Warimpex – First three quarters of 2013:
Transactions bring steady portfolio improvements

- **Good operating result: Net operating profit (NOP) per room up by 4 per cent – overall revenue down due to property sales and project completions**
- **Positive impulses from the transaction markets: Closing of the sales of Palace Hotel in Prague and Le Palais Offices in Warsaw**
- **Property sales boost EBITDA to EUR 10.1 million (plus 8 per cent) and EBIT to EUR 7.1 million (plus 24 per cent)**
- **Profit in the third quarter not able to offset the loss in the first half of the year; loss of EUR 5.7 million after nine months**
- **Successful refinancing and capital measures**

Warimpex Finanz- und Beteiligungs AG was able to complete further transactions and generate a solid operating result in the first three quarters of 2013. Revenue developed positively overall, but property sales have reduced the number of rooms and therefore also overall revenue. As a result, sales revenues from fully consolidated hotels decreased marginally by 2 per cent to EUR 45.4 million. Including the joint ventures, our net operating profit (NOP) per room rose by 4 per cent, however. This shows the continuous improvement of the hotel portfolio as a result of selective disposals. In the Development & Asset Management segment, the completion of Le Palais Offices in Warsaw also caused a decrease in revenue from the provision of development services. All in all, this caused a decline of 11 per cent in consolidated revenue. The company achieved a slightly positive result for the third quarter of 2013 alone.

EBITDA – one of the most important performance indicators for real estate companies because it is not distorted by industry-specific valuation methods – was positive and rose by 8 per cent to EUR 10.1 million. EBIT even improved by 24 per cent to EUR 7.1 million. This can be attributed to higher profit contributions from property sales. A break-even result from joint ventures combined with higher interest expenses and foreign currency losses led to an overall financial result of minus EUR 15.2 million, so the result for the first nine months of 2013 came in at minus EUR 5.7 million.

Successful sales in Prague and Warsaw, further sale planned for this year

Warimpex achieved numerous successes on the transaction markets this year and sold two further properties over the past months. One of these transactions was the sale of the five-star Palace Hotel in Prague to a Czech investor at the beginning of the quarter. This was an important strategic step in the streamlining of the portfolio in the luxury segment. In order to make optimal use of the existing market potential, Warimpex plans to focus more strongly on the expansion of its four-star brands angelo and andel's in future. After the reporting date, Warimpex also saw the successful closing of the sale of the Le Palais Offices. Negotiations for further sales are under way, and at least one more transaction should be completed this year.

Focus on financing through local banks and capital measures

Warimpex's development activities are currently focusing on the completion of the second phase of Airport City St. Petersburg in the near future. A letter of intent has already been signed with a renowned company for the rental of the third tower, for which the shell has been completed. The sale of both Jupiter Towers is also being prepared. In August, an agreement was concluded with a local Russian bank for the refinancing of a EUR 60 million loan for Airport City, thereby securing the project over the long term.

In Krakow, Warimpex acquired a piece of development property next to Chopin Hotel and plans to build an office building here. Refinancing for Chopin Hotel was also arranged with a Polish bank. This underscores Warimpex's strategy of reducing cross-border financing agreements and replacing them with local financing.

In October, Warimpex staged an additional two capital measures (convertible bonds and bonds) in Poland at better terms than it achieved for the issues in the spring, in part to move its development services forward. The issue proceeds of roughly EUR 5.9 million were in part used to refinance short-term liabilities at the holding level, and Warimpex also plans to use them to complete existing projects and to develop new projects.

Outlook

"With promising development projects and in light of the robust transaction market, I am certain that we are on the right path. Our goals moving forward will remain the strengthening of our foundation, the improvement of our portfolio, the boosting of cash flows from our hotel operations and the optimization of our financing structure through refinancing and the strategic sale of assets," Warimpex CEO Jurkowitsch concluded.

The numbers for the first three quarters of 2013 at a glance (as of 30 September 2013)

Key figures in thousands of euros	**1–9/2013**	**+/- (%)**	**1–9/2012**
Revenues from the Hotels & Resorts segment	45,365	-2%	46,502
Revenues from the Development & Asset Management segment	2,993	-61%	7,772
Total revenues	48,359	-11 %	54,273
Gains from the sale of project companies	1,586	382%	329
EBITDA	10,074	8%	9,323
EBIT	7,080	24%	5,689
Result from joint ventures	-30	-	7,639
Profit or loss for the period	-5,675	-	-701
Number of hotels	20	-1	21
Number of rooms (adjusted for proportionate share of ownership)	3,299	-168	3,467
Number of office and commercial properties	5	-	5
Segment reporting (including joint ventures on a proportionate basis)			
Revenues from the Hotels & Resorts segment	81,569	-3%	84,000
NOP of the Hotels & Resorts segment	23,825	-2%	24,237
NOP per available room	6,977	4%	6,717
Revenues from the Development & Asset Management segment	6,215	-29%	8,726
EBITDA of the Development & Asset Management segment	-602	-	-1,900
	30 June 2013	**+/- (%)**	**31.12.2012**
Gross asset value (GAV) in millions of euros	540.3	-3%	558.5
Triple net asset value (NNNAV) in millions of euros	164.8	- 5%	172.7
NNNAV per share in EUR	3.1	- 5%	3.2
End-of-period share price	1.20	24%	0.97