

REPORT ON THE FIRST THREE QUARTERS OF 2012



warimpex

KEY FIGURES OF THE WARIMPEX GROUP

EUR '000			Retrospectively adjusted ¹
	1-9/2012	Change	1-9/2011
Revenues from the Hotels & Resorts segment	46,502	7%	43,536
Revenues from the Development & Asset Management segment	7,772	126%	3,434
<i>Total revenues</i>	<i>54,273</i>	<i>16%</i>	<i>46,970</i>
Gains from the sale of project companies	329	-87%	2,620
EBITDA	9,323	-7%	10,010
EBIT	5,689	-42%	9,820
Profit for the period	-701	–	-2,812
Net cash flows from operating activities	9,303	36%	6,842
Equity and liabilities	416,004	3%	404,556
Equity	76,165	13%	67,507
Average shares in the period	units 54,000,000	–	54,000,000
Earnings/loss per share	in EUR -0.02	–	-0.05
Number of hotels	21	1	20
Number of rooms (adjusted for proportionate share of ownership)	3,467	154	3,313
Number of office and commercial properties	5	1	4
Average number of employees in the Group	1.632	11	1.621
		30/6/2012	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 most important event since the publication of the results for the first half of the financial year occurred after the end of the third quarter. The successful conclusion of the negotiations for the sale of our 50 per cent share in the InterContinental hotel in Warsaw marks an important step towards the completion of the largest hotel transaction not only in the history of our Company, but also in the history of the Polish market. The preliminary contracts with the buyer, a real estate fund of Germany's DekaBank, were signed at the end of October. The selling price, which can still rise depending on the performance of the hotel, is over EUR 100 million, and well above the asset's book value. The sales contract is still pending subject to the fulfilment of the standard closing prerequisites for such real estate transactions in Poland. The closing is scheduled for the end of 2012. We intend to lease the hotel back together with our joint venture partner UBM in equal shares until 2027, thereby retaining future profit potential. The successful completion of this transaction in the current year will also have a positive effect on our earnings position in 2012.

We at Warimpex are especially excited about this positive development because we laid the cornerstone for this project by purchasing the first properties back in 1997. It shows that good transactions have again become possible on the Central and Eastern European real estate market.

But now for the current reporting period, which especially shows the continuity of the positive overall performance of our hotels.

Occupancy improved in nearly all markets, and the room rates also increased at most establishments. Sales revenues from the fully consolidated hotels rose by 7 per cent from EUR 43.5 million in the first three quarters of 2011 to EUR 46.5 million in the reporting period. This improvement was driven especially by the hotels in Ekaterinburg and Prague.

The cash flow from operating activities grew by 36 per cent to EUR 9.3 million. In contrast, EBITDA and EBIT fell by 7 and 42 per cent to EUR 9.3 and EUR 5.7 million, respectively. This can be attributed to lower profit contributions from property sales and lower non-cash impairment reversals. This caused a moderately negative result for the period, but a result that is still well above that of the previous period (Q1–Q3 2012: minus EUR 0.7 million, Q1–Q3 2011: minus EUR 2.8 million).

Sales including our joint venture projects on a proportionate basis were also encouraging. Sales revenues grew by 10 per cent to EUR 84 million, and the net operating profit improved by 20 per cent to EUR 24.2 million thanks to higher occupancy levels and room rates.

In our development segment, the opening of the Le Palais office building in Warsaw at the end of 2012 is coming ever closer, and the conversion of Palais Hansen on Vienna's Ringstraße into an exquisite hotel and residential complex is entering its final phase. Our current Russian development project, the multi-functional Airport City St. Petersburg, has been enjoying good demand at the Crowne Plaza hotel that opened at the end of 2011 and at the two completed office towers. If this trend continues, we will be able to proceed with the completion of the third office tower, for which the shell has already been built.

Overall, we are seeing a recovery on the hotel and transaction markets. We are still planning one or two property sales, and in part thanks to the sale of the InterContinental hotel in Warsaw I am very confident about the results for financial year 2012 as a whole.



Franz Jurkowitsch

BUSINESS HIGHLIGHTS

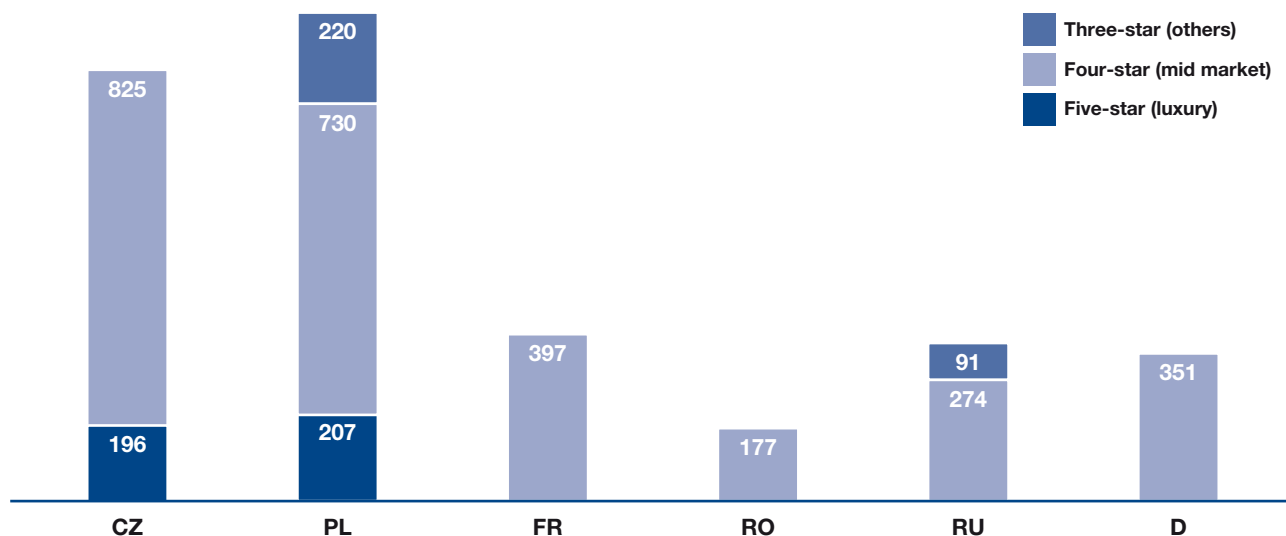
- 04/2012 Head of terms agreement for the intended sale of the InterContinental hotel in Warsaw signed
- 10/2012 Preliminary agreement for the sale of the InterContinental hotel in Warsaw signed (after the reporting date)

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; in the third quarter, the share price stabilized and closed September at EUR 0.75 and PLN 3.17.

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

Hotel portfolio (number of rooms adjusted for proportionate share of ownership) at 30 September 2012



The increase in the number of rooms by 154 in annual comparison from 3,313 to 3,467 can be attributed to the opening of the Crowne Plaza hotel in St. Petersburg at the end of 2011.

GROUP MANAGEMENT REPORT

for the period from 1 January to 30 September 2012

ECONOMIC ENVIRONMENT

In October 2012 (World Economic Outlook), the International Monetary Fund (IMF) lowered its economic forecast for 2012 slightly compared with July 2012. The Eurozone economy is expected to contract by 0.4 per cent in 2012 (forecast from July 2012: contraction of 0.3 per cent), and then to expand slightly in 2013 at a rate of 0.2 per cent (0.7 per cent). The CEE economy is now expected to grow by 2.0 per cent (1.9 per cent) this year. The IMF's 2013 economic growth projections for Central and Eastern Europe were also reduced marginally from 2.8 per cent to 2.6 per cent. Some economies are expected to grow substantially, for example Russia at a rate of 3.7 per cent (4.0 per cent) in 2012 and 3.8 per cent (3.9 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 remained stable at 77 per cent (1–9 2011: 77 per cent), but the average room rate in euros increased by about 20 per cent. The European football championships in July 2012 had a very positive effect. The andel's hotel in Łódź achieved an occupancy rate of 56 per cent (1–9 2011: 53 per cent), and the average room rate in euros remained stable.

At Chopin Hotel in Krakow, the thermal renovation of the facade was completed and the remaining rooms were renovated. The occupancy rate at the Chopin Hotel rose from 58 per cent to 64 per cent, but the average room rate in euros decreased. At the andel's hotel in Krakow, the occupancy rate also increased significantly (1–9 2012: 76 per cent, 1–9 2011: 69 per cent), and the average room rate rose. The occupancy rate at the Amber Baltic beachfront resort remained at 49 per cent (1–9 2011: 49 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 with those of city hotels.

In addition to the hotels listed above, Warimpex owns 50 per cent of the Parkur Tower office building in Warsaw, roughly 90 per cent of which is rented out.

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 72 and 70 per cent, respectively (1–9 2011: 60 and 69 per cent); the average room rates were somewhat lower. Occupancy at the Golden Tulip Savoy Hotel came to 55 per cent (1–9 2011: 56 per cent), and the average room rate declined slightly. In the five-star segment, occupancy rates ranged between 52 and 66 per cent (1–9 2011: 56 and 62 per cent). The average room rates in euros were increased slightly. At the Dvořák spa hotel in Karlovy Vary, the occupancy rate was 78 per cent (1–9 2011: 76 per cent). The average room rate improved. Occupancy at the angelo hotel in Plzeň improved from 45 to 51 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, 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 on a long-term basis.

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 47 per cent (1–9 2011: 40 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 remained stable at 81 per cent. The average room rate was raised by 10 per cent. Occupancy at the andel's hotel in Berlin was 71 per cent (1–9 2011: 68 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 76 and 71 per cent (1–9 2011: 79 and 71 per cent), respectively. The average room rates 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 Versicherung/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. A large number of apartments have already been sold before 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 55 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 ZAO 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 (1–9 2012: 55 per cent, 1–9 2011: 32 per cent), and the average room rate in euros remained stable. The newly opened Crowne Plaza at Airport City St. Petersburg achieved 55 per cent occupancy.

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 three quarters 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 16 per cent to EUR 54.3 million. Sales revenues from hotel operations increased by 7 per cent from EUR 43.5 million in the first nine months of 2011 to EUR 46.5 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 3.4 million to EUR 7.8 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 [05] Segment information in the Notes)

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	1–9/2012	1–9/2011
Revenues for the Group	84,000	76,628
Average number of hotel rooms for the Group	3,608	3,558
Group NOP	24,179	20,081

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, while sales revenues from hotel operations increased by 10 per cent from EUR 76.6 million to EUR 84.0 million.

The net operating profit (GOP calculated according to the Uniform System of Accounts for the Lodging Industry less costs after GOP) improved by 20 per cent to EUR 24.2 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	1–9/2012	1–9/2011
Revenues for the Group	8,736	4,208
Gains from the sale of project companies	329	2,620
Segment EBITDA	-1,900	215

Revenues in the Development & Asset Management segment rose by 108 per cent from EUR 4.2 million to EUR 8.7 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. No property sales took place in the first nine months of 2012, but the largest property transaction in the history of Warimpex is scheduled to be completed in the fourth quarter of 2012 with the sale of the InterContinental hotel in Warsaw.

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 previous period, earnings before interest, tax, depreciation and amortization (EBITDA) fell from EUR 10.0 million to EUR 9.3 million, and earnings before interest and taxes (EBIT) fell from EUR 9.8 million to EUR 5.7 million. The reasons for these decreases were lower profit contributions from property sales and lower non-cash reversals of previous impairments (1–9 2012: EUR 6.2 million, 1–9 2011: EUR 8.3 million).

Financial result

The financial result changed from minus EUR 12.2 million to minus EUR 6.3 million.

Profit for the period

The result for the first nine months of the year came to minus EUR 0.7 million (1–9 2011: minus EUR 2.8 million).

Cash flow

The cash flow from operating activities improved very considerably from EUR 6.8 million to EUR 9.3 million.

EVENTS AFTER THE BALANCE SHEET DATE

For information on material events after the balance sheet date, please see Note 18 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 plan to focus on our Company's foundation – our portfolio of existing properties. To this end, we are working to strengthen our financing structure by selling office buildings, development properties and holiday resorts and to continue the successful operation of our existing core brands of angelo and andel's.

Vienna, 27 November 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

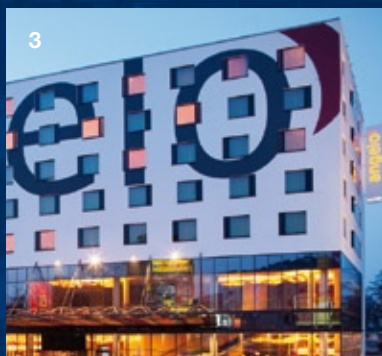
SELECTED WARIMPEX GROUP PROPERTIES



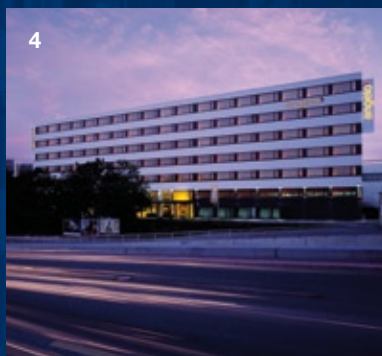
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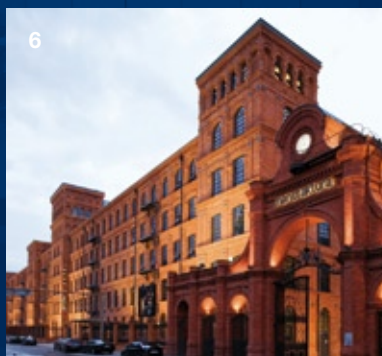
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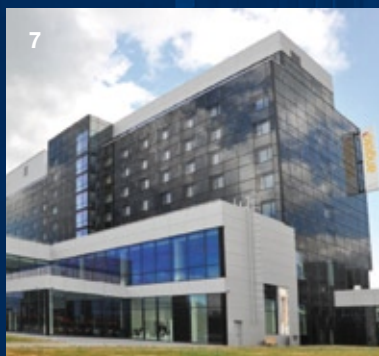
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1) Le Palais Hotel**, Prague**

CZ-120 00 Prague 2, U Zvonářky 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**, 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)

CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2012

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15	Consolidated Cash Flow Statement
16	Consolidated Statement of Changes in Equity
16	Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

in EUR	Note	1-9/12	7-9/12	Retrospective adjustment	
				1-9/11	7-9/11
Revenues					
Revenues – Hotels & Resorts segment		46,501,550	17,163,099	43,536,172	16,505,219
Revenues – Development & Asset Management segment		7,771,510	3,851,453	3,434,319	1,280,518
		54,273,060	21,014,552	46,970,491	17,785,737
Income from the sale of properties					
Gains from the sale of real estate		329,158	–	6,078,712	2,954,288
Carrying amounts, loans and borrowings assumed by the purchaser		–	–	(3,458,829)	(2,258,153)
	[06]	329,158	–	2,619,883	696,135
Other income and expenses					
Changes in real estate projects under development		–	–	–	–
Other income		–	–	880,540	880,539
		–	–	880,540	880,539
Expenses for materials and services rendered		(20,451,732)	(7,270,214)	(19,751,244)	(7,115,989)
Expenses for project development		(5,938,331)	(3,281,777)	(1,172,319)	(729,191)
Personnel expenses	[07]	(14,035,771)	(4,545,426)	(14,327,563)	(4,656,253)
Depreciation and amortization expense		(8,039,948)	(2,762,421)	(8,315,960)	(2,804,608)
Impairments		(1,828,849)	(1,297,276)	(198,776)	(1,345,821)
Reversal of impairments		6,234,633	2,327,393	8,324,540	2,322,908
Other expenses	[08]	(4,853,529)	(1,379,742)	(5,209,843)	(1,315,766)
		(48,913,527)	(18,209,463)	(40,651,164)	(15,644,720)
Operating profit		5,688,691	2,805,089	9,819,749	3,717,692
Financial revenue	[09]	834,705	401,462	2,963,518	1,973,565
Finance costs	[09]	(14,775,441)	(5,222,565)	(15,894,704)	(5,737,927)
Result from joint ventures	[13]	7,638,970	497,573	696,527	77,624
Profit before tax		(613,076)	(1,518,441)	(2,414,910)	730,954
Current income taxes	[10]	(191,571)	(152,830)	(14,851)	1,346
Deferred taxes	[10]	103,355	365,758	(382,297)	(387,464)
Profit for the period		(701,291)	(1,305,513)	(2,812,058)	344,837
Foreign currency translation		62,960	(274,572)	155,180	119,640
Other result from joint ventures		295,585	437,858	–	–
Fair value measurement of financial instruments available for sale		–	–	(5,746)	(3,071)
Net gains/losses from hedging		(86,768)	(37,968)	(95,996)	(225,892)
(Deferred) taxes recognized in equity		13,171	14,403	(54,755)	(25,176)
Total income and expenses for the period		(416,344)	(1,165,793)	(2,813,376)	210,337
Profit for the period attributable to:					
- Equity holders of the parent		(988,822)	(1,270,309)	(2,808,375)	446,969
- Non-controlling interests		287,531	(35,204)	(3,684)	(102,133)
		(701,291)	(1,305,513)	(2,812,058)	344,837
Total income/expenses for the period attributable to:					
- Equity holders of the parent		(732,585)	(749,449)	(837,386)	(3,645,761)
- Non-controlling interests		316,242	(416,344)	(3,645,761)	832,386
		(416,344)	(1,165,793)	(2,813,376)	210,337
Earnings per share:					
Undiluted, for the profit for the period attributable to ordinary equity holders of the parent	(0.02)	(0.02)	(0.05)	0.01	
Diluted, for the profit for the period attributable to ordinary equity holders of the parent	(0.02)	(0.02)	(0.05)	0.01	

CONSOLIDATED BALANCE SHEET

at 30 September 2012 – unaudited

		Retrospective adjustment		
		30/9/2012	31/12/2011	30/9/2011
in EUR	Note	unaudited	audited	unaudited
ASSETS				
Non-current assets				
Property, plant and equipment	[11]	274,230,387	277,149,161	275,254,132
Investment properties	[12]	15,200,633	13,562,844	15,159,670
Goodwill		921,266	921,266	921,266
Other intangible assets		155,502	219,470	246,161
Joint ventures	[13]	81,109,236	92,252,489	85,918,637
Other financial assets		10,844,013	9,493,936	8,496,209
Deferred tax assets		363,800	351,654	351,627
		382,824,839	393,950,821	386,347,702
Current assets				
Inventories		828,691	1,497,460	960,456
Trade and other receivables	[15]	6,598,321	5,825,035	6,240,988
Financial instruments available for sale		3,988,802	3,988,802	4,001,633
Other financial assets	[16]	40	6,795	31,020
Cash and short-term deposits		4,280,524	7,015,958	6,974,005
		15,696,377	18,334,050	18,208,103
Assets of a disposal group classified as held for sale	[13]	17,482,349	–	–
TOTAL ASSETS		416,003,565	412,284,871	404,555,806
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		(47,786,136)	(46,797,314)	(56,066,824)
Treasury shares		(301,387)	(301,387)	(301,387)
Other reserves		1,349,281	1,093,045	1,567,624
		78,649,363	79,381,948	70,587,018
<i>Minority interests</i>		<i>(2,483,906)</i>	<i>(2,800,148)</i>	<i>(3,080,078)</i>
Total equity		76,165,456	76,581,800	67,506,940
Non-current liabilities				
Convertible bonds	[14]	15,783,629	13,774,416	15,161,551
Interest-bearing loans and borrowings	[14]	224,203,014	212,224,507	212,579,685
Provisions		4,139,500	4,017,065	4,598,736
Other payables	[15]	623,559	866,610	654,318
Deferred tax liabilities		12,282,006	12,386,386	13,331,360
		257,031,707	243,268,983	246,325,650
Current liabilities				
Trade and other payables	[15]	18,853,553	16,385,504	16,371,372
Interest-bearing loans and borrowings	[14]	61,091,136	72,414,075	71,767,316
Derivative financial instruments	[16]	1,536,445	2,199,317	1,971,684
Income tax payable		74,530	104,575	129,462
Provisions		1,250,737	1,330,616	483,383
		82,806,401	92,434,087	90,723,216
TOTAL EQUITY AND LIABILITIES		416,003,565	412,284,871	404,555,806

CONSOLIDATED CASH FLOW STATEMENT

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

in EUR	Note	Retrospective adjustment			
		1–9/12	7–9/12	1–9/11	7–9/11
Cash receipts from operating activities					
From the operation of hotels and rent received		46,972,818	16,998,474	45,531,520	17,080,637
From real estate development projects		5,542,575	2,923,116	1,543,685	684,664
Interest received		110,634	55,628	143,542	117,291
		52,626,027	19,977,218	47,218,747	17,882,591
Cash payments for operating activities					
For real estate development projects		(5,803,952)	(3,626,643)	(1,115,024)	(691,735)
For materials and services received		(18,456,010)	(6,391,795)	(19,499,223)	(7,117,884)
For personnel and related expenses		(14,046,317)	(4,676,286)	(14,220,770)	(4,771,842)
For other expenses		(4,783,093)	(1,431,986)	(5,625,255)	(749,100)
Income tax paid		(233,986)	(138,285)	82,798	92,550
		(43,323,358)	(16,264,996)	(40,377,474)	(13,238,011)
Net cash flows from operating activities		9,302,669	3,712,222	6,841,273	4,644,581
Net cash flows from investing activities					
Purchase of property, plant and equipment		(1,835,864)	(374,965)	(2,468,478)	(1,479,242)
Purchase of investment properties		10,984	40,737	(325,175)	(165,945)
Acquisition of software		(811)	714	(25,285)	(24,862)
Payments for available-for-sale investments		–	–	(1,087,371)	(354,046)
Income/payments for other financial assets		(750,456)	(387)	69,951	345
Income/payments for joint ventures	[13]	1,595,458	1,613,401	(9,606,776)	(7,739,798)
		(980,689)	1,279,499	(13,443,134)	(9,763,547)
Cash flows from the sale of business entities					
Proceeds from the sale of disposal groups and properties		–	–	5,801,756	2,677,333
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	–	292,528	8,366
Proceeds from the sale of available-for-sale investments		–	–	–	–
Net cash flows from/used in financing activities		1,017,927	–	6,087,455	2,685,699
Cash flows from financing activities					
Proceeds from loans and borrowings	[14]	2,520,698	1,506,954	9,193,953	8,786,626
Cash received from the issue of convertible bonds		–	–	15,587,467	–
Payments received from and made to minority interests		–	–	43,351	43,351
Repayment of loans and borrowings	[14]	(4,562,104)	(2,368,820)	(13,705,710)	(1,794,185)
Interest and other finance costs paid		(9,819,329)	(4,210,296)	(10,686,673)	(4,144,642)
Net cash flows from/used in financing activities		(11,860,735)	(5,072,162)	432,388	2,891,150
Net change in cash and cash equivalents		(2,520,828)	(80,441)	(82,018)	457,882
Net foreign exchange difference		(214,606)	(515,173)	(236,023)	(273,008)
Cash and short-term deposits at the start of the period	7,015,958	4,876,138	7,292,046	6,789,131	
Cash and cash equivalents at the end of the period		4,280,525	4,280,525	6,974,005	6,974,005

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 September 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	–	–	(988,822)	–	–	(988,822)	287,531	(701,291)
Other income/expense	–	–	–	–	256,237	256,237	28,711	284,947
Total income and expenses for the period	–	–	(988,822)	–	256,237	(732,586)	316,242	(416,344)
At 30 September 2012	54,000,000	71,387,604	(47,786,136)	(301,387)	1,349,281	78,649,363	(2,483,906)	76,165,456

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 September 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
Changes in the scope of consolidation	–	–	–	–	–	–	–	–
Issue of convertible bond	465,978	–	–	–	465,978	43,351	509,329	–
Profit for the period	–	–	(2,808,375)	–	–	(2,808,375)	(3,684)	(2,812,059)
Other income/expense	–	–	–	–	(837,386)	(837,386)	836,070	(1,317)
Total income and expenses for the period	–	–	(2,808,375)	–	(837,386)	(3,645,761)	832,386	(2,813,375)
At 30 September 2011	54,000,000	71,387,604	(56,066,824)	(301,387)	1,567,624	70,587,018	(3,080,078)	67,506,940

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 September 2012 were released for publication by the Company’s management on 27 November 2012. The main activities of the Company are described in Note [05] “Business segments”.

[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 September 2012. See also Note [05], Segment information.

[03] Basis for preparation

The interim consolidated financial statements for the period ended 30 September 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 September 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 September 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 September 2012 – unaudited (30 September 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 three quarters of the year (period from 1 January 2012 to 30 September 2012) and for the third quarter (period from 1 July 2012 to 30 September 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] Report on the First Three Quarters of 2012 versus 2011

Segment overview in EUR '000

	Hotels & Resorts		Development & Asset Management	
	2012	2011	2012	2011
PROFIT FOR THE PERIOD				
External sales	84,213	76,816	8,736	4,208
Inter-segment sales	(941)	(1,585)	941	1,585
Income from the sale of properties	–	–	329	2,620
Other income	–	881	–	–
Expenses for materials and services rendered	(37,538)	(35,027)	(1,088)	(1,081)
Expenses for project development	–	(114)	(5,974)	(1,186)
Personnel expenses	(20,297)	(19,622)	(2,812)	(2,915)
Other expenses	(5,420)	(5,405)	(1,091)	(1,432)
Segment EBITDA	20,958	17,529	(1,900)	215
Scheduled write-down	(12,846)	(13,263)	(899)	(614)
Impairments	(2,135)	(11)	(44)	(308)
Write-ups	4,553	8,603	1,992	428
Segment result from ordinary operations	10,530	12,858	(850)	(279)
Financial revenue	21	32	869	2,954
Finance costs	(12,961)	(12,805)	(13,125)	(9,014)
Thereof valuation expenses	(81)	(202)	(1,269)	(1,762)
Result from joint ventures	–	–	3,668	3,480
Income tax	(215)	(6)	(40)	5
Deferred income tax	2,953	(76)	4,035	39
Segment overview: profit for the period	247	(199)	(6,711)	(4,577)
SEGMENT OVERVIEW: BALANCE SHEET				
Real estate and goodwill	449,296	448,018	84,663	28,366
Joint ventures	–	–	1,511	16,256
Other financial assets	1,512	11	9,332	(7,939)
Deferred tax assets	3,681	1,272	5,657	598
Non-current assets	454,488	449,301	101,163	37,280
Inventories and receivables	12,785	9,293	1,947	1,968
Securities and other financial assets	0	31	3,989	4,002
Cash and short-term deposits	7,535	9,770	2,687	2,893
Segment overview: assets	474,808	468,396	109,786	46,143
Convertible bonds, interest-bearing loans and borrowings	328,315	332,741	129,819	122,351
Other liabilities and reserves	34,703	29,193	14,833	13,326
Segment overview: debt	363,018	361,934	144,652	135,676
SEGMENT OVERVIEW: CASH FLOW				
Cash receipts from operating activities				
From the operation of hotels and rent received	82,651	77,163	2,737	2,684
From real estate development projects	–	–	5,543	1,544
Interest received	21	32	145	134
	82,672	77,195	8,425	4,361
Cash payments for operating activities				
For real estate development projects	–	(102)	(5,840)	(1,136)
For materials and services received	(35,452)	(35,015)	(767)	(1,030)
For personnel and related expenses	(20,340)	(19,657)	(2,763)	(2,843)
For other expenses	(4,767)	(6,656)	1,393	(1,628)
For income taxes	(223)	47	(19)	(1)
Segment overview: Net cash flows from operating activities	21,890	15,811	428	(2,277)
Investment cash flow	(4,230)	(12,280)	(2,356)	(8,957)
Financing cash flow	(20,025)	(16,016)	(2,763)	25,481
Segment overview: Net change in cash and cash equivalents	(2,365)	(12,485)	(4,692)	14,246
Average payroll	1,573	1,560	60	61

Segment total on 30 September		Reconciliation difference		Total on 30 September	
2012	2011	2012	2011	2012	2011
92,948	81,025	(38,675)	(34,054)	54,273	46,970
–	–	–	–	–	–
329	2,620	–	–	329	2,620
–	881	–	–	–	881
(38,626)	(36,108)	18,174	16,356	(20,452)	(19,751)
(5,974)	(1,300)	36	127	(5,938)	(1,172)
(23,109)	(22,537)	9,073	8,209	(14,036)	(14,328)
(6,510)	(6,837)	1,657	1,627	(4,854)	(5,210)
19,058	17,744	(9,735)	(7,734)	9,323	10,010
(13,744)	(13,876)	5,704	5,561	(8,040)	(8,316)
(2,178)	(319)	350	120	(1,829)	(199)
6,546	9,031	(311)	(706)	6,235	8,325
9,681	12,579	(3,992)	(2,759)	5,689	9,820
890	2,986	(55)	(22)	835	2,964
(26,086)	(21,819)	11,311	5,924	(14,775)	(15,895)
(1,350)	(1,963)	1,350	1,963	–	–
3,668	3,480	3,971	(2,783)	7,639	697
(254)	(1)	63	(14)	(192)	(15)
6,988	(37)	(6,885)	(345)	103	(382)
(6,464)	(4,775)	5,763	1,963	(701)	(2,812)
533,959	476,383	(243,451)	(184,802)	290,508	291,581
1,511	16,256	97,081	69,662	98,592	85,919
10,844	(7,928)	–	16,424	10,844	8,496
9,338	1,870	(8,974)	(1,518)	364	352
555,651	486,582	(155,344)	(100,234)	400,307	386,348
14,732	11,261	(7,305)	(4,059)	7,427	7,201
3,989	4,033	–	–	3,989	4,033
10,222	12,664	(5,942)	(5,690)	4,281	6,974
584,594	514,539	(168,591)	(109,983)	416,004	404,556
458,134	455,091	(157,056)	(155,583)	301,078	299,509
49,535	42,519	(10,775)	(4,979)	38,760	37,540
507,669	497,611	(167,831)	(160,562)	339,838	337,049
85,388	79,847	(38,415)	(34,315)	46,973	45,532
5,543	1,544	–	–	5,543	1,544
166	166	(55)	(22)	111	144
91,097	81,556	(38,471)	(34,337)	52,626	47,219
(5,840)	(1,238)	36	123	(5,804)	(1,115)
(36,218)	(36,045)	17,762	16,546	(18,456)	(19,499)
(23,104)	(22,500)	9,057	8,280	(14,046)	(14,221)
(3,374)	(8,285)	(1,409)	2,659	(4,783)	(5,625)
(243)	46	9	37	(234)	83
22,318	13,534	(13,015)	(6,692)	9,303	6,841
(6,587)	(21,236)	6,624	13,881	37	(7,356)
(22,788)	9,464	10,927	(9,032)	(11,861)	432
(7,057)	1,762	4,536	(1,844)	(2,521)	(82)
1,632	1,621	(506)	(471)	1,126	1,150

Hotels & Resorts sub-segment in EUR thousands

	Luxury		Upmarket		Others	
	2012	2011	2012	2011	2012	2011
Revenues	13,265	13,322	66,286	59,243	4,449	4,064
Expenses for materials	(5,434)	(5,970)	(25,601)	(23,773)	(1,202)	(1,123)
Personnel expenses	(3,098)	(3,819)	(15,454)	(13,972)	(1,015)	(1,029)
Gross operating profit	4,733	3,532	25,231	21,497	2,233	1,912
<i>Hotel employees</i>	<i>236</i>	<i>270</i>	<i>1,184</i>	<i>1,120</i>	<i>125</i>	<i>131</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>399</i>	<i>459</i>	<i>2,841</i>	<i>2,731</i>	<i>368</i>	<i>369</i>
<i>Rooms sold</i>	<i>279</i>	<i>307</i>	<i>1,827</i>	<i>1,629</i>	<i>234</i>	<i>280</i>
Average room occupancy	70%	67%	64%	60%	63%	76%
Management fee	(235)	(273)	(4,239)	(3,127)	(303)	(298)
Lease/rent	–	–	(1,758)	(1,710)	(58)	(61)
Exchange adjustments	159	(232)	(409)	(4)	84	(26)
Property costs	(859)	(733)	(284)	(333)	(117)	(63)
Net operating profit	3,798	2,294	18,542	16,322	1,839	1,465
Revenues after GOP	–	–	62	56	151	132
Other costs after GOP	(119)	(273)	(3,156)	(2,056)	(159)	(188)
Scheduled write-down	(643)	(2,672)	(11,326)	(9,812)	(877)	(776)
Impairments	–	–	(2,135)	–	–	(11)
Write-ups	–	1,525	3,962	6,232	591	845
Contribution to the operating result	3,036	875	5,949	10,742	1,545	1,466
Thereof sales revenues in						
• Czech Republic	4,758	5,813	18,453	16,749	–	–
• Poland	8,507	7,508	14,509	14,872	2,380	2,347
• Romania	–	–	1,832	1,619	–	–
• Russia	–	–	7,331	2,961	2,069	1,717
• Germany	–	–	10,154	9,655	–	–
• France	–	–	14,007	13,387	–	–
Thereof GOP in						
• Czech Republic	905	602	6,470	6,158	–	–
• Poland	3,827	2,930	6,664	6,570	1,117	1,132
• Romania	–	–	658	476	–	–
• Russia	–	–	2,993	1,139	1,115	780
• Germany	–	–	3,404	2,914	–	–
• France	–	–	5,043	4,240	–	–
Thereof contribution to operating profit						
• Czech Republic	388	332	2,826	4,392	–	–
• Poland	2,648	543	(40)	2,000	365	296
• Romania	–	–	(140)	197	–	–
• Russia	–	–	374	2,210	1,180	1,170
• Germany	–	–	652	375	–	–
• France	–	–	2,278	1,567	–	–
• Others	–	–	–	–	–	–

Under development and construction		Segment total on 30 September		Reconciliation difference		Total on 30 September	
2012	2011	2012	2011	2012	2011	2012	2011
–	–	84,000	76,628	(37,718)	(33,287)	46,282	43,341
–	–	(32,238)	(30,867)	15,280	14,323	(16,958)	(16,544)
–	–	(19,566)	(18,820)	8,842	8,021	(10,724)	(10,799)
–	–	32,197	26,942	(13,596)	(10,943)	18,600	15,998
–	–	1,544	1,522	(484)	(445)	1,060	1,077
–	–	3,621	3,568	(1,286)	(1,233)	2,335	2,335
–	–	3,608	3,558	(1,287)	(1,229)	2,321	2,330
–	–	2,340	2,216	(888)	(847)	1,452	1,369
–	–	65%	62%	69%	69%	63%	59%
–	–	(4,778)	(3,699)	2,254	1,482	(2,524)	(2,216)
–	–	(1,815)	(1,771)	0	9	(1,815)	(1,762)
–	–	(165)	(262)	(63)	246	(228)	(16)
–	–	(1,259)	(1,130)	1,786	1,217	527	87
–	–	24,179	20,081	(9,619)	(7,989)	14,559	12,092
–	–	212	188	8	7	220	195
–	(223)	(3,434)	(2,740)	476	801	(2,958)	(1,939)
–	(2)	(12,846)	(13,263)	5,239	5,419	(7,607)	(7,843)
–	–	(2,135)	(11)	350	–	(1,785)	(11)
–	–	4,553	8,603	(311)	(706)	4,242	7,897
–	(225)	10,530	12,858	(3,858)	(2,468)	6,672	10,390
–	–	23,212	22,562	(648)	(579)	22,564	21,983
–	–	25,396	24,727	(10,188)	(9,666)	15,208	15,060
–	–	1,832	1,619	–	–	1,832	1,619
–	–	9,400	4,679	(2,721)	–	6,679	4,679
–	–	10,154	9,655	(10,154)	(9,655)	–	–
–	–	14,007	13,387	(14,007)	(13,387)	–	–
–	–	7,375	6,760	(28)	25	7,348	6,785
–	–	11,608	10,633	(4,609)	(3,814)	6,999	6,819
–	–	658	476	–	–	658	476
–	–	4,108	1,919	(513)	–	3,595	1,919
–	–	3,404	2,914	(3,404)	(2,914)	–	–
–	–	5,043	4,240	(5,043)	(4,240)	–	–
–	1	3,214	4,725	(5)	174	3,209	4,899
–	–	2,973	2,840	(2,781)	(925)	192	1,914
–	–	(140)	197	–	–	(140)	197
–	–	1,554	3,381	1,857	–	3,411	3,381
–	(1)	652	374	(652)	(374)	–	(1)
–	–	2,278	1,567	(2,278)	(1,567)	–	–
–	(226)	–	(226)	–	226	–	–

	Luxury		Upmarket		Others	
	2012	2011	2012	2011	2012	2011
SUB-SEGMENT CASH FLOW						
Cash receipts	12,713	13,268	66,068	59,688	3,870	4,207
Interest received	6	17	16	15	–	–
Development costs	–	–	–	–	–	–
Expenses for materials	(5,708)	(5,967)	(29,542)	(28,165)	(201)	(883)
Personnel expenses	(3,177)	(3,937)	(15,979)	(14,384)	(1,184)	(1,139)
Cash paid for other expenses	(335)	(709)	(4,208)	(5,790)	(224)	(124)
Income tax	–	–	(56)	37	(168)	11
Cash flow from operations	3,499	2,671	16,299	11,401	2,092	2,071
Thereof in						
• Czech Republic	547	116	4,522	4,005	–	–
• Poland	2,952	2,556	4,052	2,573	1,186	1,040
• Romania	–	–	511	94	–	–
• Russia	–	–	1,174	543	907	1,031
• Germany	–	–	2,514	2,165	–	–
• France	–	–	3,526	2,020	–	–
• Others	–	–	–	–	–	–
SUB-SEGMENT ASSETS						
Property, plant and equipment and goodwill	68,557	77,704	348,172	309,899	27,235	27,200
Other non-current assets	303	11	4,890	706	0	0
Other current assets	1,712	1,533	9,826	6,971	1,247	738
Cash and cash equivalents	1,131	1,372	6,294	6,261	109	291
Sub-segment assets	71,703	80,621	369,181	323,837	28,590	28,229
Interest-bearing loans and borrowings	46,064	52,254	271,487	267,481	10,764	11,374
Other non-current liabilities	–	–	8,403	8,878	1,718	1,157
Other current liabilities	2,240	2,119	20,571	14,970	1,770	1,751
Sub-segment liabilities	48,303	54,373	300,461	291,329	14,252	14,283
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	299	329	3,104	923	336	189
Disposals	–	–	–	–	–	–
Scheduled amortization and depreciation	(643)	(2,672)	(11,326)	(9,812)	(877)	(776)
Impairments	–	–	(2,135)	–	–	(11)
Write-ups	–	1,525	3,962	6,232	591	845
Exchange effects	–	–	1,331	(38)	75	56
Fixed assets on 30 September	68,557	77,704	348,172	309,899	27,235	27,200
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	–	–	400	63	–	483
Repayment of loans	(912)	(1,813)	(5,556)	(3,297)	(449)	(352)
Capitalized interest	(12)	–	(1,146)	1,043	5	3
Segment reclassifications	–	–	–	–	–	–
Exchange effects	–	3	158	191	–	–
Loans on 30 September	46,064	52,254	271,487	267,481	10,764	11,374

Under development and construction		Segment total on 30 September		Reconciliation difference		Total on 30 September	
2012	2011	2012	2011	2012	2011	2012	2011
–	–	82,651	77,163	(37,578)	(33,781)	45,073	43,382
–	–	21	32	0	(17)	22	14
–	(102)	–	(102)	–	102	–	–
–	0	(35,452)	(35,015)	17,804	16,410	(17,648)	(18,605)
–	(197)	(20,340)	(19,657)	8,914	8,280	(11,427)	(11,378)
–	(32)	(4,767)	(6,656)	1,704	2,674	(3,063)	(3,983)
–	(1)	(223)	47	6	37	(218)	84
–	(332)	21,890	15,811	(9,150)	(6,296)	12,740	9,515
–	0	5,068	4,122	(31)	3	5,038	4,124
–	–	8,190	6,169	(3,670)	(2,445)	4,520	3,723
–	–	511	94	–	–	511	94
–	(16)	2,081	1,558	590	16	2,671	1,574
–	(1)	2,514	2,165	(2,514)	(2,165)	–	(1)
–	–	3,526	2,020	(3,526)	(2,020)	–	–
–	(316)	–	(316)	–	316	–	–
5,331	33,215	449,296	448,018	(183,021)	(178,258)	266,275	269,760
–	567	5,192	1,284	(3,472)	(1,002)	1,720	281
–	82	12,785	9,324	(6,610)	(3,744)	6,175	5,580
2	1,845	7,535	9,770	(4,377)	(4,655)	3,159	5,115
5,333	35,709	474,808	468,396	(197,479)	(187,659)	277,329	280,736
–	1,632	328,315	332,741	(130,163)	(129,858)	198,152	202,883
–	300	10,121	10,336	(773)	(1,291)	9,348	9,045
1	18	24,582	18,857	(6,465)	(2,699)	18,117	16,159
1	1,950	363,018	361,934	(137,401)	(133,848)	225,617	228,086
5,331	25,858	454,577	451,793	(185,222)	(182,678)	269,355	269,114
–	–	–	(8,418)	–	8,300	–	(118)
–	–	–	495	–	(495)	–	–
–	7,863	3,739	9,305	(1,789)	(8,602)	1,950	703
–	–	–	–	–	–	–	–
–	(2)	(12,846)	(13,263)	5,239	5,419	(7,607)	(7,843)
–	–	(2,135)	(11)	350	–	(1,785)	(11)
–	–	4,553	8,603	(311)	(706)	4,242	7,897
–	(505)	1,407	(486)	(1,287)	505	120	19
5,331	33,215	449,296	448,018	(183,021)	(178,258)	266,275	269,760
–	1,597	335,827	342,526	(134,840)	(138,026)	200,987	204,500
–	–	–	(6,145)	–	6,145	–	–
–	–	400	546	–	(3)	400	544
–	–	(6,917)	(5,461)	3,048	2,137	(3,869)	(3,324)
–	35	(1,153)	1,081	1,629	(111)	476	970
–	–	–	–	–	–	–	–
–	–	158	194	–	–	158	194
–	1,632	328,315	332,741	(130,163)	(129,858)	198,152	202,883

Development & Asset Management sub-segment in EUR thousands

	DEVELOPMENT				ASSET MANAGEMENT	
	Primary		Other		Rented out	
	2012	2011	2012	2011	2012	2011
Revenues	6,415	2,069	430	404	1,891	1,735
Changes in real estate projects under development	–	–	–	–	–	–
Sale of real estate	329	2,620	–	–	–	–
Other operating income	–	0	–	–	–	–
Materials and services received	(407)	(382)	(339)	(342)	(342)	(357)
Project development expenses	(5,974)	(1,186)	–	–	–	–
Personnel expenses	(2,668)	(2,915)	–	–	(144)	–
Other operating expenses	(976)	(1,330)	(20)	(104)	(95)	2
Scheduled write-down	(44)	(60)	(36)	(22)	(818)	(134)
Impairments	(44)	(308)	–	–	–	–
Write-ups	78	102	–	–	1,915	–
Contribution to operating profit	(3,293)	(1,389)	35	(64)	2,408	1,245
Thereof sales revenues in						
• Czech Republic	276	288	–	–	–	–
• Hungary	–	–	–	–	887	903
• Poland	6,113	1,698	430	404	587	621
• Germany	–	–	–	–	55	211
• Austria	25	83	–	–	–	–
• Russia	–	–	–	–	363	–
Thereof contribution to operating profit						
• Czech Republic	(57)	(32)	–	–	–	–
• Hungary	98	(107)	–	–	2,208	654
• Poland	(243)	(230)	35	(64)	277	436
• Russia	–	(119)	–	–	(112)	–
• Germany	(36)	(13)	–	–	35	155
• Austria	(3,355)	(860)	–	–	–	–
• Luxembourg	301	(27)	–	–	–	–
SUB-SEGMENT CASH FLOW						
Cash receipts from rent	858	534	357	468	1,523	1,681
Interest received	90	121	0	9	54	3
Cash receipts from development	5,543	1,544	–	–	–	–
Cash paid for development	(5,840)	(1,128)	–	–	–	–
Expenses for materials	(330)	(361)	(364)	(341)	(73)	(328)
Personnel expenses	(2,620)	(2,843)	–	–	(144)	(0)
Cash paid for other expenses	(1,581)	(1,444)	(22)	(101)	(268)	(83)
Income tax	(16)	(1)	–	–	(3)	0
Cash flow from operating activities	(3,897)	(3,578)	(29)	36	1,090	1,273
Thereof in						
• Czech Republic	(88)	(66)	–	–	–	–
• Hungary	(12)	(120)	–	–	425	786
• Poland	(223)	141	(29)	36	355	327
• Russia	–	41	–	–	272	–
• Germany	(34)	(25)	–	–	38	160
• Austria	(3,494)	(3,514)	–	–	–	–
• Luxembourg	(45)	(34)	–	–	–	–

Under development and construction		Segment total on 30 September		Reconciliation difference		Total on 30 September	
2012	2011	2012	2011	2012	2011	2012	2011
-	-	8,736	4,208	(964)	(774)	7,772	3,434
-	-	-	-	-	-	-	-
-	-	329	2,620	-	-	329	2,620
-	-	-	0	-	-	-	0
-	-	(1,088)	(1,081)	126	109	(962)	(972)
-	-	(5,974)	(1,186)	36	13	(5,938)	(1,172)
-	-	(2,812)	(2,915)	144	-	(2,668)	(2,915)
-	-	(1,091)	(1,432)	60	99	(1,031)	(1,333)
-	(397)	(899)	(614)	466	141	(433)	(473)
-	-	(44)	(308)	-	120	(44)	(188)
-	326	1,992	428	-	-	1,992	428
-	(72)	(850)	(279)	(133)	(291)	(983)	(571)
-	-	276	288	-	-	276	288
-	-	887	903	-	-	887	903
-	-	7,130	2,723	(559)	(596)	6,571	2,128
-	-	55	211	(55)	(211)	-	-
-	-	25	83	13	33	38	115
-	-	363	-	(363)	-	-	-
-	-	(57)	(32)	-	-	(57)	(32)
-	(72)	2,306	475	-	-	2,306	475
-	-	69	143	(259)	(301)	(191)	(159)
-	-	(112)	(119)	112	119	-	-
-	-	(1)	142	1	(142)	-	-
-	-	(3,355)	(860)	13	33	(3,342)	(827)
-	-	301	(27)	-	-	301	(27)
-	-	2,737	2,684	(837)	(534)	1,900	2,149
-	-	145	134	(56)	(5)	89	129
-	-	5,543	1,544	-	-	5,543	1,544
-	(8)	(5,840)	(1,136)	36	21	(5,804)	(1,115)
-	-	(767)	(1,030)	(42)	136	(808)	(894)
-	-	(2,763)	(2,843)	144	-	(2,620)	(2,843)
3,264	-	1,393	(1,628)	(3,113)	(14)	(1,720)	(1,643)
-	-	(19)	(1)	3	(0)	(16)	(1)
3,264	(8)	428	(2,277)	(3,865)	(396)	(3,437)	(2,674)
-	-	(88)	(66)	-	(0)	(88)	(66)
-	-	413	666	-	-	413	666
-	-	102	503	(337)	(314)	(235)	190
3,264	(8)	3,536	33	(3,536)	(33)	-	-
-	-	4	135	(4)	(135)	-	-
-	-	(3,494)	(3,514)	13	85	(3,481)	(3,429)
-	-	(45)	(34)	-	-	(45)	(34)

	DEVELOPMENT		ASSET MANAGEMENT			
	Primary		Other		Rented out	
	2012	2011	2012	2011	2012	2011
ANALYSIS OF SUB-SEGMENT ASSETS						
Property, plant and equipment and goodwill	11,704	9,182	696	677	65,670	10,415
Joint ventures	1,511	16,256	–	–	–	–
Other non-current assets	9,429	(7,961)	–	–	5,561	79
Other current assets	4,661	5,650	140	30	1,134	277
Cash and cash equivalents	1,063	1,871	6	2	1,618	248
Sub-segment assets	28,367	24,998	842	709	73,983	11,019
Convertible bonds, interest-bearing loans and borrowings	91,429	85,466	154	115	34,641	16,476
Other non-current liabilities	6,842	8,578	–	–	3,539	611
Other current liabilities	3,463	2,997	32	21	807	212
Sub-segment liabilities	101,734	97,041	185	136	38,987	17,299
Analysis of assets						
At 1 January	11,547	9,061	679	776	15,710	11,344
Changes in the scope of consolidation	–	–	–	–	–	(305)
Segment reclassifications	–	–	–	–	48,753	(495)
Additions	197	312	2	2	111	5
Disposals	–	–	–	–	–	–
Scheduled amortization and depreciation	(44)	(60)	(36)	(22)	(818)	(134)
Impairments	(44)	(308)	–	–	–	–
Write-ups	78	102	–	–	1,915	–
Exchange effects	(29)	75	50	(80)	–	–
Fixed assets on 30 September	11,704	9,182	696	677	65,670	10,415
Analysis of financial liabilities						
Loans on 1 January	86,133	71,779	115	217	12,532	18,921
Changes in the scope of consolidation	–	(651)	–	–	–	(1,792)
New borrowings	2,051	8,636	70	17	–	–
Issue of convertible bonds	–	16,833	–	–	–	–
Repayment of loans	(386)	(9,915)	(41)	(42)	(446)	(653)
Capitalized interest	2,363	559	–	–	165	–
Segment reclassifications	–	–	–	–	22,124	–
Exchange effects	1,269	(1,775)	10	(77)	265	–
Loans on 30 September	91,429	85,466	154	115	34,641	16,476

Under development and construction		Segment total on 30 September		Reconciliation difference		Total on 30 September	
2012	2011	2012	2011	2012	2011	2012	2011
6,593	8,092	84,663	28,366	(60,431)	(6,544)	24,233	21,821
–	–	1,511	16,256	97,081	69,662	98,592	85,919
(0)	540	14,989	(7,342)	(5,502)	15,908	9,488	8,567
(0)	12	5,936	5,969	(695)	(315)	5,241	5,654
–	773	2,687	2,893	(1,565)	(1,035)	1,122	1,859
6,593	9,417	109,786	46,143	28,888	77,676	138,674	123,819
3,595	20,294	129,819	122,351	(26,893)	(40,886)	102,926	81,464
150	362	10,531	9,551	(2,833)	15,150	7,697	24,701
–	544	4,302	3,774	(704)	(977)	3,598	2,797
3,745	21,200	144,652	135,676	(30,430)	(26,714)	114,221	108,963
48,504	6,991	76,440	28,172	(53,943)	(6,723)	22,498	21,449
–	–	–	(305)	–	305	–	–
(48,753)	–	–	(495)	–	495	–	–
1,886	1,173	2,195	1,492	(1,997)	(883)	198	610
–	–	–	–	–	–	–	–
–	(397)	(899)	(614)	466	141	(433)	(473)
–	–	(44)	(308)	–	120	(44)	(188)
–	326	1,992	428	–	–	1,992	428
4,957	–	4,978	(5)	(4,957)	(0)	21	(5)
6,593	8,092	84,663	28,366	(60,431)	(6,544)	24,233	21,821
24,073	4,825	122,854	95,742	(25,428)	(48,162)	97,426	47,581
–	–	–	(2,443)	–	2,443	–	–
–	20,294	2,121	28,946	–	(20,296)	2,121	8,650
–	–	–	16,833	–	(16,833)	–	–
–	(4,825)	(874)	(15,436)	181	5,054	(693)	(10,381)
1,646	–	4,174	559	(1,646)	(559)	2,528	–
(22,124)	–	–	–	–	–	–	–
–	–	1,544	(1,852)	(0)	37,467	1,544	35,615
3,595	20,294	129,819	122,351	(26,893)	(40,886)	102,926	81,464

[5.2] Segment information for the third 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	30,607	28,404	4,391	1,469
Inter-segment sales	(278)	(277)	278	277
Income from the sale of properties	–	–	–	696
Expenses for materials and services rendered	(13,475)	(12,485)	(297)	(307)
Expenses for project development	–	0	(3,291)	(733)
Personnel expenses	(6,774)	(6,539)	(917)	(761)
Other expenses	(1,821)	(1,828)	(142)	(410)
Segment EBITDA	8,537	8,432	(255)	(46)
Scheduled write-down	(4,165)	(4,476)	(505)	(170)
Impairments	(1,642)	(1,185)	(5)	(161)
Write-ups	2,364	2,462	1,528	96
Segment result from ordinary operations	5,095	5,233	763	(281)
Financial revenue	14	21	402	1,924
Finance costs	(4,041)	(4,180)	(4,547)	(3,444)
Result from joint ventures	–	–	1,145	1,113
Income tax	(125)	1	(30)	–
Deferred income tax	362	(39)	(345)	(2)
Segment overview: profit for the period	1,305	1,036	(2,611)	(691)
SEGMENT OVERVIEW: CASH FLOW				
Cash receipts from operating activities				
From the operation of hotels and rent received	30,059	29,019	1,230	485
From real estate development projects	–	–	2,923	685
Interest received	14	21	57	67
	30,073	29,040	4,209	1,237
Cash payments for operating activities				
For real estate development projects	–	(36)	(3,636)	(708)
For materials and services received	(12,212)	(13,455)	(127)	(383)
For personnel and related expenses	(6,877)	(6,624)	(972)	(824)
For other expenses	(1,021)	(2,643)	(737)	(113)
For income taxes	(127)	87	(17)	–
Segment overview:				
Net cash flows from operating activities	9,836	6,368	(1,280)	(791)
Investment cash flow	(599)	(3,905)	706	(7,188)
Financing cash flow	(8,508)	(5,140)	(624)	11,167
Segment overview:				
Net change in cash and cash equivalents	729	(2,676)	(1,198)	3,188
Average payroll	1,547	1,534	59	61

Segment total for Q3		Reconciliation difference		Total Q3	
2012	2011	2012	2011	2012	2011
34,999	29,873	(13,984)	(12,087)	21,015	17,786
–	–	–	–	–	–
–	696	–	–	–	696
(13,771)	(12,793)	6,501	5,677	(7,270)	(7,116)
(3,291)	(733)	9	4	(3,282)	(729)
(7,691)	(7,300)	3,146	2,643	(4,545)	(4,656)
(1,963)	(2,238)	583	922	(1,380)	(1,316)
8,282	8,386	(3,744)	(2,841)	4,537	5,545
(4,669)	(4,646)	1,907	1,842	(2,762)	(2,805)
(1,647)	(1,346)	350	–	(1,297)	(1,346)
3,893	2,558	(1,565)	(235)	2,327	2,323
5,859	4,952	(3,054)	(1,234)	2,805	3,718
417	1,944	(15)	29	401	1,974
(8,588)	(7,624)	3,365	1,886	(5,223)	(5,738)
1,145	1,113	(648)	(336)	498	778
(155)	1	2	0	(153)	1
17	(42)	349	(346)	366	(387)
(1,306)	345	–	–	(1,306)	345
31,288	29,505	(14,290)	(12,424)	16,998	17,081
2,923	685	–	–	2,923	685
71	88	(16)	29	56	117
34,283	30,278	(14,305)	(12,395)	19,977	17,883
(3,636)	(744)	9	53	(3,627)	(692)
(12,340)	(13,838)	5,948	6,720	(6,392)	(7,118)
(7,850)	(7,448)	3,174	2,676	(4,676)	(4,772)
(1,758)	(2,756)	326	2,007	(1,432)	(749)
(144)	87	6	6	(138)	93
8,555	5,577	(4,843)	(933)	3,712	4,645
107	(11,093)	1,173	4,015	1,279	(7,078)
(9,131)	6,028	4,059	(3,137)	(5,072)	2,891
(469)	512	389	(55)	(80)	458
1,606	1,595	(521)	(414)	1,085	1,180

Hotels & Resorts sub-segment in EUR thousands

	Luxury		Upmarket		Others	
	2012	2011	2012	2011	2012	2011
Revenues	4,256	4,612	24,496	22,123	1,734	1,581
Expenses for materials	(1,862)	(1,962)	(9,053)	(8,502)	(450)	(388)
Personnel expenses	(1,017)	(1,265)	(5,172)	(4,724)	(353)	(327)
Gross operating profit	1,378	1,385	10,270	8,898	931	865
<i>Hotel employees</i>	<i>232</i>	<i>275</i>	<i>1,157</i>	<i>1,105</i>	<i>129</i>	<i>128</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>402</i>	<i>459</i>	<i>6,586</i>	<i>2,624</i>	<i>365</i>	<i>371</i>
<i>Rooms sold</i>	<i>313</i>	<i>354</i>	<i>4,874</i>	<i>1,812</i>	<i>269</i>	<i>320</i>
Average room occupancy	78%	77%	74%	69%	74%	86%
Management fee	(99)	(114)	(1,778)	(1,250)	(122)	(125)
Lease/rent	–	–	(581)	(562)	(20)	(20)
Exchange adjustments	55	(205)	(0)	184	76	(50)
Property costs	(226)	(222)	(188)	(175)	(91)	(26)
Net operating profit	1,108	844	7,723	7,095	774	644
Revenues after GOP	–	–	28	26	94	61
Other costs after GOP	(53)	(81)	(1,069)	(36)	(67)	(73)
Scheduled write-down	(91)	(1,097)	(3,801)	(2,788)	(273)	(592)
Impairments	–	–	(1,642)	(22)	–	(1,162)
Write-ups	–	416	1,752	507	613	1,539
Contribution to the operating result	964	83	2,991	4,782	1,140	417
Thereof sales revenues in						
• Czech Republic	1,897	2,340	6,691	6,181	–	–
• Poland	2,359	2,272	5,211	5,375	1,025	934
• Romania	–	–	612	520	–	–
• Russia	–	–	2,707	1,118	709	647
• Germany	–	–	3,503	3,451	–	–
• France	–	–	5,771	5,478	–	–
Thereof GOP in						
• Czech Republic	551	466	2,497	2,319	–	–
• Poland	826	919	2,598	2,604	541	520
• Romania	–	–	223	152	–	–
• Russia	–	–	1,157	502	391	345
• Germany	–	–	1,353	1,261	–	–
• France	–	–	2,443	2,060	–	–
Thereof contribution to operating profit						
• Czech Republic	309	101	1,512	1,308	–	–
• Poland	655	(18)	128	1,591	306	212
• Romania	–	–	201	71	–	–
• Russia	–	–	(835)	539	835	205
• Germany	–	–	553	206	–	–
• France	–	–	1,432	1,068	–	–
• Others	–	–	–	–	–	–

Under development and construction		Segment total for Q3		Reconciliation difference		Total Q3	
2012	2011	2012	2011	2012	2011	2012	2011
–	–	30,486	28,316	(13,447)	(11,901)	17,039	16,416
–	–	(11,365)	(10,851)	5,356	4,876	(6,009)	(5,975)
–	–	(6,542)	(6,316)	2,981	2,594	(3,562)	(3,722)
–	–	12,579	11,149	(5,110)	(4,430)	7,469	6,719
–	–	1,518	1,508	(499)	(401)	1,019	1,107
–	–	3,621	3,459	(1,286)	(1,124)	2,335	2,335
–	–	7,353	3,454	(1,290)	(1,124)	6,063	2,331
–	–	5,456	2,487	(980)	(880)	4,476	1,607
–	–	74%	72%	76%	78%	74%	69%
–	–	(1,998)	(1,489)	999	618	(1,000)	(871)
–	–	(600)	(582)	–	(0)	(600)	(582)
–	–	130	(71)	(67)	230	63	160
–	–	(505)	(423)	653	537	147	114
–	–	9,605	8,583	(3,526)	(3,045)	6,079	5,539
–	–	121	87	3	2	124	90
–	(49)	(1,189)	(239)	110	224	(1,079)	(14)
–	(1)	(4,165)	(4,476)	1,531	1,800	(2,634)	(2,677)
–	–	(1,642)	(1,185)	350	–	(1,292)	(1,185)
–	–	2,364	2,462	(129)	(235)	2,236	2,227
–	(49)	5,095	5,233	(1,661)	(1,254)	3,434	3,979
–	–	8,588	8,521	(232)	(221)	8,356	8,301
–	–	8,595	8,581	(2,901)	(2,751)	5,694	5,830
–	–	612	520	–	–	612	520
–	–	3,416	1,765	(1,039)	–	2,377	1,765
–	–	3,503	3,451	(3,503)	(3,451)	–	–
–	–	5,771	5,478	(5,771)	(5,478)	–	–
–	–	3,048	2,786	(14)	1	3,035	2,787
–	–	3,965	4,043	(1,071)	(1,110)	2,894	2,933
–	–	223	152	–	–	223	152
–	–	1,547	847	(230)	–	1,317	847
–	–	1,353	1,261	(1,353)	(1,261)	–	–
–	–	2,443	2,060	(2,443)	(2,060)	–	–
–	1	1,821	1,410	(9)	72	1,812	1,482
–	–	1,089	1,785	(668)	(102)	421	1,683
–	–	201	71	–	–	201	71
–	–	(0)	743	1,000	–	1,000	743
–	–	553	206	(553)	(206)	–	(0)
–	–	1,432	1,068	(1,432)	(1,068)	–	–
–	(50)	–	(50)	–	50	–	–

	Luxury		Upmarket		Others	
	2012	2011	2012	2011	2012	2011
SUB-SEGMENT CASH FLOW						
Cash receipts	4,531	4,751	24,230	22,664	1,298	1,605
Interest received	0	8	14	13	–	–
Development costs	–	–	–	–	–	–
Expenses for materials	(2,114)	(1,957)	(10,561)	(11,165)	462	(332)
Personnel expenses	(1,068)	(1,331)	(5,306)	(4,896)	(504)	(361)
Cash paid for other expenses	(137)	(254)	(746)	(2,328)	(138)	(66)
Income tax	–	–	(2)	84	(125)	3
Cash flow from operations	1,212	1,216	7,630	4,372	994	849
Thereof in						
• Czech Republic	349	337	1,685	1,704	–	–
• Poland	863	879	2,048	1,021	627	527
• Romania	–	–	244	125	–	–
• Russia	–	–	561	696	366	322
• Germany	–	–	1,218	96	–	–
• France	–	–	1,874	730	–	–
• Others	–	–	–	–	–	–

Under development and construction		Segment total for Q3		Reconciliation difference		Total Q3	
2012	2011	2012	2011	2012	2011	2012	2011
–	–	30,059	29,019	(13,795)	(12,296)	16,264	16,723
–	–	14	21	(0)	(8)	14	13
–	(36)	–	(36)	–	36	–	–
–	–	(12,212)	(13,455)	5,948	6,578	(6,264)	(6,877)
–	(37)	(6,877)	(6,624)	3,030	2,676	(3,848)	(3,948)
–	5	(1,021)	(2,643)	706	2,054	(314)	(589)
–	(0)	(127)	87	4	6	(123)	93
–	(68)	9,836	6,368	(4,107)	(954)	5,729	5,414
–	0	2,034	2,041	33	1	2,067	2,042
–	–	3,539	2,427	(1,165)	(198)	2,373	2,230
–	–	244	125	–	–	244	125
–	(24)	927	993	117	24	1,044	1,018
–	(0)	1,218	96	(1,218)	(96)	–	(0)
–	–	1,874	730	(1,874)	(730)	–	–
–	(44)	–	(44)	–	44	–	–

Development & Asset Management sub-segment in EUR thousands

	DEVELOPMENT				ASSET MANAGEMENT	
	Primary		Other		Rented out	
	2012	2011	2012	2011	2012	2011
Revenues	3,460	917	55	41	876	511
Changes in real estate projects under development	–	–	–	–	–	–
Sale of real estate	–	696	–	–	–	–
Other operating income	–	0	–	–	–	–
Materials and services received	(145)	(124)	(62)	(49)	(90)	(135)
Project development expenses	(3,291)	(733)	–	–	–	–
Personnel expenses	(774)	(761)	–	–	(144)	–
Other operating expenses	(120)	(340)	(5)	(58)	(16)	(12)
Scheduled write-down	(16)	(21)	(13)	2	(476)	(151)
Impairments	(5)	(161)	–	–	–	–
Write-ups	0	–	–	–	1,528	96
Contribution to operating profit	(890)	(527)	(25)	(63)	1,678	309
Thereof sales revenues in						
• Czech Republic	91	93	–	–	–	–
• Hungary	–	–	–	–	294	298
• Poland	3,348	801	55	41	197	147
• Germany	–	–	–	–	21	67
• Austria	21	23	–	–	–	–
• Russia	–	–	–	–	363	–
Thereof contribution to operating profit						
• Czech Republic	(24)	(7)	–	–	–	–
• Hungary	213	(10)	–	–	240	189
• Poland	(134)	(271)	(25)	(63)	84	60
• Russia	–	(115)	–	–	1,324	–
• Germany	(9)	(4)	–	–	30	60
• Austria	(929)	(113)	–	–	–	–
• Luxembourg	(7)	(7)	–	–	–	–
• Others	–	–	–	–	–	–
SUB-SEGMENT CASH FLOW						
Cash receipts from rent	294	34	66	50	869	401
Interest received	42	67	0	0	14	0
Cash receipts from development	2,923	685	–	–	–	–
Cash paid for development	(3,636)	(696)	–	–	–	–
Expenses for materials	(66)	(139)	(48)	(47)	(14)	(197)
Personnel expenses	(829)	(824)	–	–	(144)	0
Cash paid for other expenses	(1,099)	(95)	(6)	(55)	29	37
Income tax	(15)	–	–	–	(2)	–
Cash flow from operating activities	(2,385)	(968)	13	(52)	753	241
Thereof in						
• Czech Republic	(25)	(27)	–	–	–	–
• Hungary	98	(25)	–	–	315	171
• Poland	(758)	37	13	(52)	175	9
• Russia	–	49	–	–	233	–
• Germany	(6)	(9)	–	–	30	61
• Austria	(1,681)	(981)	–	–	–	–
• Luxembourg	(13)	(12)	–	–	–	–

Under development and construction		Segment total for Q3		Reconciliation difference		Total Q3	
2012	2011	2012	2011	2012	2011	2012	2011
-	-	4,391	1,469	(540)	(188)	3,851	1,281
-	-	-	-	-	-	-	-
-	-	-	696	-	-	-	696
-	-	-	0	-	-	-	0
-	-	(297)	(307)	36	46	(260)	(261)
-	-	(3,291)	(733)	9	4	(3,282)	(729)
-	-	(917)	(761)	144	-	(774)	(761)
-	-	(142)	(410)	19	116	(123)	(294)
-	-	(505)	(170)	376	42	(129)	(128)
-	-	(5)	(161)	-	-	(5)	(161)
-	-	1,528	96	(1,437)	-	92	96
-	-	763	(281)	(1,392)	20	(629)	(261)
-	-	91	93	-	-	91	93
-	-	294	298	-	-	294	298
-	-	3,601	988	(170)	(138)	3,431	850
-	-	21	67	(21)	(67)	-	-
-	-	21	23	14	16	35	40
-	-	363	-	(363)	-	-	-
-	-	(24)	(7)	-	-	(24)	(7)
-	-	453	179	-	-	453	179
-	-	(74)	(274)	(61)	(56)	(136)	(330)
-	-	1,324	(115)	(1,324)	115	-	-
-	-	21	56	(21)	(56)	-	-
-	-	(929)	(113)	14	16	(915)	(96)
-	-	(7)	(7)	-	-	(7)	(7)
-	-	-	-	-	-	-	-
-	-	1,230	485	(495)	(128)	734	358
-	-	57	67	(15)	37	42	105
-	-	2,923	685	-	-	2,923	685
-	(12)	(3,636)	(708)	9	16	(3,627)	(692)
-	-	(127)	(383)	(0)	142	(128)	(240)
-	-	(972)	(824)	144	-	(829)	(824)
339	-	(737)	(113)	(381)	(47)	(1,118)	(160)
-	-	(17)	-	2	-	(15)	-
339	(12)	(1,280)	(791)	(736)	22	(2,017)	(769)
-	-	(25)	(27)	-	(0)	(25)	(27)
-	-	414	146	-	-	414	146
-	-	(569)	(6)	(156)	4	(725)	(2)
339	(12)	571	37	(571)	(37)	-	-
-	-	23	52	(23)	(52)	-	-
-	-	(1,681)	(981)	14	107	(1,667)	(874)
-	-	(13)	(12)	-	-	(13)	(12)

[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 September	
	2012	Retrospective adjustment 2011
Wages and salaries	(10,678,087)	(10,767,777)
Social security costs	(2,121,540)	(2,144,281)
Other payroll-related taxes and contributions	(457,526)	(448,277)
Voluntary employee benefits	(13,170)	(15,569)
Expenses for posted employees	(675,989)	(693,534)
Expenses for termination and post-employment benefits	(11,634)	(180,185)
Changes in accrual for compensated absences	(32,638)	695
Changes in pensions and other long-term employee benefits	(45,187)	(78,635)
	<u>(14,035,771)</u>	<u>(14,327,563)</u>

The Company had an average of 1,126 employees in the first three quarters of 2012 (Q1–3 2011: 1,150).

[08] Other expenses

in EUR	1 January to 30 September	
	2012	Retrospective adjustment 2011
Legal fees	(406,974)	(579,434)
General administration	(675,032)	(922,197)
Advertisement and marketing	(204,924)	(269,600)
Non-recoverable VAT	(295,424)	(300,593)
Lease payments for andel's Krakow and other rents	(1,815,469)	(1,761,796)
Supervisory Board members' fees	(110,000)	(95,000)
Foreign exchange differences from the valuation of trade liabilities (PORR andel's Łódź)	(340,664)	–
Property costs	(688,873)	(1,111,237)
Others	(316,170)	(169,986)
	<u>(4,853,529)</u>	<u>(5,209,843)</u>

[09] Financial result

in EUR	1 January to 30 September	
	2012	Retrospective adjustment 2011
Financial revenue		
Interest income from cash management	85,064	156,324
Interest from financial instruments available for sale	–	20,458
Foreign currency gains in connection with loans denominated in CHF	–	–
Foreign currency gains in connection with the PLN convertible bond	–	1,764,336
Gains/losses on the sale of available-for-sale investments	–	–
Unrealized gains on derivative financial instruments	749,641	1,022,400
(thereof from the cross currency swap in connection with the convertible bond: EUR 749,641)	834,705	2,963,518
Finance costs		
Interest on short-term borrowings, project loans and other loans	(10,278,337)	(10,661,740)
Interest on convertible bonds	(1,210,073)	(558,709)
Interest on purchase price claim extension agreement for andel's hotel Łódź	(525,127)	(412,020)
Interest on loans from minority shareholders	(117,109)	(71,659)
Interest cost for provisions for pensions and other long-term employee benefits	(77,248)	(55,336)
Foreign exchange differences on loans denominated in CHF	(254,160)	(645,858)
Foreign currency losses in connection with the PLN convertible bond	(1,089,020)	–
Other finance costs	(1,217,613)	(2,171,847)
Unrealized losses on derivative financial instruments	(6,754)	(1,317,536)
	(14,775,441)	(15,894,704)

[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 September	
	2012	Retrospective adjustment 2011
Profit before tax	905,366	(3,145,864)
Accounting profit before income tax *25% (prior year: 25%)	153,269	603,728
± Other foreign tax rates	(573,594)	(110,503)
± Tax-free profits from the participation exemption (§ 10 KStG)	427,948	672,220
± Permanent differences	164,518	(205,950)
± Impairment of deferred tax assets	61,941	(852,745)
± Income from first-time recognition of deferred tax assets	(2,497)	–
± Effects of changes in equity	–	18,239
± Effects of exchange rate fluctuations	(319,799)	(522,137)
	(88,216)	(397,148)

[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	
	30/9/2012	Retrospective adjustment 30/9/2011
Net carrying amounts at 1 January	277,149,161	274,451,818
Additions	2,073,700	956,933
Disposals	–	(118,296)
Depreciation	(7,624,299)	(7,850,655)
Impairments	(1,828,849)	(198,776)
Reversal of impairments	4,319,815	7,998,952
Exchange adjustment	140,859	14,155
Net carrying amounts at 30 September	274,230,387	275,254,132
Thereof property under construction	3,567,000	4,500,000

[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	
	30/9/2012	Retrospective adjustment 30/9/2011
Net carrying amounts at 1 January	13,562,844	14,893,989
Additions	73,833	330,410
Depreciation	(350,862)	(390,317)
Reversal of impairments	1,914,818	325,588
Net carrying amounts at 30 September	15,200,633	15,159,670
Thereof property under construction	6,261,989	7,004,171
Result from "Investment properties":		
Rental income and charged expenses	886,780	902,664
Direct expenses	(216,160)	(248,571)
	670,620	654,093

[13] Joint ventures

(including InterContinental Warsaw and Leuchtenbergring = available for sale)

in EUR	As of	
	30/9/2012	Retrospective adjustment 30/9/2011
Breakdown of the balance sheet items		
Interests in joint ventures	38,175,620	36,234,244
Result from joint ventures	(27,969,675)	(21,164,061)
Loans to joint ventures	98,791,058	106,678,503
Accumulated impairment on loans	(10,405,418)	(35,830,050)
	<u>98,591,586</u>	<u>85,918,637</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	(3,474,562)	(2,268,199)
(thereof “Other result” recognized in equity)	295,585	–
– Reductions in allocated results due to sales	–	(1,559,967)
± Loans to joint ventures	2,072,185	13,086,633
– Repayment of loans due to sales	–	(7,339,535)
± Impairment of loans to joint ventures	7,741,474	(515,132)
(thereof transfer of “allocated results”)	–	(6,085,000)
+ Use of impairment provisions due to sales	–	–
Net carrying amount at 30 September	<u>98,591,586</u>	<u>85,918,637</u>
Result from joint ventures		
Allocated results	(3,770,147)	(2,268,199)
Interest charged on loans	3,667,643	3,479,858
Impairments on loans	(993,970)	(2,034,695)
Write-up on loans	8,735,444	1,519,563
	<u>7,638,970</u>	<u>696,527</u>
Cash flow from joint ventures		
Increase in loans extended to joint ventures	(2,072,185)	(13,086,633)
Thereof charged interest	3,667,643	3,479,858
	<u>1,595,458</u>	<u>(9,606,775)</u>

[14] Financial liabilities

Amounts in EUR '000	At 1/1/2011	New borrowings	Deferred interest	Repayment of loans	± f/x	At 30/9/2011
a) Project-related loans secured by mortgages						
for andel's hotel Łódź	50,000	–	155	–	–	50,155
for Diplomat Hotel	29,065	–	28	(662)	–	28,432
for angelo hotel Ekaterinburg	37,312	–	589	–	–	37,901
for angelo Airporthotel Bucharest	11,000	–	190	–	–	11,190
for Palace Hotel	13,525	–	–	(346)	–	13,179
for Chopin Hotel	10,694	–	3	(352)	–	10,346
for angelo hotel Prague	11,252	–	–	(469)	–	10,783
for Erzsebet office building	11,638	–	–	(171)	–	11,467
for Amber Baltic Hotel	7,388	–	–	(642)	191	6,937
for Savoy Hotel	5,276	–	–	(441)	–	4,835
for Le Palais Hotel	6,466	–	–	(114)	3	6,355
for Dvořák spa hotel	20,956	–	6	(300)	–	20,661
for Warsaw gas pipeline	130	–	–	(42)	(10)	78
for Louvre property, Hungary	–	–	–	–	–	–
	214,702	–	970	(3,539)	184	212,318
b) Holding company borrowing facilities						
	50,489	1,716	–	(6,912)	–	45,293
Loans from minority interests	1,663	578	(0)	–	(67)	2,174
Loans from financial institutions	20,209	–	–	(3,003)	455	17,662
Convertible bonds	–	16,833	559	–	(2,230)	15,162
Other loans	253	6,900	–	(253)	–	6,900
	287,317	26,027	1,529	(13,706)	(1,658)	299,509

Thereof due within		At	New	Deferred	Repayment		At	Thereof due within	
1 year	> 1 year	1/1/2012	borrowings	interest	of loans	± f/x	30/9/2012	1 year	> 1 year
1,380	48,775	48,900	–	624	(200)	–	49,324	1,349	47,975
3,247	25,184	27,776	–	–	(709)	–	27,067	2,855	24,212
2,452	35,448	37,730	–	(315)	–	–	37,415	2,250	35,165
635	10,555	11,000	–	174	(809)	–	10,365	635	9,729
3,453	9,727	13,079	–	(15)	–	–	13,064	4,402	8,663
1,109	9,237	10,349	–	5	(449)	–	9,905	474	9,432
769	10,014	10,623	–	–	(488)	–	10,135	667	9,468
3,881	7,586	11,126	–	165	(265)	265	11,291	243	11,047
631	6,306	6,966	–	–	(642)	75	6,399	640	5,759
679	4,156	4,835	–	–	–	–	4,835	1,332	3,503
6,355	–	6,336	–	3	–	–	6,339	6,339	–
445	20,216	20,567	–	–	(573)	–	19,994	600	19,394
51	27	78	–	–	(41)	5	41	41	–
–	–	2,871	–	64	–	–	2,935	2,935	–
25,087	187,232	212,235	–	705	(4,176)	344	209,109	24,763	184,346
39,781	5,513	43,794	279	250	(386)	–	43,937	26,990	16,946
–	2,174	2,863	470	0	–	89	3,422	–	3,422
–	17,662	16,859	1,661	788	–	180	19,488	–	19,488
–	15,162	13,774	–	920	–	1,089	15,784	–	15,784
6,900	–	8,887	110	341	–	–	9,338	9,338	–
71,767	227,741	298,413	2,521	3,004	(4,563)	1,702	301,077	61,091	239,987

[15] Current receivables and liabilities

in EUR	As of	
	30/9/2012	Retrospective adjustment 30/9/2011
Trade receivables and other receivables		
Trade receivables	4,084,699	2,709,845
Receivables from tax authorities	203,459	874,187
Extended purchase price receivables relating to the sale of subsidiaries	122,694	728,655
Advance payments made	249,306	257,889
Other receivables and assets	1,358,708	942,220
Receivables due from joint ventures	171,618	505,805
Deferred expenses	407,837	222,388
	6,598,321	6,240,988
Trade and other payables – current		
Trade payables	3,381,850	3,559,607
Interest-bearing construction invoices from the completion of the andel's Łódź	8,457,474	7,536,503
Trade payables due to joint ventures	16,874	16,515
Trade payables due to related parties	3,477,660	2,435,010
Thereof Vienna International AG	2,905,377	2,174,854
Thereof deferred directors' bonuses 2010 and 2011	572,283	260,155
Other payables including accruals for compensated absences	2,538,110	1,957,833
Advance payments received	981,586	865,904
	18,853,553	16,371,372
Trade and other payables – non-current		
Security deposits received	601,127	647,016
Other	22,432	7,301
	623,559	654,318

[16] Derivative financial instruments

16a Interest rate collars in connection with finance loans

As of 30 September 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	
	30/9/2012	Retrospective adjustment 30/9/2011
<i>Project loan Chopin Hotel, Krakow</i>		
Notional amount at 30 September (underlying: 3-month Euribor)	9,905,404	10,345,644
Fair value at 30 September	(773,309)	(643,620)
<i>Project loan angelo hotel, Prague</i>		
Notional amount at 30 September (underlying: 3-month Euribor)	10,135,021	10,782,628
Fair value at 30 September	40	31,020

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.

(763,136) (1,306,463)

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 (21,600)

[17] Transactions with related parties

The total amount of compensation due to the directors for the reporting period amounted to EUR 0.764 million (prior period: EUR 0.751 million). Vienna International AG assessed management fees totalling EUR 2.524 million (prior period: EUR 2.216 million).

[18] Events after the balance sheet date

The preliminary contract for the sale of the 50% share in the InterContinental hotel in Warsaw was signed at the end of October 2012. The sales contract is still pending subject to the fulfilment of the standard closing prerequisites for such real estate transactions in Poland. The closing is scheduled for the end of 2012.

[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, 27 November 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

Financial calendar

28 November 2012	Publication of the results for the third quarter of 2012
25 April 2013	Publication of the Annual Report for 2012
28 May 2013	Publication of the results for the first quarter of 2013
19 June 2013	Annual General Meeting
30 August 2013	Publication of results for the first half of 2013
28 November 2013	Publication of the results for the first three quarters of 2013

Publication details: Warimpex Finanz- und Beteiligungs AG, Floridsdorfer Hauptstraße 1, A-1210 Vienna, www.warimpex.com
Investor relations: Daniel Folian, Tel. +43 1 310 55 00-156, investor.relations@warimpex.com
Photos: Warimpex