REPORT ON THE FIRST HALF OF **2010**

warimpex

KEY FIGURES OF THE WARIMPEX GROUP

in EUR '000		**1–6/2010**	**Change**	1–6/2009
Revenues from the Hotels & Resorts segment		42,593	22%	34,888
Revenues from the Development & Asset Management segment		4,526	57%	2,890
Total revenues		*47,119*	*25%*	*37,778*
Gains from the sale of project companies		3,117	36%	2,288
EBITDA		9,197	–	-1,875
EBIT		13,416	–	-82,631
Profit for the period		3,729	–	-98,567
Net cash flows from operating activities		4,601	22%	3,765
Equity and liabilities		618,994	5%	588,246
Equity		87,258	93%	45,218
Average shares in the period	number of shares	43,533,499	21%	35,967,750
Earnings/loss per share	in EUR	0.08	–	-2.62
Number of hotels		21	+2	19
Number of rooms (adjusted for proportionate share of ownership)		3,421	+226	3,195
Number of office and commercial properties		5	–	5
Average number of employees in the Group		1,668	+126	1,542

		30/6/2010	**Change**	30/6/2009
Gross asset value (GAV)	in EUR m	579.2	4%	557.5
Triple net asset value (NNNAV)	in EUR m	178.5	52%	117.6
NNNAV per share	in EUR	3.3	–	3.3
End-of-period share price		1.83	-7%	1.96

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

The first half of 2010 saw clear stabilization and a moderate recovery in the hotel industry, a trend from which Warimpex was also able to profit. Revenues continued to grow in the second quarter and were up by 25 per cent overall in the first six months of the year. An especially encouraging upswing was seen in the business travel segment, and conference business is also starting to pick up again. This also resulted in clearly positive EBITDA and EBIT and a strong surplus in the second quarter of 2010, allowing the profit for the first half of the year to surge to EUR 3.7 million.

Occupancy rates continued to stabilize at the Group hotels in the second quarter of 2010. The angelo hotel in Munich saw the greatest occupancy increase at 12 per cent. First signs of recovery were also seen in the underperforming five-star segment in Prague in June and July. This trend has also begun to have a positive effect on room rates. While this effect has not yet set in to the same extent on all markets, the average room rates have already gone up in Poland and Germany, where occupancy rates rebounded first.

We also believe that the real estate market is out of the woods, and the paralysis that had the markets firmly in its grip at the end of 2008 and during the first half of 2009 has abated. That is definitely a positive sign, and it has again become possible to sell assets for acceptable prices.

The development of the successful budget hotel brands of Campanile and Première Classe in a joint venture with Louvre Hotels is again accelerating after the crisis caused this work to slow. Projects in Budapest, Zielona Góra, Bydgoszcz, Katowice and Wrocław are currently under development, and suitable properties have already been purchased. A number of building permits have also already been issued, and financing has been secured for the Campanile hotel in Budapest. Concrete negotiations and talks are currently under way on the development of further budget hotels and the purchase of additional properties. Alongside Poland and Hungary, the focus is currently being placed on the Czech Republic and Slovakia.

Progress has been made in other projects, as well. Building permits were issued in July 2010 for the modernization of an office building in Krakow and for the conversion of the historical landmark Le Palais in Warsaw into an office building. Originally, it was intended to turn the building in the Prozna district into a five-star luxury hotel, but Warimpex adopted this new development plan to take advantage of the higher office rent levels in the central business district. The groundbreaking office building is scheduled to open in 2012. The building permit for the new Kempinski Hotel in Palais Hansen on Vienna's Ring boulevard was also issued in July. Construction work on these projects is expected to begin in autumn 2010.

The Warimpex property portfolio was valuated by the independent international appraiser CB Richard Ellis (CBRE) as of 30 June 2010. Better occupancy rates made it possible to reverse part of the impairment write-downs made in 2009, and the NNNAV remained constant in annual comparison at EUR 3.3 despite the higher number of shares.

The capital needed to secure and continue our development strategy was raised through the capital increase in May. The net issue proceeds for the approximately 14.4 million new shares totalled roughly EUR 26 million and were used for current development projects and to refinance liabilities and short-term credit lines.

The return to positive numbers and the encouraging trends we are now seeing show that the path we have chosen and will continue to pursue will bring a successful future for Warimpex.

Franz Jurkowitsch

BUSINESS HIGHLIGHTS

Business highlights

- 02/2010 Sale of a 16.69 per cent share in the Palais Hansen development project, Vienna
- 03/2010 Opening of the angelo in Katowice (203 rooms)
- 05/2010 Successful capital increase by 14,400,001 shares
- 06/2010 Lease agreement for Palais Hansen, Vienna, signed with Kempinski

INVESTOR RELATIONS

The volatility of the Warimpex share decreased significantly and the share price stabilized in the first half of 2010. After closing at EUR 2.18 at the end of the year, the share price rose to roughly EUR 2.50 by the middle of April. In the middle of May, 14,400,001 shares were issued at a price of EUR 2.00 per share; the closing price on 30 June 2010 was EUR 1.83.

Since our IPO, we have maintained an open and proactive communication policy with our investors, and participated in investor conferences in Kitzbühel, Zürs and Paris this year. Investor meetings were also held in Vienna, Munich, Zurich, Budapest, Warsaw, Helsinki, Tallinn and London in connection with the capital increase.

GROUP MANAGEMENT REPORT
for the period from 1 January to 30 June 2010

ECONOMIC ENVIRONMENT

In its July 2010 World Economic Update, the International Monetary Fund (IMF) upped its economic forecast slightly compared to April 2010. An economic contraction of -4.1 per cent was confirmed for 2009, and growth is expected to total 1.0 per cent (1.0 per cent) in 2010 and 1.3 per cent (1.5 per cent) in 2011. An economic downturn of -3.6 per cent was confirmed for the CEE economy in 2009, and the IMF is already expecting the region to bounce back to a significantly higher growth rate of 3.2 per cent (2.8 per cent) again in 2010. GDP growth for 2011 is expected to come in at 3.4 per cent (3.4 per cent). Growth was confirmed for individual economies in 2009, including Poland at 1.7 per cent, where growth in 2010 is expected to total 2.7 per cent. After contracting by 7.9 per cent in 2009, Russia's economy is also expected to grow by a significant 4.3 per cent (4.0 per cent) in 2010.

MARKETS

POLAND

Existing portfolio: 7 hotels, 2 office properties

Warimpex holds a 50 per cent interest in the five-star InterContinental and a 25 per cent interest in the four-star Sobieski Hoteli 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 and a 27-hole golf course.

The occupancy rate at the InterContinental rose significantly to 78 per cent in the first half of the year (H1 2009: 70 per cent), and the average room rate increased slightly. Occupancy at Sobieski Hotel was down slightly compared to last year (H1 2010: 55 per cent, H1 2009: 57 per cent), but the average room rate in euros increased moderately. The occupancy rate at the Chopin Hotel rose from 57 to 59 per cent, but the average room rate had to be reduced slightly. At the andel's hotel in Krakow, the occupancy rate also increased (H1 2010: 66 per cent, H1 2009: 62 per cent), and the average room rate fell marginally. The andel's hotel in Łódź – the first four-star hotel in the city – achieved an occupancy rate of 51 per cent in the first half of 2010, a very good start for a new hotel. Conference business at the hotel has also been running well. The occupancy rate at the Amber Baltic beachfront resort came in at 32 per cent (H1 2009: 31 per cent). Due to its location on the Baltic coast, occupancy rates at this hotel are subject to strong seasonal fluctuations, in contrast to city hotels.

In addition to the hotels listed above, Warimpex owns shares in the Sobieski and Parkur Tower office buildings in Warsaw through joint ventures.

Under development: 2 office buildings, 1 shopping centre

Warimpex owns one of the few historical buildings in Warsaw. Originally, it was planned to convert the building into a five-star Le Palais luxury hotel. The construction permit for this was issued in September 2008. As rental rates for offices in the central business district have risen considerably, however, it was decided to develop the property into an office building instead of a hotel. The building permit for an office building was issued in July 2010.

An office building that is owned by Warimpex in Krakow is also to be modernized. The building permit for this was also issued in July 2010. In Białystok, Warimpex is working to develop a shopping centre.

CZECH REPUBLIC

Existing portfolio: 7 hotels

In Prague, Warimpex owns the three five-star hotels Palace, Le Palais and Savoy, and in the four-star segment the Diplomat Hotel and the angelo hotels in Prague and Plzeň. Warimpex also consolidates the Dvořák spa hotel in Karlovy Vary according to IAS/IFRS.

In the period under review, the two four-star hotels in Prague achieved occupancy rates of 49 and 54 per cent (H1 2009: 41 and 57 per cent), and the average room rates showed signs of stabilizing for the first time in several quarters. The five-star segment remained very weak, with occupancy rates of between 37 and 50 per cent (H1 2009: 33 and 47 per cent), but occupancy rates began to climb in June and July. The average room rates also continued to decline in annual comparison. In the reporting period, Warimpex began planning the conversion of a five-star hotel into apartments, as it cannot be assumed that the Prague five-star market will recover in the near future. At the Dvořák spa hotel in Karlovy Vary, the occupancy rate was 74 per cent (H1 2009: 77 per cent). The average room rate did not change. Occupancy at the angelo in Plzeň increased significantly from 26 to 45 per cent.

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 about 800 square metres of lettable space, roughly 75 per cent of which is occupied. The Sajka office building, which has roughly 600 square metres of lettable space, is being used by the Group for its own purposes. Warimpex is currently modernizing and redeveloping the two towers of the Erzsebet office complex. Tower B was handed over to the tenant at the beginning of May 2009 after the renovation work was completed and is now fully let out. Lease negotiations are currently under way 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 a comparatively low occupancy rate of 38 per cent in the first half of 2010 (H1 2009: 34 per cent), but significantly higher occupancy was recorded in June and July than in the same months of the prior year.

GERMANY

Existing portfolio: 2 hotels

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

Occupancy at the angelo in Munich was 72 per cent (H1 2009: 65 per cent), and the average room rate was also increased by roughly 30 per cent. In Berlin, the largest andel's to date was opened at the beginning of March 2009. Occupancy was encouraging at 61 per cent in the first half of 2010.

Plans for the second phase of the angelo Munich project foresee the expansion of the hotel. In addition, a piece of land adjacent to the andel's in Berlin was purchased in 2009 for the development of a conference centre. 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 satisfying in the period at 65 and 55 per cent (H1 2009: 61 and 46 per cent).

AUSTRIA

Under development: 1 hotel with 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 PORR Solutions. The project, which is scheduled to open in 2012, is Warimpex's first in Austria. In July, a renowned operator and leaseholder was won for Palais Hansen, the luxury hotel operator Kempinski. In February 2010, Warimpex reduced its share in this project from 26.57 to 9.88 per cent. The building permit was issued in July 2010.

RUSSIA

Existing portfolio: 2 hotels

In Russia, Warimpex holds 60 per cent of the Liner Hotel at Koltsovo airport in Ekaterinburg. The hotel is fully consolidated in the financial statements. Warimpex is also developing another airport project in Ekaterinburg. An angelo hotel with a direct link to the new terminals was opened in the third quarter of 2009 as part of the expansion of the airport. While the existing Liner Hotel met its budget targets in the first six months, occupancy at the angelo was very poor.

Under development: 1 hotel, airport office park

The Airport City development project is currently under construction in St. Petersburg. The first phase comprises a four-star Crowne Plaza hotel (InterContinental Group) plus office buildings with 39,000 square metres of space. The hotel is scheduled to be completed in 2011, and the office buildings in 2012/13.

BUDGET HOTELS

Under development: 7 hotels

In March 2007, Warimpex entered into a strategic joint venture with Louvre Hotels to develop budget hotels in Central Europe. At the beginning of 2009, Louvre transferred its financial interest in this joint venture to Starwood Capital Group – the owner of Louvre – but is still involved as a development partner and especially as the operator and franchisor (for the brands Première Classe and Campanile) of all of the hotels. The objective is to develop the successful Louvre Hotels brands Campanile and Première Classe in Warimpex's home markets.

The first joint hotels are to be opened in Zielona Góra and then in Wrocław and Bydgoszcz at the end of 2011 and beginning of 2012. Construction on these hotels is set to start in the fourth quarter of 2010. The completion of the hotels in Budapest and Katowice is planned for the end of 2012. Suitable properties have been purchased, and the first building permits have already been issued. Financing for the hotel in Budapest was secured in April 2010.

Warimpex and Starwood Capital Group are currently involved in negotiations on the development of further budget hotels in the Hungarian cities of Debrecen and Miskolc. Concrete talks are also under way about the purchase of further pieces of land in

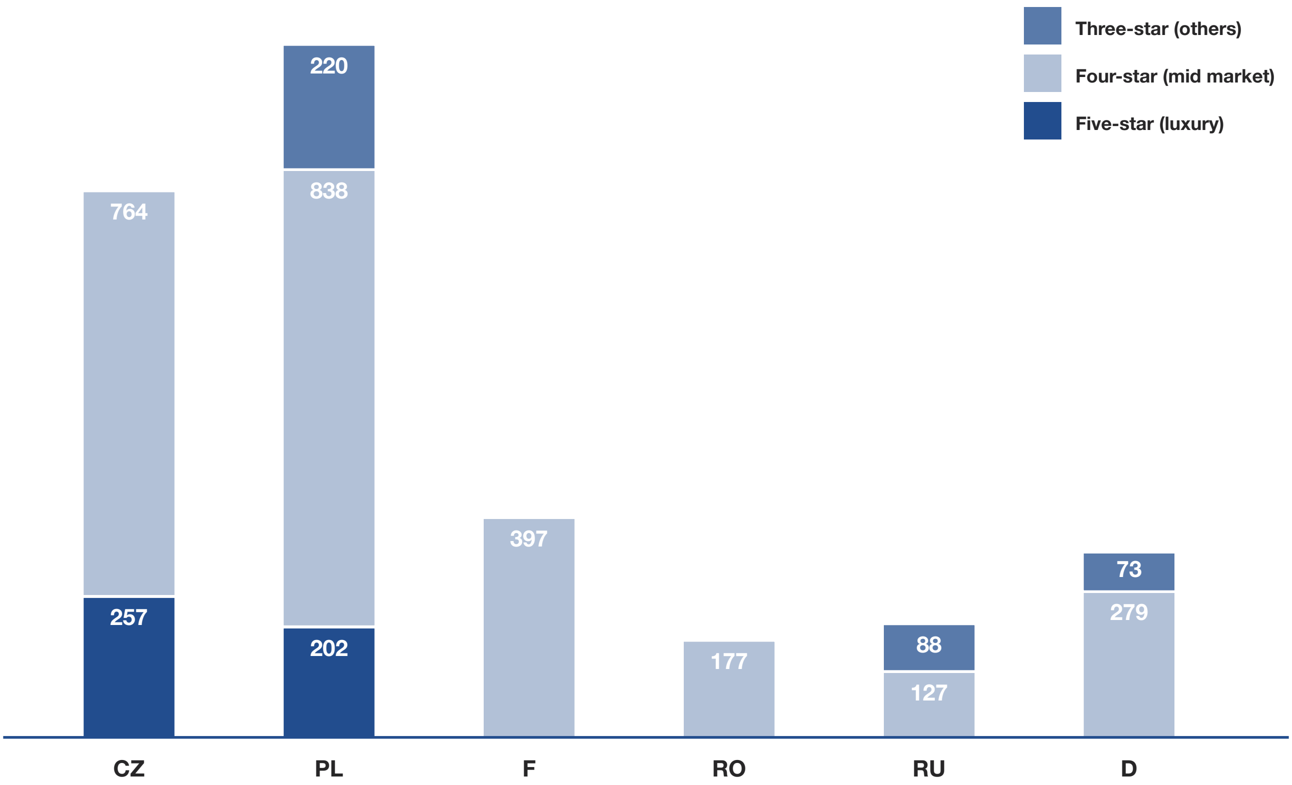
Krakow and Gdansk. In the Czech Republic, the joint venture partners are currently focusing on Prague, Brno and Ostrava, and in Slovakia on Bratislava and Košice.

An option was concluded in the first half of 2010 to secure two properties at central locations in the second- and third-largest cities in the Czech Republic for the development of two Campanile hotels and one Première Classe hotel with a total of 350 rooms.

The following projects are currently under development through the joint venture with Louvre Hotels:

- Campanile, Budapest (284 rooms)
- Campanile, Zielona Góra (84 rooms)
- Campanile, Wrocław (152 rooms)
- Campanile, Bydgoszcz (117 rooms)
- Campanile, Katowice (100 rooms)
- Première Classe, Wrocław (136 rooms)
- Première Classe, Katowice (100 rooms)

Hotel portfolio (number of rooms adjusted for proportionate share of ownership) as of 30 June 2010



Compared to 30 June 2009, the number of hotel rooms (adjusted for the proportionate share of ownership) increased by 226 from 3,195 to 3,421 as of 30 June 2010. This can be attributed to the opening of the two angelo hotels in Ekaterinburg and Katowice.

ASSETS, FINANCIAL POSITION AND EARNINGS SITUATION

The first half of 2010 saw the hotel industry recover slightly and stabilize at a low level. Occupancy improved across the portfolio, and the room rates stabilized.

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 turnover improved considerably, rising 25 per cent from EUR 37.8 million to EUR 47.1 million. Revenues from hotel operation increased from EUR 34.9 million in the first six months of 2009 to EUR 42.6 million, primarily due to revenues from the new hotels that were opened in Berlin, Łódź and Katowice in 2009 and 2010, all of which enjoyed very good starts. Revenues from the rental of offices and the provision of development services increased from EUR 2.9 million to EUR 4.5 million. While revenues from the rental of offices remained constant at EUR 1.4 million, the billing of an approach ramp whose construction was included in the purchase price of the property in Łódź brought one-off income in the development sub-segment.

Segment reporting*

(*For more information, see the detailed comments in [04] Segment information in the Notes)

The Warimpex Group has defined the segments Hotels & Resorts and Asset Management & Development. 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 properties as well as profits from the sale of real estate.

Hotels & Resorts segment

in EUR '000	**1–6/2010**	1–6/2009
Revenues for the Group	42,593	34,888
Average number of hotel rooms for the Group	3,496	2,980
Group GOP	12,649	9,496

Development & Asset Management segment

in EUR '000	**1–6/2010**	1–6/2009
Revenues for the Group	4,526	2,890
Gains from the sale of project companies	3,317	2,288
Segment EBITDA	2,353	-4,851

Earnings situation

In the first half of 2010, Warimpex sold a 16.69 per cent share in the Palais Hansen development project in Vienna for a price of EUR 7.3 million. The profit from this transaction was EUR 3.1 million, and Warimpex still holds 9.88 per cent of the project. The Csalogany office building in Budapest was sold in the first half of 2009. The sale made a EUR 2.3 million contribution to the profit for the period.

EBITDA – EBIT

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased considerably from EUR -1.9 million in the prior period to EUR 9.2 million in the reporting period, and the operating result (EBIT) also surged from EUR -82.6 million to a positive EUR 13.4 million.

All properties were valued by an external international appraiser as of 30 June 2009 and 30 June 2010. The property values that were determined as of June 2009 were impacted by the difficult market environment, especially in terms of transaction volume. Overall, impairments totalling EUR 87.5 million had to be recognized in June 2009 because the fair values at the reporting date were lower than the carrying values. Since then, part of these impairment write-downs has been reversed. Scheduled write-downs are recognized independent of this.

Profit for the period

The profit for the first half improved significantly from EUR -98.6 million to EUR 3.7 million.

Cash flow

The cash flow from operations also improved considerably from from EUR 3.8 million to EUR 4.6 million.

REAL ESTATE ASSETS

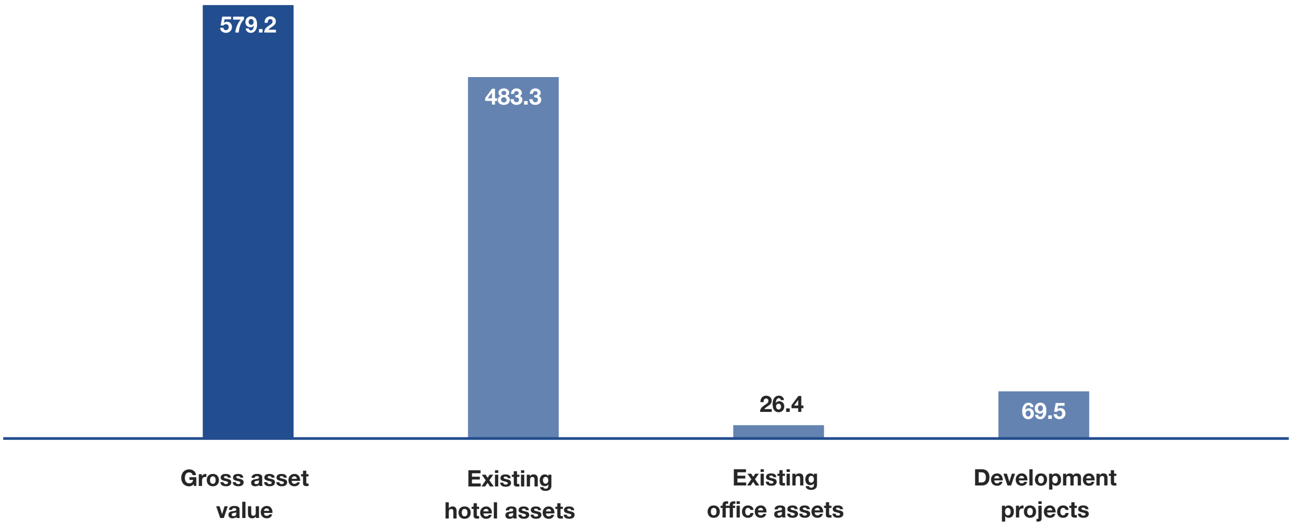
At 30 June 2010, the real estate portfolio of the Warimpex Group comprised twenty-one hotels with a total of 5,013 rooms (3,421 rooms when adjusted for the proportionate share of ownership), plus five office properties with a total lettable floor area of some 28,000 square metres (18,000 square metres 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 valuated 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 2010 totalled EUR 579.2 million (30 June 2009: EUR 557.5 million).

The capitalization factors (yields) used to calculate the earning capacity of hotel properties in Poland ranged from 6.50 to 9.50 per cent (June 2009: 6.50 to 9.50 per cent), in the Czech Republic from 7.75 to 9.00 per cent (8.00 to 9.00 per cent), in Germany from 6.75 to 7.25 per cent (7.00 to 7.50 per cent), in France from 7.75 to 8.00 per cent (7.25 to 7.50 per cent) and in Russia from 11.50 to 12.00 per cent (12.00 per cent). Office properties are discounted at rates ranging from 8.00 to 13.00 per cent (8.00 to 12.00 per cent).

The triple net asset value (NNNAV) for the Warimpex Group increased by EUR 60.9 million or 52 per cent (roughly EUR 26 million of this coming from the capital increase) from EUR 117.6 million on 30 June 2009 to EUR 178.5 million on 30 June 2010. The NNNAV per share remained constant at EUR 3.3 despite the higher number of shares.

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

in EUR m	**6/2010**		6/2009	
Equity before minority interests	90.0		45.0	
Goodwill		-0.9		-2.4
Deferred tax assets	0.8		–	
Deferred tax liabilities	12.8	12.0	12.2	12.2
Book value of existing hotel assets	422.9		395.5	
Fair value of existing hotel assets	483.3	60.4	442.4	46.9
Book value of existing office property assets (investment properties)	23.6		22.8	
Fair value of existing office property assets (investment properties)	26.4	2.8	26.9	4.2
Book value of development projects	55.3		67.3	
Fair value of development projects	69.5	14.2	79.0	11.7
Book value of associated companies	5.6		2.7	
Fair value of associated companies	5.6	–	2.7	
Triple net asset value		**178.5**		**117.6**
Number of shares at 30 June		54,000,000		36,000,000
NNNAV per share in EUR		**3.3**		**3.3**

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 2009.

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 on both the current cash flow and on real estate valuation.

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 current 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 are also causing a high degree of uncertainty with regards to what market participants will do. Under such conditions, 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.

Long-term financing is arranged for every property and every ongoing development project, usually for a period of fifteen years. The property held by the respective project company is usually pledged to the lender as collateral. The Group also uses short-term operating credit.

As of 30 June 2010, the interim consolidated financial statements show short-term financial liabilities in the amount of EUR 73.6 million. It will be necessary to extend or refinance these operating credit lines or to convert them into long-term financing in the coming twelve months. If no properties or projects are sold during this time, it will be necessary to take out new loans. In this connection, the Company may consider issuing a bond to obtain the necessary financing.

Many experts believe that the real estate market has come through the worst of the crisis, and the paralysis that had the markets firmly in its grip at the end of 2008 and during the first half of 2009 has abated. That is definitely a positive sign. It has again become possible to sell assets for acceptable prices, and such transactions have become more likely. The Company is currently working on multiple disposals. We anticipate the sale of a property in the near future; if more liquidity is needed, additional properties may be sold at short notice.

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

Events after the balance sheet date

There were no material events after the reporting date.

OUTLOOK

The following hotel projects are currently under construction:
- Airport City, St. Petersburg, business park with 39,000 square metres of office space and a Crowne Plaza Hotel with 300 rooms (opening of offices scheduled for 2012/2013; hotel opening scheduled for 2011)

The following projects are in advanced stages of development:
- Redevelopment of tower A at Erzsebet office complex
- Le Palais office building, Warsaw
- Office building, Krakow
- Hotel expansion, Munich
- Palais Hansen, Vienna
- Shopping centre, Białystok

The following projects are currently under development through the joint venture with Louvre Hotels:
- Campanile, Budapest
- Campanile, Zielona Góra
- Campanile, Wrocław
- Campanile, Bydgoszcz
- Première Classe, Wrocław
- Campanile, Katowice
- Première Classe, Katowice

Vienna, 30 August 2010

Franz Jurkowitsch

Georg Folian m.p.

Christian Fojtl

Alexander Jurkowitsch

SELECTED WARIMPEX GROUP PROPERTIES

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, ol. Ogrodowa 17
278 rooms (opened in June 2009)

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF **30 JUNE 2010**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

unaudited

in EUR	Note	1–6/10	4–6/10	1–6/09	4–6/09
Revenues					
Revenues – Hotels & Resorts segment		42,592,575	25,197,943	34,888,358	21,634,241
Revenues – Development & Asset Management segment		4,526,135	1,569,508	2,889,846	1,429,238
		47,118,710	26,767,451	37,778,204	23,063,479
Gains from the sale of disposal groups and property, plant and equipment					
Gains from the sale of real estate		7,747,121	142,882	6,800,000	6,800,000
Carrying amounts of the sold disposal groups and property, plant and equipment		(4,430,571)	–	(4,512,344)	(4,512,344)
	[05]	3,316,550	142,882	2,287,656	2,287,656
Other income and expenses					
Changes in real estate projects under development or construction		(1,341,454)	(1,584)	–	–
Other income		1,160,658	19,645	329,789	68,979
		(180,796)	18,060	329,789	68,979
Expenses for materials and services rendered		(21,561,469)	(11,724,101)	(17,875,960)	(10,115,280)
Expenses for project development		(86,291)	(20,912)	(526,174)	116,900
Personnel expenses	[06]	(14,582,678)	(7,821,552)	(13,193,760)	(7,230,169)
Depreciation and amortization expense	[07]	(9,900,084)	(5,020,591)	(7,322,092)	(3,846,528)
Impairments	[07]	(348,046)	(981,082)	(73,434,076)	(73,434,076)
Write-ups	[07]	14,467,374	11,598,171	–	–
Other expenses	[08]	(4,826,825)	(2,451,431)	(10,674,317)	(6,225,684)
		(36,838,018)	(16,421,499)	(123,026,379)	(100,734,837)
Operating profit		**13,416,446**	**10,506,895**	**(82,630,731)**	**(75,314,723)**
Result from associated companies		–	–	(6,690,887)	(6,690,887)
Financial revenue	[09]	1,702,614	1,168,623	1,853,963	721,788
Finance costs	[09]	(13,152,347)	(7,096,724)	(15,602,374)	(11,858,481)
Profit before tax		**1,966,714**	**4,578,794**	**(103,070,028)**	**(93,142,303)**
Current income taxes	[10]	(1,164,682)	(1,141,580)	(4,262)	(2,568)
Deferred taxes	[10]	2,927,032	948,043	4,507,700	4,854,447
Profit for the period		**3,729,064**	**4,385,257**	**(98,566,590)**	**(88,290,424)**
Foreign currency translation		(2,390,449)	(1,180,170)	(1,247,317)	8,029,070
Net gains/losses from hedging		(270,324)	(111,963)	(643,068)	(873,487)
(Deferred) taxes recognized in equity		71,491	59,498	168,956	84,978
Total income and expenses for the period		**1,139,781**	**3,152,622**	**(100,288,018)**	**(81,049,863)**
Profit for the period attributable to:					
- Equity holders of the parent		3,687,872	4,413,620	(94,447,785)	(78,831,988)
- Non-controlling interests		41,191	(28,363)	(4,118,804)	(9,458,436)
		3,729,064	4,385,257	(98,566,590)	(88,290,424)
The total income and expenses for the period can be attributed as follows:					
- Equity holders of the parent		1,973,061	3,469,863	(96,046,309)	(80,036,366)
- Non-controlling interests		(833,280)	(317,241)	(4,241,709)	(1,013,497)
		1,139,781	3,152,622	(100,288,018)	(81,049,863)
Earnings per share:					
Undiluted, for the profit for the period attributable to ordinary equity holders of the parent	[11]	0.08	0.09	(2.62)	(2.19)
diluted, for the profit for the period attributable to ordinary equity holders of the parent	[11]	0.08	0.09	(2.62)	(2.19)

CONSOLIDATED BALANCE SHEET

in EUR	Note	30/6/2010 unaudited	31/12/2009 audited	30/6/2009 unaudited
ASSETS				
Non-current assets				
Property, plant and equipment	[12]	465,601,706	457,740,434	456,364,047
Investment properties	[13]	46,415,179	42,885,519	39,224,254
Goodwill		921,266	921,266	2,350,892
Other intangible assets		318,509	397,799	218,594
Associated companies	[05]	5,589,797	9,337,412	2,713,796
Other financial assets	[14]	69,588,709	67,421,539	54,459,540
Deferred tax assets		775,159	1,112,352	46,844
		589,210,325	579,816,321	555,377,967
Current assets				
Inventories		1,633,300	3,013,257	1,410,404
Trade and other receivables	[16]	11,697,394	16,025,579	16,199,849
Other financial assets	[17]	33,911	84,241	18,243
Cash and short-term deposits		16,419,291	11,933,442	15,239,177
		29,783,895	31,056,519	32,867,672
TOTAL ASSETS		**618,994,220**	**610,872,840**	**588,245,639**

CONSOLIDATED BALANCE SHEET

in EUR	Note	30/6/2010 unaudited	31/12/2009 audited	30/6/2009 unaudited
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Issued capital	[11]	54,000,000	39,599,999	36,000,000
Capital reserves		71,193,043	59,627,010	55,576,939
Retained earnings		(36,516,846)	(40,204,719)	(52,966,873)
Treasury shares		(301,387)	(301,387)	(291,019)
Other reserves		1,665,991	3,380,802	6,684,436
		90,040,801	62,101,706	45,003,483
Non-controlling interests		(2,782,380)	(1,949,100)	214,531
Total equity		**87,258,421**	**60,152,606**	**45,218,015**
Non-current liabilities				
Interest-bearing loans and borrowings	[15]	412,830,064	418,559,227	398,955,819
Provisions		3,501,244	3,353,547	4,249,032
Other payables		1,238,516	1,256,038	674,175
Deferred tax liabilities		12,823,649	16,159,365	12,183,419
		430,393,473	**439,328,176**	**416,062,445**
Current liabilities				
Trade and other payables	[16]	24,272,932	35,525,278	29,932,248
Interest-bearing loans and borrowings	[15]	73,677,709	70,552,125	92,892,685
Derivative financial instruments	[17]	1,083,129	467,205	376,124
Income tax payable		92,236	180,992	45,011
Provisions		2,216,319	4,666,457	3,719,113
		101,342,326	**111,392,058**	**126,965,181**
TOTAL EQUITY AND LIABILITIES		**618,994,220**	**610,872,840**	**588,245,640**

CONSOLIDATED CASH FLOW STATEMENT

unaudited

in EUR	Note	**1/1–30/6/2010**	1/1–30/6/2009
Cash receipts from operating activities			
From the operation of hotels and rent received		44,796,899	37,068,189
From real estate development projects		1,428,231	1,993,034
Interest received		65,735	764,478
		46,290,866	39,825,701
Cash payments for operating activities			
For real estate development projects		(477,264)	(599,395)
For materials and services received		(23,451,191)	(15,647,523)
For personnel and related expenses		(14,334,984)	(12,470,958)
For other expenses		(3,272,940)	(6,406,138)
Income tax paid		(153,965)	(936,772)
		(41,690,344)	(36,060,787)
Net cash flows from operating activities		**4,600,522**	**3,764,915**
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment	[05]	969,601	6,248
Purchase of property, plant and equipment	[12]	(12,188,031)	(56,096,608)
		(11,218,430)	(56,090,360)
Acquisition/expansion of investment properties		(2,167,971)	(7,354,941)
Acquisition of software		(3,036)	(22,336)
Relating to other financial assets:			
Payouts from granted loans		(3,509,545)	(4,537,421)
Other		(420,892)	829,479
Acquisition of shares in associated companies		(350,562)	(156,015)
		(4,280,999)	(3,863,958)
		(17,670,436)	**(67,331,595)**

CONSOLIDATED CASH FLOW STATEMENT

unaudited

in EUR	Note	**1/1–30/6/2010**	1/1–30/6/2009
Cash flows from business combinations and other changes in the scope of consolidation			
Changes in the scope of consolidation			
Proceeds from the sale of disposal groups		6,750,000	–
Cash and cash equivalents of disposal groups		–	(52,778)
	[05]	6,750,000	(52,778)
Payments for business combinations effected in previous periods		(95,705)	–
		6,654,295	(52,778)
Net cash flows used in/from investing activities and changes in the scope of consolidation		**(11,016,141)**	**(67,384,373)**
Cash flows from financing activities			
Cash received from capital measures	[11]	25,726,979	–
Proceeds from loans and borrowings	[15]	7,839,903	78,479,505
Repayment of loans and borrowings	[15]	(14,627,336)	(25,380,950)
Interest and other finance costs paid		(8,288,577)	(8,682,489)
Payments for/proceeds from the acquisition/sale of derivative financial instruments	(2,039)	1,612,873	
Net cash flows from/used in financing activities		**10,648,929**	**46,028,938**
Net change in cash and cash equivalents		4,233,310	(17,590,520)
Net foreign exchange difference		252,539	(282,651)
Cash and cash equivalents at 1 January		11,933,442	33,112,348
Cash and cash equivalents at the end of the period		**16,419,291**	**15,239,177**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 June 2010 – unaudited

in EUR	Issued capital	Capital reserves	Retained earnings	Treasury shares	Other reserves	TOTAL	Minority interests	Total equity
At 1 January 2010	**39,599,999**	**59,627,010**	**(40,204,719)**	**(301,387)**	**3,380,802**	**62,101,706**	**(1,949,100)**	**60,152,606**
Capital increase	14,400,001	14,400,001	–	–	–	28,800,002	–	28,800,002
Capital procurement costs	–	(3,778,623)	–	–	–	(3,778,623)	–	(3,778,623)
(Deferred) taxes related to capital procurement costs		944,656	–	–	–	944,656	–	944,656
Profit for the period	–	–	3,687,872	–	–	3,687,872	41,191	3,729,064
Other income/expense	–	–	–	–	(1,714,811)	(1,714,811)	(874,471)	(2,589,282)
Total income and expenses for the period	–	–	3,687,872	–	(1,714,811)	1,973,061	(833,280)	1,139,781
At 30 June 2010	**54,000,000**	**71,193,043**	**(36,516,846)**	**(301,387)**	**1,665,991**	**90,040,801**	**(2,782,380)**	**87,258,421**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 June 2009 – unaudited

in EUR	Issued capital	Capital reserves	Retained earnings	Treasury shares	Other reserves	TOTAL	Minority interests	Total equityl
At 1 January 2009	**36,000,000**	**55,576,939**	**41,480,912**	**(291,019)**	**8,282,960**	**141,049,792**	**4,456,241**	**145,506,033**
Profit for the period	–	–	(94,447,785)	–	–	(94,447,785)	(4,118,804)	(98,566,590)
Other income/expense	–	–	–	–	(1,598,524)	(1,598,524)	(122,905)	(1,721,429)
Total income and expenses for the period	–	–	(94,447,785)	–	(1,598,524)	(96,046,309)	(4,241,709)	(100,288,018)
At 30 June 2009	**36,000,000**	**55,576,939**	**(52,966,873)**	**(291,019)**	**6,684,436**	**45,003,483**	**214,531**	**45,218,015**

NOTES TO THE INTERIM 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 2010 for Warimpex Finanz- und Beteiligungs AG were released for publication by the Company’s management on 30 August 2010. The main activities of the Company are described in Note [04] “Business segments”.

[02] Basis for preparation

The interim consolidated financial statements for the period ended 30 June 2010 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 2009.

The accounting and valuation methods applied in preparing the interim consolidated financial statements as of 30 June 2010 have remained unchanged from the consolidated financial statements as of 31 December 2009.

The interim financial statements as of 30 June 2010 were reviewed.

With respect to the changes effective under IFRS as of 1 January 2010 and their effects, please refer to the details stated in the consolidated annual financial statements as of 31 December 2009.

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.

[03] 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.

[04] Business segments – overview

for the period from 1 January to 30 June – unaudited

in EUR	Hotels & Resorts 2010	Hotels & Resorts 2009	Development & Asset Management 2010	Development & Asset Management 2009	Total in EUR 2010	Total in EUR 2009
External sales	42,592,575	34,888,358	4,526,135	2,889,846	47,118,710	37,778,204
Segment results	9,039,234	(75,868,778)	4,377,212	(6,761,953)	13,416,446	(82,630,731)
Investments						
• In property, plant and equipment including software	6,669,147	57,329,566	2,955,240	7,682,266	9,624,387	65,011,832
• In financial assets	–	–	8,422,319	17,255,799	8,422,319	17,255,799
Business combinations and other changes in the scope of consolidation	–	–	–	(3,992,995)	–	(3,992,995)
	6,669,147	57,329,566	11,377,559	20,945,070	18,046,706	78,274,636
Depreciation						
• Write-downs	(9,363,082)	(7,077,096)	(537,002)	(244,996)	(9,900,084)	(7,322,092)
• Impairments	(343,046)	(71,768,301)	(5,000)	(1,665,775)	(348,046)	(73,434,076)
• Write-ups	11,901,361	–	2,566,013	–	14,467,374	–
Net cash flows from operating activities	5,406,653	4,026,708	(806,131)	(261,794)	4,600,522	3,764,914
Segment assets	475,975,790	471,583,788	143,018,430	116,661,852	618,994,220	588,245,639
Segment liabilities (gross)	(469,942,199)	(474,175,425)	(61,793,600)	(68,852,201)	(531,735,799)	(543,027,626)
Intragroup financing	56,480,255	55,088,828	(56,480,255)	(55,088,828)	–	–
Segment liabilities (net)	(413,461,944)	(419,086,597)	(118,273,855)	(123,941,028)	(531,735,799)	(543,027,626)
Average payroll	1,585	1,456	83	86	1,668	1,542

Segment results Hotels & Resorts – year-on-year comparison

for the period from 1 January to 30 June – unaudited

	Luxury		Up-Market		Others	
in EUR	**2010**	2009	**2010**	2009	**2010**	2009
Revenues	7,610,488	7,724,802	32,301,679	24,426,911	2,636,318	2,582,422
Expenses for materials	(3,762,068)	(3,551,306)	(13,489,695)	(10,518,907)	(713,522)	(833,472)
Personnel expenses	(2,349,933)	(2,547,603)	(8,851,995)	(7,065,741)	(732,229)	(720,500)
Gross operating profit	**1,498,487**	**1,625,893**	**9,959,989**	**6,842,263**	**1,190,567**	**1,028,451**
Hotel employees	*267*	*321*	*1,144*	*963*	*163*	*158*
Rooms available						
Total	661	661	3,986	3,572	370	370
thereof available	658	661	3,905	3,394	352	357
Joint venture share	(202)	(202)	(1,132)	(1,022)	–	–
Time allocation	–	–	(84)	(208)	–	–
Rooms available Group	**456**	**459**	**2,688**	**2,164**	**352**	**357**
Rooms sold	272	252	1,405	1,046	249	228
Average room occupancy	**60%**	**55%**	**52%**	**48%**	**71%**	**64%**
Management fee	(385,424)	(412,389)	(1,700,971)	(1,139,883)	(187,322)	(134,009)
Lease/rent	–	–	(1,146,460)	(120,049)	(57,567)	(53,987)
Exchange adjustments	(7,103)	(104,217)	691,085	(158,960)	(7,669)	(4,423)
Property costs	(193,651)	(179,299)	(426,046)	(832,855)	(26,701)	(57,338)
Net operating profit	**912,309**	**929,988**	**7,377,596**	**4,590,517**	**911,307**	**778,693**
Other income after GOP	–	–	(4,168)	86,479	48,258	67,743
Other costs after GOP	(151,623)	(204,764)	(1,757,130)	(1,798,471)	(77,132)	(94,815)
Pre-opening costs	–	–	(196,905)	(692,883)	–	–
Depreciation	(1,794,379)	(1,903,271)	(6,259,545)	(4,697,715)	(1,308,953)	(473,300)
Impairments	–	(6,585,278)	(343,046)	(47,682,110)	–	(15,670,896)
Write-ups	724,654	–	6,735,876	–	2,215,795	–
Contribution to operating profit	**(309,038)**	**(7,763,325)**	**5,552,678**	**(50,194,183)**	**1,789,275**	**(15,392,575)**
Total for hotels in operation					**7,032,914**	**(73,350,082)**
Less expenses for hotels under construction/in design phase					2,006,319	(688,679)
Less impairments on hotels under construction					–	(1,830,018)
Segment contribution to operating profit					**9,039,234**	**(75,868,778)**

in EUR	Luxury 2010	Luxury 2009	Up-Market 2010	Up-Market 2009	Others 2010	Others 2009
thereof in						
• Czech Republic	3,061,958	3,631,730	9,517,104	9,806,160	–	–
• Poland	4,548,529	4,093,072	8,201,366	4,898,242	1,734,900	1,783,649
• France	–	–	6,973,112	6,160,471	–	–
• Germany	–	–	5,894,339	2,552,592	–	–
• Russia	–	–	655,362	–	949,676	866,517
• Romania	–	–	1,056,229	1,095,924	–	–
	7,610,488	7,724,802	32,297,511	24,513,390	2,684,576	2,650,166
thereof GOP in						
• Czech Republic	(161,561)	145,452	3,252,411	3,587,463	–	–
• Poland	1,660,048	1,480,442	3,157,670	1,608,451	695,882	708,064
• France	–	–	1,788,025	1,212,203	–	–
• Germany	–	–	1,701,397	155,511	–	–
• Russia	–	–	(182,963)	–	494,685	320,387
• Romania	–	–	243,449	278,636	–	–
	1,498,487	1,625,893	9,959,989	6,842,263	1,190,567	1,028,451
thereof operating result in						
• Czech Republic	(497,194)	(7,855,672)	1,406,072	(21,923,294)	–	–
• Poland	188,156	92,348	3,608,213	(15,566,478)	125,639	47,640
• France	–	–	123,171	(1,428,288)	–	–
• Germany	–	–	651,055	(6,001,616)	–	–
• Russia	–	–	(609,602)	–	1,663,635	(15,440,215)
• Romania	–	–	373,769	(5,274,508)	–	–
	(309,038)	(7,763,325)	5,552,678	(50,194,183)	1,789,275	(15,392,575)

Segment cash flow Hotels & Resorts – year-on-year comparison

for the period from 1 January to 30 June – unaudited

in EUR	Luxury 2010	Luxury 2009	Up-Market 2010	Up-Market 2009	Others 2010	Others 2009
Cash receipts	7,454,760	7,849,216	31,830,047	23,461,552	2,699,984	2,440,652
Interest received	10,298	8,346	119	36,898	–	–
Expenses for materials	(3,915,985)	(3,458,347)	(17,176,160)	(10,408,745)	(867,529)	(773,170)
Personnel expenses	(2,427,565)	(2,643,317)	(8,998,016)	(6,743,588)	(791,995)	(783,100)
Cash paid for other expenses	(304,429)	(605,383)	(1,477,031)	(2,041,955)	(97,534)	(103,711)
Income tax paid	–	–	(201,764)	(933,391)	–	–
	817,080	**1,150,515**	**3,977,195**	**3,370,771**	**942,926**	**780,671**
thereof in						
• Czech Republic	(301,517)	133,233	1,766,072	1,026,379	–	–
• Poland	1,118,596	1,017,282	659,383	1,485,518	423,383	366,405
• France	–	–	1,220,110	(391,494)	–	–
• Germany	–	–	872,890	1,346,369	–	–
• Russia	–	–	(538,562)	–	519,542	414,266
• Romania	–	–	(2,699)	(96,000)	–	–
	817,080	**1,150,515**	**3,977,195**	**3,370,771**	**942,926**	**780,671**
Total for hotels in operation					**5,737,200**	**5,301,956**
Less expenses for hotels under construction/in design phase					(330,548)	(1,275,248)
Segment cash flow from operating activities					**5,406,653**	**4,026,708**

Segment results Development & Asset Management – year-on-year comparison
for the period from 1 January to 30 June – unaudited

	Asset Management		Development		Others	
in EUR	**2010**	2009	**2010**	2009	**2010**	2009
Revenues	1,371,396	1,510,051	2,341,380	790,197	813,359	589,597
Changes in real estate projects under development	–	–	(1,341,454)	–	–	–
Sale of shares	–	–	3,316,550	2,287,656	–	–
Other income	–	–	2,482	250,000	–	–
Expenses for materials	(418,836)	(600,730)	(189,838)	(150,354)	(713,513)	(525,115)
Project development expenses	–	–	(69,415)	(317,432)	–	–
Personnel expenses	(1,093)	(8,358)	(2,119,579)	(2,116,137)	–	–
Depreciation	1,408,977	(1,429,965)	638,941	(441,954)	(23,907)	(38,852)
Other operating expenses	3,272	(97,916)	(624,179)	(6,463,037)	(17,331)	395
Segment operating result	**2,363,717**	**(626,917)**	**1,954,888**	**(6,161,061)**	**58,608**	**26,025**
thereof in						
• Czech Republic	–	–	(15,837)	(131,144)	–	–
• Poland	339,791	(842,759)	1,097,046	(495,500)	58,608	26,025
• Germany	1,739,133	(15,817)	(10,937)	(12,615)	–	–
• France	–	–	(25,391)	(42,179)	–	–
• Austria	–	–	624,612	(5,238,534)	–	–
• Hungary	284,793	231,659	(105,485)	(339,408)	–	–
• Others	–	–	390,879	98,319	–	–
	2,363,717	(626,917)	1,954,888	(6,161,061)	58,608	26,025

Segment cash flow Development & Asset Management – year-on-year comparison
for the period from 1 January to 30 June – unaudited

	Asset Management		Development		Others	
in EUR	**2010**	2009	**2010**	2009	**2010**	2009
Cash receipts from rent	1,201,272	1,501,422	662,792	1,208,912	948,043	633,379
Cash receipts from development	–	–	1,428,231	2,243,034	–	–
Interest received	1,799	24,159	53,519	680,442	2	1
Cash paid for development	2,272	4,147	(310,845)	(365,666)	–	–
Expenses for materials	(431,088)	(347,398)	(200,640)	(88,327)	(857,757)	(572,346)
Personnel expenses	(894)	(8,460)	(1,990,560)	(1,999,147)	–	–
Cash paid for other expenses	(10,792)	(61,250)	(1,327,474)	(3,069,945)	(21,990)	(41,506)
Income tax paid	7,689	7	40,293	(3,252)	–	–
Segment cash flow from operating activities	**770,257**	**1,112,627**	**(1,644,686)**	**(1,393,948)**	**68,298**	**19,528**
Proceeds from the sale of disposal groups			6,750,000	–		
Cash flow before investments and financing			**5,105,314**	**(1,393,948)**		
thereof in						
• Czech Republic	–	–	(9,354)	(11,024)	–	–
• Poland	446,547	585,436	1,490,399	469,274	68,298	19,528
• Germany	63,459	(12,651)	(10,686)	275,427	–	–
• Austria	–	–	(3,113,916)	(2,120,176)	–	–
• France	–	–	(136,834)	(27,584)	–	–
• Hungary	257,980	535,695	(98,115)	(106,222)	–	–
• Others	2,272	4,147	233,820	126,355	–	–
	770,257	1,112,627	(1,644,686)	(1,393,948)	68,298	19,528

[05] Gains from the sale of disposal groups and property, plant and equipment

5a) Sale of shares in associated companies

In the first quarter of 2010, the Company sold 16.69% of its 26.57% stake in the company Palais Hansen Immobilienentwicklung GmbH to a co-investor for EUR 7.25 million. The Company now holds a 9.88% stake in the project. As of the reporting date, EUR 0.5 million of the purchase price was still outstanding.

The carrying values of all associated companies changed as follows in the reporting period:

	at	
in EUR	**30/6/2010**	30/6/2009
Net carrying amounts at 1 January	9,337,412	9,189,950
Increase in capital contributions/loans	350,562	156,015
Charged/capitalized interest	39,558	58,719
Impairments	–	(6,690,887)
Disposals	(4,137,736)	–
Net carrying amounts at 30 June	5,589,797	2,713,796

5b) Sale of property, plant and equipment

A piece of land held for development in Warsaw was also sold for EUR 0.5 million during the reporting period. This sale yielded net proceeds of EUR 0.2 million. In addition to the disposal of this property, the cash flow from the sale of property, plant and equipment also includes claims paid in connection with the sale of andel's hotel Krakow last year.

[06] Personnel expenses, average payroll

in EUR	**30/6/2010**	30/6/2009
Wages and salaries	(10,922,269)	(9,542,444)
Social security costs	(2,430,228)	(2,287,614)
Other payroll-related taxes and contributions	(377,720)	(354,056)
Voluntary employee benefits	(116,000)	(112,496)
Expenses for posted employees	(628,810)	(579,286)
Payments for termination and post-employment benefits	(8,872)	(8,698)
Changes in accruals for compensated absences	(32,911)	(232,751)
	(14,516,810)	(13,117,346)
Changes in pensions and other long-term employee benefits	(65,868)	(76,414)
	(14,582,678)	(13,193,760)

The Company had an average of 1,668 employees in the reporting period from January to June (1–6/2009: 1,542).

The average number of employees increased by 8% over the prior period, while the average number of rooms rose by approximately 17%.

Remuneration paid to members of the Management Board in the reporting period totalled EUR 491,100 (prior year: EUR 522,135). No bonuses were awarded (prior year: EUR 0).

[07] Depreciation and amortization expense

Appraisals were obtained for all properties as of the reporting date of 30 June 2010. These valuations are based on assumptions about the future development of earnings that reflect the current market conditions at the reporting date. In accordance with IFRS, all assets revealed to be impaired were written down to their lower fair values on the reporting date. Write-ups apply to assets for which impairments were recognized in the prior year but whose values improved compared to 31 December 2009 due to improved earnings development. Goodwill impairments were not reversed. The item breaks down as follows:

	Other intangible assets		Property, plant and equip. under constr.		Investment properties		Total	
	1–6/10	1–6/09	**1–6/10**	1–6/09	**1–6/10**	1–6/09	**1–6/10**	1–6/09
Depreciation	(82,325)	(56,407)	(9,469,173)	(7,064,718)	(348,586)	(200,968)	(9,900,084)	(7,322,092)
Impairments	–	(2,978,603)	(348,046)	(68,840,073)	–	(1,615,400)	(348,046)	(73,434,076)
Write-ups	–	–	12,704,811	–	1,762,563	–	14,467,374	–
	(82,325)	(3,035,010)	2,887,593	(75,904,790)	1,413,977	(1,816,368)	4,219,245	(80,756,168)

[08] Other expenses

in EUR	**1/1–30/6/2010**	1/1–30/6/2009
Pre-opening costs	(196,905)	(737,883)
Legal fees	(325,659)	(706,226)
Non-recoverable VAT	(179,101)	(186,189)
Lease payments for andel’s Krakow and other rents	(1,204,027)	(174,036)
Property costs	(1,570,234)	(913,790)
Impairment charges (reversal of impairment) for current assets	(11,072)	3,193
General administration	(754,287)	(731,075)
Advertisement and marketing	(241,304)	(252,071)
Costs associated with issued guarantees	–	(5,030,377)
Franchise termination costs Holiday Inn (France)	–	(1,250,000)
Others	(344,236)	(695,864)
	(4,826,825)	(10,674,317)

[09] Financial result

in EUR	30/6/2010	30/6/2009
Financial revenue		
Interest income from cash management	28,221	195,163
Interest income from loans to associated companies	39,558	58,719
Interest on loans made to joint ventures	1,273,220	1,217,872
	1,340,999	1,471,754
Foreign currency gains on interest-bearing loans denominated in CHF	–	172,210
Income from derivative financial instruments	361,615	210,000
	1,702,614	1,853,963
Finance costs		
Interest on short-term borrowings, project loans and other loans	(8,961,616)	(7,713,970)
Interest on loans from minority shareholders	(44,790)	(26,520)
Interest on loans relating to joint ventures	(522,069)	(648,106)
Interest from the deferment of the purchase price from the final construction invoice for andel's Łódź	(541,220)	–
Discount expenses on extended loans	–	(6,538,430)
	(10,069,696)	(14,927,026)
Fair value adjustment of derivative financial instruments	(52,369)	(305,974)
Interest cost for provisions for pensions and other long-term employee benefits	(82,882)	(96,388)
Foreign currency losses on interest-bearing loans denominated in CHF	(2,636,587)	–
Other finance costs	(310,812)	(428,234)
Gains/losses on the sale of available-for-sale investments and derivative financial instruments	–	155,249
	(13,152,347)	(15,602,374)

[10] Income tax paid

A reconciliation between tax expense and the product of accounting profit multiplied by the Group's domestic tax rate (applicable corporate income tax rate in Austria) of 25% for the reporting period (2009: 25%) is as follows:

in EUR	30/6/2010	30/6/2009
Profit before tax	**1,966,714**	**(103,070,028)**
Accounting profit before income tax *25% (prior year: 25%)	(491,678)	25,767,507
± Other foreign tax rates	150,774	(4,223,735)
± Tax-free profits from the participation exemption (§ 10 KStG)	–	(685,680)
± Permanent differences	67,914	(225,421)
± Valuation allowance on deferred tax assets	1,592,113	(13,940,023)
± Income from first-time recognition of deferred tax assets	47,828	44,400
± Effects of changes in equity	51,362	–
± Effects of exchange rate fluctuations	344,037	(2,233,608)
	1,762,350	4,503,438
Thereof current income taxes	(1,164,682)	(4,262)
Thereof changes in deferred tax items	2,927,032	4,507,700
Effective tax rate	-89.61%	4.37%

[11] Share capital, earnings per share

The Company's share capital is divided into 54,000,000 (prior year: 36 million) non-par-value shares. On 11 May 2010, the Company increased its capital by 14,000,001 newly issued voting bearer shares. The issue price was EUR 2.00 per share.

At the reporting date, the Company had purchased 66,500 treasury shares at an average price of EUR 4.53 per share.

The weighted average number of shares in free float between 1 January 2010 and 30 June 2010 was 43,533,499 (first six months of the previous year: 35,967,750).

	Current year	Previous year
Shares 1 January to 11 May	39,599,999	36,000,000
Shares 12 May to 30 June	54,000,000	36,000,000
Less treasury shares	(66,500)	(64,500)
Weighted average number of shares	43,533,499	35,967,750
Dilution effect: Stock option	68,571	–
Weighted average number of ordinary shares adjusted for dilution	43,602,071	35,967,750

Earnings per share for the previous year were calculated on the basis of 36 million shares; for the first half of 2010, the treasury shares were eliminated from the calculation and the shares issued in the context of the capital increase were included in the calculation on a pro-rata basis.

The cash flow from capital measures was as follows:

Issue of 14,000,001 new shares/issue price 2.00	28,800,002
Costs associated with the capital increase	(3,778,623)
Thereof non-cash value adjustment of stock options (Note 17)	705,600
	25,726,979

[12] 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	**30/6/2010**	30/6/2009
Net carrying amounts at 1 January	457,740,434	474,141,885
Changes in the scope of consolidation	–	–
Additions	7,345,661	59,213,751
Reclassification of investment properties	162,464	–
Disposals	(396,654)	(1,459)
Depreciation	(9,469,173)	(7,064,718)
Impairments	(348,046)	(68,840,073)
Write-ups	12,704,811	–
Exchange adjustment	(2,137,791)	(1,085,340)
Net carrying amounts at 30 June	465,601,706	456,364,047
Interest included in the investments	*240,000*	*2,604,690*

The cash flow from investments pertains primarily to the following projects:	**30/6/2010**	30/6/2009
Project development progress Airport City St. Petersburg	(1,159,313)	(2,011,962)
andel’s hotel Łódź	(6,715,477)	(21,590,446)
angelo hotel Katowice	(2,817,518)	(3,690,585)
angelo Ekaterinburg (VAT refund)	1,122,327	(15,038,233)
andel’s hotel Berlin	–	(7,874,929)
Magic Circus Hotel	–	(1,764,463)
Purchase of land	–	(1,315,564)
	(9,569,980)	(53,286,183)
Other project developments and current investments related to hotels	(2,618,050)	(2,810,425)
	(12,188,031)	(56,096,608)

[13] Investment properties

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

	30/6/2010	30/6/2009
Net carrying amounts at 1 January	42,885,519	39,255,823
Changes in the scope of consolidation	–	(3,992,995)
Additions	2,275,691	5,776,379
Transfers of property, plant and equipment	(162,464)	–
Depreciation	(348,586)	(200,968)
Impairments	–	(1,615,400)
Write-ups	1,762,563	–
Exchange adjustment	2,457	1,415
Net carrying amounts at 30 June	46,415,179	39,224,254
thereof under construction	23,183,445	16,863,411
Result from "Investment properties":		
Rental income and charged expenses	1,389,314	1,526,501
Direct expenses	(418,836)	(600,730)
	970,478	925,771

[14] Other financial assets

	30/6/2010	31/12/2009	30/6/2009
Loans	10,082,799	10,072,799	6,492,866
Advances made for business combinations	15,131	15,131	15,131
Loans made to joint ventures*)	53,926,958	49,152,575	42,234,940
Deposits with banks pledged as collateral	3,005,430	6,042,600	3,037,170
Pension reimbursement insurance rights	1,475,012	1,475,012	1,215,996
Other non-current financial assets	1,083,378	663,422	1,463,437
	69,588,709	67,421,539	54,459,540

*) Loans to joint ventures are detailed in Note [18].

[15] Interest-bearing loans and borrowings

	At 30/6/2009	At 1/1/2010	New borrowings	Repayment of loans	Other changes	At **30/6/2010**	Thereof callable within 1 year
a) Project-related loans secured by mortgages							
Subsidiaries (full consolidation)							
for Diplomat Hotel	33,277,967	31,911,820	–	(1,441,605)	9,379	30,479,593	2,890,217
for Palace Hotel	14,200,500	13,524,500	–	–	–	13,524,500	2,063,000
for Chopin Hotel	11,714,383	11,388,959	–	(340,413)	3,292	11,051,838	705,764
for angelo hotel Prague	10,016,698	11,853,742	–	(299,746)	–	11,553,995	771,302
for Amber Baltic hotel	7,728,724	7,302,156	–	(574,285)	806,274	7,534,145	579,550
for angelo Airporthotel Bucharest	12,000,000	12,000,000	–	(1,000,000)	–	11,000,000	–
for angelo hotel Ekaterinburg	29,244,953	38,694,379	–	(445,836)	–	38,248,543	1,983,307
for Savoy Hotel	7,084,662	6,664,662	–	(435,634)	–	6,229,028	869,618
for andel's hotel Łódź	49,998,523	50,000,000	–	–	–	50,000,000	1,100,000
for Erszebet office building	10,986,714	11,832,175	–	(4,403)	–	11,827,772	4,195,991
for Le Palais Hotel	6,852,583	6,461,657	–	–	2,000	6,463,657	6,463,657
for Dvořák spa hotel	20,672,100	19,747,057	–	(173,786)	2,760	19,576,032	393,429
for Warsaw gas pipeline	200,057	183,477	–	(30,806)	(739)	151,932	58,728
for Warsaw gas heating plant	307,560	300,572	–	(59,304)	(575)	240,693	240,693
for andel's hotel Krakow	15,221,527	–	–	–	–	–	–
for Sajka Utca office building	62,655	–	–	–	–	–	–
	229,569,608	221,865,154	–	(4,805,818)	822,391	217,881,728	22,315,255
Joint ventures (proportionate consolidation)							
for InterContinental 50%	30,514,155	30,014,155	–	(625,000)	8,423	29,397,578	1,250,000
for Dream Castle Hotel 50%	18,634,600	18,307,675	–	(396,229)	–	17,911,446	277,050
for HolidayInn Paris 50%	9,901,875	9,854,375	–	(100,000)	1,250	9,755,625	247,695
for andel's hotel Berlin	33,952,055	34,250,000	–	–	–	34,250,000	750,000
for angelo hotel Munich 50%	15,680,994	15,681,430	–	–	–	15,681,430	–
for angelo hotel Plzen 50%	6,706,800	6,460,768	–	(75,000)	4,800	6,390,568	190,400
for angelo hotel Katowice 50%	5,494,609	7,492,402	2,660,598	–	–	10,153,000	–
for Sobieski hotel & office building 25%	8,195,354	8,146,963	–	(27,087)	–	8,119,876	265,861
for Parkur Tower office building 50%	5,495,614	5,393,906	–	(106,723)	–	5,287,183	2,058,107
	364,145,664	357,507,008	2,660,598	(6,135,857)	836,864	354,828,433	27,354,369
b) Other loans and facilities							
Short-term borrowing facilities	79,722,780	49,863,817	700,711	(5,625,931)	1,021,404	45,960,001	45,960,001
Long-term borrowing facilities	–	27,550,113	2,167,011	(2,409,246)	1,840,079	29,147,957	–
Current loans	625,577	819,641	(421)	(456,302)	421	363,339	363,339
Non-current loans from joint ventures	35,575,595	40,401,793	2,275,934	–	453,241	43,130,968	–
Lease purchase options and loans	8,663,443	8,888,737	5,000	–	–	8,893,737	–
Non-interest-bearing loans	2,314,995	2,450,995	–	–	–	2,450,995	–
Non-current loans from minority interests	800,451	1,669,429	63,881	–	(966)	1,732,344	–
	127,702,841	131,644,524	5,212,117	(8,491,479)	3,314,178	131,679,340	46,323,340
Total	**491,848,504**	**489,151,532**	**7,872,714**	**(14,627,336)**	**4,151,042**	**486,507,773**	**73,677,709**

As of 30 June 2010, the interim consolidated financial statements show short-term financial liabilities in the amount of EUR 73.6 million. It will be necessary to extend or refinance these operating credit lines or to convert them into long-term financing in the coming twelve months. If no properties or projects are sold during this time, it will be necessary to take out new loans. In this connection, the Company may consider issuing a bond to obtain the necessary financing.

[16] Current receivables and liabilities

	30/6/2010	31/12/2009	30/6/2009
Trade and other receivables			
Trade receivables	6,421,080	5,237,907	6,216,727
Receivables from tax authorities	534,716	7,054,041	5,519,466
Extended purchase price receivables relating to the sale of subsidiaries	622,500	488,500	2,600,000
Advance payments made	1,122,243	396,928	572,258
Other receivables and assets	1,696,352	1,395,351	450,482
Receivables due from associated companies	3,863	122,379	–
Receivables due from joint ventures	228,013	195,835	131,447
Receivables due from related parties	1,773	712	711
Deferred expenses	1,066,854	1,133,925	708,757
	11,697,394	16,025,579	16,199,849
Trade and other payables			
Trade payables	9,209,435	14,940,602	20,906,265
Interest-bearing construction invoices from the completion of the andel's Łódź	7,976,670	12,453,281	–
Trade payables due to joint ventures	648,079	642,459	564,299
Trade payables due to related parties	943,904	966,239	908,947
Purchase price obligations	237,500	1,966,590	2,256,039
Other payables	4,502,943	3,654,211	4,043,851
Advance payments received	754,401	901,896	1,252,848
	24,272,932	35,525,278	29,932,248

[17] Derivative financial instruments

As of 30 June 2010, 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:

	30/6/2010	30/6/2009
Project loan Le Palais Hotel, Prague		
Notional amount at 30 June (underlying: 3-month Euribor)	expired	6,852,583
Fair value at 30 June	–	(437)
Project loan angelo hotel, Prague		
Notional amount at 30 June (underlying: 3-month Euribor)	11,533,995	11,583,742
Fair value at 30 June	33,911	–
Project loan Chopin Hotel, Krakow		
Notional amount at 30 June (underlying: 3-month Euribor)	11,051,838	11,714,383
Fair value at 30 June	(737,529)	(375,645)
Project loan Sobieski Hotel, Warsaw (adjusted for the Group's share)		
Notional amount at 30 June (underlying: 3-month Euribor)	expired	8,195,354
Fair value at 30 June	–	18,202

The Company also held an option (IFRS 2) with the following parameters on the reporting date:

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 twenty-four 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.

Share price (underlying)	EUR 1.83	
Execution price	EUR 2.00	
Risk-free interest rate	0.6%	
Expected volatility	50.0%	
Option term	14/5/2012	
Earliest possible execution date	15/5/2010	
Expected dividend payment	None	
Value as of 30 June 2010		(345,600)
Value at the time of conclusion		(705,600)

[18] Transactions with related parties

The total amount of compensation due to the directors for the reporting period amounted to EUR 0.49 million (1–6/2009: EUR 0.52 million). Vienna International AG assessed management fees totalling EUR 2.01 million (1–6/2009: EUR 1.44 million).

As part of the option for Wiener Städtische Versicherung AG described in Note [17], the shareholders Amber Privatstiftung and Bocca Privatstiftung issued a performance bond free of charge for the benefit of Wiener Städtische Versicherung AG.

Joint ventures

The following transactions took place with joint ventures in the reporting period:

	30/6/2010	30/6/2009
Trade revenues	99,369	488,746
Loans made to joint ventures		
Interest income related to joint ventures	1,273,220	1,217,872
Interest expenses related to joint ventures*)	(522,069)	(648,106)

All interest expenses from loans held by joint venture partners for plant under construction are recognized directly in equity, while interest charged for loans extended to joint ventures are always recognized in income.

	Loans given to joint ventures changed as follows in the reporting period:				Loans received from joint venture partners:			
	At 30/6/2009	At 1/1/2010	Change	**At 30/6/2010**	At 30/6/2009	At 1/1/2010	Change	**At 30/6/2010**
Sienna Hotel Sp.z.o.o.	10,333,454	10,492,737	146,249	10,638,986	(10,376,840)	(10,542,134)	(151,774)	(10,693,908)
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG	2,342,062	2,412,762	–	2,412,762	(2,295,684)	(2,364,984)	–	(2,364,984)
GF Ramba Sp.z.o.o.	1,004,824	852,819	(37,423)	815,396	(1,002,856)	(869,236)	36,866	(832,370)
Louvre Warimpex Investment Holding S.a.r.l.	3,164,149	3,751,606	160,206	3,911,812	(3,166,658)	(3,756,759)	(60,173)	(3,816,932)
Melica Sp.z.o.o.	854,952	879,869	25,721	905,590	(863,873)	(879,869)	(25,721)	(905,590)
Avielen OAO	11,665,337	16,872,929	3,069,603	19,942,531	(5,012,343)	(7,866,702)	(1,433,725)	(9,300,428)
UBX II (France) s.a.r.l.	50,893	52,587	(1,376)	51,211	(50,000)	(50,000)	–	(50,000)
Hotel Paris II S.a.r.l.	130,057	176,467	57,852	234,319	(133,026)	(383,026)	150,000	(233,026)
UBX Katowice Sp.z.o.o.	1,580,305	1,996,475	684,625	2,681,100	(1,571,899)	(1,994,910)	(686,122)	(2,681,032)
UBX 3 s.r.o.	6,142	6,488	16,105	22,593	(6,700)	(6,703)	(16,403)	(23,106)
UBX Plzen s.r.o.	2,339,677	2,409,326	314,784	2,724,110	(2,356,372)	(2,472,213)	(207,409)	(2,679,623)
UBX Development s.a.r.l.	–	–	–	–	–	–	–	–
UBX 1 Objekt Berlin GmbH	8,081,089	8,260,323	318,240	8,578,563	(8,058,521)	(8,228,927)	(315,082)	(8,544,009)
UBX 2 Objekt Berlin GmbH	435,141	614,506	12,352	626,858	(434,432)	(613,346)	(12,249)	(625,594)
UBX 3 Objekt Berlin GmbH	243,641	370,421	7,446	377,867	(243,228)	(369,719)	(7,383)	(377,102)
	–	–	–	–	–	–	–	–
Hotelinvestments s.a.r.l.	3,216	3,261	–	3,261	(3,163)	(3,265)	–	(3,265)
	42,234,940	49,152,575	4,774,384	53,926,958	(35,575,595)	(40,401,793)	(2,729,175)	(43,130,968)

[19] Events after the balance sheet date

There were no material events after the reporting date.

[20] 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 2009.

Declaration by the Management Board

We confirm to the best of our knowledge that these interim consolidated financial statements as of 30 June 2010 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 2010

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

Report on the Review of the Condensed Interim Consolidated Financial Statements of WARIMPEX Finanz- und Beteiligungs AG

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of **Warimpex Finanz- und Beteiligungs AG**, Vienna, for the six-month period from 1 January 2010 to 30 June 2010. These interim consolidated financial statements comprise the balance sheet as at 30 June 2010, and the income statement, cash flow statement and statement of changes in equity for the period from 1 January 2010 to 30 June 2010 as well as explanatory notes.

Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

Our responsibility is to issue a conclusion on this interim financial information based on our review.

Scope of the Audit Review

We conducted our review in accordance with the statutory provisions and professional principles applicable in Austria, in particular expert opinion KFS/PG 11 “Principles for the Audit Review of Financial Statements” *(Grundsätze für die Prüferische Durchsicht von Abschlüssen)*, and the International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements is limited primarily to enquiries of personnel responsible for the company’s finances and accounting as well as analytical assessments and the collection of other information. The scope of a review is considerably more limited than that of an audit and entails the collection of less evidence. Because of this, we cannot say with the same degree of certainty as in an audit whether or not we are aware of all material circumstances. For this reason, we are not expressing an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not in compliance with all material provisions of the IFRS for interim financial reporting as adopted by the EU.

Opinion on the Interim Management Report and the Statement of All Legal Representatives pursuant to § 87 BörseG

We read the interim management report in order to ascertain whether or not there are apparent discrepancies between the information presented in the report and the information in the condensed interim consolidated financial statements.

As far as we were able to determine, there are no apparent discrepancies between the interim management report and condensed interim consolidated financial statements.

The interim financial report contains the statement of all legal representatives required by § 87 paragraph 1 line 3 BörseG.

Vienna, 30 August 2010

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Alexander Wlasto m.p.	ppa Mag. Hans-Erich Sorli m.p.
Auditor	Auditor

WWW.WARIMPEX.COM

Financial calendar

31 August 2010	Publication of the results for the first half of 2010
30 November 2010	Publication of the results for the third quarter of 2010
29 March 2011	Publication of the Annual Report for 2010
27 May 2011	Publication of the results for the first quarter of 2011
7 June 2011	Annual General Meeting
30 August 2011	Publication of the results for the first half of 2011
29 November 2011	Publication of the results for the third quarter of 2011

Published by: 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