



warimpex

KEY FIGURES OF THE WARIMPEX GROUP

EUR '000			Retrospectively adjusted ¹
	1-6/2012	Change	1-6/2011
Revenues from the Hotels & Resorts segment	29,338	9%	27,031
Revenues from the Development & Asset Management segment	3,920	82%	2,154
<i>Total revenues</i>	<i>33,259</i>	<i>14%</i>	<i>29,185</i>
Gains from the sale of project companies	329	-78%	1,521
EBITDA	4,785	18%	4,062
EBIT	2,884	-49%	5,699
Profit for the period	604	–	-3,157
Net cash flows from operating activities	5,514	151%	2,197
Equity and liabilities	416,812	5%	398,051
Equity	77,331	15%	67,253
Average shares in the period	units 54,000,000	–	54,000,000
Earnings/loss per share	in EUR 0.01	–	-0.06
Number of hotels	21	0	21
Number of rooms (adjusted for proportionate share of ownership)	3,467	100	3,367
Number of office and commercial properties	5	0	5
Average number of employees in the Group	1,627	29	1,598
		30.06.2012	Change
			31.12.2011
Gross asset value (GAV)	in EUR m 612.0	1%	605.2
Triple net asset value (NNNAV)	in EUR m 175.3	2%	172.6
NNNAV per share	in EUR 3.2	–	3.2
End-of-period share price	in EUR 0.72	-8%	0.78

¹ Please refer to page 22 and Note 2.02 in the consolidated financial statements as of 31 December 2011 for information about the retrospective adjustment.

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

The first half of 2012 was dominated by positive impulses in the hotel segment. Revenues from hotel operations in the first six months of the current year were considerably stronger than in 2011, improving by 9 per cent from EUR 27.0 million to EUR 29.3 million. Occupancy rates and room prices rose across the entire portfolio.

Thanks to the overall good performance of the fully consolidated hotels, the cash flow from operating activities grew from EUR 2.2 million to EUR 5.5 million. EBITDA, one of the most important performance indicators for real estate companies because it is not distorted by industry-specific valuation methods, improved from EUR 4.1 million in the first half of 2011 to EUR 4.8 million. Because of lower profit contributions from property sales and lower non-cash reversals of impairments, the operating result (EBIT) fell from EUR 5.7 million to EUR 2.9 million. The profit for the period came to EUR 0.6 million.

Including the proportionate results of the joint ventures, revenues from hotel operations improved by a substantial 11 per cent from EUR 48.3 million in the first half of 2011 to EUR 53.5 million. The net operating profit improved by 27 per cent to EUR 14.6 million. This significantly higher NOP margin can above all be attributed to improved occupancy levels and higher room rates. The European football championships had a pleasing effect on the hotels in Poland. The average room rate at the InterContinental hotel in Warsaw even rose by approximately 30 per cent. The good development in our core countries is also due in part to higher sales revenues in Ekaterinburg and Prague. Performance on the remaining markets was largely in line with the targets, and positive growth rates were achieved on average. Overall, the number of available rooms rose by 3 per cent to 3,467 due to the opening of the Crowne Plaza hotel in St. Petersburg at the end of 2011 (which offset the sale of Sobieski Hotel in Warsaw) while sales revenues from the operation of hotels grew by 11 per cent to EUR 53.5 million; only the five-star hotels in Prague continued to develop weakly.

Alongside the recovery on the hotel market, it seems that the real estate transaction market in CEE also has the worst behind it – sales at acceptable prices are again possible and probable now. We are currently working on a number of sales, and expect to dispose of at least one property in the near future. A head of terms agreement for the intended sale of the 50 per cent share in the InterContinental hotel in Warsaw was already signed in April. We expect the closing this year.

Our development projects are proceeding according to plan: The Le Palais office building in Warsaw is scheduled to be completed and opened at the end of 2012. Our first project in Austria, the conversion of Palais Hansen on Vienna's Ring boulevard into an exquisite hotel and residential property, is also proceeding well, and the grand opening is currently slated for the spring of 2013. The shell of an office building with 15,000 square metres of lettable space has also been completed at Airport City in St. Petersburg and will be finished in accordance with rental demand or sold.

Given the current volatile market conditions, we are placing our focus on strengthening our foundation and on our existing properties. To this end, we will concentrate on our successful core brands, angelo and andel's, and step up the sale of office buildings and holiday resorts.



Franz Jurkowitsch

BUSINESS HIGHLIGHTS

- 04/2012 Head of terms agreement for the intended sale of the InterContinental hotel in Warsaw signed

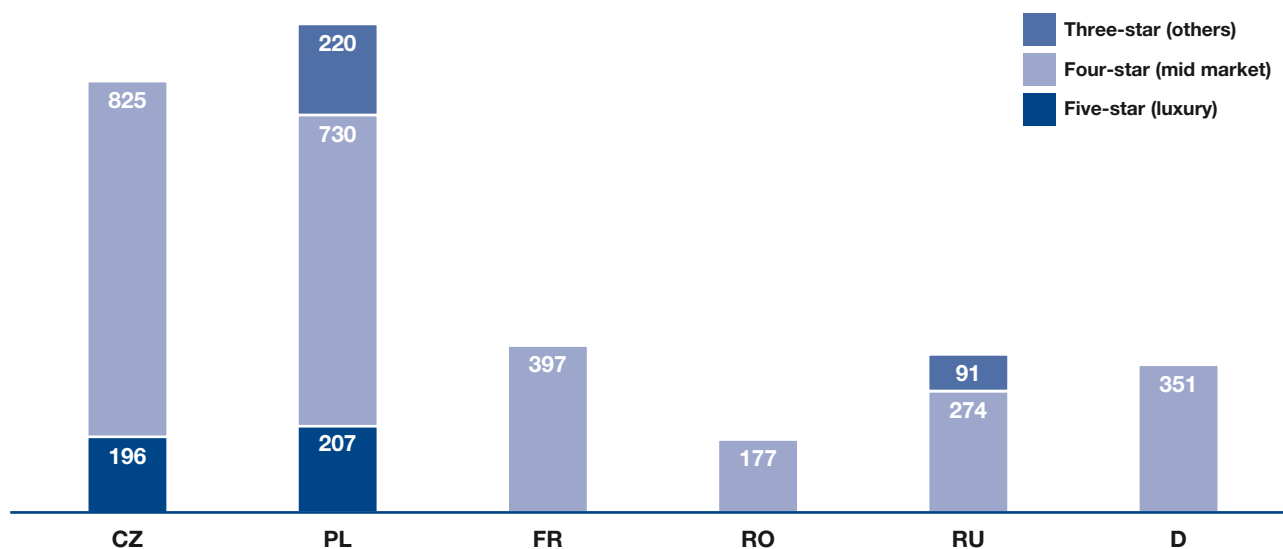
INVESTOR RELATIONS

After closing 2011 at EUR 0.78 and PLN 2.95, the share price recovered in the first quarter of 2012 and climbed back above EUR 1.00. In the second quarter, the share price declined as a result of higher levels of macroeconomic uncertainty, and closed June at EUR 0.72 and PLN 3.17.

As of 30 June 2012, the financial ratio came to 56 per cent.

Since our IPO, we have maintained an open and proactive communication policy with our investors. Warimpex participated in investor conferences in Zürich, Warsaw and Prague in the reporting period.

Hotel portfolio (number of rooms adjusted for proportionate share of ownership) as of 30 June 2012



The increase in the number of rooms by 100 in annual comparison from 3,367 to 3,467 can be attributed to the opening of the Crowne Plaza hotel in St. Petersburg at the end of 2011, which was partially offset by the sale of Sobieski Hotel in Warsaw.

GROUP MANAGEMENT REPORT

for the period from 1 January to 30 June 2012

ECONOMIC ENVIRONMENT

In July 2012 (World Economic Outlook), the International Monetary Fund (IMF) lowered its economic forecast for 2012 slightly compared with April 2012. The Eurozone economy is expected to contract by 0.3 per cent in 2012 (forecast from April 2012: contraction of 0.3 per cent), and then to expand slightly in 2013 at a rate of 0.7 per cent (0.9 per cent). The CEE economy is now expected to expand by 1.9 per cent in 2012 (1.9 per cent). The IMF's 2013 economic growth projections for Central and Eastern Europe were also reduced marginally from 2.9 per cent to 2.8 per cent. Some economies are expected to grow substantially, for example Russia at a rate of 4.0 per cent (4.0 per cent) in 2012 and 3.9 per cent (4.0 per cent) in 2013.

MARKETS

POLAND

Existing portfolio: 6 hotels, 1 office property

Warimpex holds a 50 per cent interest in the five-star InterContinental in Warsaw.

In Krakow, Warimpex has leased the four-star-plus andel's hotel since September 2009 and also owns the three-star Chopin Hotel. In Łódź, Warimpex opened a further andel's hotel in June 2009; in March 2010, the first angelo hotel in Poland (a joint venture with UBM) opened in Katowice. In Międzyzdroje on the Baltic coast, Warimpex owns the Amber Baltic spa resort hotel.

The occupancy rate at the InterContinental hotel fell moderately to 76 per cent in 2011 (1–6 2011: 77 per cent), but the average room rate in euros increased by about 30 per cent. The European football championships had a very positive effect. The andel's hotel in Łódź achieved an occupancy rate of 57 per cent (1–6 2011: 55 per cent), and the average room rate in euros also rose slightly.

At Chopin Hotel in Krakow, the thermal renovation of the facade was begun and the remaining rooms were refurbished. The occupancy rate at the Chopin Hotel rose from 52 per cent to 56 per cent, but the average room rate in euros decreased. At the andel's hotel in Krakow, the occupancy rate also increased significantly (1–6 2012: 69 per cent, 1–6 2011: 62 per cent), and the average room rate rose. The occupancy rate at the Amber Baltic beachfront resort came in at 36 per cent (1–6 2011: 38 per cent), and the average room rate declined slightly. Due to its location on the Baltic coast, occupancy rates at this hotel are subject to strong seasonal fluctuations, and cannot be compared to those of city hotels.

In addition to the hotels listed above, Warimpex owns 50 per cent of the Parkur Tower office building in Warsaw.

Under development: 2 office buildings

At the end of 2010, Warimpex sold a project company in Warsaw that is converting one of the few historic buildings in the city into a modern office building. Warimpex has undertaken to complete the project as a developer. Construction started at the beginning of 2011 and is scheduled to be completed at the end of 2012.

An office building that is owned by Warimpex in Krakow is also to be modernized. The building permit was issued in July 2010. Warimpex owns a development property in Białystok. The sale of this development project is planned.

CZECH REPUBLIC

Existing portfolio: 7 hotels

In Prague, Warimpex owns the two five-star hotels Palace and Le Palais. In the four-star segment, it owns the Diplomat Hotel, the Savoy and the angelo hotels in Prague and Plzeň. Warimpex also consolidates the Dvořák spa hotel in Karlovy Vary according to IAS/IFRS. At the end of 2011, Golden Tulip (part of the Louvre/Starwood Capital Group) was appointed as the new manager of Savoy Hotel.

In the reporting period, the two four-star hotels in Prague achieved occupancy rates of 65 and 63 per cent, respectively (1–6 2011: 50 and 62 per cent); the average room rates were lower. Occupancy at the Golden Tulip Savoy Hotel came to 48 per cent (1–6 2011: 48 per cent). In the five-star segment, occupancy rates improved as well and ranged between 47 and 58 per cent (1–6 2011: 49 and 51 per cent). The average room rates in euros fell slightly at both hotels. At the Dvořák spa hotel in Karlovy Vary, the occupancy rate was 79 per cent (1–6 2011: 76 per cent). The average room rate did not change. Occupancy at the angelo hotel in Plzeň improved from 41 to 48 per cent, and the average room rate was also higher.

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 Dioszegi office building has roughly 800 square metres of lettable space, roughly 100 per cent of which is occupied. The Sajka office building with its approximately 600 square metres of lettable space is partially rented out.

Of the two towers in the Erzsebet office complex, tower B was completely renovated and handed over to the tenant in May 2009. It was fully rented out in the reporting period. A tenant was found for tower A, which is also to be modernized and let out.

ROMANIA

Existing portfolio: 1 hotel

The angelo Airporthotel in Bucharest, which Warimpex acquired in 2007 and expanded by 69 rooms in 2008 along with adapting it to the angelo design, saw an occupancy rate of 48 per cent (1–6 2011: 42 per cent). The average room rate in euros was down slightly.

GERMANY

Existing portfolio: 2 hotels

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

At the angelo hotel in Munich, the occupancy rate came to 77 per cent (1–6 2011: 77 per cent). The average room rate rose. Occupancy at the andel's hotel in Berlin was 67 per cent (1–6 2011: 62 per cent). The average room rate was down slightly.

Under development: 1 hotel, 1 conference centre

Plans for the second phase of the angelo project in Munich foresee the expansion of the hotel. In addition, a piece of land adjacent to the andel's hotel in Berlin was purchased in 2009 for the development of a conference centre and commercial space. Planning is currently under way for both projects.

FRANCE**Existing portfolio: 2 hotels**

In Paris, Warimpex and its partner UBM are the joint leaseholders of the four-star Dream Castle Hotel and the four-star Magic Circus at Disneyland® Resort Paris, each of which have about 400 rooms. The occupancy rates at the hotels were 69 and 64 per cent (1–6 2011: 74 and 64 per cent). The average room rate increased at both hotels.

AUSTRIA**Under development: 1 hotel including apartments**

In Vienna, Warimpex is involved in developing Palais Hansen on the city's Ring boulevard into a high-end hotel and residential property in collaboration with Wiener Städtische/Vienna Insurance Group and Strauss & Partner. The project, which is scheduled to open in the spring of 2013, is Warimpex's first in Austria. A renowned operator and leaseholder was won for Palais Hansen, the hotel operator Kempinski. Construction work commenced at the beginning of September 2010, and numerous apartments have already been sold prior to completion.

RUSSIA**Existing portfolio: 3 hotels, 1 office building**

In Russia, Warimpex holds 60 per cent of the Liner Hotel and the angelo hotel at Koltsovo airport in Ekaterinburg. The angelo hotel Ekaterinburg, which has a direct link to the new terminals, was opened in the third quarter of 2009. In St. Petersburg, Warimpex holds 50 per cent of Airport City St. Petersburg. In the first phase of the project, a four-star Crowne Plaza hotel (InterContinental Hotel Group) and an office building with 17,000 square metres of lettable space were opened at the end of December 2011. Airport City St. Petersburg is being developed by OAO AVIELEN A.G. in a joint venture with CA Immo and UBM and is directly next to Pulkovo 2 international airport. It is the first premium-class business centre in the region and is a key infrastructure project in the growing economic centre of St. Petersburg.

While the Liner Hotel continued to enjoy very satisfactory occupancy in the reporting period, occupancy at the more expensive angelo hotel rose considerably (1–6 2012: 53 per cent, 1–6 2011: 31 per cent) and the average room rate in euros improved slightly. The newly opened Crowne Plaza at Airport City St. Petersburg achieved 47 per cent occupancy.

Roughly 15 per cent of the office building is currently let out. Negotiations are under way with a large number of potential tenants.

Under development: 1 office building

The shell of a second office building that will have 15,000 square metres of lettable space has also been completed at Airport City.

ASSETS, FINANCIAL POSITION AND EARNINGS SITUATION

The first half of 2012 saw the hotel industry recover substantially. Occupancy rates and room rates increased across the portfolio.

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 revenues rose by 14 per cent to EUR 33.3 million. Sales revenues from hotel operations increased by 9 per cent from EUR 27.0 million in the first six months of 2011 to EUR 29.3 million. This improvement can primarily be attributed to significantly higher sales revenues in Ekaterinburg and Prague. Revenues from the rental of offices and the provision of development services increased from EUR 2.2 million to EUR 3.9 million, primarily due to the progress made in the construction of the Le Palais office building in Warsaw.

Segment reporting*

(*For more information, see the detailed comments in Note 5, Segment information)

The Warimpex Group has defined the segments Hotels & Resorts and Development & Asset Management. The Hotels & Resorts segment is clearly comparable with the hotels and/or hotel rooms held by the Group as consolidated entities in the reporting year. The Development & Asset Management segment contains profits resulting from the letting of investment property and profits from the sale of real estate. The figures in the segment information are based on proportionate consolidation.

Hotels & Resorts segment in EUR thousands	1-6/2012	1-6/2011
Revenues for the Group	53,514	48,312
Average number of hotel rooms for the Group	3,621	3,568
Group NOP	14,574	11,498

Sales revenues from hotels grew at a significantly higher rate in the reporting period than in 2011. The average number of available rooms rose slightly by 1 per cent due to the opening of the Crowne Plaza hotel in St. Petersburg, which was partially offset by the sale of Sobieski Hotel in Warsaw, while sales revenues from hotel operations increased by 11 per cent from EUR 48.3 million to EUR 53.5 million.

The net operating profit (GOP calculated according to the Uniform System of Accounts for the Lodging Industry less costs after GOP) improved by 27 per cent to EUR 14.6 million. This significantly higher NOP margin can above all be attributed to improved occupancy levels and room rates.

Development & Asset Management segment in EUR thousands	1-6/2012	1-6/2011
Revenues for the Group	4,345	2,739
Gains from the sale of project companies	329	1,521
Segment EBITDA	-1,643	-142

Revenues in the Development & Asset Management segment rose by 59 per cent from EUR 2.7 million to EUR 4.3 million. This improvement can primarily be attributed to development revenues in connection with the contract for the completion of the Le Palais office building in Warsaw.

The results in this segment depend heavily on the sale of real estate holdings (share deals) and properties (asset deals) and are subject to significant year-on-year fluctuation.

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.

The purchase price adjustment for the sale of the joint venture share in Louvre Hotels took place in the first quarter, and earnings of EUR 0.3 million were posted. Warimpex sold a 12.5 per cent share in Sobieski Hotel in Warsaw in the first quarter of 2011. The profit from this transaction was EUR 1.5 million.

EBITDA – EBIT

Compared with the first half of 2011, earnings before interest, tax, depreciation and amortization (EBITDA) rose from EUR 4.1 million to EUR 4.8 million, and earnings before interest and taxes (EBIT) fell from EUR 5.7 million to EUR 2.9 million. The reasons for this decrease were lower profit contributions from property sales and lower non-cash reversals of previous impairments (1–6 2012: EUR 4.7 million, 1–6 2011: EUR 7.4 million).

Financial result

The financial result changed from minus EUR 8.8 million to minus EUR 2.0 million.

Profit for the period

The profit for the first half of the year came in at EUR 0.6 million (1–6 2011: minus EUR 3.2 million).

Cash flow

The cash flow from operating activities also improved considerably from EUR 2.2 million to EUR 5.5 million.

REAL ESTATE ASSETS

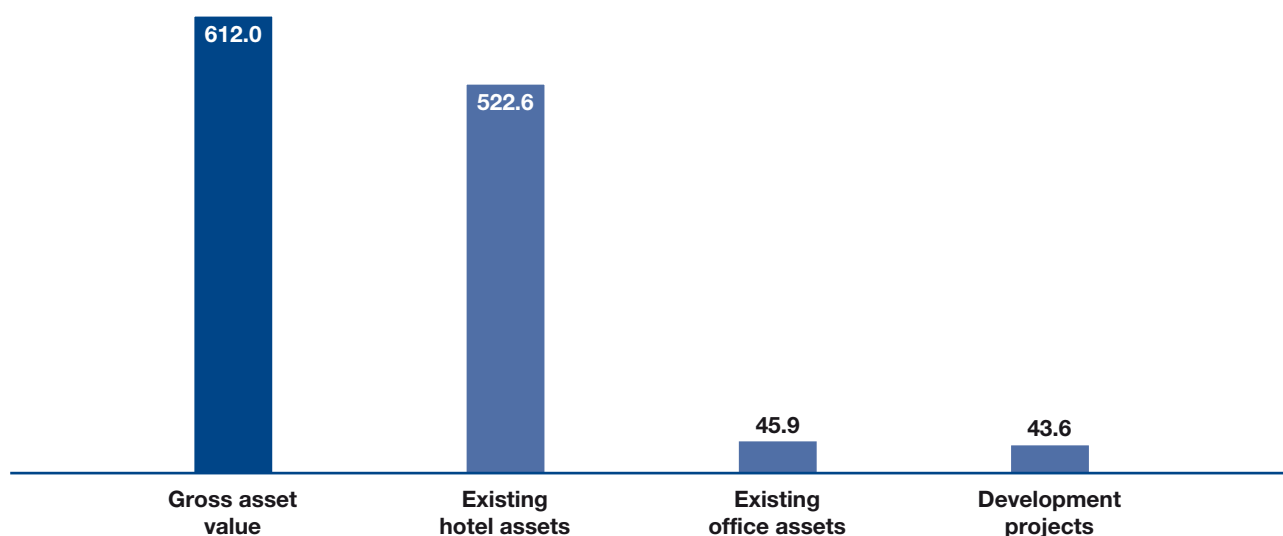
At 30 June 2012, the real estate portfolio of the Warimpex Group comprised twenty one hotels with a total of 4,887 rooms (3,467 rooms when adjusted for the proportionate share of ownership), plus five office properties with a total lettable floor area of some 43,000 square metres (30,000 square metres when adjusted for the proportionate share of ownership).

Because of the provisions of IAS 40.12 pertaining to owner-operated hotels, Warimpex recognizes its properties at cost less depreciation and amortization. Any increases in the value of other properties are not recognized in profit in the respective reporting period. To allow comparison with other real estate companies that report unrealized profits, Warimpex reports the triple net asset value (NNNAV) in its group management report.

All existing real estate and development projects are valued twice annually (at 30 June and 31 December) by the international independent real estate appraiser CB Richard Ellis (CBRE).

The fair values are determined in accordance with the valuation standards of the Royal Institute of Chartered Surveyors. The fair value of a property is the price at which it could be exchanged in a current transaction between two knowledgeable, unrelated and willing parties.

The net asset value (NAV) is calculated on the basis of the gross asset value (fair value of the Company's real estate assets).



The fair values of Warimpex's real estate assets on the reporting date of 30 June 2012 totalled EUR 612.0 million (31 December 2011: EUR 605.2 million).

The triple net asset value (NNNAV) for the Warimpex Group increased by 2 per cent from EUR 172.6 million on 31 December 2011 to EUR 175.3 million on 30 June 2012.

The triple net asset value (NNNAV) is as follows:

in EUR m	6/2012	12/2011
Equity before minority interests	79.7	79.4
Goodwill	-0.9	-0.9
Deferred tax assets	0.3	0.4
Deferred tax liabilities	12.6	12.3
Book value of existing hotel assets	266.6	268.6
Fair value of existing hotel assets	306.9	306.8
Book value of existing office property assets (investment properties)	15.2	13.9
Fair value of existing office property assets (investment properties)	16.1	14.4
Book value of development projects	8.2	8.1
Fair value of development projects	11.6	11.5
Book value of joint ventures	99.3	92.3
Fair value of joint ventures	138.9	132.4
Triple net asset value	175.3	172.6
Number of shares	54.0	54.0
NNNAV per share in EUR	3.2	3.2

MATERIAL RISKS AND OTHER DISCLOSURES

(a) Operating risks

In the Hotels & Resorts segment, Warimpex is exposed to the general risks inherent to the tourism industry such as economic fluctuations, political risks and increasing fear of terrorist attacks. There is the risk that competitors may enter the Group's target markets, thereby increasing the number of beds available.

In addition, there are interest rate risks and financing risks which might have an impact on the Company's ability to finance or sell properties.

More details on risk management targets and methods in connection with financial instruments as well as information on existing interest rate, currency, default and liquidity risks and derivative instruments used by the Group are provided in Notes 25 and 26 to the consolidated financial statements as of 31 December 2011.

The Development & Asset Management segment is exposed to finance and currency risks, interest rate risks, market entry risks and the risk of delays in the completion of construction work on real estate projects. In addition, there are risks of rent default which may impact both on the current cash flow and on real estate valuation.

The Group invests in real estate in a limited number of countries, and is therefore exposed to increased risk that local conditions such as an excess supply of properties can affect the development of business. Owing to its focus on real estate development and real estate holdings, the Group's performance is heavily dependent on the current situation in the real estate markets. Price slides in the real estate market could therefore affect the Group significantly and also influence real estate financing.

Real estate maintenance is a key aspect in the sustainable economic development of the Warimpex Group. Property and facility managers therefore submit status reports to the Management Board at regular intervals together with projections for the optimum maintenance of the properties.

(b) Foreign exchange and financing risks

Aside from derivative forms of financing, the most significant financial instruments used by the Group are current account and bank loans, and cash, cash equivalents and short-term deposits. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations.

The Group also enters into derivatives transactions which are intended to reduce the Group's exposure to interest rate risk. The Group's risk management policies provide for a risk-oriented relationship between fixed-rate and variable-rate financial liabilities.

The risk of fluctuations in market interest rates (usually the Euribor) to which the Group is exposed results primarily from its variable-rate long-term financial liabilities. Warimpex uses derivative financial instruments to manage this risk.

The financial market crisis, and especially the failure of key investment banks and the government acquisition of shares in a large number of other banks that began in the middle of September 2008 has caused a large degree of uncertainty in the world economy and the real estate market. These events also caused significant uncertainty with regards to what market participants will do. If these events repeat themselves, prices and value developments can be subject to higher volatility. The risk of insufficient liquidity also means that it may be difficult to successfully sell properties on the market depending on the prevailing conditions.

Many experts believe that the real estate transaction market is out of the woods, and the paralysis that had the markets firmly in its grip at the end of 2008 and beginning of 2009 has abated. That is definitely a positive sign, and it has again become possible and likely that assets can be sold for acceptable prices. A number of sales transactions are currently being prepared. We assume that we will be able to sell a property in the near future. Further properties can be sold on short notice to raise liquidity, if needed.

It will be necessary to extend, repay, refinance or convert operating credit lines or to convert them into long-term financing in the next twelve months. Another option for securing this financing is the issue of a bond or convertible bond or a capital increase. If these measures are not sufficient, projects must be sold to obtain additional liquidity.

Major transactions with related parties are discussed in the notes to these financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

Regarding material events after the balance sheet date, reference is made to Note 17 in the consolidated financial statements.

OUTLOOK

The following projects are currently under construction:

- Le Palais office building, Warsaw (opening scheduled for the end of 2012)
- Palais Hansen – Kempinski hotel, Vienna (opening scheduled for spring 2013)
- Airport City, St. Petersburg, additional 15,000 square metres of office space in the business park

Given the current volatile market situation, we will focus on bolstering our Company's foundation and on our portfolio of existing properties in 2012. To this end, we are working to strengthen our financing structure by selling office buildings and holiday resorts and to continue the successful operation of our existing core brands, angelo and andel's.

Vienna, 30 August 2012



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 INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2012

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 June 2012 – unaudited

in EUR	Note	1–6/12	4–6/12	1–6/11	4–6/11
Revenues					
Revenues – Hotels & Resorts segment		29,338,451	17,100,441	27,030,953	16,696,250
Revenues – Development & Asset Management segment		3,920,057	2,307,721	2,153,801	1,069,019
		33,258,508	19,408,162	29,184,754	17,765,269
Income from the sale of properties					
Gains from the sale of real estate		329,158	10,420	2,274,424	–
Carrying amounts, loans and borrowings assumed by the purchaser		–	–	(753,814)	–
	[06]	329,158	10,420	1,520,610	–
Expenses for materials and services rendered		(13,181,518)	(6,795,131)	(12,635,255)	(6,790,137)
Expenses for project development		(2,656,554)	(1,843,893)	(443,128)	(324,557)
Personnel expenses	[07]	(9,490,345)	(5,018,231)	(9,671,310)	(5,262,478)
Depreciation and amortization expense		(5,277,527)	(2,364,855)	(5,707,266)	(2,838,062)
Impairments		(1,291,548)	(1,012,542)	(90,567)	(231,608)
Reversal of impairments		4,667,214	3,920,047	7,435,158	5,559,264
Other expenses	[08]	(3,473,787)	(1,907,654)	(3,894,077)	(1,849,013)
		(30,704,065)	(15,022,259)	(25,006,445)	(11,736,591)
Operating profit		2,883,601	4,396,323	5,698,919	6,028,678
Financial revenue	[09]	433,243	35,832	1,393,091	976,693
Finance costs	[09]	(9,552,876)	(4,282,158)	(10,156,778)	(7,824,745)
Result from joint ventures	[13]	7,141,397	574,530	(81,097)	922,187
Profit before tax		905,366	724,527	(3,145,864)	102,813
Current income taxes	[10]	(38,741)	146,242	(16,198)	(19,119)
Deferred taxes	[10]	(262,402)	(525,140)	5,167	(233,788)
Profit for the period		604,222	345,629	(3,156,895)	(150,095)
Foreign currency translation		337,532	439,600	35,541	171,027
Other result from joint ventures		(142,273)	132,387	–	–
Fair value measurement of financial instruments available for sale		–	–	(2,674)	(1,228)
Net gains/losses from hedging		(48,800)	(28,219)	129,896	(72,589)
(Deferred) taxes recognized in equity		(1,232)	(5,116)	(29,580)	8,886
Total income and expenses for the period		749,449	884,281	(3,023,713)	(43,998)
Profit for the period attributable to:					
- Equity holders of the parent		281,487	(220,809)	(3,255,344)	(468,387)
- Non-controlling interests		322,735	566,437	98,449	318,292
		604,222	345,629	(3,156,895)	(150,095)
Total income/expenses for the period attributable to:					
- Equity holders of the parent		298,843	134,832	(608,250)	(3,863,594)
- Non-controlling interests		450,606	749,449	(3,863,594)	839,882
		749,449	884,281	(3,023,713)	(43,998)
Earnings per share:					
Undiluted, for the profit for the period attributable to ordinary equity holders of the parent		0.01	(0.00)	(0.06)	(0.01)
Diluted, for the profit for the period attributable to ordinary equity holders of the parent		0.01	(0.00)	(0.06)	(0.01)

CONSOLIDATED BALANCE SHEET

as of 30 June 2012 – unaudited

		Retrospective adjustment		
		30/6/2012	31/12/2011	30/6/2011
in EUR	Note	unaudited	audited	unaudited
ASSETS				
Non-current assets				
Property, plant and equipment	[11]	275,434,198	277,149,161	276,470,673
Investment properties	[12]	15,187,824	13,562,844	15,086,441
Goodwill		921,266	921,266	921,266
Other intangible assets		177,752	219,470	246,590
Joint ventures	[13]	83,838,779	92,252,489	77,740,218
Other financial assets		10,854,301	9,493,936	8,151,554
Deferred tax assets		341,946	351,654	437,928
		386,756,068	393,950,821	379,054,670
Current assets				
Inventories		985,014	1,497,460	1,050,250
Trade and other receivables	[15]	4,775,657	5,825,035	5,269,764
Financial instruments available for sale		3,988,802	3,988,802	5,859,876
Other financial assets	[16]	–	6,795	27,172
Cash and short-term deposits		4,876,138	7,015,958	6,789,131
		14,625,610	18,334,050	18,996,193
Assets of a disposal group classified as held for sale	[13]	15,430,777	–	–
TOTAL ASSETS		416,812,455	412,284,871	398,050,863
EQUITY AND LIABILITIES				
<i>Equity attributable to equity holders of the parent</i>				
Issued capital		54,000,000	54,000,000	54,000,000
Capital reserves		71,387,604	71,387,604	71,387,604
Retained earnings		(46,515,827)	(46,797,314)	(56,513,793)
Treasury shares		(301,387)	(301,387)	(301,387)
Other reserves		1,110,401	1,093,045	1,796,760
		79,680,792	79,381,948	70,369,185
<i>Minority interests</i>		<i>(2,349,542)</i>	<i>(2,800,148)</i>	<i>(3,115,933)</i>
Total equity		77,331,249	76,581,800	67,253,252
Non-current liabilities				
Convertible bonds	[14]	14,732,943	13,774,416	16,389,449
Interest-bearing loans and borrowings	[14]	219,635,642	212,224,507	214,364,024
Provisions		4,139,499	4,017,065	4,554,079
Other payables	[15]	604,926	866,610	660,249
Deferred tax liabilities		12,640,312	12,386,386	13,007,413
		251,753,322	243,268,983	248,975,215
Current liabilities				
Trade and other payables	[15]	18,106,993	16,385,504	17,340,181
Interest-bearing loans and borrowings	[14]	66,376,306	72,414,075	62,952,417
Derivative financial instruments	[16]	1,855,585	2,199,317	1,007,961
Income tax payable		71,898	104,575	133,969
Provisions		1,317,101	1,330,616	387,869
		87,727,883	92,434,087	81,822,396
TOTAL EQUITY AND LIABILITIES		416,812,455	412,284,871	398,050,863

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January to 30 June 2012 – unaudited

in EUR	Note	1–6/12	4–6/12	1–6/11	4–6/11
Retrospective adjustment					
Cash receipts from operating activities					
From the operation of hotels and rent received		29,974,344	16,932,161	28,450,883	16,483,349
From real estate development projects		2,619,460	1,764,610	859,022	481,341
Interest received		55,006	32,906	26,251	21,390
		32,648,809	18,729,677	29,336,155	16,986,080
Cash payments for operating activities					
For real estate development projects		(2,169,668)	(1,266,661)	(423,313)	(286,072)
For materials and services received		(12,064,215)	(6,043,273)	(12,381,339)	(6,766,612)
For personnel and related expenses		(9,370,031)	(4,990,151)	(9,448,928)	(5,098,494)
For other expenses		(3,434,988)	(1,957,173)	(4,874,371)	(2,194,098)
Income tax paid		(95,701)	(43,765)	(11,513)	(25,684)
		(27,134,603)	(14,301,022)	(27,139,463)	(14,370,960)
Net cash flows from operating activities		5,514,207	4,428,656	2,196,692	2,615,120
Net cash flows from investing activities					
Purchase of property, plant and equipment		(1,384,659)	(172,979)	(989,237)	(906,557)
Purchase of investment properties		(29,752)	190,894	(159,230)	(159,230)
Acquisition of software		(1,524)	(907)	(423)	(710)
Payments for available-for-sale investments		–	–	(728,007)	(373,791)
Income/payments for other financial assets		(750,069)	(749,590)	71,483	49,990
Income/payments for joint ventures	[13]	(17,943)	183,486	(1,868,855)	(1,967,672)
		(2,183,947)	(549,096)	(3,674,269)	(3,357,970)
Cash flows from the sale of business entities					
Proceeds from the sale of disposal groups and properties		–	–	2,274,424	2,197,350
Cash and cash equivalents of sold disposal groups		–	–	(6,829)	–
Purchase price payments for business entities sold/purchased in prior periods	[06]	1,017,927	10,560	284,162	2,102
Proceeds from the sale of available-for-sale investments		–	–	844,682	(1,597)
Net cash flows from/used in financing activities		1,017,927	10,560	3,396,439	2,197,855
Cash flows from financing activities					
Proceeds from loans and borrowings	[14]	1,327,905	993,933	407,327	720,670
Cash received from the issue of convertible bonds		–	–	15,587,467	15,587,467
Payments received from and made to minority interests		–	(543)	–	–
Repayment of loans and borrowings	[14]	(2,593,363)	(1,847,922)	(11,563,266)	(11,393,620)
Interest and other finance costs paid		(5,523,115)	(3,945,330)	(6,890,290)	(4,199,401)
Net cash flows from/used in financing activities		(6,788,573)	(4,799,862)	(2,458,762)	715,116
Net change in cash and cash equivalents		(2,440,386)	(909,742)	(539,900)	2,170,121
Net foreign exchange difference		300,566	(198,809)	36,985	(12,739)
Cash and short-term deposits at the start of the period		7,015,958	5,984,689	7,292,046	4,631,748
Cash and cash equivalents at the end of the period		4,876,138	4,876,138	6,789,131	6,789,131

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 June 2012 – unaudited

EUR	Issued capital	Capital reserves	Retained earnings	Treasury shares	Other reserves	TOTAL	Minority interests	Total equity
At 1 January 2012	54,000,000	71,387,604	(46,797,314)	(301,387)	1,093,045	79,381,948	(2,800,148)	76,581,800
Changes in the scope of consolidation	–	–	–	–	–	–	–	–
Profit for the period	–	–	281,487	–	–	281,487	322,735	604,222
Other income/expense	–	–	–	–	17,356	17,356	127,871	145,227
Total income and expenses for the period	–	–	281,487	–	17,356	298,843	450,606	749,449
As of 30 June 2012	54,000,000	71,387,604	(46,515,827)	(301,387)	1,110,401	79,680,792	(2,349,542)	77,331,249

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 June 2011 – unaudited

EUR	Issued capital	Capital reserves	Retained earnings	Treasury shares	Other reserves	TOTAL	Minority interests	Total equity
At 1 January 2011	54,000,000	70,921,626	(53,258,449)	(301,387)	2,405,011	73,766,801	(3,955,815)	69,810,986
Issue of convertible bond	–	465,978	–	–	–	465,978	–	465,978
Profit for the period	–	–	(3,255,344)	–	–	(3,255,344)	98,449	(3,156,895)
Other income/expense	–	–	–	–	(608,250)	(608,250)	741,433	133,182
Total income and expenses for the period	–	–	(3,255,344)	–	(608,250)	(3,863,594)	839,882	(3,023,712)
As of 30 June 2011	54,000,000	71,387,604	(56,513,793)	(301,387)	1,796,760	70,369,185	(3,115,933)	67,253,252

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

[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 June 2012 were released for publication by the Company’s management on 30 August 2012. The main activities of the Company are described in Note 5, Segment information.

[02] Retrospective adjustment

At the end of 2011, the Company reassessed its recognition method for joint ventures and decided to change from the proportionate method to the equity method of consolidation. The figures for the previous years were retrospectively adjusted. The figures for the previous year were also retrospectively adjusted for the consolidated financial statements as of 30 June 2012. See also Note 5, Segment information.

[03] Basis for preparation

The interim consolidated financial statements for the period ended 30 June 2012 have been prepared in accordance with 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 2011.

The interim financial statements as of 30 June 2012 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 June 2012 have remained unchanged from the consolidated financial statements as of 31 December 2011.

With respect to the changes effective under IFRS as of 1 January 2012 and their effects, please refer to the details stated in the consolidated annual financial statements as of 31 December 2011.

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.

[04] 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.

[05] Segment information

for the period from 1 January to 30 June 2012 – unaudited (30 June 2011 retrospectively adjusted)

The Warimpex Group's operations are divided into two business segments: Hotels & Resorts and Development & Asset Management. The business activity and operating region of each company are taken into account when determining the segment for internal management reporting purposes.

Transactions between business segments contain the recharging of intragroup services as well as project development services. The services are charged at cost plus a profit margin. The following tables present revenue and profit and certain asset and liability information regarding the Group's business segments for the first half of the year (period from 1 January 2012 to 30 June 2012) and for the second quarter (period from 1 April 2012 to 30 June 2012); the figures for the previous year were retrospectively adjusted.

Differences in the results (reconciliation) in the segment reports, in which the joint ventures are consolidated proportionately, and the interim financial statements, in which the joint ventures are consolidated using the equity method, result primarily from the valuation of impairment charges on loans extended to joint ventures, which are applied through the allocation of profit or loss. In the first quarter of 2012, a discount on an acquired loan in the amount of EUR 4,412,776 was released.

[5.1] Segment information for the first half of 2012 versus 2011

Segment overview in EUR '000

	Hotels & Resorts		Development & Asset Management	
	2012	2011	2012	2011
PROFIT FOR THE PERIOD				
External sales	53,605	48,413	4,345	2,739
Inter-segment sales	(663)	(754)	663	754
Income from the sale of properties	–	–	329	1,521
Expenses for materials and services rendered	(24,064)	(22,541)	(791)	(774)
Expenses for project development	–	(114)	(2,684)	(452)
Personnel expenses	(13,523)	(13,083)	(1,895)	(2,154)
Other expenses	(3,598)	(3,577)	(949)	(1,022)
Segment EBITDA	12,420	9,097	(1,644)	(142)
Scheduled write-down	(8,681)	(8,982)	(394)	(444)
Impairments	(1,253)	–	(1,476)	(211)
Write-ups	2,949	7,511	1,900	396
Segment result from ordinary operations	5,435	7,625	(1,613)	(401)
Financial revenue	7	11	420	1,395
Finance costs	(8,909)	(8,242)	(8,543)	(5,914)
Result from joint ventures	–	–	2,522	2,367
Income tax	(90)	(16)	(10)	5
Deferred income tax	2,591	(28)	4,380	42
Segment overview: profit for the period	(965)	(650)	(2,844)	(2,507)
SEGMENT OVERVIEW: BALANCE SHEET				
Real estate and goodwill	451,441	448,545	78,141	68,836
Joint ventures	–	–	1,674	(5,581)
Other financial assets	1,511	12	9,343	8,140
Deferred tax assets	5,657	1,156	9,965	474
Non-current assets	458,609	449,713	99,123	71,868
Inventories and receivables	11,856	9,327	1,866	1,287
Securities and other financial assets	–	27	3,989	5,860
Cash and short-term deposits	8,037	9,097	3,298	3,073
Segment overview: assets	478,502	468,164	108,276	82,089
Convertible bonds, interest-bearing loans and borrowings	332,865	333,809	126,756	110,977
Other liabilities and reserves	32,923	31,280	15,935	12,639
Segment overview: debt	365,788	365,089	142,691	123,617
SEGMENT OVERVIEW: CASH FLOW				
Cash receipts from operating activities				
From the operation of hotels and rent received	52,592	48,144	1,692	2,198
From real estate development projects	–	–	2,619	859
Interest received	7	11	88	28
	52,599	48,155	4,399	3,086
Cash payments for operating activities				
For real estate development projects	22	(188)	(2,197)	(428)
For materials and services received	(21,733)	(21,560)	(639)	(647)
For personnel and related expenses	(13,463)	(13,033)	(1,791)	(2,019)
For other expenses	(5,350)	(3,876)	2,122	(1,515)
For income taxes	(97)	(42)	(2)	(1)
Segment overview:				
net cash flows from operating activities	11,978	9,456	1,892	(1,525)
Investment cash flow	(3,544)	(10,102)	(3,074)	(12,985)
Financing cash flow	(11,517)	(10,500)	(2,140)	21,665
Segment overview:				
net change in cash and cash equivalents	(3,083)	(11,146)	(3,321)	7,155
Average payroll	1,561	1,537	66	61

Segment total as of 30 June		Reconciliation difference		Total as of 30 June	
2012	2011	2012	2011	2012	2011
57,950	51,152	(24,691)	(21,967)	33,259	29,185
–	–	–	–	–	–
329	1,521	–	–	329	1,521
(24,854)	(23,315)	11,673	10,680	(13,182)	(12,635)
(2,684)	(566)	27	123	(2,657)	(443)
(15,417)	(15,237)	5,927	5,566	(9,490)	(9,671)
(4,547)	(4,599)	1,074	705	(3,474)	(3,894)
10,776	8,955	(5,990)	(4,893)	4,785	4,062
(9,075)	(9,426)	3,798	3,719	(5,278)	(5,707)
(2,728)	(211)	1,437	120	(1,292)	(91)
4,849	7,906	(182)	(471)	4,667	7,435
3,822	7,224	(938)	(1,525)	2,884	5,699
427	1,406	6	(13)	433	1,393
(17,452)	(14,156)	7,899	4,000	(9,553)	(10,157)
2,522	2,367	4,619	(2,448)	7,141	(81)
(99)	(10)	61	(6)	(39)	(16)
6,971	13	(7,234)	(8)	(262)	5
(3,809)	(3,157)	4,413	–	604	(3,157)
529,582	517,381	(237,861)	(224,656)	291,721	292,725
1,674	(5,581)	97,595	83,321	99,270	77,740
10,854	8,152	–	–	10,854	8,152
15,622	1,629	(15,280)	(1,191)	342	438
557,733	521,581	(155,546)	(142,526)	402,187	379,055
13,723	10,614	(7,962)	(4,294)	5,761	6,320
3,989	5,887	–	–	3,989	5,887
11,335	12,170	(6,459)	(5,381)	4,876	6,789
586,779	550,252	(169,966)	(152,202)	416,812	398,051
459,620	444,786	(158,875)	(151,081)	300,745	293,706
48,858	43,919	(10,122)	(6,827)	38,736	37,092
508,478	488,705	(168,997)	(157,908)	339,481	330,798
54,284	50,342	(24,310)	(21,891)	29,974	28,451
2,619	859	–	–	2,619	859
95	39	(40)	(13)	55	26
56,998	51,240	(24,349)	(21,904)	32,649	29,336
(2,175)	(616)	5	192	(2,170)	(423)
(22,372)	(22,207)	10,308	9,826	(12,064)	(12,381)
(15,254)	(15,052)	5,884	5,603	(9,370)	(9,449)
(3,228)	(5,391)	(207)	517	(3,435)	(4,874)
(99)	(43)	3	31	(96)	(12)
13,870	7,931	(8,356)	(5,734)	5,514	2,197
(6,617)	(23,087)	5,451	22,809	(1,166)	(278)
(13,657)	11,165	6,868	(13,624)	(6,789)	(2,459)
(6,404)	(3,990)	3,963	3,450	(2,440)	(540)
1,627	1,598	(499)	(463)	1,129	1,135

Hotels & Resorts sub-segment in EUR thousands

	Luxury		Upmarket		Others	
	2012	2011	2012	2011	2012	2011
Revenues	9,009	8,709	41,791	37,119	2,715	2,483
Expenses for materials	(3,573)	(4,008)	(16,548)	(15,272)	(752)	(735)
Personnel expenses	(2,081)	(2,554)	(10,282)	(9,248)	(661)	(701)
Gross operating profit	3,355	2,147	14,961	12,599	1,301	1,047
<i>Hotel employees</i>	<i>238</i>	<i>266</i>	<i>1,171</i>	<i>1,100</i>	<i>123</i>	<i>133</i>
<i>Total rooms</i>	<i>398</i>	<i>459</i>	<i>2,853</i>	<i>2,739</i>	<i>370</i>	<i>370</i>
<i>Rooms available</i>	<i>398</i>	<i>458</i>	<i>2,840</i>	<i>2,731</i>	<i>370</i>	<i>369</i>
<i>Rooms sold</i>	<i>263</i>	<i>285</i>	<i>1,665</i>	<i>1,507</i>	<i>216</i>	<i>259</i>
Average room occupancy	66%	62%	59%	55%	59%	70%
Management fee	(136)	(159)	(2,462)	(1,878)	(181)	(172)
Lease/rent	–	–	(1,177)	(1,148)	(38)	(41)
Exchange adjustments	104	(27)	(408)	(188)	9	25
Property costs	(633)	(511)	(96)	(158)	(26)	(37)
Net operating profit	2,690	1,450	10,818	9,227	1,066	821
Revenues after GOP	–	–	34	30	57	71
Other costs after GOP	(66)	(192)	(2,087)	(2,020)	(92)	(115)
Scheduled write-down	(552)	(1,771)	(7,525)	(6,676)	(604)	(533)
Impairments	–	–	(764)	–	(488)	–
Write-ups	–	1,305	2,482	5,353	467	853
Contribution to the operating result for HOTELS & RESORTS	2,072	792	2,959	5,913	405	1,096
Thereof sales revenues in						
• Czech Republic	2,861	3,473	11,762	10,567	–	–
• Poland	6,148	5,236	9,298	9,497	1,355	1,413
• Romania	–	–	1,220	1,099	–	–
• Russia	–	–	4,624	1,843	1,360	1,071
• Germany	–	–	6,651	6,203	–	–
• France	–	–	8,236	7,909	–	–
Thereof GOP in						
• Czech Republic	354	136	3,973	3,839	–	–
• Poland	3,001	2,011	4,066	3,967	577	611
• Romania	–	–	435	325	–	–
• Russia	–	–	1,836	636	725	435
• Germany	–	–	2,051	1,653	–	–
• France	–	–	2,600	2,180	–	–
Thereof contribution to operating profit						
• Czech Republic	79	231	1,314	3,084	–	–
• Poland	1,993	561	(169)	410	60	84
• Romania	–	–	(341)	126	–	–
• Russia	–	–	1,209	1,625	345	1,012
• Germany	–	–	99	169	–	–
• France	–	–	846	499	–	–
• Others	–	–	–	–	–	–

Under development and construction		Segment total as of 30 June		Reconciliation difference		Total as of 30 June	
2012	2011	2012	2011	2012	2011	2012	2011
-	-	53,514	48,312	(24,272)	(21,386)	29,242	26,926
-	-	(20,873)	(20,015)	9,923	9,446	(10,949)	(10,569)
-	-	(13,024)	(12,503)	5,862	5,426	(7,162)	(7,077)
-	-	19,618	15,793	(8,486)	(6,513)	11,131	9,280
-	-	1,532	1,499	(477)	(438)	1,056	1,062
-	-	3,621	3,568	(1,286)	(1,233)	2,335	2,335
-	-	3,607	3,558	(1,287)	(1,229)	2,320	2,329
-	-	2,144	2,050	(804)	(802)	1,339	1,249
-	-	59%	58%	63%	65%	58%	54%
-	-	(2,779)	(2,209)	1,255	864	(1,524)	(1,346)
-	-	(1,215)	(1,189)	0	10	(1,215)	(1,179)
-	-	(295)	(191)	4	16	(291)	(175)
-	-	(754)	(706)	1,133	680	379	(26)
-	-	14,574	11,498	(6,094)	(4,944)	8,480	6,553
-	-	91	101	5	4	96	105
-	(174)	(2,245)	(2,502)	366	577	(1,879)	(1,924)
-	(1)	(8,681)	(8,982)	3,708	3,620	(4,973)	(5,362)
-	-	(1,253)	-	-	-	(1,253)	-
-	-	2,949	7,511	(182)	(471)	2,767	7,040
-	(176)	5,435	7,625	(2,197)	(1,215)	3,238	6,411
-	-	14,623	14,040	(416)	(358)	14,207	13,683
-	-	16,801	16,146	(7,287)	(6,916)	9,514	9,230
-	-	1,220	1,099	-	-	1,220	1,099
-	-	5,984	2,914	(1,682)	-	4,302	2,914
-	-	6,651	6,203	(6,651)	(6,203)	-	-
-	-	8,236	7,909	(8,236)	(7,909)	-	-
-	-	4,327	3,975	(14)	23	4,313	3,998
-	-	7,644	6,589	(3,538)	(2,704)	4,105	3,886
-	-	435	325	-	-	435	325
-	-	2,561	1,071	(283)	-	2,278	1,071
-	-	2,051	1,653	(2,051)	(1,653)	-	-
-	-	2,600	2,180	(2,600)	(2,180)	-	-
-	-	1,393	3,315	4	102	1,396	3,416
-	-	1,884	1,055	(2,113)	(823)	(229)	232
-	-	(341)	126	-	-	(341)	126
-	-	1,554	2,637	857	-	2,412	2,637
-	-	99	169	(99)	(169)	-	-
-	-	846	499	(846)	(499)	-	-
-	(176)	-	(176)	-	176	-	-

	Luxury		Upmarket		Others	
	2012	2011	2012	2011	2012	2011
SUB-SEGMENT CASH FLOW						
Cash receipts	8,182	8,517	41,838	37,024	2,572	2,602
Interest received	6	9	1	2	–	–
Development costs	–	–	22	(122)	–	–
Expenses for materials	(3,594)	(4,010)	(17,475)	(17,000)	(664)	(550)
Personnel expenses	(2,109)	(2,606)	(10,673)	(9,488)	(680)	(778)
Cash paid for other expenses	(198)	(456)	(5,066)	(3,325)	(86)	(58)
Income tax	–	–	(54)	(49)	(43)	8
Cash flow from operations for Hotels & Resorts	2,287	1,455	8,593	7,042	1,099	1,223
Thereof in						
• Czech Republic	198	(221)	2,836	2,302	–	–
• Poland	2,089	1,676	2,003	1,552	558	513
• Romania	–	–	267	(17)	–	–
• Russia	–	–	537	(153)	540	710
• Germany	–	–	1,297	2,069	–	–
• France	–	–	1,652	1,290	–	–
• Others	–	–	–	–	–	–
SUB-SEGMENT ASSETS						
Property, plant and equipment and goodwill	68,566	78,221	350,327	311,696	27,216	27,305
Other non-current assets	137	12	7,032	881	0	0
Other current assets	1,710	1,682	9,164	6,886	982	755
Cash and cash equivalents	2,510	1,303	5,232	5,943	292	338
Sub-segment assets	72,923	81,218	371,756	325,405	28,490	28,398
Interest-bearing loans and borrowings	46,507	52,557	275,369	268,040	10,988	11,581
Other non-current liabilities	–	–	8,692	8,544	1,796	1,163
Other current liabilities	2,011	1,904	19,258	18,141	1,165	1,386
Sub-segment liabilities	48,518	54,460	303,320	294,724	13,949	14,131
Analysis of assets						
At 1 January	68,901	78,521	353,235	320,398	27,110	27,015
Changes in the scope of consolidation	–	–	–	(8,300)	–	(118)
Segment reclassifications	–	–	–	495	–	–
Additions	217	166	2,053	407	656	87
Disposals	–	–	–	–	–	–
Scheduled amortization and depreciation	(552)	(1,771)	(7,525)	(6,676)	(604)	(533)
Impairments	–	–	(805)	–	(488)	–
Write-ups	–	1,305	2,523	5,353	467	853
Exchange effects	–	–	846	19	76	2
Assets as of 30 June	68,566	78,221	350,327	311,696	27,216	27,305
Analysis of financial liabilities						
Loans on 1 January	46,988	54,064	277,631	275,625	11,208	11,239
Changes in the scope of consolidation	–	–	–	(6,145)	–	–
New borrowings	–	–	746	43	–	333
Repayment of loans	(617)	(1,509)	(1,906)	(1,998)	(223)	–
Capitalized interest	135	–	(1,175)	250	3	9
Segment reclassifications	–	–	–	–	–	–
Exchange effects	–	1	73	265	–	–
Loans on 30 June	46,507	52,557	275,369	268,040	10,988	11,581

Under development and construction		Segment total as of 30 June		Reconciliation difference		Total as of 30 June	
2012	2011	2012	2011	2012	2011	2012	2011
–	–	52,592	48,144	(23,783)	(21,484)	28,809	26,659
–	–	7	11	1	(9)	8	2
–	(66)	22	(188)	(22)	188	–	–
–	–	(21,733)	(21,560)	10,349	9,832	(11,384)	(11,728)
–	(160)	(13,463)	(13,033)	5,884	5,603	(7,579)	(7,430)
–	(37)	(5,350)	(3,876)	2,526	484	(2,825)	(3,392)
–	(1)	(97)	(42)	2	31	(95)	(11)
–	(264)	11,978	9,456	(5,044)	(5,355)	6,934	4,101
–	–	3,034	2,080	(63)	2	2,970	2,082
–	–	4,651	3,741	(2,505)	(2,248)	2,146	1,493
–	–	267	(17)	–	(13)	267	(31)
–	8	1,077	564	473	(8)	1,551	556
–	–	1,297	2,069	(1,297)	(2,069)	–	–
–	–	1,652	1,290	(1,652)	(1,290)	–	–
–	(272)	–	(272)	–	272	–	–
5,331	31,323	451,441	448,545	(183,925)	(177,655)	267,515	270,891
–	275	7,168	1,168	(5,468)	(798)	1,701	370
–	31	11,856	9,354	(6,852)	(4,065)	5,004	5,289
2	1,513	8,037	9,097	(4,822)	(4,687)	3,215	4,410
5,333	33,143	478,502	468,164	(201,067)	(187,205)	277,436	280,959
–	1,632	332,865	333,809	(131,921)	(130,085)	200,944	203,724
–	317	10,488	10,023	(785)	(1,294)	9,702	8,729
1	(174)	22,435	21,257	(6,194)	(4,323)	16,242	16,934
1	1,774	365,788	365,089	(138,900)	(135,701)	226,888	229,387
5,331	25,858	454,577	451,793	(185,222)	(182,678)	269,355	269,114
–	–	–	(8,418)	–	8,300	–	(118)
–	–	–	495	–	(495)	–	–
–	5,482	2,927	6,142	(1,612)	(5,945)	1,315	197
–	–	–	–	–	–	–	–
–	(1)	(8,681)	(8,982)	3,708	3,620	(4,973)	(5,362)
–	–	(1,294)	–	–	–	(1,294)	–
–	–	2,990	7,511	(182)	(471)	2,808	7,040
–	(16)	922	6	(617)	16	304	21
5,331	31,323	451,441	448,545	(183,925)	(177,655)	267,515	270,891
–	1,597	335,827	342,526	(134,840)	(138,026)	200,987	204,500
–	–	–	(6,145)	–	6,145	–	–
–	35	746	411	(0)	(37)	746	373
–	–	(2,745)	(3,507)	496	1,837	(2,249)	(1,670)
–	–	(1,036)	258	2,423	(4)	1,387	255
–	–	–	–	–	–	–	–
–	–	73	266	–	–	73	266
–	1,632	332,865	333,809	(131,921)	(130,085)	200,944	203,724

Development & Asset Management sub-segment in EUR thousands

	DEVELOPMENT				ASSET MANAGEMENT	
	Primary		Other		Rented out	
	2012	2011	2012	2011	2012	2011
Revenues	2,955	1,152	374	364	1,016	1,224
Changes in real estate projects under development	–	–	–	–	–	–
Sale of real estate	329	1,521	–	–	–	–
Other operating income	–	0	–	–	–	–
Materials and services received	(262)	(258)	(277)	(293)	(252)	(222)
Project development expenses	(2,684)	(452)	–	–	–	–
Personnel expenses	(1,895)	(2,154)	–	–	–	–
Other operating expenses	(856)	(989)	(14)	(47)	(78)	14
Scheduled write-down	(29)	(39)	(23)	(24)	(342)	(403)
Impairments	(39)	(211)	–	–	–	–
Write-ups	77	166	–	–	1,823	–
Contribution to operating profit	(2,403)	(1,265)	60	–	2,166	612
Thereof sales revenues in						
• Czech Republic	186	195	–	–	–	–
• Hungary	–	–	–	–	592	605
• Poland	2,765	897	374	364	389	474
• Germany	–	–	–	–	34	144
• Austria	4	59	–	–	–	–
• Luxembourg	–	–	–	–	–	–
Thereof contribution to operating profit						
• Czech Republic	(33)	(25)	–	–	–	–
• Hungary	(115)	(97)	–	–	1,969	141
• Poland	(109)	41	60	–	192	376
• Russia	–	(4)	–	–	–	–
• Germany	(27)	(9)	–	–	6	95
• Austria	(2,426)	(1,151)	–	–	–	–
• Luxembourg	308	(20)	–	–	–	–
SUB-SEGMENT CASH FLOW						
Cash receipts from rent	564	500	290	419	838	1,280
Interest received	48	16	–	9	1	3
Cash receipts from development	2,619	859	–	–	–	–
Cash paid for development	(2,197)	(432)	–	–	–	–
Expenses for materials	(264)	(222)	(316)	(294)	(59)	(131)
Personnel expenses	(1,791)	(2,019)	–	–	–	–
Cash paid for other expenses	(490)	(1,349)	(16)	(46)	(297)	(120)
Income tax	(1)	(1)	–	–	(1)	–
Cash flow from operating activities	(1,512)	(2,648)	(42)	88	482	1,032
Thereof in						
• Czech Republic	(64)	(40)	–	–	–	–
• Hungary	(111)	(95)	–	–	110	615
• Poland	534	103	(42)	88	363	318
• Russia	–	(8)	–	–	–	–
• Germany	(28)	(16)	–	–	9	98
• Austria	(1,813)	(2,571)	–	–	–	–
• Luxembourg	(32)	(22)	–	–	–	–

Under development and construction		Segment total as of 30 June		Reconciliation difference		Total as of 30 June	
2012	2011	2012	2011	2012	2011	2012	2011
–	–	4,345	2,739	(425)	(585)	3,920	2,154
–	–	–	–	–	–	–	–
–	–	329	1,521	–	–	329	1,521
–	–	–	0	–	–	–	0
–	–	(791)	(774)	89	63	(702)	(711)
–	–	(2,684)	(452)	27	9	(2,657)	(443)
–	–	(1,895)	(2,154)	–	–	(1,895)	(2,154)
–	–	(949)	(1,022)	41	(17)	(908)	(1,039)
–	22	(394)	(444)	90	99	(304)	(345)
(1,437)	–	(1,476)	(211)	1,437	120	(39)	(91)
–	230	1,900	396	–	–	1,900	396
(1,437)	252	(1,613)	(401)	1,259	(311)	(355)	(712)
–	–	186	195	–	–	186	195
–	–	592	605	–	–	592	605
–	–	3,529	1,735	(389)	(457)	3,139	1,278
–	–	34	144	(34)	(144)	–	–
–	–	4	59	(2)	16	3	76
–	–	–	–	–	–	–	–
–	–	(33)	(25)	–	(0)	(33)	(25)
–	252	1,853	296	–	–	1,853	296
–	–	143	416	(198)	(245)	(55)	171
(1,437)	–	(1,437)	(4)	1,437	4	–	–
–	–	(22)	86	22	(86)	–	–
–	–	(2,426)	(1,151)	(2)	16	(2,427)	(1,134)
–	–	308	(20)	–	–	308	(20)
–	–	1,692	2,198	(526)	(407)	1,166	1,792
39	–	88	28	(41)	(4)	47	24
–	–	2,619	859	–	–	2,619	859
–	4	(2,197)	(428)	27	5	(2,170)	(423)
–	–	(639)	(647)	(41)	(6)	(681)	(654)
–	–	(1,791)	(2,019)	–	–	(1,791)	(2,019)
2,925	–	2,122	(1,515)	(2,733)	33	(610)	(1,482)
–	–	(2)	(1)	1	–	(1)	(1)
2,965	4	1,892	(1,525)	(3,312)	(379)	(1,420)	(1,904)
–	–	(64)	(40)	–	–	(64)	(40)
–	–	(1)	520	–	–	(1)	520
–	–	855	509	(365)	(318)	490	191
2,965	4	2,965	(4)	(2,965)	4	–	–
–	–	(19)	83	19	(83)	–	–
–	–	(1,813)	(2,571)	(2)	17	(1,814)	(2,554)
–	–	(32)	(22)	–	–	(32)	(22)

	DEVELOPMENT		ASSET MANAGEMENT			
	Primary		Other		Rented out	
	2012	2011	2012	2011	2012	2011
ANALYSIS OF SUB-SEGMENT ASSETS						
Property, plant and equipment and goodwill	11,681	9,185	682	748	17,221	15,882
Joint ventures	1,674	(5,581)	–	–	–	–
Other non-current assets	9,437	8,140	–	–	59	80
Other current assets	4,431	6,986	139	38	327	123
Cash and cash equivalents	1,601	2,398	15	39	140	53
Sub-segment assets	28,823	21,128	837	825	17,747	16,138
Convertible bonds, interest-bearing loans and borrowings	88,329	78,765	159	187	12,548	16,518
Other non-current liabilities	6,823	8,545	–	–	745	618
Other current liabilities	5,126	2,226	11	16	524	256
Sub-segment liabilities	100,278	89,536	170	203	13,816	17,392
Analysis of assets						
At 1 January	11,547	9,061	679	776	15,710	20,104
Changes in the scope of consolidation	–	–	–	–	–	(3,327)
Segment reclassifications	–	–	–	–	–	(495)
Additions	138	203	1	1	31	3
Disposals	–	–	–	–	–	–
Scheduled amortization and depreciation	(29)	(39)	(23)	(24)	(342)	(403)
Impairments	(39)	(211)	–	–	–	–
Write-ups	77	166	–	–	1,823	–
Exchange effects	(14)	5	25	(5)	–	–
Assets as of 30 June	11,681	9,185	682	748	17,221	15,882
Analysis of financial liabilities						
Loans on 1 January	86,133	71,128	115	217	12,532	18,921
Changes in the scope of consolidation	–	–	–	–	–	(1,792)
New borrowings	510	20	72	17	–	–
Issue of convertible bonds	–	16,833	–	–	–	–
Repayment of loans	(317)	(9,424)	(27)	(31)	(120)	(611)
Capitalized interest	1,286	231	–	–	135	–
Segment reclassifications	–	–	–	–	–	–
Exchange effects	716	(24)	(1)	(16)	–	–
Loans on 30 June	88,329	78,765	159	187	12,548	16,518

Under development and construction		Segment total as of 30 June		Reconciliation difference		Total as of 30 June	
2012	2011	2012	2011	2012	2011	2012	2011
48,557	43,021	78,141	68,836	(53,935)	(47,001)	24,206	21,834
–	–	1,674	(5,581)	97,595	83,321	99,270	77,740
9,813	394	19,308	8,613	(9,813)	(394)	9,495	8,220
958	–	5,855	7,147	(1,110)	(229)	4,745	6,919
1,542	583	3,298	3,073	(1,637)	(694)	1,661	2,380
60,870	43,998	108,276	82,089	31,100	35,003	139,377	117,092
25,719	15,508	126,756	110,977	(26,954)	(37,385)	99,801	73,592
2,319	362	9,887	9,525	(2,205)	16,357	7,682	25,882
387	616	6,048	3,115	(938)	(1,179)	5,110	1,936
28,426	16,486	142,691	123,617	(30,097)	(22,206)	112,593	101,410
48,504	32,920	76,440	62,861	(53,943)	(41,412)	22,498	21,449
–	–	–	(3,327)	–	3,327	–	–
–	–	–	(495)	–	495	–	–
2,331	9,849	2,501	10,056	(2,360)	(9,630)	140	425
–	–	–	–	–	–	–	–
–	22	(394)	(444)	90	99	(304)	(345)
(1,437)	–	(1,476)	(211)	1,437	120	(39)	(91)
–	230	1,900	396	–	–	1,900	396
(842)	–	(831)	(0)	842	(0)	10	(0)
48,557	43,021	78,141	68,836	(53,935)	(47,001)	24,206	21,834
24,073	4,825	122,854	95,091	(25,428)	(47,511)	97,426	47,581
–	–	–	(1,792)	–	1,792	–	–
–	15,508	582	15,544	–	(15,510)	582	34
–	–	–	16,833	–	(16,833)	–	–
1,646	(4,825)	1,182	(14,891)	(1,526)	4,997	(344)	(9,894)
–	–	1,422	231	–	(231)	1,422	–
–	–	–	–	–	–	–	–
–	–	715	(40)	(0)	35,912	715	35,872
25,719	15,508	126,756	110,977	(26,954)	(37,385)	99,801	73,592

[5.2] Segment information for the second quarter of 2012 versus 2011

Segment overview in EUR '000

	Hotels & Resorts		Development & Asset Management	
	2012	2011	2012	2011
PROFIT FOR THE PERIOD				
External sales	31,935	28,763	2,525	1,298
Inter-segment sales	(276)	(448)	276	448
Income from the sale of properties	–	–	10	–
Expenses for materials and services rendered	(12,964)	(12,208)	(292)	(256)
Expenses for project development	–	(7)	(1,855)	(427)
Personnel expenses	(7,091)	(6,761)	(1,063)	(1,280)
Other expenses	(2,627)	(1,657)	(563)	(459)
Segment EBITDA	9,253	8,130	(1,238)	(1,124)
Scheduled write-down	(4,021)	(4,420)	(28)	(250)
Impairments	(1,481)	(6)	(1,616)	(345)
Write-ups	2,300	5,609	1,816	288
Segment result from ordinary operations	6,050	9,313	(1,066)	(1,431)
Financial revenue	6	6	3	977
Finance costs	(4,201)	(4,932)	(3,641)	(4,968)
Result from joint ventures	–	–	1,320	1,278
Income tax	95	(19)	(8)	(1)
Deferred income tax	318	(499)	1,468	125
Segment overview: profit for the period	2,268	3,869	(1,922)	(4,019)
SEGMENT OVERVIEW: CASH FLOW				
Cash receipts from operating activities				
From the operation of hotels and rent received	30,534	26,929	966	1,002
From real estate development projects	–	–	1,765	481
Interest received	6	6	65	22
	30,540	26,935	2,796	1,505
Cash payments for operating activities				
For real estate development projects	(35)	(52)	(1,277)	(384)
For materials and services received	(13,450)	(11,561)	(271)	(192)
For personnel and related expenses	(7,091)	(6,678)	(972)	(1,123)
For other expenses	(824)	(1,185)	1,232	(969)
For income taxes	(86)	(56)	(8)	12
Segment overview:				
net cash flows from operating activities	9,053	7,403	1,500	(1,150)
Investment cash flow	385	(5,330)	(1,943)	(14,504)
Financing cash flow	(8,240)	(8,038)	(1,875)	16,890
Segment overview:				
net change in cash and cash equivalents	1,198	(5,966)	(2,318)	1,236
Average payroll	1,574	1,503	30	47

Segment total for Q2		Reconciliation difference		Total Q2	
2012	2011	2012	2011	2012	2011
34,460	30,061	(15,052)	(12,296)	19,408	17,765
–	–	–	–	–	–
10	–	–	–	10	–
(13,257)	(12,463)	6,462	5,673	(6,795)	(6,790)
(1,855)	(434)	11	109	(1,844)	(325)
(8,154)	(8,041)	3,136	2,779	(5,018)	(5,262)
(3,190)	(2,116)	1,282	267	(1,908)	(1,849)
8,015	7,006	(4,161)	(3,467)	3,854	3,539
(4,049)	(4,670)	1,684	1,832	(2,365)	(2,838)
(3,097)	(352)	2,085	120	(1,013)	(232)
4,115	5,897	(195)	(338)	3,920	5,559
4,984	7,881	(588)	(1,853)	4,396	6,029
10	984	26	(7)	36	977
(7,841)	(9,900)	3,559	2,075	(4,282)	(7,825)
1,320	1,278	(746)	(355)	575	922
87	(20)	59	0	146	(19)
1,786	(374)	(2,311)	140	(525)	(234)
346	(150)	–	–	346	(150)
31,500	27,930	(14,568)	(11,447)	16,932	16,483
1,765	481	–	–	1,765	481
72	28	(39)	(7)	33	21
33,337	28,440	(14,607)	(11,454)	18,730	16,986
(1,313)	(435)	46	149	(1,267)	(286)
(13,720)	(11,753)	7,677	4,987	(6,043)	(6,767)
(8,063)	(7,801)	3,073	2,702	(4,990)	(5,098)
407	(2,154)	(2,365)	(40)	(1,957)	(2,194)
(94)	(44)	51	18	(44)	(26)
10,554	6,253	(6,125)	(3,638)	4,429	2,615
(1,558)	(19,834)	1,020	18,674	(539)	(1,160)
(10,115)	8,852	5,315	(8,137)	(4,800)	715
(1,119)	(4,730)	210	6,900	(910)	2,170
1,604	1,550	(506)	(411)	1,099	1,139

Hotels & Resorts sub-segment in EUR thousands

	Luxury		Upmarket		Others	
	2012	2011	2012	2011	2012	2011
Revenues	5,705	5,197	24,694	21,977	1,477	1,529
Expenses for materials	(1,951)	(2,097)	(8,517)	(8,158)	(378)	(409)
Personnel expenses	(1,090)	(1,292)	(5,365)	(4,793)	(331)	(333)
Gross operating profit	2,664	1,808	10,812	9,027	767	787
<i>Hotel employees</i>	<i>238</i>	<i>268</i>	<i>1,183</i>	<i>1,059</i>	<i>123</i>	<i>138</i>
<i>Total rooms</i>	<i>398</i>	<i>459</i>	<i>2,853</i>	<i>2,630</i>	<i>370</i>	<i>370</i>
<i>Rooms available</i>	<i>397</i>	<i>459</i>	<i>2,831</i>	<i>2,627</i>	<i>369</i>	<i>370</i>
<i>Rooms sold</i>	<i>310</i>	<i>340</i>	<i>1,922</i>	<i>1,718</i>	<i>235</i>	<i>305</i>
Average room occupancy	78%	74%	68%	65%	64%	82%
Management fee	(102)	(116)	(1,651)	(1,153)	(96)	(105)
Lease/rent	–	–	(583)	(573)	(19)	(20)
Exchange adjustments	40	(131)	(1,650)	(123)	15	18
Property costs	(379)	(272)	457	130	(11)	(16)
Net operating profit	2,224	1,290	7,385	7,308	657	665
Revenues after GOP	–	–	30	29	29	31
Other costs after GOP	26	(85)	(1,045)	(944)	(53)	(56)
Scheduled write-down	59	(907)	(3,783)	(2,860)	(297)	(652)
Impairments	–	–	(1,481)	(2)	–	(4)
Write-ups	–	1,049	1,810	1,840	490	2,720
Contribution to the operating result	2,309	1,347	2,914	5,371	826	2,703
Thereof sales revenues in						
• Czech Republic	1,979	2,429	7,128	6,596	–	–
• Poland	3,727	2,768	5,097	5,341	851	992
• Romania	–	–	638	599	–	–
• Russia	–	–	2,865	1,009	626	537
• Germany	–	–	3,428	3,326	–	–
• France	–	–	5,538	5,107	–	–
Thereof GOP in						
• Czech Republic	577	683	2,916	2,902	–	–
• Poland	2,088	1,125	2,735	2,584	448	553
• Romania	–	–	245	196	–	–
• Russia	–	–	1,348	386	320	234
• Germany	–	–	1,259	1,062	–	–
• France	–	–	2,309	1,897	–	–
Thereof contribution to operating profit						
• Czech Republic	498	1,041	1,231	2,956	–	–
• Poland	1,811	306	559	832	180	267
• Romania	–	–	(460)	128	–	–
• Russia	–	–	(53)	(23)	646	2,436
• Germany	–	–	235	461	–	–
• France	–	–	1,402	1,016	–	–
• Others	–	–	–	–	–	–

Under development and construction		Segment total for Q2		Reconciliation difference		Total for Q2	
2012	2011	2012	2011	2012	2011	2012	2011
–	–	31,876	28,703	(14,837)	(12,069)	17,039	16,635
–	–	(10,847)	(10,664)	5,276	4,949	(5,571)	(5,715)
–	–	(6,786)	(6,418)	3,080	2,689	(3,706)	(3,728)
–	–	14,243	11,622	(6,481)	(4,430)	7,762	7,191
	1,545	1,465	(484)	(386)	1,062	1,079	
	3,621	3,459	(1,286)	(1,124)	2,335	2,335	
	3,598	3,455	(1,289)	(1,124)	2,309	2,332	
	2,467	2,363	(926)	(843)	1,541	1,520	
69%	68%	72%	75%	67%	65%		
–	–	(1,848)	(1,374)	924	531	(924)	(843)
–	–	(602)	(593)	–	0	(602)	(593)
–	–	(1,595)	(235)	1,318	100	(277)	(135)
–	–	67	(157)	110	166	177	8
–	–	10,266	9,262	(4,129)	(3,634)	6,136	5,628
–	–	59	59	3	2	61	61
–	(107)	(1,072)	(1,192)	167	215	(904)	(977)
–	(1)	(4,021)	(4,420)	1,639	1,791	(2,382)	(2,630)
–	–	(1,481)	(6)	515	–	(967)	(6)
–	–	2,300	5,609	(195)	(338)	2,104	5,271
–	(108)	6,050	9,313	(2,000)	(1,965)	4,049	7,348
–	–	9,107	9,025	(232)	(227)	8,874	8,798
–	–	9,675	9,102	(4,360)	(3,409)	5,315	5,692
–	–	638	599	–	–	638	599
–	–	3,491	1,546	(1,279)	–	2,212	1,546
–	–	3,428	3,326	(3,428)	(3,326)	–	–
–	–	5,538	5,107	(5,538)	(5,107)	–	–
–	–	3,493	3,585	(25)	(28)	3,467	3,557
–	–	5,270	4,262	(2,413)	(1,443)	2,857	2,819
–	–	245	196	–	–	245	196
–	–	1,668	620	(475)	–	1,193	620
–	–	1,259	1,062	(1,259)	(1,062)	–	–
–	–	2,309	1,897	(2,309)	(1,897)	–	–
–	–	1,729	3,998	4	74	1,732	4,072
–	–	2,550	1,405	(1,935)	(670)	615	735
–	–	(460)	128	–	–	(460)	128
–	–	593	2,413	1,568	–	2,161	2,413
–	–	235	461	(235)	(461)	–	–
–	–	1,402	1,016	(1,402)	(1,016)	–	–
–	(108)	–	(108)	–	108	–	–

	Luxury		Upmarket		Others	
	2012	2011	2012	2011	2012	2011
SUB-SEGMENT CASH FLOW						
Cash receipts	4,940	4,733	24,262	20,726	1,331	1,469
Interest received	6	6	1	0	–	–
Development costs	–	–	(35)	62	–	–
Expenses for materials	(1,988)	(2,151)	(10,386)	(9,023)	(1,075)	(387)
Personnel expenses	(1,062)	(1,325)	(5,706)	(4,932)	(323)	(374)
Cash paid for other expenses	10	(394)	(800)	(715)	(35)	(35)
Income tax	–	–	(87)	(62)	0	7
Cash flow from operations	1,906	869	7,249	6,057	(101)	679
Thereof in						
• Czech Republic	346	122	2,079	1,689	–	–
• Poland	1,559	747	1,413	1,625	325	331
• Romania	–	–	206	156	–	–
• Russia	–	–	68	12	(427)	348
• Germany	–	–	3,374	1,524	–	–
• France	–	–	110	1,051	–	–
• Others	–	–	–	–	–	–

Under development and construction		Segment total for Q2		Reconciliation difference		Total for Q2	
2012	2011	2012	2011	2012	2011	2012	2011
–	–	30,534	26,929	(14,276)	(11,263)	16,258	15,665
–	–	6	6	(0)	(6)	6	0
–	(114)	(35)	(52)	35	52	–	–
–	–	(13,450)	(11,561)	7,637	4,962	(5,813)	(6,599)
–	(47)	(7,091)	(6,678)	3,073	2,702	(4,018)	(3,976)
–	(41)	(824)	(1,185)	(1,107)	(47)	(1,931)	(1,232)
–	(1)	(86)	(56)	43	31	(43)	(25)
–	(203)	9,053	7,403	(4,595)	(3,569)	4,459	3,834
–	–	2,425	1,811	(3)	89	2,422	1,900
–	–	3,297	2,703	(1,498)	(1,286)	1,799	1,417
–	–	206	156	–	–	206	156
–	8	(359)	368	391	(8)	31	360
–	–	3,374	1,524	(3,374)	(1,524)	–	–
–	–	110	1,051	(110)	(1,051)	–	–
–	(211)	–	(211)	–	211	–	–

Development & Asset Management sub-segment in EUR thousands

	DEVELOPMENT				ASSET MANAGEMENT	
	Primary		Other		Rented out	
	2012	2011	2012	2011	2012	2011
Revenues	1,930	743	86	70	509	485
Changes in real estate projects under development	–	–	–	–	–	–
Sale of real estate	10	–	–	–	–	–
Other operating income	–	0	–	–	–	–
Materials and services received	(132)	(137)	(72)	(57)	(89)	(62)
Project development expenses	(1,855)	(427)	–	–	–	–
Personnel expenses	(1,063)	(1,280)	–	–	–	–
Other operating expenses	(517)	(379)	(15)	(33)	(31)	(47)
Scheduled write-down	(14)	(26)	(11)	(12)	(3)	(211)
Impairments	(46)	(225)	–	–	–	(120)
Write-ups	84	156	–	–	1,732	132
Contribution to operating profit	(1,601)	(1,576)	(12)	(32)	2,118	177
Thereof sales revenues in						
• Czech Republic	91	99	–	–	–	–
• Hungary	–	–	–	–	292	222
• Poland	1,837	639	86	70	196	192
• Germany	–	–	–	–	21	71
• Austria	3	6	–	–	–	–
• Luxembourg	–	–	–	–	–	–
Thereof contribution to operating profit						
• Czech Republic	(119)	(16)	–	–	–	–
• Hungary	0	(97)	–	–	1,953	141
• Poland	(101)	77	(12)	(32)	155	(7)
• Russia	–	(32)	–	–	–	–
• Germany	(11)	(4)	–	–	10	44
• Austria	(1,373)	(1,495)	–	–	–	–
• Luxembourg	2	(8)	–	–	–	–
• Others	–	–	–	–	–	–
SUB-SEGMENT CASH FLOW						
Cash receipts from rent	350	204	113	116	503	681
Interest received	25	12	0	9	1	0
Cash receipts from development	1,765	481	–	–	–	–
Cash paid for development	(1,277)	(388)	–	–	–	–
Expenses for materials	(144)	(87)	(67)	(56)	(60)	(49)
Personnel expenses	(972)	(1,122)	–	–	–	(0)
Cash paid for other expenses	(3)	(829)	(14)	(33)	2	(107)
Income tax	(0)	(1)	–	–	(7)	13
Cash flow from operating activities	(257)	(1,729)	32	36	439	539
Thereof in						
• Czech Republic	(136)	(0)	–	–	–	–
• Hungary	(0)	(95)	–	–	186	337
• Poland	526	203	32	36	242	157
• Russia	–	(20)	–	–	–	–
• Germany	(9)	(9)	–	–	11	45
• Austria	(627)	(1,791)	–	–	–	–
• Luxembourg	(10)	(17)	–	–	–	–

Under development and construction		Segment total for Q2		Reconciliation difference		Total for Q2	
2012	2011	2012	2011	2012	2011	2012	2011
–	–	2,525	1,298	(217)	(229)	2,308	1,069
–	–	–	–	–	–	–	–
–	–	10	–	–	–	10	–
–	–	–	0	–	–	–	0
–	–	(292)	(256)	(5)	26	(297)	(229)
–	–	(1,855)	(427)	11	103	(1,844)	(325)
–	–	(1,063)	(1,280)	–	–	(1,063)	(1,280)
–	–	(563)	(459)	9	50	(554)	(409)
–	–	(28)	(250)	45	42	17	(208)
(1,570)	–	(1,616)	(345)	1,570	120	(46)	(225)
–	–	1,816	288	–	–	1,816	288
(1,570)	–	(1,066)	(1,431)	1,413	112	347	(1,319)
–	–	91	99	–	–	91	99
–	–	292	222	–	–	292	222
–	–	2,118	901	(196)	(175)	1,922	726
–	–	21	71	(21)	(71)	–	–
–	–	3	6	–	17	3	23
–	–	–	–	–	–	–	–
–	–	(119)	(16)	–	(1)	(119)	(17)
–	–	1,953	43	–	–	1,953	43
–	–	41	37	(158)	18	(117)	55
(1,570)	–	(1,570)	(32)	1,570	32	–	–
–	–	(1)	40	1	(40)	–	–
–	–	(1,373)	(1,495)	–	102	(1,373)	(1,392)
–	–	2	(8)	–	–	2	(8)
–	–	–	–	–	–	–	–
–	–	966	1,002	(292)	(183)	674	818
39	–	65	22	(39)	(1)	27	21
–	–	1,765	481	–	–	1,765	481
–	4	(1,277)	(384)	11	97	(1,267)	(286)
–	–	(271)	(192)	40	24	(231)	(167)
–	–	(972)	(1,123)	–	–	(972)	(1,123)
1,246	–	1,232	(969)	(1,257)	7	(26)	(962)
–	–	(8)	12	7	(13)	(0)	(1)
1,286	4	1,500	(1,150)	(1,530)	(69)	(30)	(1,219)
–	–	(136)	(0)	–	(1)	(136)	(1)
–	–	186	241	–	–	186	241
–	–	800	396	(243)	(157)	557	240
1,286	4	1,286	(16)	(1,286)	16	–	–
–	–	2	37	(2)	(37)	–	–
–	–	(627)	(1,791)	–	110	(627)	(1,681)
–	–	(10)	(17)	–	–	(10)	(17)

[06] Sale of shares

The item pertains to the final settlement and release of the purchase price that was held in escrow for the 50% share in the Louvre subgroup that was sold in December 2011. The ex post purchase price adjustment amounts to EUR 1,017,927.

[07] Personnel expenses, average payroll

in EUR	1 January to 30 June	
	2012	Retrospective adjustment 2011
Wages and salaries	(7,164,496)	(7,270,116)
Social security costs	(1,432,478)	(1,426,120)
Other payroll-related taxes and contributions	(296,174)	(304,225)
Voluntary employee benefits	(12,530)	(15,318)
Expenses for posted employees	(498,781)	(389,226)
Expenses for termination and post-employment benefits	(8,061)	(176,915)
Changes in accrual for compensated absences	(32,638)	(36,967)
Changes in pensions and other long-term employee benefits	(45,187)	(52,424)
	<u>(9,490,345)</u>	<u>(9,671,310)</u>

The Company had an average of 1,129 employees in the first half of 2012 (H1 2011: 1,135).

[08] Other expenses

in EUR	1 January to 30 June	
	2012	Retrospective adjustment 2011
Legal fees	(198,795)	(230,843)
General administration	(494,355)	(649,919)
Advertisement and marketing	(137,555)	(202,695)
Non-recoverable VAT	(198,791)	(202,091)
Lease payments for andel's Krakow and other rents	(1,215,102)	(1,179,420)
Supervisory Board members' fees	(110,000)	(95,000)
Property costs	(481,489)	(833,164)
Others	(637,699)	(500,946)
	<u>(3,473,787)</u>	<u>(3,894,077)</u>

[09] Financial result

in EUR	1 January to 30 June	
	2012	Retrospective adjustment 2011
Financial revenue		
Interest income from cash management	40,711	51,702
Interest from financial instruments available for sale	–	9,217
Foreign currency gains in connection with the PLN convertible bond	–	209,034
Gains/losses on the sale of available-for-sale investments	–	403,138
Unrealized gains on derivative financial instruments	392,531	720,000
(thereof from the cross currency swap in connection with the convertible bond: EUR 392,531)	433,243	1,393,091
Finance costs		
Interest on short-term borrowings, project loans and other loans	(6,468,027)	(6,703,432)
Interest on convertible bonds	(817,198)	(231,305)
Interest on purchase price claim extension agreement for andel's hotel Łódź	(347,237)	(299,551)
Interest on loans from minority shareholders	(117,109)	(45,682)
Interest cost for provisions for pensions and other long-term employee benefits	(77,248)	(36,891)
Foreign exchange differences on loans denominated in CHF	(249,857)	(916,269)
Foreign currency losses in connection with the PLN convertible bond	(539,541)	–
Other finance costs	(929,865)	(1,642,495)
Unrealized losses on derivative financial instruments	(6,795)	(281,153)
	(9,552,876)	(10,156,778)

[10] Income taxes

A reconciliation between tax expense and the Group's domestic tax rate (valid corporate income tax rate in Austria) of 25% for the reporting period (previous year: 25%) is as follows:

in EUR	1 January to 30 June	
	2012	Retrospective adjustment 2011
Profit before tax	905,366	(3,145,864)
Accounting profit before income tax *25% (prior year: 25%)	(226,341)	786,466
± Other foreign tax rates	(209,051)	(47,074)
± Tax-free profits from the participation exemption (§ 10 KStG)	71,517	501,094
± Permanent differences	43,483	(196,261)
± Impairment of deferred tax assets	1,095,291	(1,069,094)
± Income from first-time recognition of deferred tax assets	(2,095)	(32,087)
± Effects of changes in equity	–	(24,680)
± Effects of exchange rate fluctuations	(1,073,946)	70,606
	(301,143)	(11,031)

[11] Property, plant and equipment

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

in EUR	As of	
	30/6/2012	Retrospective adjustment 30/6/2011
Net carrying amounts at 1 January	277,149,161	274,451,818
Additions	1,401,026	377,222
Disposals	–	(118,296)
Depreciation	(4,983,414)	(5,376,103)
Impairments	(1,332,538)	(90,567)
Reversal of impairments	2,884,992	7,205,636
Exchange adjustment	314,971	20,963
Net carrying amounts at 30 June	275,434,198	276,470,673
<i>Thereof property under construction</i>	<i>3,567,000</i>	<i>4,500,000</i>

[12] Investment properties

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

in EUR	As of	
	30/6/2012	Retrospective adjustment 30/6/2011
Net carrying amounts at 1 January	13,562,844	14,893,989
Additions	52,637	244,392
Depreciation	(250,868)	(281,461)
Reversal of impairments	1,823,212	229,522
Net carrying amounts at 30 June	15,187,824	15,086,441
<i>Thereof property under construction</i>	<i>6,261,984</i>	<i>7,323,793</i>
Result from "Investment properties":		
Rental income and charged expenses	592,456	605,108
Direct expenses	(162,794)	(159,660)
	429,662	445,448

[13] Joint ventures

(including InterContinental Warsaw = available for sale)

in EUR	As of	
	30/6/2012	Retrospective adjustment 30/6/2011
Breakdown of the balance sheet items		
Interests in joint ventures	38,175,620	36,234,244
Result from joint ventures	(25,972,153)	(20,692,364)
Loans to joint ventures	99,259,153	98,164,397
Accumulated impairment on loans	(12,193,065)	(35,966,059)
	<u>99,269,556</u>	<u>77,740,218</u>
Analysis of the balance sheet items		
Net carrying amounts at 1 January	92,252,489	78,511,087
+ Increases in interests	–	6,085,000
(thereof increases from contributions in kind)	–	6,085,000
- Reductions in interests due to sales	–	(81,250)
± Allocated results	(1,477,041)	(1,796,503)
(thereof "Other result" recognized in equity)	(142,273)	–
- Reductions in allocated results due to sales	–	(1,559,967)
± Loans to joint ventures	2,540,280	4,235,402
- Repayment of loans due to sales	–	(7,002,410)
± Impairment of loans to joint ventures	5,953,827	(651,141)
(thereof transfer of "allocated results")	–	(6,085,000)
+ Use of impairment provisions due to sales	–	–
Carrying amounts at 30 June	<u>99,269,556</u>	<u>77,740,218</u>
Result from joint ventures		
Allocated results	(1,334,768)	(1,796,503)
Interest charged on loans	2,522,338	2,366,546
Impairments on loans	(691,518)	(1,189,826)
Write-up on loans	6,645,345	538,685
	<u>7,141,397</u>	<u>(81,097)</u>
Cash flow from joint ventures		
Increase in loans extended to joint ventures	(2,540,280)	(4,235,402)
Thereof charged interest	2,522,338	2,366,546
	<u>(17,943)</u>	<u>(1,868,855)</u>

[14] Financial liabilities

Amounts in EUR '000	At 1/1/2011	New borrowings	Deferred interest	Repayment of loans	± f/x	At 30/6/2011
a) Project-related loans secured by mortgages						
for andel's hotel Łódź	50,000	–	–	–	–	50,000
for Diplomat Hotel	29,065	–	–	(362)	–	28,703
for angelo hotel Ekaterinburg	37,312	–	240	–	–	37,553
for angelo Airporthotel Bucharest	11,000	–	–	–	–	11,000
for Palace Hotel	13,525	–	–	(346)	–	13,179
for Chopin Hotel	10,694	–	3	–	–	10,698
for angelo hotel Prague	11,252	–	–	(184)	–	11,068
for Erzsebet office building	11,638	–	–	(249)	–	11,390
for Amber Baltic Hotel	7,388	–	–	–	265	7,653
for Savoy Hotel	5,276	–	–	(441)	–	4,835
for Le Palais Hotel	6,466	–	–	(114)	1	6,353
for Dvořák spa hotel	20,956	–	6	(224)	–	20,738
for Warsaw gas pipeline	130	–	–	(31)	(1)	99
for Louvre property, Hungary	–	–	–	–	–	–
	214,702	–	249	(1,949)	265	213,267
b) Holding company borrowing facilities						
	50,489	–	–	(6,158)	–	44,331
Loans from minority interests	1,663	407	5	–	(16)	2,060
Loans from financial institutions	20,209	–	–	(3,266)	651	17,595
Convertible bonds	–	16,833	231	–	(675)	16,389
Other loans	253	–	–	(191)	–	63
	287,317	17,240	486	(11,564)	226	293,706

Thereof due within		At	New	Deferred	Repayment		At	Thereof due within	
1 year	> 1 year	1/1/2012	borrowings	interest	of loans	± f/x	30/6/2012	1 year	> 1 year
1,100	48,900	48,900	–	1,324	–	–	50,224	2,674	47,550
3,244	25,459	27,776	–	–	(708)	–	27,068	2,855	24,212
2,104	35,448	37,730	–	(249)	–	–	37,480	2,331	35,150
635	10,365	11,000	–	174	(600)	–	10,574	845	9,729
3,105	10,075	13,079	–	55	–	–	13,134	4,402	8,733
1,109	9,588	10,349	–	3	(223)	–	10,130	919	9,211
769	10,299	10,623	–	–	(324)	–	10,299	667	9,632
3,817	7,573	11,126	–	135	–	–	11,261	4,069	7,192
638	7,015	6,966	–	–	–	73	7,039	640	6,399
908	3,927	4,835	–	–	–	–	4,835	1,332	3,503
6,353	–	6,336	–	80	–	–	6,416	6,416	–
445	20,293	20,567	–	–	(394)	–	20,172	600	19,572
56	42	78	–	–	(27)	3	54	54	–
–	–	2,871	–	167	–	–	3,038	3,038	–
24,284	188,984	212,235	–	1,689	(2,276)	76	211,724	30,842	180,883
38,606	5,725	43,794	0	184	(317)	–	43,661	26,137	17,524
–	2,060	2,863	818	0	–	(4)	3,677	–	3,677
–	17,595	16,859	–	516	–	177	17,552	–	17,552
–	16,389	13,774	–	419	–	540	14,733	–	14,733
63	–	8,887	510	0	–	–	9,398	9,398	–
62,952	230,753	298,413	1,328	2,809	(2,593)	788	300,745	66,376	234,369

[15] Current receivables and liabilities

in EUR	As of	
	30/6/2012	Retrospective adjustment 30/6/2011
Trade receivables and other receivables		
Trade receivables	2,883,467	2,556,380
Receivables from tax authorities	232,486	116,932
Extended purchase price receivables relating to the sale of subsidiaries	122,694	530,010
Advance payments made	314,934	238,245
Other receivables and assets	483,928	1,094,075
Receivables due from joint ventures	295,611	386,330
Receivables due from related parties	–	5,761
Deferred expenses	442,535	342,031
	4,775,657	5,269,764
Trade and other payables – current		
Trade payables	3,166,810	3,739,792
Interest-bearing construction invoices from the completion of the andel's Łódź	7,991,977	8,324,090
Trade payables due to joint ventures	16,874	16,515
Trade payables due to related parties	3,201,234	2,304,280
Thereof Vienna International AG	2,628,951	2,044,124
Thereof deferred directors' bonuses 2010 and 2011	572,283	260,155
Other payables including accruals for compensated absences	2,880,698	2,261,936
Advance payments received	849,400	693,568
	18,106,993	17,340,181
Trade and other payables – non current		
Security deposits received	595,951	648,757
Other	8,974	11,492
	604,925	660,249

[16] Derivative financial instruments

16a Interest rate collars in connection with finance loans

As of 30 June 2012, 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:

in EUR	As of	
	30/6/2012	Retrospective adjustment 30/6/2011
<i>Project loan Chopin Hotel, Krakow</i>		
Notional amount at 30 June (underlying: 3-month Euribor)	10,129,902	10,697,644
Fair value at 30 June	(735,340)	(417,728)

Project loan angelo hotel, Prague

Notional amount at 30 June (underlying: 3-month Euribor)	10,299,170	11,067,850
Fair value at 30 June	–	27,172

Cross currency swap – PLN convertible bond (until 7 May 2014)

On 6 November and 6 May (starting on 6 November 2011 and ending on 6 May 2014), the Company receives 8.5% interest for the nominal amount of PLN 38.2 million and pays 6.7% interest for the nominal amount of EUR 9,714,514.21.

(1,120,245)	(266,233)
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16b Other derivative financial instruments

As part of the capital increase on 11 May 2010, Wiener Städtische Versicherung AG was granted the right to purchase 1,440,000 shares at a price of EUR 2.00 per share within 24 months after the completion of the capital increase, or to receive a cash settlement in the amount of the difference between the closing price of the Warimpex share on the day before the exercise date and the price of EUR 2.00 per share as consideration for the assumption of a placement guarantee.

expired	(324,000)
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[17] Transactions with related parties

The total amount of compensation due to the directors for the reporting period amounted to EUR 0.538 million (prior period: EUR 0.526 million). Vienna International AG assessed management fees totalling EUR 1.525 million (prior period: EUR 1.346 million).

[18] Events after the balance sheet date

No events that have a material influence on the Company's financial and earnings position occurred after the reporting date.

[19] Other commitments, litigation and contingencies

There were no 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 2011.

Vienna, 30 August 2012



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

DECLARATION BY THE MANAGEMENT BOARD

We confirm to the best of our knowledge that these interim consolidated financial statements as of 30 June 2012 as prepared in accordance with the relevant international financial accounting standards give a true and fair view of the financial position, financial performance and cash flows of Warimpex Finanz- und Beteiligungs AG and all of its consolidated subsidiaries. These interim financial statements were prepared according to IAS 34, Interim Financial Reporting, as adopted in Regulation 1606/2002/EC.

The interim management report discusses important events during the first six months of the financial year, explains major transactions with related individuals and entities and describes the most important risks and uncertainties to which the Company will be exposed in the remaining six months of the financial year.

Vienna, 30 August 2012



Franz Jurkowitsch

Chairman of the Management Board

Responsibilities:

Strategy, investor relations and corporate communications



Georg Folian

Deputy Chairman of the Management Board

Responsibilities:

Finance and accounting, financial management and personnel



Christian Fojtl

Member of the Management Board

Responsibilities:

Information management, organization and legal issues



Alexander Jurkowitsch

Member of the Management Board

Responsibilities:

Planning, construction and IT

SELECTED WARIMPEX GROUP PROPERTIES



1



2



3



4



5



6



7

1) Le Palais Hotel***, Prague**
CZ-120 00 Prague 2, U Zvonařky 1
72 rooms (opened in 2002)

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

3) angelo hotel**, Katowice**
PL-40-086 Katowice, ul. Sokolska 24
203 rooms (opened in March 2010)

4) angelo Designhotel, Munich
D-81677 Munich, Leuchtenbergring 20
146 rooms (opened in May 2008)

5) andel's hotel***S, Berlin**
D-10407 Berlin,
Landsberger Allee 106
557 rooms (opened in March 2009)

6) andel's hotel**, Łódź**
PL-91 065 Łódź, ul. Ogrodowa 17
278 rooms (opened in June 2009)

7) angelo Airporthotel**, Ekaterinburg-Koltsovo**
RU-Airport Ekaterinburg-Koltsovo
203 rooms (opened in September 2009)

Financial calendar

30 August 2012	Publication of the results for the first half of 2012
28 November 2012	Publication of the results for the third quarter of 2012
25 April 2013	Publication of the Annual Report for 2012

Publication details: Warimpex Finanz- und Beteiligungs AG, Floridsdorfer Hauptstraße 1, A-1210 Vienna, www.warimpex.com
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