

WARIMPEX Sales revenues from hotels continue to improve

- **Hotel revenues up by 13 per cent**
- **Consolidated sales rose to EUR 21.1 million**
- **Convertible bonds with a total volume of PLN 66.25 million or EUR 16.8 million successfully placed on the Warsaw stock exchange**

Vienna, 27 May 2011 – Warimpex Finanz- und Beteiligungs AG profited nicely in the first quarter of 2011 from the significant increase in business and holiday travel. Sales revenues from hotels rose by about 13 per cent in total to reach EUR 19.7 million, and the operating cash flow from the Hotels & Resorts segment rose by 28 per cent from EUR 1.8 million to EUR 2.3 million. This growth was the result of generally higher sales at all hotels and substantially higher revenues in Ekaterinburg, Łódź, Katowice and Paris.

Convertible bond placed successfully

At the end of April and the end of May (after the reporting date), convertible bonds with a total nominal value of PLN 66.25 million (roughly EUR 16.8 million) were placed successfully on the Warsaw stock exchange. “This move has presented us with appealing financing options for the future. The issue proceeds will be used to optimize the current financing structure,” explained Warimpex CEO Franz Jurkowitsch. The issue proceeds should also give Warimpex the financial flexibility to take advantage of the investment opportunities that arise in the current market phase and to finance future development projects.

In order to take optimal advantage of the current promising conditions, the Annual General Meeting passed a motion authorizing the completion of a capital increase totalling EUR 5.4 million in the next five years. However, Warimpex’ management will not yet be exercising this authority in the current financial year.

Hotels developing well

The individual core markets of Warimpex continued to develop differently. Revenues increased again especially in Germany, Poland and France, while growth on the Czech market remained slower. Nevertheless, occupancy rates stabilized and room prices increased in nearly all markets in the first quarter.

Development projects progressing on schedule

Warimpex’ current development projects, including a four-star Crowne Plaza hotel with roughly 300 rooms, will be completed on schedule at Airport City in St. Petersburg at the end of 2011, followed by modern office buildings with roughly 21,000 square metres of space. The budget hotel projects in cooperation with Starwood Capital and Louvre Hotels are also proceeding well. In addition to the start of construction of the first Campanile and Première Classe budget hotels in the centre of the Polish city of Wrocław, which are to be opened in the first quarter of 2012, five further projects in Zielona Góra, Bydgoszcz and Katowice in Poland and Budapest in Hungary, are in advanced stages of planning.



The transaction markets are also gaining momentum. Warimpex successfully sold a 12.5 per cent stake in Sobieski Hotel in Warsaw in March 2011.

Financial result

Consolidated sales rose by around 4 per cent to EUR 21.1 million. Revenues from hotel operations improved by 13 per cent from EUR 17.4 million in the first three months of 2010 to EUR 19.7 million. Revenues from the rental of offices remained stable at EUR 0.7 million. In the development sub-segment, sales revenues fell from EUR 1.7 million in the first three months of the previous year to EUR 0.4 million due to one-off income in the prior period.

Earnings before interest, taxes, depreciation and amortization (EBITDA) fell from EUR 4.3 million in the first three months of 2010 to EUR 2.4 million in the reporting period, and the operating result (EBIT) also decreased from EUR 2.9 million to minus EUR 0.3 million. This decrease can be attributed to lower profit contributions from property sales. The profit for the first quarter came in at minus EUR 3.0 million (Q1 2010: minus EUR 0.7 million).

Outlook

The first quarter of 2011 brought a good start to the new year despite the fact that the first three months of the year are traditionally the weakest in the hotel industry. Warimpex expects to be able to carry this momentum into the coming months and to continue profiting from the positive developments on the hotel market. Conditions are also continuing to improve on the transaction market.

The numbers for the first quarter of 2011 at a glance

Key figures in EUR '000	Q1/2011	Change	Q1/2010
Revenues from the Hotels & Resorts segment	19,650	13%	17,395
Revenues from the Development & Asset Management segment	1,441	-51%	2,957
Total revenues	21,091	4%	20,351
Gains from the sale of project companies	1,924	-38%	3,112
EBITDA	2,352	-45%	4,287
EBIT	-254	-	2,910
Profit for the period	-3,007	-	-656
Earnings/loss per share in EUR	-0,05	-	-0.02
Number of hotels	21	0	21
Number of rooms (adjusted for proportionate share of ownership)	3,367	-58	3,425
Number of office and commercial properties	5	0	5