

Warimpex's results for the first three quarters of 2011:

Operating activities improved again, transactions bring additional impetus

- **Revenues from hotel operations up by 10 per cent and consolidated revenues up by 8 per cent to EUR 81 million**
- **EBITDA still on the rise at plus 15 per cent to EUR 17.7 million**
- **Positive result of EUR 0.3 million for the period, cumulative result of minus EUR 2.8 million for the first three quarters due to lower impairment reversals than in the previous year and scheduled write-downs**
- **Successful transactions:**
 - **Sale of shares in Sobieski Hotel in Warsaw concluded**
 - **Sale of a stake in a development project in the final stages of negotiation and expected to be concluded in the coming days.**

Vienna, 29 November 2011 – Warimpex Finanz und Beteiligungs AG was encouraged to see its result from operating activities increase in the first three quarters of 2011 thanks to growth in tourism and business travel. Revenues from hotel operations rose by 10 per cent compared with the first three quarters of 2010 and came in at EUR 76.8 million. As in the past quarters, EBITDA improved again significantly to reach EUR 17.7 million, a plus of 15 per cent.

Warimpex was also able to capitalize on the upswing on the transaction markets. The sale of the full 25 per cent share in Sobieski Hotel was concluded, generating a profit of EUR 2.3 million. Further transactions are being negotiated in line with our business plan. The sale of a stake in a development project is in the final stages of negotiation and is expected to be concluded in the coming days.

Operating result

The improvement in the result from hotel operations resulted in part from the generally improved business conditions and in part from revenues generated by our recently opened hotels in Ekaterinburg, Łódź, Katowice and Berlin, which were again able to perform very well on the market in the traditionally strong second half year. The core markets of Warimpex were consistently on a positive track and enjoyed constant growth overall. Occupancy rates remained stable for the most part in Poland, while room rates rose substantially. Germany and France especially saw higher occupancy. The average room rates remained the same in Germany, and rose marginally in France. The Czech market, which saw a comparatively slow recovery for a long period, continued on the upward course set in the previous quarter. Occupancy rose again considerably, and the average room rates improved by as much as 10 per cent. The growth market of Russia also saw clear gains in the past quarter, and occupancy rates were again higher in year-on-year terms.

Financial result

The positive trend in this segment was especially evident in the cash flow from operating activities, which rose by 18 per cent to EUR 13.5 million thanks to the the good overall performance of the hotels. EBITDA, the most important indicator for real estate companies and a metric that is not distorted by the industry-specific valuation

methods, improved by 15 per cent in annual comparison. EBIT are solidly in the black again at EUR 12.6 million. Revenues improved by 6 per cent and EBITDA by 35 per cent to EUR 8.4 million in the third quarter of 2011.

Property values on the real estate markets in Eastern Europe are beginning to stabilize, and impairment write-downs in the amount of EUR 9.1 million (Q1–Q3 2010: EUR 18.4 million) were reversed as of September 2011. Scheduled write-downs are recognized independent of this and totalled EUR 13.9 million in the first three quarters. The fact that impairment reversals are EUR 9.3 million lower than in the first three quarters of 2010 is the main reason why the profit for the period was lower than in the same period of the prior year despite higher EBITDA. This brought the result for the first nine months of the year to minus EUR 2011 million (Q1–Q3 2010: plus EUR 4.8 million).

Development

Warimpex's other development projects are proceeding according to plan. The impending completion of the first construction phase of the Airport City St. Petersburg project at the end of this year is especially worth noting. A soft opening will already be held for the four-star Crowne Plaza hotel (InterContinental Group) and the neighbouring office building with 21,000 square metres of space in December 2011. The remaining 18,000 square metres of space can be completed as early as the end of 2012 depending on rental demand.

After a period of recovery, the economic conditions became considerably more strained again, especially on the financing markets, in the third quarter of 2011. Warimpex was able to further expand its market position despite the resurging uncertainty. It is now time to build on these successes, and especially to continue to take advantage of the momentum on the transaction markets in the final quarter of 2011. This will enable Warimpex to make the most of the traditionally strong fourth quarter.

The key figures for Q1–Q3 2011 at a glance

Key figures in EUR '000	1–9/2011	Change	1–9/2010	7–9/2011	+/-	7–9/2010
Revenues from the Hotels & Resorts segment	76,816	10%	69,627	28,404	5%	27,035
Revenues from the Development & Asset Management segment	4,208	-25%	5,590	1,469	38%	1,064
Total revenues	81,025	8%	75,217	29,873	6%	28,098
Gains from the sale of project companies	2,620	-20%	3,270	696	-	-47
EBITDA	17,744	15%	15,431	8,385	35%	6,234
EBIT	12,579	-35%	19,309	4,952	-16 %	5,893
Profit for the period	-2,812	-	4,768	344	-67%	1,309
Net cash flow from operating activities	13,534	18%	11,492	5,618	-19%	6,891
Earnings/loss per share in EUR	-0.05	-	0.11	0.01	-	0.03
Number of hotels	20	-1	21			
Number of rooms (adjusted for proportionate share of ownership)	3,313	-108	3,421			
Number of office and commercial properties	4	-1	5			
	30/06/2011	Change	30/06/2010			
Gross asset value (GAV) in millions of euros	599.5	4%	579.2			
Triple net asset value (NNNAV) in millions of euros	190.2	6%	178.5			
NNNAV per share in EUR	3.52	6%	3.31			