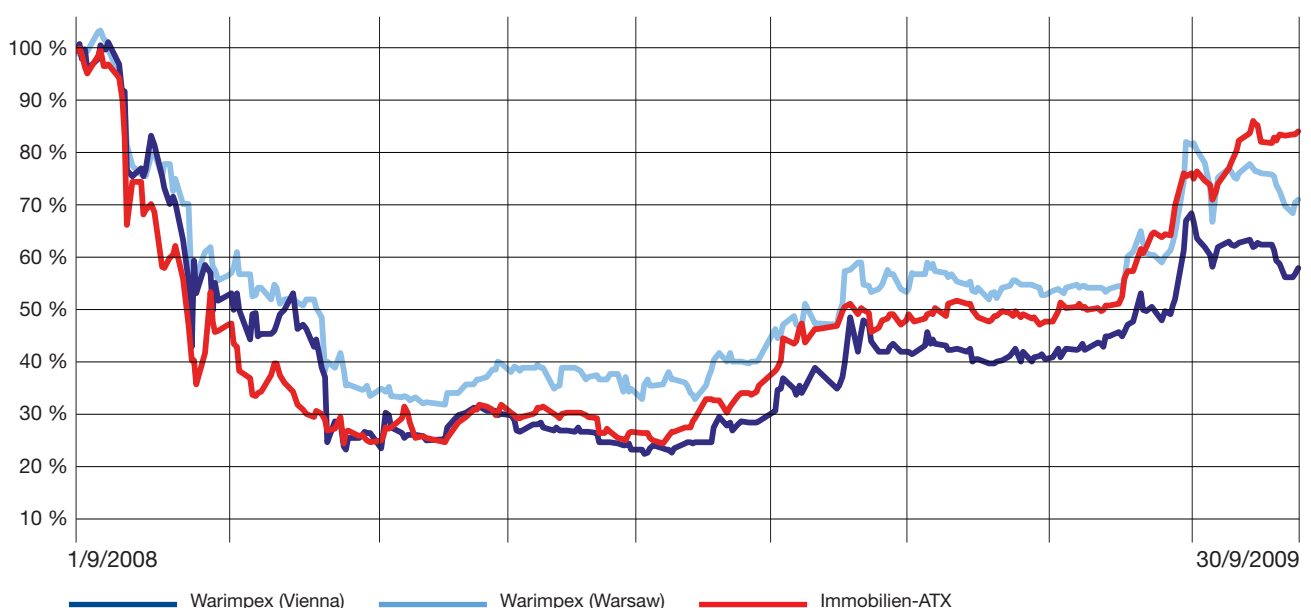
The shareholders also decided to carry forward the net profit reported for Warimpex as an individual company for the period in the amount of EUR 47,481,168.10.

The following resolutions were adopted at the extraordinary general meeting of the Company on 16 October 2009:

- Revocation of the Management Board authorization pursuant to § 169 AktG to increase the share capital of the Company with the approval of the Supervisory Board by as much as EUR 9,000,000 in one or more tranches by issue of up to 9,000,000 new bearer shares against cash payment or contributions in kind up to a total share capital of EUR 45,000,000; the object of contributions in kind, the individuals from which such contributions are accepted, the shares to be granted in return for these contributions, the issue amount and the issue terms shall be specified in coordination with the Supervisory Board.
- The Management Board is authorized to increase within five years of the entry of the amendment to the articles of association in the register of companies the share capital of the Company by as much as EUR 18,000,000 through the issue of up to 18,000,000 bearer shares against cash payment or contributions in kind, in one or multiple tranches, with or without the exclusion of pre-emptive subscription rights and to set the issue price and the issue terms in coordination with the Supervisory Board.
- Following the unexpected death of the then-serving Chairman of the Supervisory Board Alarich Fenyves in September 2009, changes had to be made in the composition of the Board. Harald Wengust was elected to the Board for the remaining duration of Mr. Fenyves' term. Günter Korp was also appointed to the Supervisory Board for the same period. Heinrich Geyer was elected Chairman by vote of the Supervisory Board; Wolfgang Mitterberger is his deputy.

On 23 October 2009, a total of 3,599,999 new bearer shares, equivalent to 9.99 per cent of the current share capital, were placed with institutional investors under the exclusion of shareholder subscription rights. The issue price was EUR 2.25 per share. The issue was significantly oversubscribed at the issue price.

Share price performance



GROUP MANAGEMENT REPORT

for the period from 1 January to 30 September 2009

Economic environment

In October 2009 (World Economic Outlook), the International Monetary Fund (IMF) upped its economic forecast for 2010 slightly compared to July 2009. The projections for 2009 were also raised again. The Eurozone economy is now expected to contract by -4.2 per cent in 2009 (July 2009 forecast: -4.8 per cent), and then to expand again slightly in 2010 at a rate of 0.3 per cent (0.3 per cent). The CEE economy is now expected to slow by -5.0 per cent in 2009 (-5.0 per cent), but the IMF is already expecting the region to bounce back to a healthy growth rate of 1.8 per cent (1.0 per cent) again in 2010. GDP growth for 2011 is even expected to come in at 3.8 per cent.

MARKETS

Poland

Existing portfolio: 6 hotels, 2 office properties

Warimpex holds a 50 per cent interest in the five-star Hotel InterContinental and a 25 per cent interest in the four-star Hotel Sobieski in Warsaw.

In Krakow, Warimpex has leased the four-star-plus andel's hotel since 1 September 2009 and also owns the three-star Hotel Chopin. The lobby, conference rooms, restaurant and bar at Hotel Chopin were converted to the new brand design in the first half of the year.

The andel's in Krakow was sold to DEKA on 1 September 2009. Warimpex was the sole owner of this hotel from February 2008 to the date of the sale, and will lease it back under a 15-year fixed lease. Vienna International Hotelmanagement AG will continue to manage the hotel.

In Międzyzdroje on the Baltic coast, Warimpex owns the Amber Baltic Spa Resort Hotel, a hotel ship and a 27-hole golf course. The hotel ship, which has 62 rooms, was closed in the first quarter of 2009 and is to be sold before the end of this financial year.

Occupancy at the Hotel InterContinental was somewhat lower in the first three quarters but continued to develop well at 71 per cent (2008: 78 per cent). The occupancy rate at the Hotel Sobieski was also down (1-9/2009: 57 per cent, 1-9/2008: 68 per cent). The occupancy rate at the Hotel Chopin fell from 76 per cent to 65 per cent, and the average room rate had to be cut. The andel's in Krakow reported slightly increased occupancy (1-9/2009: 69 per cent, 1-9/2008: 67 per cent); the average room rate was reduced slightly as well because of the weaker zloty.

The occupancy rate at the Amber Baltic beachfront resort fell to 44 per cent (1-9/2008: 51 per cent). Due to its location on the Baltic coast, occupancy rates at this hotel are subject to strong seasonal fluctuations, in contrast to those of city hotels.

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

The andel's in Łódź opened officially on 15 June 2009. The hotel has 278 rooms and 8 conference rooms with a total of 1,440 square metres, as well as a 1,330-square-metre ballroom and a rooftop spa area with a pool offering a view of the city's roofscape. The andel's is the first four-star hotel in Łódź and achieved an occupancy rate of roughly 50 per cent in its first months of business, surpassing the expectations and getting off to a very good start for a new hotel.

Under development: 1 hotel, 2 office buildings, 1 shopping centre

Construction of the angelo in Katowice is proceeding according to plan, and the hotel is scheduled to open in the first quarter of 2010.

An office building that is owned by Warimpex in Krakow is to be converted into a modern office complex. Planning for this project

began in the third quarter of 2008.

Warimpex owns one of the few historical buildings in Warsaw. Originally, it was planned to convert the building into a five-star Le Palais luxury hotel. The construction permit for this was issued in September 2008. As rental rates for offices in the central business district rose considerably in 2008, however, the property will now be developed into an office building instead of a hotel. The planning of a suitable office building began at the end of 2008.

In Białystok, Warimpex continued the development of a shopping centre with roughly 19,000 square metres of lettable retail space and 11,000 square metres of lettable office space.

Czech Republic

Existing portfolio: 7 hotels

In Prague, the Warimpex Group owns the three five-star hotels Palace, Le Palais and Savoy, all of which are members of the “Leading Hotels of the World”. Warimpex acquired the building adjacent to the Hotel Savoy in 2007 and plans to expand the hotel by approximately 25 additional rooms.

In the four-star hotel segment, the Group owns the Hotel Diplomat and the angelo hotels in Prague and Plzeň. Warimpex also consolidates the Dvořák spa hotel in Karlovy Vary according to IAS/IFRS.

In the period under review, the occupancy rates at the two four-star hotels in Prague were roughly 50 per cent and 67 per cent (1–9/2008: 66 per cent and 63 per cent), while occupancy rates of between 33 per cent and 45 per cent were achieved in the five-star segment (1–9/2008: between 41 per cent and 61 per cent). The average room rates declined in both segments.

At the Hotel Dvořák in Karlovy Vary, the occupancy rate in the first six months of the year was 76 per cent (1–9/2008: 87 per cent). However, the average room rate was raised slightly.

Another angelo hotel with 144 rooms was opened in Plzeň on 1 October 2008. Occupancy was comparatively weak at only 35 per cent in the first nine months of 2009.

Hungary

Existing portfolio: 3 office properties

In Budapest, Warimpex owns the Erzsebet, Dioszegi and Sajka office buildings, which together have a total net floor space of around 17,000 square metres.

The tenant in the Csalogany office building, which has roughly 2,500 square metres of lettable space, terminated its lease at the end of 2008. The building was rented to the Budapest city government as a courthouse in the first quarter of 2009, and was sold to an investor at the end of the second quarter. The sale price was higher than the most recent fair value as determined by the international real estate appraiser CB Richard Ellis (CBRE) in December 2008, and well above the carrying value.

Under development: 1 office building

Warimpex is currently modernizing and redeveloping the two towers of the Erzsebet office complex. Tower B was handed over to the tenant at the beginning of May after the renovation work was completed and is now fully let out. Lease negotiations are currently underway for tower A, which is also to be modernized and let out.

Romania

Existing portfolio: 1 hotel

The angelo airport hotel in Bucharest, which Warimpex acquired in 2007 and expanded by 69 rooms in 2008 along with adapting it to the angelo design, saw a very low occupancy rate of 34 per cent in the first nine months of the year (1–9/2008: 55 per cent). However, the gross operating profit (GOP) remained constant compared to the prior year thanks to cost cutting measures at the hotel and the changed exchange rate.

Germany

Existing portfolio: 2 hotels

Warimpex holds 50 per cent of the angelo in Munich and of the andel's in Berlin.

The Warimpex Group's first hotel in Germany, the 146-room angelo in Munich, was opened at the end of May 2008. The angelo in Munich was developed in a joint venture with long-time partner UBM. The occupancy rate for the first nine months of 2009 was 71 per cent, well above the industry average in Munich.

The largest four-star superior andel's design hotel to date was opened in Berlin at the beginning of March 2009. With a total of 557 rooms on ten storeys, the andel's in Berlin is one of the city's most attractive conference and event locations. The hotel was developed in only nineteen months through a joint venture with UBM, at a total investment of roughly EUR 102 million. The hotel has achieved an occupancy rate of 55 per cent since it opened, which is very good for a new establishment of such a large size.

Under development: 1 hotel, 1 office building

Plans for the second phase of the angelo Munich project foresee the construction of city archives and an office building, and the expansion of the hotel. An additional property was purchased next to the andel's in Berlin during the reporting period.

France

Existing portfolio: 2 hotels

In Paris, Warimpex and its partner UBM are the joint leaseholders of the four-star Hotel Dream Castle and the four-star Magic Circus at Disneyland® Resort Paris, each of which have 400 rooms. At 70 per cent and 55 per cent (2008: 83 per cent and 71 per cent), the occupancy rates for the hotels showed a downward trend in the first nine months of 2009. The conversion work (expansion of the conference areas and renovation of the swimming pool) at the Hotel Magic Circus, which partially impaired hotel operations, was concluded. The successful conversion and the re-commencement of normal hotel operations will be celebrated in November 2009.

Austria

Under development: 1 hotel with apartments

In Vienna, Warimpex is involved in developing the Palais Hansen on the city's Ringstraße boulevard into a high-end hotel and residential property in collaboration with Wiener Städtische/Vienna Insurance Group and PORR Solutions. The project, which is scheduled to open in 2012, is Warimpex' first in Austria. In late autumn 2009, we were also able to win a renowned operator and leaseholder for Palais Hansen, the luxury hotel operator Kempinski.

Russia

Existing portfolio: 1 hotel

In Russia, Warimpex holds 60 per cent of the Hotel Liner at Koltsovo airport in Ekaterinburg. The hotel is fully consolidated in the financial statements. Renovation work, which is being financed from cash flow, continued in the first three quarters of 2009. The average occupancy rate was roughly 83 per cent.

Warimpex is also developing another airport project in Ekaterinburg. A new angelo hotel was planned to coincide with the expansion of the airport and boasts a direct link to the new terminals. Construction work began in the second quarter of 2008 and proceeded according to plan, ending with the grand opening in the third quarter of 2009.

Under development: 1 hotel, airport office park

The Airport City development project is currently under construction in St. Petersburg. The first phase comprises a four-star Crowne Plaza hotel (InterContinental Group) plus a 40,000-square-metre office building.

Budget hotels

Under development: 5 hotels

In March 2007, Warimpex entered into a strategic joint venture with Louvre Hotels to develop budget hotels in Central Europe. At the beginning of 2009, Louvre transferred its financial interest in this joint venture to Starwood Capital Group – the owner of Louvre – but is still involved as a development partner and especially as the operator and franchisor (for the brands Premiere Classe and Campanile) of all of the hotels. The objective is to develop the successful Louvre Hotels brands Campanile and Premiere Classe in Warimpex' home markets as well.

The first joint hotels are to be opened in Budapest, Wrocław and Zielona Góra at the end of 2010. Suitable properties were purchased, and the first building permits have already been issued.

Warimpex and Starwood Capital Group are also currently involved in negotiations on the development of further budget hotels in the Hungarian cities of Debrecen and Miskolc. Negotiations for the purchase of additional properties in Katowice, Krakow and Gdańsk are underway. In the Czech Republic the joint venture partners are currently focusing on Prague, Brno and Ostrava, and on Bratislava and Košice in Slovakia.

The following projects are currently under development through the joint venture with Louvre Hotels:

- Campanile, Budapest
- Campanile, Zielona Góra
- Campanile, Wrocław
- Campanile, Bydgoszcz
- Campanile, Katowice
- Premiere Classe, Wrocław
- Premiere Classe, Katowice

Hotel portfolio (number of rooms adjusted for proportionate share of ownership) as of 30 September 2009



Between 30 September 2008 and the reporting date of 30 September 2009, the number of available hotel rooms (adjusted for the proportionate share of ownership) rose by 691, from 2,631 to 3,322. This is primarily attributable to the opening of the angelo in Plzeň, the opening of the andel's in Berlin, the opening of the andel's in Łódź, the opening of the angelo in Ekaterinburg and the closing of the Hansa hotel ship.

Aside from the budget hotels under the joint venture with Louvre Hotels, a total of nine development projects are currently under implementation. Three properties are currently under construction, of which two further hotels with a total of 500 rooms (250 when adjusted for the proportionate share of ownership) are due to open by the end of 2010.

ASSETS, FINANCIAL POSITION AND EARNINGS SITUATION

The third quarter of 2009 saw a considerable decrease in the pace of the downturn and a resulting stabilization at a low level in the hotel segment. 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.

Development of revenues

Consolidated sales fell by 12 per cent from EUR 70.9 million to EUR 62.2 million in the first nine months of financial year 2009. Revenues from the hotel segment declined to EUR 66.2 million compared to EUR 58.1 million in the first nine months of 2008 despite the fact that the average number of rooms increased. This drop in sales was primarily caused by the conditions in Prague, where revenues in the five-star segment were down by as much as 40 per cent compared to 2008 in addition to the significant slide in the four-star segment. Revenue decreases, in some cases significant, were also encountered in other markets.

Revenues from the rental of offices and the provision of development services were down by 11 per cent to EUR 4.1 million.

Earnings situation

Warimpex recognizes its tangible non-current assets at cost minus depreciation, and does not recognize any increases in the value of its real estate assets in the profit and loss account. Any such value increases are not recognized until the asset is actually sold. As a result, earnings are highly dependent on the sale of properties and fluctuate significantly.

Warimpex sold a 10 per cent share in the Airport City development project in St. Petersburg to UBM in the first quarter of 2008. This transaction made a EUR 9.2 million contribution to the profit for the period. A property in Poznań, Poland, that Warimpex acquired in 2007 was sold in the second quarter of 2008 at a small profit.

A villa in the Czech town of Karlovy Vary that was used as a seminar room by Hotel Dvořák was sold at the end of April 2008. The price paid for the villa was considerably higher than the fair value calculated by CBRE and the book value. This transaction made a contribution of roughly EUR 4.3 million to the profit for the period. Because the sale took the form of an asset deal, the net proceeds are recognized under Other income.

The Csalogany office building, which has roughly 2,500 square metres of lettable space, was sold to an investor at the end of the second quarter. The sale price was higher than the most recent fair value as determined by the international real estate appraiser CB Richard Ellis (CBRE) in December 2008. The sale made a EUR 2.3 million contribution to the profit for the period.

In the third quarter of 2009, another good deal was closed under difficult market conditions with the sale of the andel's in Krakow. Warimpex was the sole owner of this hotel from February 2008 to the date of the sale, and will lease it back under a 15-year fixed lease. As the property was sold at its carrying value, the transaction had no effect on the current income statement. However, the lease structure is expected to generate net earnings in the coming year because the lease payments should be lower than the hotel's revenue stream.

EBITDA – EBIT

Compared to the first nine months of 2008, earnings before interest, tax, depreciation and amortization (EBITDA) fell from EUR 25.5 million to EUR 2.5 million, and earnings before interest and taxes (EBIT) fell from EUR 16.2 million to EUR -76.7 million.

All properties were valued by an external international appraiser as of 30 June 2009. The property values that were determined were impacted especially by the difficult market environment as of 30 June, especially in terms of transaction volume. Overall, impairments totalling EUR 87.5 million had to be recognized because the fair values at the reporting date at the end of June were lower than the carrying values. Updates as of 30 September 2009 were obtained from CB Richard Ellis for three properties that were significantly impaired as of 30 June 2009 (Hotel Liner and angelo hotel in Ekaterinburg, and the andel's in Łódź); a corresponding reversal was recognized after the latest appraisals showed that the performance assumptions made on 30 June 2009 were too pessimistic .

The costs also contained one-off expenditures for hotel openings in the amount of EUR 0.7 million, for the allocation of a provision for a GOP guarantee in the amount of EUR 5.0 million, and for costs arising from the termination of the franchise agreement for the Holiday Inn in Paris in the amount of EUR 1.25 million.

Financial result

The financial result was negatively impacted in the second quarter by write-downs on associated companies in the amount of EUR 6-.7 million and the discounting of an extended loan in the amount of EUR 6.5 million and worsened from EUR -18.2 million to EUR -25.1 million.

The hefty decline in the EURIBOR had a very positive effect on finance expenses for current-account and project loans, however.

Profit for the period

The result for the first nine months of the year fell from EUR -0.9 million to EUR -98.2 million, primarily due to non-scheduled write-downs.

Cash flow

The cash flow from operations declined from EUR 6.7 million in the first nine months of 2008 to EUR 5.8 million.

Outlook

Nine real estate projects are currently under construction or in advanced stages of development (not including the planned budget hotels). The following hotel projects are currently under construction:

- angelo, Katowice, 203 rooms (opening scheduled for first quarter 2010)

The following development project is also under construction:

- Airport City, St. Petersburg, business park with 40,000 square metres of office space and an international hotel with 300 rooms (opening scheduled for the fourth quarter of 2010)

The following projects are in advanced stages of development:

- Redevelopment of tower A at Erzsebet office complex
- Le Palais office building, Warsaw
- Office building, Krakow
- Hotel/office building, Munich
- Palais Hansen, Vienna
- Shopping centre, Białystok

The following projects are currently under development through the joint venture with Louvre Hotels:

- Campanile, Budapest
- Campanile, Zielona Góra
- Campanile, Wrocław
- Campanile, Bydgoszcz
- Campanile, Katowice
- Premiere Classe, Wrocław
- Premiere Classe, Katowice

Vienna, 26 November 2009



Franz Jurkowitsch
Chairman of the Management Board



Georg Folian
Deputy Chairman of the Management Board



Christian Fojtl
Member of the Management Board



Alexander Jurkowitsch
Member of the Management Board

CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2009

15	Consolidated income statement
16	Consolidated balance sheet
18	Consolidated cash flow statement
20	Consolidated statement of changes in equity
21	Notes to the consolidated financial statements

CONSOLIDATED INCOME STATEMENT

in EUR

	Note	01-09/09 unaudited	07-09/09 unaudited	01-09/08* unaudited	07-09/08* unaudited
Revenues					
Revenues – “Hotels & Resorts” segment		58,070,809	23,182,451	66,242,706	24,649,466
Revenues – “Development & Asset Management” segment		4,148,556	1,258,710	4,658,503	1,926,457
		<u>62,219,365</u>	<u>24,441,161</u>	<u>70,901,209</u>	<u>26,575,923</u>
Gains from the sale of Group subsidiaries					
Gains from the sale of real estate (share deals)		6,800,000	–	18,250,000	–
Carrying amounts of the sold disposal groups		(4,512,344)	–	(8,665,249)	–
	[05]	<u>2,287,656</u>	<u>–</u>	<u>9,584,751</u>	<u>–</u>
Other income and expenses					
Changes in real estate projects under development or construction		132,510	132,510	(259,333)	(172,422)
Other income		393,333	63,545	4,212,608	(121,616)
		<u>525,843</u>	<u>196,055</u>	<u>3,953,276</u>	<u>(294,038)</u>
Expenses for materials and services rendered		(28,994,322)	(11,118,362)	(31,529,828)	(11,100,881)
Expenses for project development		(874,905)	(348,731)	(1,112,488)	(417,183)
Personnel expenses	[07]	(20,203,604)	(7,009,844)	(20,197,609)	(6,360,740)
Depreciation and amortisation expense	[08]	(87,112,759)	(6,356,591)	(9,240,384)	(3,052,357)
Write-ups on property, plant and equipment and on intangible assets	[08]	9,343,248	9,343,248	–	–
Other expenses	[09]	(11,636,382)	(1,052,243)	(6,140,498)	(1,924,599)
Negative goodwill recognized in income	[10]	(90,177)	–	(5,597)	–
Negative goodwill recognized in income		(1,409,069)	(1,409,069)	–	–
		<u>(141,754,028)</u>	<u>(18,727,649)</u>	<u>(68,226,404)</u>	<u>(22,855,760)</u>
Operating profit		(76,721,164)	5,909,567	16,212,832	3,426,125
Result from associated companies		(6,690,887)	–	–	–
Financial revenue	[11]	2,317,732	463,769	2,426,272	31,932
Finance costs	[11]	(20,734,854)	(5,132,480)	(20,613,004)	(4,986,101)
Profit before tax		(101,829,172)	1,240,856	(1,973,900)	(1,528,044)
Current income taxes	[12]	(1,075,388)	(1,071,126)	(1,338,461)	(1,266,635)
Deferred taxes	[12]	4,710,478	202,778	2,422,919	1,828,994
Profit for the period		(98,194,082)	372,508	(889,442)	(965,685)
Foreign currency translation		(2,042,960)	(814,873)	759,441	188,365
Net gains/losses from hedging		(782,934)	(139,866)	(26,570)	(189,727)
(Deferred) taxes on result recognized directly in equity		208,618	39,661	(53,143)	(8,242)
Result recognized directly in equity		(2,617,277)	(915,078)	679,728	(9,603)
Total income and expenses for the period		(100,811,358)	(542,570)	(209,715)	(975,288)
Profit for the period attributable to:					
- Equity holders of the parent		(94,556,909)	(109,123)	(962,779)	(1,072,636)
- Minority interests		(3,637,173)	481,631	73,336	106,951
		<u>(98,194,082)</u>	<u>372,508</u>	<u>(889,442)</u>	<u>(965,685)</u>
Result recognized directly in equity attributable to:					
- Equity holders of the parent		(1,921,636)	(342,342)	551,626	(132,860)
- Minority interests		(695,641)	(572,736)	128,102	123,256
		<u>(2,617,277)</u>	<u>(915,078)</u>	<u>679,728</u>	<u>(9,603)</u>
Earnings per share:					
Undiluted, for the profit for the period attributable to ordinary equity holders of the parent		(2.63)	0.00	(0.03)	(0.03)

CONSOLIDATED BALANCE SHEET

in EUR	Note	30/9/2009 unaudited	31/12/2008 audited	30/9/2008* unaudited
ASSETS				
Non-current assets				
Property, plant and equipment	[13]	405,816,342	337,675,134	343,920,223
Property under construction		39,536,265	136,466,751	130,077,361
		<u>445,352,606</u>	<u>474,141,885</u>	<u>473,997,584</u>
Investment properties	[14]	44,140,688	39,255,823	18,076,653
Goodwill		941,823	2,350,892	9,112,475
Other intangible assets		179,871	3,402,304	195,221
Associated companies		2,735,625	9,189,950	11,485,032
Other financial assets	[15]	58,607,094	50,140,248	46,506,237
Deferred tax assets		1,989,844	3,836,593	5,545,507
		<u>553,947,552</u>	<u>582,317,695</u>	<u>564,918,710</u>
Current assets				
Inventories		1,805,607	1,652,909	1,821,848
Trade and other receivables	[17]	20,138,797	23,369,764	27,653,277
Other financial assets	[18]	16,624	1,736,933	1,010,820
Cash and short-term deposits		15,344,909	33,112,348	25,473,955
		<u>37,305,937</u>	<u>59,871,954</u>	<u>55,959,900</u>
Assets of a disposal group classified as held for sale		–	–	4,829,152
		<u>37,305,937</u>	<u>59,871,954</u>	<u>60,789,052</u>
TOTAL ASSETS		<u>591,253,490</u>	<u>642,189,649</u>	<u>625,707,762</u>

CONSOLIDATED BALANCE SHEET

in EUR	Note	30/9/2009 unaudited	31/12/2008 audited	30/9/2008* unaudited
EQUITY AND LIABILITIES				
<i>Equity attributable to equity holders of the parent</i>				
Issued capital		36,000,000	36,000,000	36,000,000
Capital reserves		55,576,939	55,576,939	55,576,939
Retained earnings		(48,242,229)	41,480,912	69,692,239
Treasury shares		(291,019)	(291,019)	(271,169)
Other reserves		2,426,741	8,282,960	10,275,205
		45,470,433	141,049,792	171,273,214
Minority interests		123,427	4,456,241	5,496,655
Total equity		45,593,859	145,506,033	176,769,869
Non-current liabilities				
Interest-bearing loans and borrowings	[16]	396,958,121	352,232,532	295,400,655
Provisions		4,341,670	4,083,826	3,467,379
Other payables		1,068,284	851,914	879,740
Deferred tax liabilities		12,965,564	20,707,325	21,648,094
		415,333,640	377,875,597	321,395,868
Current liabilities				
Trade and other payables	[17]	34,893,503	27,027,724	27,459,827
Interest-bearing loans and borrowings	[16]	90,028,152	90,006,995	94,175,364
Derivative financial instruments	[18]	515,739	5,290	15,713
Income tax payable		969,022	951,650	1,180,479
Provisions		3,919,575	816,361	913,947
		130,325,990	118,808,020	123,745,331
Liabilities directly associated with the assets		–	–	3,796,694
Liabilities directly associated with the assets		130,325,990	118,808,019	127,542,025
TOTAL EQUITY AND LIABILITIES		591,253,490	642,189,649	625,707,761

CONSOLIDATED CASH FLOW STATEMENT

in EUR	Note	1/1–30/9/2009	1/1–30/9/2008*
Cash receipts from operating activities			
From the operation of hotels and rent received		60,384,886	69,918,915
From real estate development projects		2,318,689	1,046,280
Interest received		812,544	831,864
		<u>63,516,118</u>	<u>71,797,059</u>
Cash payments for operating activities			
For real estate development projects		(1,002,891)	(2,150,497)
For materials and services received		(28,467,299)	(32,741,148)
For personnel and related expenses		(20,049,035)	(21,344,484)
For other expenses	[09]	(7,305,188)	(7,838,443)
Income tax paid		(901,880)	(972,766)
		<u>(57,726,294)</u>	<u>(65,047,338)</u>
Net cash flows from operating activities		<u>5,789,824</u>	<u>6,749,721</u>
Cash flows from investing activities			
Relating to property, plant and equipment:			
Proceeds from the sale of property, plant and equipment	[06]	27,031,585	4,648,484
Purchase of available-for-sale investments	[13]	(70,810,385)	(80,456,603)
		<u>(43,778,800)</u>	<u>(75,808,119)</u>
Relating to investment properties:			
Proceeds from the sale of property, plant and equipment		–	–
Acquisition/expansion	[14]	(11,208,732)	(760,355)
		<u>(11,208,732)</u>	<u>(760,355)</u>
Relating to available-for-sale investments:			
Proceeds from the sale of property, plant and equipment		–	4,206,000
Purchase of available-for-sale investments		–	–
		<u>–</u>	<u>4,206,000</u>
Acquisition of software		(1,195)	(65,731)
Relating to other financial assets:			
+Repayments/-payouts from granted loans		(5,692,457)	1,114,681
Other cash flows relating to financial assets		(1,780,670)	(54,372)
Acquisition of shares in associated companies		(156,015)	(3,232,336)
		<u>(7,629,142)</u>	<u>(2,172,027)</u>
		<u>(62,617,869)</u>	<u>(74,600,233)</u>

CONSOLIDATED CASH FLOW STATEMENT

in EUR	Note	1/1–30/9/2009	1/1–30/9/2008*
Cash flows from business combinations, other changes in the scope of consolidation and the acquisition of minority interests			
Proceeds from the sale of disposal groups		2,600,000	10,250,000
Cash and cash equivalents of disposal groups		(52,778)	(884,648)
	[05]	2,547,222	9,365,352
Payments made for business combinations		–	(17,499,852)
Cash acquired from business combinations		–	978,965
		–	(16,520,886)
Payments for business combinations effected in previous periods		–	(4,736,642)
		2,547,222	(11,892,176)
Net cash flows used in/from investing activities and changes in the scope of consolidation		(60,070,647)	(86,492,409)
Cash flows from financing activities			
Purchase of treasury shares		–	(271,169)
Cash receipts/payments to minority interests		–	129,966
Proceeds from loans and borrowings	[16]	96,030,600	118,694,386
Repayment of loans and borrowings	[16]	(48,193,850)	(15,230,110)
Interest and other finance costs paid		(12,923,920)	(13,894,137)
Payments for/proceeds from the acquisition/sale of derivative financial instruments	[11]	1,607,851	(329,429)
Dividends paid			
Equity holders of the parent		–	(9,000,000)
Net cash flows from/used in financing activities		36,520,681	80,099,506
Net change in cash and cash equivalents		(17,760,142)	356,819
Net foreign exchange difference		(7,296)	1,043,212
Cash and cash equivalents at 1 January		33,112,348	24,135,200
Cash and cash equivalents at the end of the period		15,344,910	25,535,231
Cash and cash equivalents at the end of the period break down as follows:			
Cash and cash equivalents of the Group		15,344,910	25,473,955
Cash and cash equivalents of a disposal group classified as held for sale		–	61,277
		15,344,910	25,535,232

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 September 2009 – unaudited

in EUR	Issued capital	Capital reserve	Retained earnings	Treasury shares	Other reserves	TOTAL	Minority interests	Total equity
At 1 January 2009	36,000,000	55,576,939	41,480,912	(291,019)	8,282,960	141,049,792	4,456,241	145,506,033
Revaluation of land and buildings	–	–	4,833,769	–	(4,833,769)	–	–	–
(Deferred) tax effects from revaluation	–	–	–	–	918,416	918,416	–	918,416
Changes in the scope of consolidation	–	–	–	–	(19,230)	(19,230)	–	(19,230)
Total income and expenses for the period	–	–	(94,556,910)	–	(1,921,636)	(94,706,491)	(4,332,814)	(100,811,359)
At 30 September 2009	36,000,000	55,576,939	(48,242,229)	(291,019)	2,426,741	47,242,487	123,427	45,593,860

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 September 2008* – unaudited

in EUR	Issued capital	Capital reserve	Retained earnings	Treasury shares	Other reserves	TOTAL	Minority interests	Total equity
At 1 January 2008	36,000,000	55,576,939	79,655,018	–	5,808,226	177,040,183	267,838	177,308,021
Revaluation of land and buildings	–	–	–	–	4,833,769	4,833,769	–	4,833,769
(Deferred) tax effects from revaluation	–	–	–	–	(918,416)	(918,416)	–	(918,416)
Changes in the scope of consolidation	–	–	–	–	–	–	5,029,913	5,029,913
Other changes in minority interests	–	–	–	–	–	–	(2,534)	(2,534)
Purchase of treasury shares	–	–	–	(271,169)	–	(271,169)	–	(271,169)
Dividends paid	–	–	(9,000,000)	–	–	(9,000,000)	–	(9,000,000)
Total income and expenses for the period	–	–	(962,779)	–	551,626	(411,153)	201,438	(209,715)
At 30 September 2008*	36,000,000	55,576,939	69,692,239	(271,169)	10,275,205	171,273,214	5,496,655	176,769,869

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*Restatement of the figures for 30 September 2008

The figures for 30 September 2008 were restated as a result of the corrections made in connection with the merger of "UBX Krakau Sp.z.o.o." for the annual financial statements as of 31 December 2008.

The changes pertain to the recognition of the difference in the revaluation reserve pursuant to IFRS 3, which was recognized in income in the quarterly financial statements as of 30 September 2008, but which is now recognized directly in equity.

The effect on the results for the first three quarters of 2008 amounts to EUR -2,926,450; the effect on the earnings per share amounts to EUR -0.09.

[01] Corporate information

Warimpex Finanz- und Beteiligungs AG (the "Company") is registered with the Commercial Court of Vienna under the registration number FN 78485 w. The Company's registered address is Floridsdorfer Hauptstrasse 1, A-1210 Vienna, Austria.

The interim financial statements as of 30 September 2009 for Warimpex Finanz- und Beteiligungs AG were released for publication by the Company's management on 26 November 2009. The main activities of the Company are described in Note [04] "Business segments".

[02] Basis for preparation

The consolidated financial statements as of 30 September 2009 for Warimpex Finanz- und Beteiligungs AG and its subsidiaries were prepared in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied in the EU and comply with the provisions of 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 as of 31 December 2008.

The interim financial statements as of 30 September 2009 were not audited and were not reviewed by an independent financial auditor.

The accounting and valuation methods applied in preparing the interim consolidated financial statements as of 30 September 2009 have remained unchanged from the consolidated financial statements as of 31 December 2008. .

With respect to the changes effective under IFRS as of 1 January 2009 and their effects, please refer to the details stated in the consolidated annual financial statements as of 31 December 2008.

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.

Impairment write-downs were recognised on property, plant and equipment, property under construction, investment properties, goodwill and interests in associated companies in the first nine months of the year on the basis of expert appraisals. Please refer to notes [08], [13] and [14] for more information.

[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] Business segments – overview

for the period from 1 January to 30 September – unaudited

in EUR	Hotels & Resorts		Development & Asset Management		Total in EUR	
	2009	2008*	2009	2008*	2009	2008*
External sales	58,070,809	66,242,706	4,148,556	4,658,503	62,219,365	70,901,209
Segment results	(69,111,226)	7,888,396	(7,609,939)	8,324,437	(75,945,107)	16,212,832
Investments						
• In property plant and equipment including software	74,010,912	75,789,196	10,497,098	13,810,421	84,508,010	89,599,617
• In financial assets	–	–	25,158,732	13,846,582	25,158,732	13,846,582
Business combinations and other changes in the scope of consolidation	–	23,422,507	(3,992,995)	(17,194,259)	(3,992,995)	6,228,248
	74,010,912	99,211,703	31,662,835	10,462,744	105,673,747	109,674,447
Depreciation						
• Ordinary depreciation	(11,136,586)	(8,364,101)	(578,396)	(876,283)	(11,714,982)	(9,240,384)
• Non-scheduled write-downs	(74,663,139)	–	(734,637)	–	75,397,777	–
• Write-ups	7,762,565	–	1,580,683	–	9,343,248	–
Net cash flows from operating activities	6,958,913	13,125,355	(1,169,088)	(6,375,633)	5,789,825	6,749,722
Segment assets	467,168,116	483,021,212	124,085,373	142,686,550	591,253,489	625,707,762
Segment liabilities (gross)	(478,775,454)	(375,447,516)	(66,884,176)	(73,490,377)	(545,659,630)	(448,937,893)
Intragroup financing	59,219,584	43,752,359	(59,219,584)	(43,752,359)	–	–
Segment liabilities (net)	(419,555,869)	(331,695,157)	(126,103,761)	(117,242,736)	(545,659,630)	(448,937,893)
Average payroll	1,404	1,380	85	75	1,489	1,455

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

for the period from 1 January to 30 September – unaudited

in EUR	Luxury		Up-Market		Others	
	2009	2008*	2009	2008*	2009	2008*
Sales revenues	11,337,265	16,332,109	42,257,379	44,565,949	4,476,165	5,344,649
Expenses for materials and services	(5,364,393)	(6,889,500)	(17,614,819)	(11,003,798)	(1,289,510)	(1,722,707)
Personnel expenses	(3,759,955)	(4,875,888)	(11,082,101)	(6,618,983)	(1,143,353)	(1,046,238)
Gross operating profit	2,212,916	4,566,721	13,560,459	16,864,648	2,043,302	2,575,703
<i>Hotel employees</i>	314	346	946	830	136	155
Rooms available						
Total	661	661	3,572	2,515	370	428
thereof available	660	661	3,463	2,515	311	428
Joint venture share	(202)	(202)	(1,063)	(755)	–	–
Time allocation	–	–	(129)	(72)	–	(36)
Rooms available Group	458	459	2,272	1,688	311	392
Rooms sold	262	291	1,261	1,132	210	248
Average room occupancy	57%	63%	55%	67%	68%	63%
Management fee	(587,196)	(883,097)	(2,161,195)	(2,430,714)	(231,495)	(284,088)
Property costs	(106,740)	(418,088)	(1,054,351)	(1,189,706)	(173,155)	(107,918)
Net operating profit	1,518,980	3,265,536	10,344,914	13,244,228	1,638,652	2,183,698
Other costs after GOP (net)	(182,156)	(3,148,026)	(2,458,360)	(5,731,921)	(155,960)	(710,111)
Pre-opening costs	–	–	(955,757)	(125,288)	–	–
Depreciation	(8,887,703)	(2,903,007)	(73,115,498)	(4,808,104)	(1,966,507)	(652,990)
Write-ups	–	–	7,762,565	–	–	–
Contribution to operating profit	(7,550,879)	117,510	(58,422,135)	7,405,019	(483,815)	1,473,586
thereof in						
• Czech Republic	(7,537,835)	(328,594)	(19,655,012)	3,869,513	–	–
• Poland	(13,044)	446,105	(10,639,887)	2,236,823	309,283	917,422
• France	–	–	(835,880)	1,758,759	–	–
• Germany	–	–	(6,631,478)	(8,227)	–	–
• Russia	–	–	(15,288,085)	–	(788,875)	556,164
• Romania	–	–	(5,371,794)	(451,848)	–	–
• Others	–	–	–	–	(4,222)	–
	(7,550,879)	117,510	(58,422,135)	7,405,019	(483,815)	1,473,586
Total for hotels in operation					(66,456,829)	8,996,115
Less expenses for hotels under construction/in design phase					(824,379)	(1,107,720)
Less impairments on hotels under construction					(1,830,018)	–
Segment contribution to operating profit					(69,111,226)	7,888,396

Segment cash flow “Hotels & Resorts” – year-on-year comparison

for the period from 1 January to 30 September – unaudited

in EUR	Luxury		Up-Market		Others	
	2009	2008*	2009	2008*	2009	2008*
Cash receipts	11,492,381	16,549,621	40,937,472	44,295,075	3,803,559	5,174,710
Interest received	13,700	70,281	37,666	46,056	146	–
Expenses for materials and services	(5,976,793)	(7,774,776)	(19,541,188)	(21,063,943)	(1,492,235)	(1,890,994)
Personnel expenses	(3,937,937)	(5,013,555)	(11,640,159)	(10,576,263)	(1,119,635)	(1,134,351)
Cash paid for other expenses	(485,889)	(752,128)	(3,147,911)	(2,776,469)	(288,075)	32,135
Income tax paid	–	–	(892,096)	(607,666)	–	(104,954)
	1,105,461	3,079,445	5,753,785	9,316,790	903,760	2,076,545
thereof in						
• Czech Republic	(349,115)	952,793	2,502,694	4,357,846	–	–
• Poland	1,454,576	2,126,652	1,925,280	3,037,044	807,788	1,479,535
• France	–	–	432,265	2,219,639	–	–
• Germany	–	–	1,617,103	(146,431)	–	–
• Russia	–	–	(332,364)	–	95,973	597,011
• Romania	–	–	(391,194)	(151,308)	–	–
• Others	–	–	–	–	–	–
	1,105,461	3,079,445	5,753,785	9,316,790	903,760	2,076,545
Total for hotels in operation					7,763,006	14,472,780
Less expenses for hotels under construction/in design phase					(804,093)	(1,347,425)
Segment cash flow from operating activities					6,958,913	13,125,355

Segment results “Development & Asset Management” – year-on-year comparison

for the period from 1 January to 30 September – unaudited

in EUR	Asset Management		Development		Others	
	2009	2008*	2009	2008*	2009	2008*
Sales revenues	2,489,587	2,480,757	979,139	1,628,881	679,830	548,865
Changes in real estate projects under development	–	–	132,510	(259,333)	–	–
Sale of subsidiaries and release of negative goodwill, less impairmentst	–	–	788,409	9,587,224	–	(8,070)
Other income	–	–	255,228	4,203,282	–	–
Expenses for materials	(756,692)	(941,074)	(277,074)	(292,984)	(672,774)	(576,210)
Project development expenses	–	(20,475)	(567,950)	(514,617)	–	–
Personnel expenses	(8,456)	(21,834)	(3,258,330)	(3,268,162)	–	(16,607)
Depreciation	(690,767)	(321,492)	(582,708)	(496,894)	(39,558)	(57,898)
Write-ups	1,580,683	–	–	–	–	–
Other operating expenses	(301,121)	240,450	(7,370,525)	(3,561,549)	10,632	(7,824)
Segment operating result	2,313,233	1,416,332	(9,901,301)	7,025,848	(21,870)	(117,743)
thereof in						
• Czech Republic	–	–	(177,837)	4,143,990	–	–
• Poland	278,727	53,480	(1,416,390)	(520,384)	(21,870)	(98,525)
• Germany	159,026	–	(47,479)	(29,461)	–	–
• France	–	–	(110,341)	(154,895)	–	–
• Austria	–	–	(7,795,410)	4,471,439	–	–
• Hungary	1,875,479	1,383,328	(388,661)	(771,849)	–	–
• Others	–	(20,475)	34,817	(112,992)	–	(19,219)
	2,313,233	1,416,332	(9,901,301)	7,025,848	(21,870)	(117,743)

Segment cash flow “Development & Asset Management” – year-on-year comparison

for the period from 1 January to 30 September – unaudited

in EUR	Asset Management		Development		Others	
	2009	2008*	2009	2008*	2009	2008*
Cash receipts from rent	2,160,362	2,550,418	1,266,734	689,410	743,818	658,314
Cash receipts from development	–	–	2,568,689	1,046,280	–	–
Interest received	25,938	9,610	716,710	630,276	9	209
Cash paid for development	5,283	(20,475)	(749,560)	(1,030,221)	–	(2,692)
Expenses for materials and services	(565,709)	(1,191,161)	(190,604)	(243,034)	(701,437)	(601,587)
Personnel expenses	(8,558)	(21,875)	(3,152,164)	(4,451,100)	–	(16,607)
Cash paid for other expenses	(343,653)	129,670	(2,906,262)	(4,243,312)	(29,107)	(9,878)
Income tax paid	(11)	(10,507)	(9,564)	(247,371)	–	–
Segment cash flow from operating activities	1,273,650	1,445,680	(2,456,021)	(7,849,073)	13,283	27,760
Proceeds from the sale of disposal groups			2,600,000	10,250,000		
Cash flow before investments and financing			143,979	2,400,927		
thereof in						
• Czech Republic	–	–	(73,934)	(101,794)	–	–
• Poland	626,929	220,910	444,464	(457,326)	13,283	30,452
• Germany	163,776	–	96,365	(20,019)	–	–
• Austria	–	–	(1,677,741)	(6,391,756)	–	–
• France	–	–	(222,615)	(594,190)	–	–
• Hungary	477,663	1,245,245	(369,774)	(186,550)	–	–
• Others	5,283	(20,475)	123,272	(97,438)	–	(2,692)
	1,273,650	1,445,680	(2,456,021)	(7,849,073)	13,283	27,760

[05] Sale of shares

The company "Bocca kft" was sold under an agreement dated 22 June 2009. The sale had the following effect on the interim financial statements:

EUR

Investment properties	(3,992,995)
Cash and cash equivalents	(52,778)
	<u>(4,045,773)</u>
Other reserves (foreign exchange differences)	19,230
Third party loans (current)	(505,348)
Third party loans (non-current)	4,079,771
Deferred tax liabilities	57,500
Other current payables	82,276
	<u>3,733,429</u>
Carrying amount of the proportionate net assets of the sold shares	(312,344)
Agreed purchase price for the shares	2,600,000
Net sale price for the shares	<u>2,287,656</u>

Cash flow

Cash receipts and cash outflows from sold shares during the reporting were as follows:

Payments agreed for the shares	2,600,000
• Net cash of the companies sold	(52,778)
	<u>2,547,222</u>

[06] Sale of properties

The andel's hotel in Krakow was sold under an asset deal for a price of EUR 27.2 million in the third quarter. The selling price was roughly equal to the book value; the transaction had no material influence on the Company's earnings for the period. The price was paid by the acquiring party in the reporting period, less a reserve in the amount of EUR 0.5 million.

[07] Personnel expenses, average payroll

in EUR	1/1–30/9/2009	1/1–30/9/2008*
Wages and salaries	(14,779,123)	(14,755,111)
Social security costs	(3,511,417)	(3,564,705)
Other payroll-related taxes and contributions	(543,505)	(793,635)
Voluntary employee benefits	(117,576)	(159,598)
Expenses for posted employees	(839,201)	(803,518)
Payments for termination and post-employment benefits	(212,436)	(60,409)
Changes in accrual for compensated absences	(85,725)	1,066
	(20,088,983)	(20,135,910)
Changes in pensions and other long-term employee benefits	(114,621)	(61,700)
	(20,203,604)	(20,197,609)

The Company had an average of 1,489 employees in the first nine months of 2009 (1-9/2008: 1,455).

The average number of employees increased by 2% over the prior period, while the average number of rooms rose by approximately 20%.

Remuneration paid to members of the Management Board in the reporting period totalled EUR 761,648 (prior year EUR 893,730). No bonuses were awarded (prior year EUR 110,000).

[08] Depreciation and amortisation expense

Valuations were obtained for all properties as of 30 June 2009; updates as of 30 September 2009 were obtained from CB Richard Ellis for three properties (Hotel Liner and angelo hotel in Ekaterinburg, and the andel's in Lodz) that were significantly impaired as of 30 June 2009; a corresponding reversal was recognized after the latest appraisals showed that the performance assumptions made on 30 June 2009 were too pessimistic. These valuations are based on assumptions about the future development of earnings that reflect the current market conditions at the reporting date. In accordance with IFRS, all assets revealed to be impaired were written down to their lower fair values on the reporting date. The item breaks down as follows:

	Other intangible assets	Tangible assets and plant under construction	Investment properties	TOTAL
Scheduled write-downs	(74,074)	(11,168,200)	(472,707)	(11,714,981)
Impairments	(2,965,899)	(70,816,478)	(1,615,400)	(75,397,777)
Write-ups	–	7,762,565	1,580,683	9,343,248
	(3,039,973)	(74,222,113)	(507,424)	(77,769,510)

[09] Other expenses

in EUR	1/1–30/9/2009	1/1–30/9/2008*
Pre-opening costs	(1,000,757)	(352,788)
Legal fees	(981,139)	(1,468,746)
Non-recoverable VAT	(275,744)	(380,530)
Property costs	(1,525,588)	(1,646,076)
Impairment charges (reversal of impairment) for current assets	145,890	(246,925)
General administration	(1,897,476)	(1,024,094)
Advertisement and marketing	(401,382)	(770,909)
Costs associated with issued guarantees*)	(5,030,377)	–
Franchise-Termination payment Holiday Inn (France)**)	(1,250,000)	–
Others	(195,867)	(250,431)
	<u>(12,412,440)</u>	<u>(6,140,498)</u>

*) A GOP guarantee for the 2008 financial year that is related to a company that was sold in a prior year was settled in the amount of EUR 1.99 million. The payment was made from a depot account that was set up for this purpose (recognized under “Other financial assets”). A provision of EUR 3.04 million was formed for financial year 2009.

**) The Company decided in the reporting period to cease operating the Hotel Holiday Inn at Disneyland Resort Paris as a franchise hotel, and exercised its option to terminate the franchise agreement. The costs for the early termination of the agreement were EUR 2.5 million, which was recognized as an expense in accordance with the Group's proportionate share of ownership.

[10] Negative goodwill recognized in income

The final purchase price adjustment was made in the reporting period for the companies “Melica Sp.z.o.o.” and “Sobieski Sp.z.o.o.”, which were acquired in prior years. In accordance with its stake, this resulted in an adjustment of EUR 90,177 for the Warimpex Group, which is payable after the reporting date.

[11] Financial result

in EUR	1/1–30/9/2009	1/1–30/9/2008*
Financial revenue		
Interest income from cash management	243,499	749,976
Interest income from loans to associated companies	80,548	22,861
Interest on loans made to joint ventures	1,640,626	1,456,836
	<u>1,964,672</u>	<u>2,229,674</u>
Foreign currency gains on interest-bearing loans denominated in CHF	143,060	–
Interest income from derivative financial instruments*)	210,000	196,598
	<u>2,317,732</u>	<u>2,426,272</u>
Finance costs		
Interest on short-term borrowings, project loans and other loans	(12,403,378)	(12,212,719)
Interest on loans from minority shareholders	(36,803)	(8,401)
Interest on loans relating to joint ventures	(857,972)	(739,225)
Discount expenses on extended loans	[17] (6,538,430)	–
	<u>(19,836,582)</u>	<u>(12,960,345)</u>
Fair value adjustment of derivative financial instruments	(237,646)	(727,178)
Interest cost for provisions for pensions and other long-term employee benefits	(144,581)	(75,066)
Foreign currency losses on interest-bearing loans denominated in CHF	–	(552,330)
Other finance costs	(671,294)	(349,086)
Gains/losses on the sale of available-for-sale investments and derivative financial instruments*)	155,249	(5,949,000)
	<u>(20,734,854)</u>	<u>(20,613,004)</u>

*) The company sold a derivative (CMS spread cap) that it purchased in the prior year in the reporting period for a price of EUR 1,603,000. After deduction of the fair value as of 31 December 2008, net proceeds of EUR 155,249 were realized. This derivative also yielded interest income in the amount of EUR 210,000.

The sale of an available-for-sale investment (credit-spread index booster) in the prior year to prevent the total loss of the position resulted in a loss of EUR 5,949,000.

[12] Income taxes paid

A reconciliation between tax expense and the product of accounting profit multiplied by the Group's domestic tax rate of 25% for the reporting period (2008: 25%) is as follows:

in EUR	1/1–30/9/2009	1/1–30/9/2008*
Profit before tax	(101,829,172)	(1,973,900)
Accounting profit before income tax *25% (2008: 25%)	25,457,293	493,475
± Other foreign tax rates	(5,240,987)	(534,216)
± Tax free profits from the participation exemption (Sec, 10 Austrian CIT Act)	(2,320,288)	2,813,074
± Permanent differences	(121,992)	198,903
± Valuation allowance on deferred tax assets	(13,811,581)	(1,219,725)
± Income from first-time recognition of deferred tax assets	50,661	116,213
± Permanent differences relating to (negative) goodwill	(373,674)	(1,399)
± Effects of exchange rate fluctuations	(4,341)	(781,868)
	3,635,091	1,084,458
thereof current income taxes	(1,075,388)	(1,338,461)
thereof changes in deferred tax items	4,710,478	2,422,919
Effective tax rate	3.57%	54.94%

[13] Property, plant and equipment

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

	30/9/2009	30/9/2008*
Net carrying amounts at 1 January	474,141,885	375,060,075
Changes in the scope of consolidation	–	18,577,280
Additions	75,107,400	88,771,367
Disposals	(27,912,019)	(324,593)
Depreciation	(11,168,200)	(8,790,812)
Impairments	(70,816,478)	–
Write-ups	7,762,565	–
Exchange adjustment	(1,762,546)	704,268
Net carrying amounts at 30 September	445,392,692	473,997,584
<i>Interest included in the investments</i>	<i>2,722,507</i>	<i>575,865</i>

The cash flow for investments pertains primarily to the following projects:	1/1/-30/9/2009	1/1/-30/9/2008*
Project development progress "Airport City St, Petersburg"	(3,674,230)	(5,398,526)
Project development "Louvre-Hotels joint venture"	(1,144,202)	(5,466,063)
Expansion of "angelo airport hotel Bucharest")	14,382	(4,153,727)
Expansion of "Hotel Chopin"	(75,938)	(930,430)
Acquisition of land (Berlin II, property adjacent to Parkur Tower in prior year)	(1,538,730)	(1,621,298)
Completion of "andel's hotel Berlin"	(8,887,455)	(18,116,623)
Construction progress "angelo hotel Plzen"	(254,800)	(5,317,434)
Construction progress "andel's hotel Lodz"	(22,142,722)	(20,569,846)
Completion of "angelo hotel Munich"	(565,852)	(4,842,683)
Construction progress "angelo hotel Katowice"	(3,771,873)	(881,396)
Construction progress "angelo hotel Ekaterinburg"	(25,921,175)	(7,050,513)
Conversion of "Hotel Magic Circus" (formerly "Holiday Inn")	(2,096,043)	–
	(70,058,638)	(74,348,539)
Other project developments and current investments related to hotels	(751,746)	(6,108,064)
	(70,810,385)	(80,456,603)

*) Positive cash flows from investments pertain to value added tax refunds from the prior year.

[14] Investment properties

The item "Investment properties" comprises land and rights equivalent to land, buildings including plant under construction, and equipment.

	30/9/2009	30/9/2008*
Net carrying amounts at 1 January	39,255,823	17,679,162
Changes in the scope of consolidation	(3,992,995)	–
Additions	9,384,241	762,519
Depreciation	(472,707)	(363,097)
Impairments	(1,615,400)	–
Write-ups	1,580,683	–
Exchange adjustment	1,044	(1,930)
Net carrying amounts at 30 September	44,140,688	18,076,653
thereof under construction	19,531,566	–
Result from "Investment properties":		
Rental income and charged expenses	2,512,737	2,325,871
Direct expenses	(756,692)	(831,603)
	1,756,045	1,494,268

The additions pertain primarily to the conversion of Elsbet office building and progress on the office part of Avielen St. Petersburg.

[15] Other financial assets

	30/9/2009	31/12/2008	30/9/2008*
Loans	6,492,866	5,187,352	6,806,152
Advances made for business combinations	15,131	1,015,131	15,131
Loans made to joint ventures*)	43,813,600	36,550,216	32,837,994
Deposits with banks pledged as collateral	6,042,600	5,030,377	5,030,377
Loans given to managers	–	100,661	123,229
Pension reimbursement insurance rights	1,215,996	1,215,996	917,657
Other non-current financial assets**)	1,026,901	1,040,514	775,699
	58,607,094	50,140,248	46,506,238

*) Loans to joint ventures are detailed in item [19].

**) Other non-current financial assets pertain primarily to Russian VAT in connection with properties under construction.

[16] Interest-bearing loans and borrowings

	At 1/1/2009	Changes in the scope of consolidation	New borrowings	Interest capitalization	Repayment of loans	Other changes	At 30/9/2009
a) Project-related loans secured by mortgages							
Subsidiaries (full consolidation)							
for Hotel Diplomat	34,406,569	–	–	–	(1,813,255)	4,689	32,598,004
for Hotel Palace	14,876,500	–	–	–	(1,014,000)	–	13,862,500
for Hotel Chopin	12,033,163	–	–	–	(484,424)	4,939	11,553,677
for Hotel angelo Prague	10,327,898	–	–	–	(467,400)	–	9,860,498
for Hotel Amber Baltic	8,462,627	–	–	–	(1,169,184)	(216,067)	7,077,376
for Hotel angelo							
Airporthotel Bucharest	18,487,683	–	12,207,300	–	(18,487,683)	–	12,207,300
for Hotel angelo Ekaterinburg	21,569,807	–	16,948,137	–	–	350,364	38,868,308
for Hotel Savoy	7,454,637	–	–	–	(575,923)	–	6,878,715
for Hotel andel's Lodz	33,833,284	–	16,557,470	–	–	–	50,390,755
for Hotel andel's Krakow	15,470,715	–	29,250	–	(15,499,965)	–	–
for Erszebet office building	9,052,834	–	2,995,650	–	–	–	12,048,484
for Hotel Le Palais	6,876,973	–	–	–	(204,018)	–	6,672,955
for Hotel Dvorak	21,135,056	–	–	(282,033)	–	3,640	20,856,663
for Cetelem office building	4,214,899	(4,200,000)	–	–	(14,899)	–	–
for Warsaw gas pipeline	241,270	–	–	–	(45,632)	(4,949)	190,689
Warsaw gas heating plant	384,831	–	–	–	(59,478)	(7,618)	317,736
for Sajka office building	82,207	–	–	–	(48,961)	–	33,246
	218,910,954	(4,200,000)	48,737,807	(282,033)	(39,884,821)	134,998	223,416,906
Joint ventures (proportionate consolidation)							
for Hotel InterContinental 50%	30,980,463	–	–	–	(750,000)	33,692	30,264,155
for Hotel Dream Castle 50%	18,529,951	–	–	–	(245,643)	–	18,284,307
for Hotel HolidayInn Paris 50%	8,001,875	–	1,875,000	–	–	–	9,876,875
for Hotel andel's Berlin	29,020,161	–	4,931,894	–	–	–	33,952,055
for Hotel angelo Munich 50%	15,680,994	–	–	–	–	–	15,680,994
for Hotel angelo Plzen 50%	6,702,000	–	–	–	–	7,200	6,709,200
for Hotel angelo Katowice 50%	2,732,612	–	3,739,437	–	–	–	6,472,049
for Sobieski hotel & office building 25%	8,380,836	–	–	–	(257,955)	28,410	8,151,292
for Parkur Tower office building 50%	5,607,559	–	–	–	(162,611)	–	5,444,947
	125,636,450	–	10,546,331	–	(1,416,209)	69,303	134,835,874
b) Other loans and facilities							
Short-term borrowing facilities	56,273,713	–	25,778,623	–	(5,021,743)	73,007	77,103,600
Current loans	29,313	–	–	–	(58,307)	627,939	598,945
Non-current loans from joint ventures	29,355,399	–	9,387,204	–	307,530	116,326	39,166,459
Lease purchase options and loans	8,355,962	–	–	–	–	236,877	8,592,839
Non-interest bearing loans	650,995	–	1,800,000	–	–	–	2,450,995
Non-current loans from minority interests	3,026,742	–	62,667	–	(2,120,300)	(148,453)	820,656
	97,692,124	–	37,028,494	–	(6,892,819)	905,695	128,733,493
Total	442,239,527	(4,200,000)	96,312,632	(282,033)	(48,193,850)	1,109,996	486,986,273

[17] Current receivables and liabilities

	30/9/2009	31/12/2008	30/9/2008*
Trade and other receivables			
Trade	7,695,521	6,005,584	9,158,738
Receivables for taxes	9,601,231	6,723,074	7,591,538
Extended purchase price receivables relating to the sale of subsidiaries/assets*)	488,500	8,000,000	8,000,000
Advance payments made	778,971	477,590	626,942
Other receivables and assets	447,171	1,212,508	460,109
Receivables due from joint ventures	130,244	435,780	204,536
Receivables due from related parties	1,401	606	(1,283)
Deferred expenses	995,758	514,624	1,612,697
	20,138,797	23,369,764	27,653,277
Trade and other payables			
Trade	25,912,178	19,177,956	16,486,212
Trade payables due to joint ventures	582,086	519,739	503,696
Trade payables due to related parties	698,220	947,098	1,177,675
Purchase price obligations	2,242,777	2,500,000	5,742,238
Other payables including accruals for compensated absences	3,714,937	2,958,730	2,281,319
Advance payments received	1,743,305	924,202	1,268,688
	34,893,503	27,027,724	27,459,827

*) In the reporting period, it was agreed that the open purchase price claim relating to the shares in "Avielen OOO" as of 31 December 2008 would be ranked as subordinated, as the project still has outstanding financing and the project is being financed with equity from the joint venture partners. The claim was classified as non-current and was transferred to the item Loans. The open purchase price claim pertains to the reserve retained from the agreed purchase price for the sale of andel's hotel in Krakow.

[18] Derivative financial instruments

As of 30 September 2009, 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:

	30/9/2009	30/9/2008*
<i>Project loan Hotel Le Palais, Prague</i>		
Notional amount at 30 September (underlying: 3-month Euribor)	6,672,955	6,977,543
Fair value at 30 September	(228)	(15,713)
<i>Project loan Hotel Chopin, Krakow</i>		
Notional amount at 30 September (underlying: 3-month Euribor)	11,553,677	12,183,037
Fair value at 30 September	(515,511)	285,684
<i>Project loan Hotel Sobieski, Warsaw</i> (adjusted for the Group's share)		
Notional amount at 30 September (underlying: 3-month Euribor)	8,151,292	8,390,600
Fair value at 30 September	16,624	142,877

[19] Transactions with related parties

The total amount of compensation due to the directors for the reporting period amounted to EUR 0.76 million (1-9/2008: EUR 0.89 million). Vienna International AG assessed management fees totalling EUR 2.64 million (1-9/2008: EUR 3.16 million).

Joint ventures

The following transactions took place with joint ventures in the reporting period:

	30/9/2009	30/9/2008*
Trade revenues	71,864	226,237
Loans made to joint ventures		
Interest income related to joint ventures	1,640,626	1,456,836
Interest expenses related to joint ventures*)	(857,972)	(739,225)

All interest expenses from loans held by joint venture partners for plant under construction are recognized directly in equity, while interest charged for loans extended to joint ventures are always recognized in income.

	Loans given to joint ventures changed as follows in the reporting period:			Loans received from joint venture partners		
	At	Change	At	At	Change	At
	1/1/2009	for	30/9/2009	1/1/2009	for	30/9/2008
Sienna Hotel Sp.z.o.o.	10,125,281	291,443	10,416,724	(10,160,798)	(302,451)	(10,463,250)
Leuchtenbergring office building GmbH & Co. Besitz KG	2,215,812	196,950	2,412,762	(2,171,934)	(193,050)	(2,364,984)
GF Ramba Sp.z.o.o.	980,963	(26,139)	954,824	(978,907)	26,051	(952,856)
Louvre Warimpex Investment Holding S.a.r.l.	2,839,674	368,400	3,208,075	(1,702,574)	(1,562,969)	(3,265,543)
Melica Sp.z.o.o.	830,719	36,691	867,410	(836,801)	(41,770)	(878,571)
Avielen OAO	9,676,630	3,062,691	12,739,321	(3,306,462)	(4,762,293)	(8,068,754)
UBX II (France) s.a.r.l.	–	50,870	50,870	–	(50,000)	(50,000)
Hotel Paris II S.a.r.l.	127,021	626	127,647	(133,026)	–	(133,026)
UBX Katowice Sp.z.o.o.	1,534,401	59,362	1,593,763	(1,533,750)	(55,149)	(1,588,899)
UBX 3 s.r.o.	6,116	278	6,394	(6,441)	(186)	(6,627)
UBX Plzen s.r.o.	2,271,164	103,338	2,374,502	(2,287,872)	(68,500)	(2,356,372)
UBX 1 Objekt Berlin GmbH	5,782,930	2,383,359	8,166,289	(6,077,559)	(2,066,165)	(8,143,724)
UBX 2 Objekt Berlin GmbH	61,655	508,637	570,291	(61,565)	(508,019)	(569,584)
UBX 3 Objekt Berlin GmbH	96,191	225,300	321,491	(96,104)	(225,002)	(321,106)
Hotelinvestments s.a.r.l.	1,660	1,578	3,238	(1,608)	(1,556)	(3,163)
	36,550,216	7,263,384	43,813,600	(29,355,399)	(9,811,060)	(39,166,459)

[20] Events after the balance sheet date

The following resolutions were adopted at the extraordinary general meeting on 16 October 2009:

Revocation of the Management Board authorization pursuant to § 169 AktG to increase the share capital of the company with the approval of the Supervisory Board by as much as EUR 9,000,000 in one or more tranches by issue of up to 9,000,000 new bearer shares against cash payment or contributions in kind up to a total share capital of EUR 45,000,000; the object of contributions in kind, the individuals from which such contributions are accepted, the shares to be granted in return for these contributions, the issue amount and the issue terms shall be specified in coordination with the Supervisory Board.

The Management Board is authorized to increase within five years of the entry of the amendment to the articles of association in the register of companies the share capital of the Company by as much as EUR 18,000,000 through the issue of up to 18,000,000 bearer shares against cash payment or contributions in kind, in one or multiple tranches, with or without the exclusion of pre-emptive subscription rights and to set the issue price and the issue terms in coordination with the Supervisory Board.

On 23 October 2009, the Company increased its capital by 3,599,999 newly issued voting bearer shares. The issue price was EUR 2.25 per share.

[21] Other commitments, litigation and contingencies

A GOP guarantee for the 2008 financial year that is related to a company that was sold in a prior year was settled in the amount of EUR 1.99 million. The payment was made from a depot account that was set up for this purpose (recognized under 'Other financial assets'). A provision of EUR 3.04 million was formed for financial year 2009.

There were no other 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 2008.

Vienna, 26 November 2009



Franz Jurkowitsch
Chairman of the Management Board



Georg Folian
Deputy Chairman of the Management Board



Christian Fojtl
Member of the Management Board



Alexander Jurkowitsch
Member of the Management Board

Report on the Audit Review of the Quarterly Financial Statements of WARIMPEX Finanz- und Beteiligungs AG (Translation)

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of WARIMPEX Finanz- und Beteiligungs AG, Wien, Austria for the nine-month period from January 1, 2009 to September 30, 2009. These interim consolidated financial statements comprise the balance sheet as of September 30, 2009, and the income statement, statement of changes in equity and cash flow statement for the nine-month period then ended and explanatory notes.

The preparation and presentation of these condensed interim consolidated financial statements that give a true and fair view of the financial position, the financial performance and the cash flows of the Company in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU that are applicable to interim financial statement (IAS 34) are the sole responsibility of Management.

Our responsibility is to issue a conclusion on this interim financial information based on our review. Our responsibility and liability in connection with the review and with reference to §275 section 2 UGB towards the Company as well as third parties shall be limited with a total of Euro 12 million.

Scope of the Audit Review

We conducted our review in accordance with the statutory provisions and professional principles applicable in Austria and in compliance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not give a true and fair view of the financial position of the Group at September 30, 2009, and of its financial performance and its cash flows for the nine-month period then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU that are applicable to interim financial statements.

Report on Other Legal and Regulatory Requirements

We are required to perform review procedures whether the interim consolidated management report is consistent with the interim consolidated financial statements and whether the other disclosures made in the interim consolidated management report do not give rise to misconception of the position of the group.

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated management report for the group is not consistent with the interim consolidated financial statements.

Vienna, November 26, 2009

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Alexander Wlasto auditor	ppa Dipl.-Wirtschaftsjurist (FH) Martin Ohde auditor
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*) If the interim consolidated financial statements are published or transmitted in a version that differs from the German version (e. g. shortened version or translation), it is not permitted to quote the auditor's report nor is it permitted to refer to our audit review without our prior consent.

Selected Warimpex Group properties

1) Hotel Le Palais*****, Prague

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



2) Hotel InterContinental*****, Warsaw

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



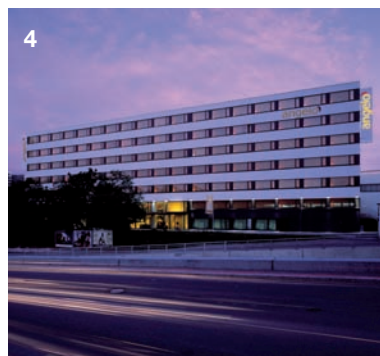
3) angelo hotel****, Katowice

PL-40-127 Katowice, ul Sokolska 24
203 rooms
(opening scheduled for 1st quarter 2010)



4) angelo hotel***, Munich

D-81677, Munich, Leuchtenberggring 20
146 rooms (opened in May 2008)



5) andel's hotel*****, Berlin

D-10407 Berlin,
Landsberger Allee 106
557 rooms (opened in March 2009)



6) andel's hotel*****, Łódź

PL-91 065 Łódź, ol. Ogrodowa 17
278 rooms
(opened in May 2009)



7) angelo hotel****, Katowice

PL-40-127 Katowice, ul Sokolska 24
203 rooms
(opened in September 2009)



Financial calendar

26 November 2009	Publication of results for the third quarter of 2009
29 April 2010	Publication of the Annual Report for 2009
27 May 2010	Publication of results for the 1st quarter of 2010
10 June 2010	Annual General Meeting
31 August 2010	Publication of results for the first half of 2010
30 November 2010	Publication of results for the third quarter of 2010