



warimpex

KEY FIGURES OF THE WARIMPEX GROUP

| EUR '000 | 1-6/2013 | Change | 1-6/2012 |
|---|-----------------------|---------------|-------------------|
| Revenues from the Hotels & Resorts segment | 29,398 | 0% | 29,338 |
| Revenues from the Development & Asset Management segment | 1,964 | -50% | 3,920 |
| <i>Total revenues</i> | <i>31,361</i> | <i>-6%</i> | <i>33,259</i> |
| Gains from the sale of project companies | 1,586 | 382% | 329 |
| EBITDA | 6,304 | 32% | 4,785 |
| EBIT | 4,480 | 55% | 2,884 |
| Result from joint ventures | -973 | - | 7,141 |
| Loss/Profit for the period | -5,706 | - | 604 |
| Net cash flows from operating activities | 1,670 | -70% | 5,514 |
| Equity and liabilities | 416,265 | 0% | 416,812 |
| Equity | 82,570 | 7% | 77,331 |
| Average shares in the period | 54,000,000 | - | 54,000,000 |
| Earnings/loss per share | in EUR -0.11 | - | 0.01 |
| Number of hotels | 21 | 0 | 21 |
| Number of rooms (adjusted for proportionate share of ownership) | 3,423 | -44 | 3,467 |
| Number of office and commercial properties | 5 | 0 | 5 |
| Average number of employees in the Group | 1,094 | -35 | 1,129 |
| Segment information (including joint ventures on a proportionate basis): | | | |
| Revenues from the Hotels & Resorts segment | 52,456 | -2% | 53,514 |
| NOP of the Hotels & Resorts segment | 14,885 | 2% | 14,612 |
| Revenues from the Development & Asset Management segment | 4,192 | -4% | 4,345 |
| EBITDA of the Development & Asset Management segment | -266 | - | -1,644 |
| | 30/06/2013 | Change | 31/12/2012 |
| Gross asset value (GAV) | in EUR millions 540.3 | -3% | 558.5 |
| Triple net asset value (NNNAV) | in EUR millions 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 |

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

There has been a great deal of positive activity since the beginning of the year in terms of project completions and openings (Le Palais Offices Warsaw, Hotel Palais Hansen Kempinski Vienna), capital measures (bonds and convertible bonds in Warsaw), new rentals (Gazprom subsidiary at the Airport City St. Petersburg office tower) and refinancing (Ekaterinburg loan refinancing). Shortly before the release of this report in August 2013, the project loan for Airport City in St. Petersburg in the amount of EUR 60 million was converted into a long-term real estate financing facility with a Russian bank. The new financing facility has a longer term than the original project loan and substantially lower annual instalments in the first years of operation. At the same time, we have taken advantage of the resurging transaction market to dispose of luxury-segment holdings in Prague.

Recent years have shown that especially the five-star hotel segment in the CEE countries has been hard hit in some cases and has been recovering considerably more slowly than properties in the four-star segment, for example. Of course, the individual markets are developing differently. Prague has an excess supply of five-star hotels, and we see little potential for a rapid, sustainable recovery here. Occupancy at our four-star establishments in Prague was between 60 and 70 per cent in the first half of the year, while the luxury category only had occupancy rates of between 30 and 40 per cent. In light of this, the sale of the five-star Palace Hotel in Prague at the beginning of the second half of the year was a strategically important move.

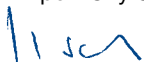
Our clear goal is to further improve our net operating profit margins and cash flows in future. We can achieve this by selling properties with poorer performance levels and by focusing on high-quality existing properties. In the first half of the year, this already resulted in a 2 per cent increase in the net operating profit in the Hotels & Resorts segment, despite a 2 per cent decrease in the number of rooms due to the sale of the stake in the Angelo Hotel in Munich at the beginning of the year. In the Asset Management sub-segment, rental revenue from office properties increased from EUR 1.0 million to EUR 2.8 million thanks to the rental of space at Airport City St. Petersburg.

In the consolidated result, revenue from fully consolidated hotels came in at EUR 29.4 million, roughly the same as in the first half of last year. This is especially encouraging given the fact that the revenue in the comparison period was boosted by the 2012 European football championships in Poland. The 6 per cent decline in overall revenue to EUR 31.4 million can be attributed to lower revenue from the provision of development services as a consequence of the completion of Le Palais Offices in Warsaw. EBITDA, one of our most important performance indicators because it is not distorted by industry-specific valuation methods, was up by a gratifying 32 per cent to EUR 6.3 million. EBIT even grew by 55 per cent to EUR 4.5 million.

As was already seen in the first quarter of this year, the result from joint ventures – stakes of less than 50 per cent that are not consolidated – slid into negative territory. A key reason for this was the one-off effects seen last year in connection with the sale of the InterContinental hotel in Warsaw. Overall, this resulted in a negative financial result of EUR 10 million. The good operating result was also not enough to offset this, so the result for the period came in at minus EUR 5.7 million.

We again had our portfolio appraised by the independent real estate expert CB Richard Ellis (CBRE) as of 30 June 2013. The NNAV is now at EUR 3.1 per share, 5 per cent below the previous valuation as of 31 December 2012, but still double the current share price. The Chopin Hotel in Krakow had a positive effect on the valuation. Here, we were able to purchase the property that we had originally leased until 2051 from the city of Krakow in the first half of the year, substantially increasing the value of the project. This has also opened up a development opportunity on the Krakow office property market, which has a low level of development in general.

The third quarter is typically one of the strongest in the hotel industry, and I am confident that we will see further operational growth. But the level of success in the remainder of the financial year is highly dependent on further sales transactions. Corresponding negotiations are in progress. I am certain that the important steps we have taken over the past months – our focus on our existing properties with good utilization levels and promising development projects like the further expansion of Airport City St. Petersburg – have put us on the right path.



Franz Jurkowitsch

BUSINESS HIGHLIGHTS

- 1/2013 Warimpex sells shares in angelo hotel Munich and adjacent development plot
- 1/2013 Warimpex opens Le Palais office building in Warsaw
- 2/2013 Successful refinancing in Ekaterinburg in the amount of EUR 37 million
- 2/2013 Phase 1 of AIRPORTCITY St. Petersburg fully let out
- 3/2013 Palais Hansen, Kempinski hotel (150 rooms, 4,600 square metres of apartments) opens
- 3/2013 Bonds with a volume of PLN 63.1 million (around EUR 15.1 million) placed in Poland
- 3/2013 Convertible bonds with a volume of PLN 26.5 million (around EUR 6.4 million) placed in Poland
- 7/2013 Warimpex sells five-star Palace Hotel in Prague
- 8/2013 Warimpex sets up successful refinancing for AIRPORTCITY St. Petersburg

INVESTOR RELATIONS

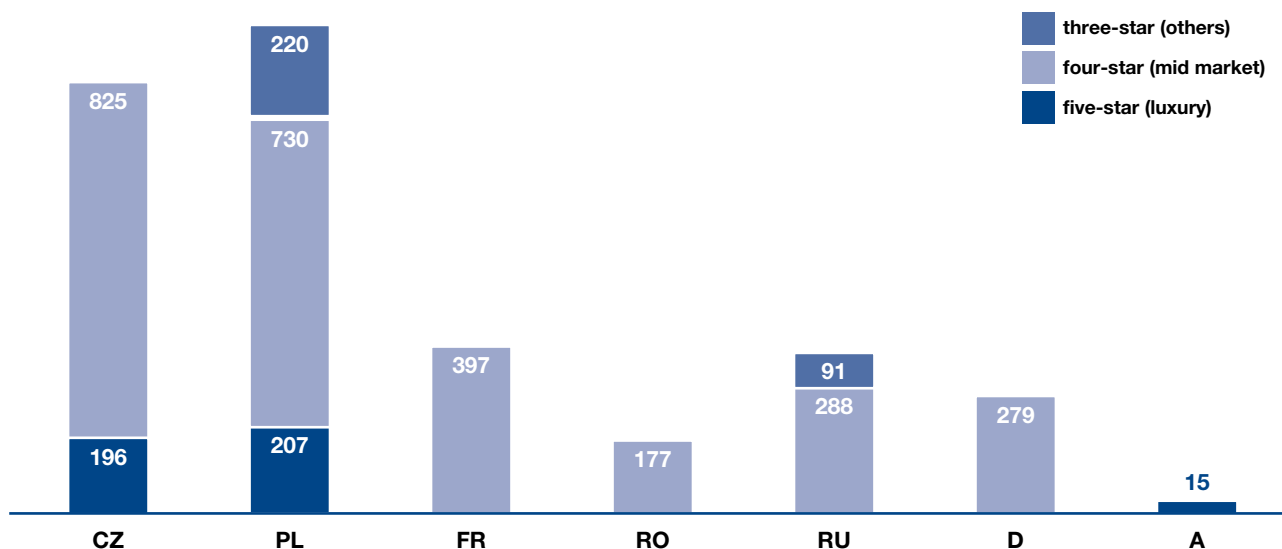
After closing 2012 at EUR 0.97 and PLN 3.90, the share price rose considerably in the first half of 2013. The closing price as of 30 June 2013 was EUR 1.20 and PLN 5.47.

The financial ratio was 57 per cent as of 30 June 2013.

Since our IPO, we have maintained an open and proactive communication policy with our investors. Warimpex participated in investor conferences in Zürich and Warsaw in 2013.

In the first half of 2013, Warimpex placed a bond and a convertible bond on the Polish capital market. The issue proceeds of roughly EUR 21.8 million are earmarked for the refinancing of existing obligations and for bolstering the Company's financing structure, and will also provide the necessary flexibility to seize investment opportunities under the current market conditions and to finance future development projects. The focus in this will be on the second construction phase of Airport City in St. Petersburg.

Hotel portfolio (number of rooms adjusted for proportionate share of ownership) as of 30 June 2013



GROUP MANAGEMENT REPORT

for the period from 1 January to 30 June 2013

ECONOMIC ENVIRONMENT

In July 2013 (World Economic Outlook), the International Monetary Fund (IMF) lowered its economic forecast for 2013 slightly compared with April 2013. The Eurozone economy is expected to contract by 0.6 per cent in 2013 (forecast from April 2013: contraction of 0.4 per cent), and then to expand slightly in 2014 at a rate of 0.9 per cent (1.0 per cent). The CEE economy is now expected to expand by 2.2 per cent in 2013 (2.2 per cent). The IMF growth projection for Central and Eastern Europe for 2014 is unchanged at 2.8 per cent.

MARKETS

POLAND

Existing portfolio: 6 hotels, 1 office property

Warimpex has been 50 per cent leaseholder of the five-star InterContinental in Warsaw since December 2012. Warimpex and UBM developed the hotel together, and each most recently held 50 per cent of the hotel with its 414 rooms. Warimpex and UBM sold the hotel to WestInvestInterSelect, a retail real estate fund of Germany's DekaBank group, at the end of December 2012. A lease was concluded between the purchaser and a subsidiary of Warimpex and UBM, under which it will lease the hotel back at a fixed rate and continue to run the establishment under the brand InterContinental until 2027. In Krakow, Warimpex has owned the three-star Chopin Hotel since 2006 and has operated the four-star-plus andel's hotel since 2007 (as owner until 2009, and as leaseholder since then). In Łódź, Warimpex opened a further andel's hotel in June 2009; in March 2010, the first andel's 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 unchanged at 76 per cent, while the average room rate in euros fell by around 25 per cent back to the level seen in 2011 due to the fact that the European football championships were held in 2012. The andel's hotel in Łódź reported an unchanged occupancy rate of 57 per cent, and the average room rate in euros fell slightly. The occupancy rate at the Chopin Hotel increased from 56 per cent to 60 per cent after the completion of the renovation work, and the average room rate in euros rose by around 10 per cent. We were able to purchase the property for the Chopin Hotel Krakow, which we had originally leased until 2051, from the city of Krakow in the first half of the year. Occupancy at the andel's hotel in Krakow improved from 69 to 72 per cent, but the average room rate decreased marginally. The occupancy rate at the Amber Baltic beachfront resort came in at 38 per cent (1–6 2012: 36 per cent), and the average room rate fell slightly. Due to its location on the Baltic coast, occupancy rates at this hotel are subject to stronger 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 converted one of the few historic buildings in the city into a modern office building (the Prozna project). Warimpex has undertaken to complete the project as a developer. In December 2012, Warimpex was involved in the signing of preliminary agreements for the sale of the buyback option for the property to the IVG Warsaw fund. The Le Palais office building in Warsaw was successfully completed and opened in the reporting period. The deal is expected to close in the autumn of 2013. The sales contract is still pending subject to the fulfilment of the standard closing prerequisites for such real estate transactions in Poland.

The property purchase noted above has made Warimpex the owner of a development property next to the Chopin Hotel in Krakow, a prime location in the city, which is to be the location of an office building.

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 when the market conditions are right.

CZECH REPUBLIC

Existing portfolio: 7 hotels

In Prague, Warimpex owns the five-star hotel 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.

The five-star Palace Hotel in Prague with 114 rooms and 10 suites was sold to a Czech investor shortly after the reporting date and will be deconsolidated in the third quarter.

In the reporting period, the two four-star hotels in Prague achieved occupancy rates of 69 and 60 per cent (1–6 2012: 69 and 63 per cent), respectively; the average room rates decreased very slightly at both establishments. Occupancy at the Golden Tulip Savoy hotel came to 58 per cent (1–6 2012: 48 per cent), and the average room rate rose slightly. In the five-star segment, occupancy rates ranged between 37 and 31 per cent (1–6 2012: 37 and 27 per cent), while the average room rates in euros remained stable. At the Dvořák spa hotel in Karlovy Vary, the occupancy rate was 78 per cent (1–6 2012: 79 per cent). The average room rate improved slightly. Occupancy at the angelo hotel in Plzeň improved from 48 to 56 per cent, while the average room rate fell somewhat.

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. 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 completely rented out in the reporting period.

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 44 per cent (1–6 2012: 48 per cent). The average room rate in euros was up slightly.

GERMANY

Existing portfolio: 1 hotel

Warimpex held 50 per cent of the andel's hotel in Berlin during the reporting period. In January 2013, Warimpex sold its stake in the angelo hotel in Munich and an adjacent piece of property to its joint venture partner.

Occupancy at the andel's hotel in Berlin was 67 per cent (1–6 2012: 67 per cent). The average room rate was raised by roughly 8 per cent.

Under development: 1 conference centre

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 and residential space. Planning for this project is under way.

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 came to 71 and 65 per cent (1–6 2012: 69 and 64 per cent). The average room rates fell slightly at both hotels.

AUSTRIA

Existing portfolio: 1 hotel including apartments

In Vienna, Warimpex is a partner in the project company behind Palais Hansen, a high-end hotel and residential property on the city's Ring boulevard, together with Wiener Städtische Versicherung/Vienna Insurance Group and Strauss & Partner. The Palais Hansen Kempinski hotel Vienna, Warimpex's first project in Austria, was opened in March 2013. A large share of the apartments has been sold.

RUSSIA

Existing portfolio: 3 hotels, 1 office building

In Russia, Warimpex holds 60 per cent of the Liner Hotel and of 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 was and 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 fell from 53 per cent to 49 per cent, though the average room rate in euros was up by more than 15 per cent. The newly opened Crowne Plaza at Airport City St. Petersburg has already established itself on the market and achieved 76 per cent occupancy (1–6 2012: 47 per cent). An occupancy rate of 100 per cent was achieved for the two completed office buildings in St. Petersburg (Jupiter 1 and 2).

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. It is planned to finish this office tower in 2014.

ASSETS, FINANCIAL POSITION AND EARNINGS SITUATION

Development of revenues

Consolidated sales revenues fell by 6 per cent to EUR 31.4 million. Sales revenues from hotel operations increased slightly from EUR 29.3 million in the first six months of 2012 to EUR 29.4 million. Revenues from the rental of offices and the provision of development services fell from EUR 3.9 million to EUR 2.0 million, due to the completion of the Le Palais office building in Warsaw.

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 Development & Asset Management. The joint ventures that are recognized using the equity method in the consolidated financial statements are included in the segment report using the proportionate consolidation method. The Hotels & Resorts segment is comparable with the hotels and/or hotel rooms held by the Group as consolidated entities in the reporting year (with the joint ventures recognized on a proportionate basis). The Development & Asset Management segment contains profits resulting from the letting of investment property and profits from the sale of real estate.

Hotels & Resorts segment*

| EUR '000 | 1-6/2013 | 1-6/2012 |
|---|----------|----------|
| Revenues for the Group | 52,456 | 53,514 |
| Average number of hotel rooms for the Group | 3,548 | 3,621 |
| Group NOP | 14,885 | 14,612 |

* Including all joint ventures on a proportionate basis

Revenues from the hotels and the number of available rooms both fell by 2 per cent in the reporting period due to the sale of the 50 per cent stake in the angelo hotel in Munich. The net operating profit (NOP, which corresponds to the gross operating profit [GOP] calculated according to the Uniform System of Accounts for the Lodging Industry less costs after GOP) improved by 2 per cent to EUR 14.9 million despite the sale of the hotel in Munich.

Development & Asset Management segment*

| EUR '000 | 1-6/2013 | 1-6/2012 |
|--|----------|----------|
| Revenues for the Group | 4,192 | 4,345 |
| Gains from the sale of project companies | 1,635 | 329 |
| Segment EBITDA | -266 | -1,644 |

* Including all joint ventures on a proportionate basis

Revenues from the Development & Asset Management segment fell by 4 per cent from EUR 4.3 million to EUR 4.2 million. This decrease can primarily be attributed to lower development revenue (2013: EUR 0.9 million; 2012: EUR 3.0 million) resulting from the completion of the Prozna office building, which was partially offset by higher rental revenue (2013: EUR 2.8 million; 2012: EUR 1.0 million) – especially from Airport City St. Petersburg.

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 fluctuation in year-on-year terms and during the year.

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.

A stake in the angelo hotel in Munich and an adjacent development property were sold during the reporting period. This transaction generated a profit contribution of EUR 1.6 million. The purchase price adjustment for the sale of the joint venture share in Louvre Hotels took place in the comparison period of 2012, and earnings of EUR 0.3 million were posted.

EBITDA – EBIT

Compared with the first quarter of 2012, earnings before interest, tax, depreciation and amortization (EBITDA) rose from EUR 4.8 million to EUR 6.3 million, and the operating result (EBIT) improved from EUR 2.9 million to EUR 4.5 million. This increase can be attributed to higher profit contributions from property sales.

Financial result

The financial result fell from minus EUR 2.0 million to minus EUR 10.2 million due to the negative result from joint ventures, which was caused by a lack of write-ups on loans. The financial result was also impacted by foreign currency losses.

Profit for the period

The profit for the first half of the year came in at minus EUR 5.7 million (1–6 2012: EUR 0.6 million).

Cash flow

The cash flow from operations fell from EUR 5.5 million to EUR 1.7 million.

REAL ESTATE ASSETS

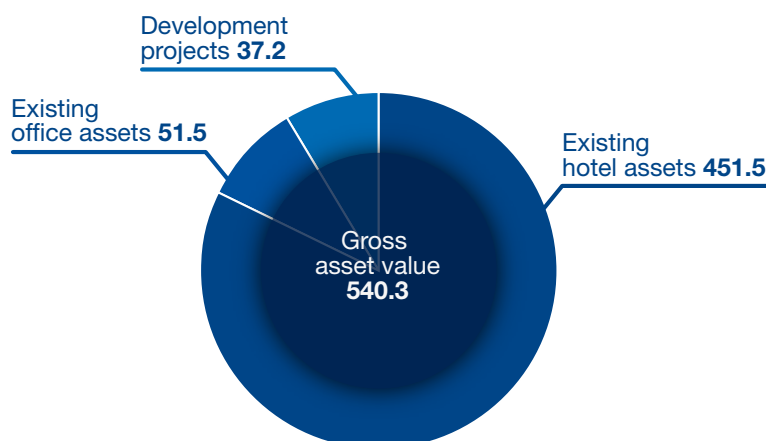
On 30 June 2013, the real estate portfolio of the Warimpex Group comprised twenty-one hotels with a total of 4,900 rooms (3,423 rooms when adjusted for the proportionate share of ownership), plus five office properties with a total lettable floor area of some 43,000 square metres (30,000 square metres when adjusted for the proportionate share of ownership).

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

All hotels were valued by the independent appraiser CB Richard Ellis (CBRE) as of 30 June 2013, with the exception of the Palace and Le Palais in Prague due to the plans to sell them.

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 as of the reporting date 30 June 2013 totalled EUR 540.3 million (31 December 2012: EUR 558.5 million).

The triple net asset value (NNNAV) for the Warimpex Group decreased by 5 per cent from EUR 172.7 million as of 31 December 2012 to EUR 164.8 million as of 30 June 2013.

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

| in EUR m | 6/2013 | | 12/2012 | |
|---|--------------|------------|--------------|------------|
| Equity before non-controlling interests | | 83.1 | | 89.7 |
| Goodwill | | -0.9 | | -0.9 |
| Deferred tax assets | -0.5 | | -0.5 | |
| Deferred tax liabilities | 12.0 | 11.5 | 12.1 | 11.6 |
| Book value of existing hotel assets | 265.2 | | 266.6 | |
| Fair value of existing hotel assets | 308.8 | 43.6 | 308.1 | 41.5 |
| Book value of existing office property assets (investment properties) | 15.2 | | 15.3 | |
| Fair value of existing office property assets (investment properties) | 16.1 | 0.8 | 16.1 | 0.8 |
| Book value of development projects | 9.1 | | 9.2 | |
| Fair value of development projects | 9.1 | - | 9.2 | - |
| Book value of joint ventures | 84.1 | | 84.9 | |
| Fair value of joint ventures | 110.8 | 26.7 | 114.9 | 30.0 |
| Triple net asset value | 164.8 | | 172.7 | |
| Number of shares | | 54.0 | | 54.0 |
| NNNAV per share in EUR | | 3.1 | | 3.2 |

MATERIAL RISKS AND OTHER DISCLOSURES

As an international group, Warimpex is exposed to various economic and financial risks as part of its daily operations.

(a) General

As part of its risk management system, Warimpex has set internal risk management targets for the Management Board and Company staff and adapts these targets to the prevailing market conditions. These risk management targets include special regulations and define responsibilities for risk assessment, control mechanisms, monitoring, information management and communication within the Company and with external parties.

There is a clearly defined organization within Warimpex and especially within the Management Board that governs responsibilities and authorizations in this connection to enable risks to be identified at an early stage and appropriate action to be taken. The Management Board's guidelines and the guidelines for the Supervisory Board define the responsibilities and obligations of the Company's bodies.

(b) 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 annual financial statements.

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

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

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

(c) 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 has undertaken to comply with certain financial covenants in connection with the loans. This is associated with the risk that a loan can be called due if the Group fails to meet the conditions of the associated covenant. The Group continuously monitors the covenants and remains in close contact with its lenders. Therefore, there is no reason to expect that the loans will be called due before the end of their term as a result of covenant breaches.

The Group also enters into derivatives transactions which are intended to reduce the Group's exposure to interest rate risk. The Group's risk management policies provide for a risk-oriented relationship between fixed-rate and variable-rate financial liabilities. The risk of fluctuations in market interest rates (usually the EURIBOR) to which the Group is exposed results primarily from its variable-rate long-term financial liabilities. Warimpex uses derivative financial instruments to manage this risk.

The financial market crisis, and especially the failure of key investment banks and the government acquisition of shares in a large number of other banks that began in the middle of September 2008, has caused a large degree of uncertainty in the world economy and the real estate market. Since 2011/2012, the growing debt of some EU countries has led to a euro crisis that is having an impact on the economic recovery in all of Europe. These events also caused significant uncertainty with regards to what market participants will do. If these events repeat themselves or continue, prices and value developments can be subject to higher volatility. The risk of insufficient liquidity also means that it may be difficult to successfully sell properties on the market depending on the prevailing conditions.

Many experts believe that the real estate transaction market is out of the woods, and the paralysis that had the markets firmly in its grip at the end of 2008 and beginning of 2009 has abated. This is definitely a positive sign. It has again become possible and probable that assets can be sold at acceptable prices. A number of sales transactions are still being prepared. The InterContinental hotel in Warsaw was successfully sold in 2012.

The current financial liabilities (loans) have been reduced from EUR 80.8 million to EUR 63.4 million since 31 December 2012. Nevertheless, it will be necessary to extend or refinance operating credit lines or to convert them into long-term financing in the next twelve months. The issue of a further bond or further convertible bond is an option for financing in this context. Projects can also be sold to obtain liquidity.

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

EVENTS AFTER THE BALANCE SHEET DATE

The Palace Hotel was sold to a private Czech investor after the reporting date. This resulted in a net cash inflow in the amount of roughly EUR 5.3 million.

OUTLOOK

The following property – beside Palace Hotel – is classified as held for short-term sale. It is planned to sell it by the end of 2013:

- Hotel Le Palais, Prague: The sale is planned and is currently under preparation.

The following development projects are currently under construction:

- Airport City, St. Petersburg, business park and an additional 15,000 square metres of office space
- Erzsebet office tower II, Budapest, 8,000 square metres of office space

Under the current market conditions, in particular given the poor access to project financing, we intend to continue our focus on strengthening the Company's foundation and increasing cash flows from hotel operations, as well as on optimizing our refinancing structure by strategically selling equity holdings and refinancing existing liabilities.

Vienna, 30 August 2013



Franz Jurkowitsch

Chairman of the Management Board



Georg Folian

Deputy Chairman of the Management Board



Alexander Jurkowitsch

Member of the Management Board

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2013

| | |
|----|--|
| 05 | Group Management Report |
| 15 | Consolidated Statement of Comprehensive Income |
| 16 | Consolidated Statement of Financial Positions |
| 17 | Consolidated Statement of Cash Flow |
| 18 | Consolidated Statement of Changes in Equity |
| 19 | Notes to the Consolidated Financial Statements |
| 42 | Declaration by the Management Board |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 June 2013 – unaudited

| in EUR | Note | 1–6/13 | 4–6/13 | 1–6/12 | 4–6/12 |
|--|------|---------------------|---------------------|---------------------|---------------------|
| Revenues | | | | | |
| Revenues – Hotels & Resorts segment | | 29,397,288 | 17,509,062 | 29,338,451 | 17,100,441 |
| Revenues – Development & Asset Management segment | | 1,964,035 | 762,544 | 3,920,057 | 2,307,721 |
| | | 31,361,323 | 18,271,606 | 33,258,508 | 19,408,162 |
| Income from the sale of properties | | | | | |
| Gains from the sale of real estate | | 1,667,700 | 27,700 | 329,158 | 10,420 |
| Carrying amounts, loans and borrowings assumed by the purchaser | | (81,812) | – | – | – |
| | [05] | 1,585,888 | 27,700 | 329,158 | 10,420 |
| Other income and expenses | | | | | |
| Changes in real estate projects under development or construction | | 1,108,291 | 48,468 | – | – |
| Other income | | 254,890 | 87,945 | – | – |
| | | 1,363,181 | 136,413 | – | – |
| Expenses for materials and services rendered | | (13,018,981) | (7,142,245) | (13,181,518) | (6,795,131) |
| Expenses for project development | | (1,454,077) | (265,473) | (2,656,554) | (1,843,893) |
| Personnel expenses | [06] | (10,024,982) | (5,340,626) | (9,490,345) | (5,018,231) |
| Depreciation and amortization expense | | (5,350,087) | (2,629,046) | (5,277,527) | (2,364,855) |
| Impairments | [07] | (1,467,316) | (1,496,088) | (1,291,548) | (1,012,542) |
| Reversal of impairments | [07] | 4,993,643 | 4,354,947 | 4,667,214 | 3,920,047 |
| Other expenses | [08] | (3,508,531) | (1,502,278) | (3,473,787) | (1,907,654) |
| | | (29,830,331) | (14,020,809) | (30,704,065) | (15,022,259) |
| Operating profit | | 4,480,061 | 4,414,909 | 2,883,601 | 4,396,323 |
| Financial revenue | [09] | 1,888,451 | 945,157 | 433,243 | 35,832 |
| Finance costs | [09] | (11,099,554) | (6,799,886) | (9,552,876) | (4,282,158) |
| Result from joint ventures | [13] | (973,244) | (93,270) | 7,141,397 | 574,530 |
| Profit or Loss before tax | | (5,704,286) | (1,533,090) | 905,366 | 724,527 |
| Current income taxes | [10] | (74,165) | 154,628 | (38,741) | 146,242 |
| Deferred taxes | [10] | 72,036 | 118,592 | (262,402) | (525,140) |
| Profit or Loss for the period | | (5,706,415) | (1,259,871) | 604,222 | 345,629 |
| Foreign currency translation | | (752,869) | (510,550) | 337,532 | 439,600 |
| Other result from joint ventures | | – | (316,963) | (142,273) | 132,387 |
| Net gains/losses from hedging | | 77,298 | – | (48,800) | (28,219) |
| (Deferred) taxes recognized in equity | | (19,021) | (5,843) | (1,232) | (5,116) |
| Other comprehensive income (to be recognized in profit or loss in future periods) | | (694,592) | (833,356) | 145,227 | 538,652 |
| Total comprehensive income for the period | | (6,401,007) | (2,093,227) | 749,449 | 884,281 |
| Profit or Loss for the period attributable to: | | | | | |
| - Equity holders of the parent | | (6,017,626) | (1,545,080) | 281,487 | (220,809) |
| - Non-controlling interests | | 311,211 | 285,209 | 322,735 | 566,437 |
| | | (5,706,415) | (1,259,871) | 604,222 | 345,629 |
| Total comprehensive income for the period attributable to: | | | | | |
| - Equity holders of the parent | | (6,566,720) | (2,193,008) | 298,843 | 156,749 |
| - Non-controlling interests | | 165,713 | 99,781 | 450,606 | 727,531 |
| | | (6,401,007) | (2,093,227) | 749,449 | 884,281 |
| Earnings per share: | | | | | |
| Undiluted, for the profit for the period attributable to ordinary equity holders of the parent | | (0.11) | (0.03) | 0.01 | (0.00) |
| Diluted, for the profit for the period attributable to ordinary equity holders of the parent | | (0.11) | (0.03) | 0.01 | (0.00) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 30 June 2013 – unaudited

| in EUR | Note | 30/6/2013 unaudited | 31/12/2013 audited | 30/6/2012 unaudited |
|---|------|---------------------------|---------------------------|---------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | [11] | 248,497,843 | 256,568,642 | 275,434,198 |
| Investment properties | [12] | 15,182,700 | 15,198,222 | 15,187,824 |
| Goodwill | | 921,266 | 921,266 | 921,266 |
| Other intangible assets | | 129,222 | 123,556 | 177,752 |
| Joint ventures | [13] | 84,063,315 | 84,936,203 | 83,838,779 |
| Other financial assets | | 13,715,194 | 11,077,694 | 10,854,301 |
| Deferred tax assets | | 516,359 | 548,765 | 341,946 |
| | | <u>363,025,899</u> | <u>369,374,348</u> | <u>386,756,068</u> |
| Current assets | | | | |
| Inventories | | 3,537,419 | 1,958,116 | 985,014 |
| Trade and other receivables | [15] | 5,944,679 | 5,835,074 | 4,775,657 |
| Financial instruments available for sale | | 9,115,621 | 7,279,433 | 3,988,802 |
| Other financial assets | [16] | 249 | 2 | – |
| Cash and short-term deposits | | 7,110,013 | 7,144,968 | 4,876,138 |
| | | <u>25,707,981</u> | <u>22,217,593</u> | <u>14,625,610</u> |
| Assets of a disposal group classified as held for sale | [19] | 27,530,892 | 24,838,793 | 15,430,777 |
| TOTAL ASSETS | | <u>416,264,772</u> | <u>416,430,734</u> | <u>416,812,455</u> |
| 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 | | 17,050,636 | 17,131,207 | 71,387,604 |
| Retained earnings | | 9,028,653 | 15,046,280 | (46,515,827) |
| Treasury shares | | (301,387) | (301,387) | (301,387) |
| Other reserves | | 3,290,805 | 3,839,897 | 1,110,401 |
| | | <u>83,068,708</u> | <u>89,715,998</u> | <u>79,680,792</u> |
| <i>Non-controlling interests</i> | | <i>(498,264)</i> | <i>(663,977)</i> | <i>(2,349,542)</i> |
| Total equity | | <u>82,570,444</u> | <u>89,052,021</u> | <u>77,331,249</u> |
| Non-current liabilities | | | | |
| Convertible bonds and bonds | [14] | 19,318,067 | 15,396,167 | 14,732,943 |
| Loans and borrowings | [14] | 181,665,187 | 172,506,498 | 219,635,642 |
| Provisions | | 4,492,548 | 4,431,127 | 4,139,499 |
| Other payables | [15] | 4,764,865 | 773,731 | 604,926 |
| Derivative financial instruments | [15] | 1,137,762 | – | – |
| Deferred tax liabilities | | 12,024,426 | 12,109,847 | 12,640,312 |
| | | <u>223,402,855</u> | <u>205,217,371</u> | <u>251,753,322</u> |
| Current liabilities | | | | |
| Convertible bonds | [14] | 6,039,494 | – | – |
| Trade and other payables | [15] | 23,260,390 | 25,145,363 | 18,106,993 |
| Loans and borrowings | [14] | 57,448,266 | 80,771,904 | 66,376,306 |
| Derivative financial instruments | [16] | 1,678,087 | 1,280,393 | 1,855,585 |
| Income tax payable | | 99,848 | 143,457 | 71,898 |
| Provisions | | 1,257,429 | 1,171,465 | 1,317,101 |
| | | <u>89,783,513</u> | <u>108,512,582</u> | <u>87,727,883</u> |
| Liabilities directly associated with the assets classified as held for sale | [19] | 20,507,961 | 13,648,761 | – |
| | | <u>110,291,474</u> | <u>122,161,343</u> | <u>87,727,883</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>416,264,773</u> | <u>416,430,734</u> | <u>416,812,455</u> |

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 January to 30 June 2013 – unaudited

| in EUR | Note | 1–6/13 | 4–6/13 | 1–6/12 | 4–6/12 |
|---|------|---------------------------|---------------------------|---------------------------|---------------------------|
| Cash receipts from operating activities | | | | | |
| From the operation of hotels and rent received | | 30,707,613 | 17,366,446 | 29,974,344 | 16,932,161 |
| From real estate development projects | | 544,360 | 412,590 | 2,619,460 | 1,764,610 |
| Interest received | | 13,957 | 6,485 | 55,006 | 32,906 |
| | | <u>31,265,930</u> | <u>17,785,521</u> | <u>32,648,809</u> | <u>18,729,677</u> |
| Cash payments for operating activities | | | | | |
| For real estate development projects | | (2,647,390) | (649,764) | (2,169,668) | (1,266,661) |
| For materials and services received | | (12,946,199) | (7,346,833) | (12,064,215) | (6,043,273) |
| For personnel and related expenses | | (9,485,293) | (4,973,658) | (9,370,031) | (4,990,151) |
| For other expenses | | (4,402,253) | (1,490,349) | (3,434,988) | (1,957,173) |
| Income tax paid | | (114,956) | (110,222) | (95,701) | (43,765) |
| | | <u>(29,596,090)</u> | <u>(14,570,826)</u> | <u>(27,134,603)</u> | <u>(14,301,022)</u> |
| Net cash flows from operating activities | | <u>1,669,840</u> | <u>3,214,695</u> | <u>5,514,207</u> | <u>4,428,656</u> |
| Net cash flows from investing activities | | | | | |
| Payments for purchase of property, plant and equipment | | (3,239,696) | (1,124,738) | (1,384,659) | (172,979) |
| Payments for purchase of investment properties | | (46,225) | 40,601 | (29,752) | 190,894 |
| Acquisition of software | | (40,355) | (36,352) | (1,524) | (907) |
| Payments for available-for-sale financial assets | | (1,836,189) | (1,736,189) | – | – |
| Proceeds from/payments for other financial assets | | (700,000) | (700,000) | (750,069) | (749,590) |
| Proceeds from/payments for joint ventures | [13] | 1,396,224 | 202,500 | (17,943) | 183,486 |
| | | <u>(4,466,240)</u> | <u>(3,354,177)</u> | <u>(2,183,947)</u> | <u>(549,096)</u> |
| Cash flows from the sale of business entities | | | | | |
| Proceeds from the sale of disposal groups and properties | | 5,784,200 | 27,700 | – | – |
| Purchase price payments for business entities sold/purchased in prior periods | [05] | – | – | 1,017,927 | 10,560 |
| | | <u>5,784,200</u> | <u>27,700</u> | <u>1,017,927</u> | <u>10,560</u> |
| Net cash flows from investing activities | | <u>1,317,960</u> | <u>(3,326,477)</u> | <u>(1,166,020)</u> | <u>(538,536)</u> |
| Cash flows from financing activities | | | | | |
| Proceeds from loans and borrowings | [14] | 39,444,440 | 2,660,028 | 1,327,905 | 993,933 |
| Payments received from and made to non-controlling interests | | – | – | – | (543) |
| Repayment of loans and borrowings | [14] | (46,263,243) | (2,326,699) | (2,593,363) | (1,847,922) |
| Cash received from the issue of convertible bonds | | 19,705,368 | 5,067,268 | – | – |
| Cash received from derivative financial instruments | | 1,137,762 | 1,137,762 | – | – |
| Payments for the early redemption of (convertible) bonds | | (9,426,243) | (3,160,556) | – | – |
| Interest and other finance costs paid | | (7,535,314) | (3,698,285) | (5,523,115) | (3,945,330) |
| Net cash flows from/used in financing activities | | <u>(2,937,230)</u> | <u>(320,483)</u> | <u>(6,788,573)</u> | <u>(4,799,862)</u> |
| Net change in cash and cash equivalents | | 50,570 | (432,265) | (2,440,386) | (909,742) |
| Net foreign exchange difference | | (178,648) | (80,927) | 300,566 | (198,809) |
| Cash and cash equivalents at the beginning of the period | | 7,369,080 | 7,754,195 | 7,015,958 | 5,984,689 |
| Cash and cash equivalents at the end of the period | | <u>7,241,003</u> | <u>7,241,003</u> | <u>4,876,138</u> | <u>4,876,138</u> |
| Cash and cash equivalents at the end of the period break down as follows: | | | | | |
| Cash and cash equivalents of the Group | | 7,110,013 | 7,110,013 | 4,876,138 | 4,876,138 |
| Cash and cash equivalents of a disposal group classified as held for sale | | 130,989 | 130,989 | – | – |
| | | <u>7,241,003</u> | <u>7,241,003</u> | <u>4,876,138</u> | <u>4,876,138</u> |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 June 2013 – unaudited

| in EUR | Issued capital | Capital reserves | Retained earnings | Treasury shares | Other reserves | Total | Non- controlling interests | Total equity |
|---|-------------------|---------------------|----------------------|--------------------|-------------------|-------------------|----------------------------------|-------------------|
| As of 1 January 2013 | 54,000,000 | 17,131,207 | 15,046,280 | (301,387) | 3,839,897 | 89,715,998 | (663,977) | 89,052,021 |
| Early buyback of convertible bond | - | (80,571) | - | - | - | (80,571) | - | (80,571) |
| Profit for the period | - | - | (6,017,626) | - | - | (6,017,626) | 311,211 | (5,706,415) |
| Other comprehensive income | - | - | - | - | (549,093) | (549,093) | (145,498) | (694,591) |
| Total comprehensive income for the period | - | - | (6,017,626) | - | (549,093) | (6,566,719) | 165,713 | (6,401,007) |
| As of 30 June 2013 | 54,000,000 | 17,050,636 | 9,028,653 | (301,387) | 3,290,805 | 83,068,708 | (498,264) | 82,570,444 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

| in EUR | Issued capital | Capital reserves | Retained earnings | Treasury shares | Other reserves | Total | Non- controlling interests | Total equity |
|---|-------------------|---------------------|----------------------|--------------------|-------------------|-------------------|----------------------------------|-------------------|
| As of 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 |
| Profit for the period | - | - | 281,487 | - | - | 281,487 | 322,735 | 604,222 |
| Other comprehensive income | - | - | - | - | 17,356 | 17,356 | 127,871 | 145,227 |
| Total comprehensive income for the period | - | - | 281,487 | - | 17,356 | 298,843 | 450,606 | 749,449 |
| As of 30 June 2012 | 54,000,000 | 71,387,604 | (46,515,827) | (301,387) | 1,110,401 | 79,680,792 | (2,349,542) | 77,331,249 |

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 consolidated financial statements as of 30 June 2013 were released for publication by the Company's management on 29 August 2013. The main activities of the Company are described in Note [04] Segment information.

[02] Basis for preparation

The interim consolidated financial statements for the period ended 30 June 2013 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 2012.

The interim consolidated financial statements as of 30 June 2013 were not audited and were not reviewed by an independent financial auditor.

The accounting and valuation methods applied in preparing the interim consolidated financial statements as of 30 June 2013 have remained unchanged from the consolidated financial statements as of 31 December 2012.

With respect to the changes effective under IFRS as of 1 January 2013 and their effects, please refer to the details stated in the consolidated annual financial statements as of 31 December 2012.

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 (valuation of property, plant and equipment, plant under construction, investment properties and deferred tax assets), 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] Segment information for the period from 1 January to 30 June 2013 – unaudited

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 subsidiary are taken into account when determining the segment for internal management reporting purposes.

Transactions between business segments contain the recharging of intragroup services as well as project development services. The services are charged at cost plus a profit margin. The following tables present revenue and profit and certain asset and liability information regarding the Group's business segments for the first half of the year (period from 1 January 2013 to 30 June 2013).

[4.1] Segment information for the first half of 2013 versus 2012

| SEGMENT OVERVIEW in EUR '000 | Hotels & Resorts | | Development & Asset Management | |
|---|------------------|----------------|--------------------------------|----------------|
| | 2013 | 2012 | 2013 | 2012 |
| PROFIT/LOSS FOR THE PERIOD | | | | |
| External sales | 52,545 | 53,605 | 4,192 | 4,345 |
| Inter-segment sales | (584) | (663) | 584 | 663 |
| Income from the sale of properties | – | – | 1,635 | 329 |
| Expenses for materials and services rendered | (23,450) | (24,064) | (1,369) | (791) |
| Expenses for project development | – | – | (1,466) | (2,684) |
| Personnel expenses | (13,145) | (13,523) | (2,771) | (1,895) |
| Other operating expenses | (4,880) | (3,598) | (1,689) | (949) |
| Segment EBITDA | 11,231 | 12,420 | (266) | (1,644) |
| Scheduled depreciation on fixed assets | (8,028) | (8,681) | (675) | (394) |
| Impairment of fixed assets | – | (1,253) | (11) | (1,476) |
| Reversal of impairments on fixed assets | 4,800 | 2,949 | 419 | 1,900 |
| Other impairments | (1,456) | – | – | – |
| Segment result from ordinary operations | 6,547 | 5,435 | (532) | (1,613) |
| Financial revenue | 205 | 7 | 1,735 | 420 |
| Finance costs | (9,122) | (8,909) | (6,496) | (8,543) |
| Result from joint ventures | – | – | 2,195 | 2,522 |
| Income tax | (6) | (90) | (68) | (10) |
| Deferred income tax | 25 | 2,591 | (188) | 4,380 |
| Segment overview: profit/loss for the period | (2,352) | (965) | (3,354) | (2,844) |
| SEGMENT OVERVIEW: BALANCE SHEET | | | | |
| Fixed assets and goodwill | 356,848 | 451,441 | 87,530 | 78,141 |
| Joint ventures | – | – | 5,409 | 1,674 |
| Other financial assets | 1,500 | 1,511 | 12,215 | 9,343 |
| Deferred tax assets | 3,214 | 5,657 | 5,839 | 9,965 |
| Non-current assets | 361,562 | 458,609 | 110,993 | 99,123 |
| Inventories and receivables | 12,096 | 11,856 | 5,487 | 1,866 |
| Securities and other financial assets | – | – | 9,116 | 3,989 |
| Cash and cash equivalents | 9,578 | 8,037 | 2,755 | 3,298 |
| IFRS 5 assets | 27,531 | – | – | – |
| Segment overview: assets | 410,767 | 478,502 | 128,351 | 108,276 |
| Convertible bonds, loans and borrowings | 260,244 | 332,865 | 113,704 | 126,756 |
| Other payables and provisions | 31,449 | 32,923 | 24,558 | 15,935 |
| IFRS 5 liabilities | 20,508 | – | – | – |
| Segment overview: debt | 312,201 | 365,788 | 138,262 | 142,691 |
| SEGMENT OVERVIEW: CASH FLOW | | | | |
| Cash receipts from operating activities | | | | |
| From the operation of hotels and rent received | 53,667 | 52,592 | 3,985 | 1,508 |
| From real estate development projects | – | – | 544 | 2,619 |
| Interest received | 18 | 7 | 47 | 88 |
| | 53,686 | 52,599 | 4,576 | 4,215 |
| Cash payments for operating activities | | | | |
| For real estate development projects | – | 22 | (2,659) | (2,197) |
| For materials and services received | (24,481) | (21,733) | (2,440) | (639) |
| For personnel and related expenses | (13,155) | (13,463) | (2,201) | (1,791) |
| For other expenses | (4,335) | (5,350) | (2,531) | 2,122 |
| For income taxes | (161) | (97) | 3,965 | (2) |
| Segment overview: | | | | |
| Net cash flows from operating activities | 11,554 | 11,978 | (1,292) | 1,708 |
| Investment cash flow | (3,600) | (3,544) | 2,345 | (3,074) |
| Financing cash flow | (11,256) | (11,517) | 3,273 | (2,140) |
| Segment overview: | | | | |
| Net change in cash and cash equivalents | (3,302) | (3,083) | 4,326 | (3,505) |
| Average payroll | 1,539 | 1,561 | 56 | 66 |

| Segment total as of 30 June | | Reconciliation Difference | | Total as of 30 June | |
|--------------------------------|----------|------------------------------|-----------|------------------------|----------|
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| 56,737 | 57,950 | (25,375) | (24,691) | 31,361 | 33,259 |
| - | - | - | - | - | - |
| 1,635 | 329 | (49) | - | 1,586 | 329 |
| (24,819) | (24,854) | 11,800 | 11,673 | (13,019) | (13,182) |
| (1,466) | (2,684) | 12 | 27 | (1,454) | (2,657) |
| (15,916) | (15,417) | 5,891 | 5,927 | (10,025) | (9,490) |
| (6,568) | (4,547) | 3,060 | 1,074 | (3,509) | (3,474) |
| 10,965 | 10,776 | (4,662) | (5,990) | 6,304 | 4,785 |
| (8,703) | (9,075) | 3,353 | 3,798 | (5,350) | (5,278) |
| (11) | (2,728) | - | 1,437 | (11) | (1,292) |
| 5,219 | 4,849 | (226) | (182) | 4,994 | 4,667 |
| (1,456) | - | - | - | (1,456) | - |
| 6,015 | 3,822 | (1,535) | (938) | 4,480 | 2,884 |
| 1,939 | 427 | (51) | 6 | 1,888 | 433 |
| (15,618) | (17,452) | 4,518 | 7,899 | (11,100) | (9,553) |
| 2,195 | 2,522 | (3,168) | 4,619 | (973) | 7,141 |
| (74) | (99) | - | 61 | (74) | (39) |
| (163) | 6,971 | 235 | (7,234) | 72 | (262) |
| (5,706) | (3,809) | - | 4,413 | (5,706) | 604 |
| 444,378 | 529,582 | (179,647) | (237,861) | 264,731 | 291,721 |
| 5,409 | 1,674 | 78,654 | 97,595 | 84,063 | 99,270 |
| 13,715 | 10,854 | - | - | 13,715 | 10,854 |
| 9,053 | 15,622 | (8,537) | (15,280) | 516 | 342 |
| 472,555 | 557,733 | (109,529) | (155,546) | 363,026 | 402,187 |
| 17,583 | 13,723 | (8,101) | (7,962) | 9,482 | 5,761 |
| 9,116 | 3,989 | 0 | - | 9,116 | 3,989 |
| 12,333 | 11,335 | (5,223) | (6,459) | 7,110 | 4,876 |
| 27,531 | - | 0 | - | 27,531 | - |
| 539,118 | 586,779 | (122,853) | (169,966) | 416,265 | 416,812 |
| 373,948 | 459,620 | (109,477) | (158,875) | 264,471 | 300,745 |
| 56,007 | 48,858 | (7,291) | (10,122) | 48,715 | 38,736 |
| 20,508 | - | - | - | 20,508 | - |
| 450,463 | 508,478 | (116,769) | (168,997) | 333,694 | 339,481 |
| 57,652 | 54,100 | (26,944) | (24,126) | 30,708 | 29,974 |
| 544 | 2,619 | - | - | 544 | 2,619 |
| 65 | 95 | (51) | (40) | 14 | 55 |
| 58,261 | 56,814 | (26,995) | (24,165) | 31,266 | 32,649 |
| (2,659) | (2,175) | 12 | 5 | (2,647) | (2,170) |
| (26,921) | (22,372) | 13,975 | 10,308 | (12,946) | (12,064) |
| (15,356) | (15,254) | 5,870 | 5,884 | (9,485) | (9,370) |
| (6,866) | (3,228) | 2,464 | (207) | (4,402) | (3,435) |
| 3,804 | (99) | (3,919) | 3 | (115) | (96) |
| 10,263 | 13,686 | (8,593) | (8,172) | 1,670 | 5,514 |
| (1,255) | (6,617) | 2,573 | 5,451 | 1,318 | (1,166) |
| (7,984) | (13,657) | 5,046 | 6,868 | (2,937) | (6,789) |
| 1,024 | (6,588) | (974) | 4,147 | 51 | (2,440) |
| 1,595 | 1,627 | (501) | (499) | 1,094 | 1,129 |

HOTELS & RESORTS SUB-SEGMENT RESULT

| in EUR '000 | Luxury | | Upmarket | | Others | |
|--|----------------|--------------|---------------|---------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Revenues | 7,804 | 9,009 | 41,770 | 41,791 | 2,883 | 2,715 |
| Expenses for materials | (3,437) | (3,573) | (16,454) | (16,548) | (753) | (752) |
| Personnel expenses | (2,006) | (2,081) | (9,907) | (10,282) | (701) | (661) |
| Gross operating profit | 2,361 | 3,355 | 15,409 | 14,961 | 1,428 | 1,301 |
| <i>Hotel employees</i> | 231 | 238 | 1,163 | 1,171 | 128 | 123 |
| <i>Total rooms</i> | 398 | 398 | 2,780 | 2,853 | 370 | 370 |
| <i>Rooms available</i> | 401 | 398 | 2,774 | 2,840 | 370 | 370 |
| <i>Rooms sold</i> | 255 | 263 | 1,710 | 1,665 | 201 | 216 |
| Average room occupancy | 64% | 66% | 62% | 59% | 54% | 59% |
| Management fee | (425) | (136) | (2,194) | (2,462) | (179) | (181) |
| Exchange adjustments | (16) | 104 | 53 | (408) | (9) | 9 |
| Property costs | (122) | (633) | (1,387) | (1,272) | (41) | (26) |
| Net operating profit | 1,797 | 2,690 | 11,881 | 10,818 | 1,207 | 1,104 |
| Revenues after GOP | – | – | 37 | 34 | 52 | 57 |
| Other costs after GOP | (1,644) | (66) | (1,196) | (910) | (96) | (92) |
| Scheduled depreciation on fixed assets | (186) | (552) | (7,253) | (7,525) | (589) | (604) |
| Lease expenses | (1,018) | – | (1,176) | (1,177) | (69) | (38) |
| Impairment of fixed assets | – | – | – | (764) | – | (488) |
| Reversal of impairments on fixed assets | – | – | 3,993 | 2,482 | 807 | 467 |
| Other impairments | (1,456) | – | – | – | – | – |
| Contribution to the operating result for HOTELS & RESORTS | (1,050) | 2,072 | 6,284 | 2,959 | 1,313 | 405 |
| Thereof sales revenues in | | | | | | |
| • Czech Republic | 2,763 | 2,861 | 12,072 | 11,762 | – | – |
| • Poland | 5,041 | 6,148 | 8,960 | 9,298 | 1,521 | 1,355 |
| • Romania | – | – | 1,144 | 1,220 | – | – |
| • Russia | – | – | 5,700 | 4,624 | 1,361 | 1,360 |
| • Germany | – | – | 5,990 | 6,651 | – | – |
| • France | – | – | 7,904 | 8,236 | – | – |
| Thereof GOP in | | | | | | |
| • Czech Republic | 389 | 354 | 4,419 | 3,973 | – | – |
| • Poland | 1,972 | 3,001 | 3,929 | 4,066 | 681 | 577 |
| • Romania | – | – | 381 | 435 | – | – |
| • Russia | – | – | 2,646 | 1,836 | 747 | 725 |
| • Germany | – | – | 2,010 | 2,051 | – | – |
| • France | – | – | 2,024 | 2,600 | – | – |
| Thereof contribution to operating profit | | | | | | |
| • Czech Republic | (1,407) | 79 | 2,299 | 1,314 | – | – |
| • Poland | 356 | 1,993 | (150) | (169) | 104 | 60 |
| • Romania | – | – | 239 | (341) | – | – |
| • Russia | – | – | 3,277 | 1,209 | 1,209 | 345 |
| • Germany | – | – | 366 | 99 | – | – |
| • France | – | – | 255 | 846 | – | – |
| • Others | – | – | – | – | – | – |

| Under development and construction | | Segment total as of 30 June | | Reconciliation difference | | Total as of 30 June | |
|---------------------------------------|------|--------------------------------|---------------|------------------------------|----------------|------------------------|---------------|
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| - | - | 52,456 | 53,514 | (23,148) | (24,272) | 29,308 | 29,242 |
| - | - | (20,645) | (20,873) | 9,980 | 9,923 | (10,665) | (10,949) |
| - | - | (12,614) | (13,024) | 5,642 | 5,862 | (6,972) | (7,162) |
| - | - | 19,198 | 19,618 | (7,526) | (8,486) | 11,671 | 11,131 |
| - | - | 1,522 | 1,532 | (491) | (477) | 1,031 | 1,056 |
| - | - | 3,548 | 3,621 | (1,213) | (1,286) | 2,335 | 2,335 |
| - | - | 3,544 | 3,607 | (1,216) | (1,287) | 2,329 | 2,320 |
| - | - | 2,165 | 2,144 | (834) | (804) | 1,331 | 1,339 |
| - | - | 61% | 59% | 69% | 63% | 57% | 58% |
| - | - | (2,798) | (2,779) | 1,258 | 1,255 | (1,540) | (1,524) |
| - | - | 27 | (295) | (89) | 4 | (62) | (291) |
| - | - | (1,550) | (1,931) | 1,138 | 1,095 | (412) | (836) |
| - | - | 14,885 | 14,612 | (5,229) | (6,132) | 9,657 | 8,480 |
| - | - | 89 | 91 | - | 5 | 89 | 96 |
| - | - | (2,936) | (1,068) | 575 | 404 | (2,361) | (664) |
| - | - | (8,028) | (8,681) | 2,969 | 3,708 | (5,059) | (4,973) |
| - | - | (2,264) | (1,215) | 1,027 | 0 | (1,236) | (1,215) |
| - | - | - | (1,253) | - | - | - | (1,253) |
| - | - | 4,800 | 2,949 | (226) | (182) | 4,574 | 2,767 |
| - | - | (1,456) | - | - | - | (1,456) | - |
| - | - | 6,547 | 5,435 | (883) | (2,197) | 5,663 | 3,238 |
| - | - | 14,835 | 14,623 | (484) | (416) | 14,351 | 14,207 |
| - | - | 15,522 | 16,801 | (6,150) | (7,287) | 9,373 | 9,514 |
| - | - | 1,144 | 1,220 | - | - | 1,144 | 1,220 |
| - | - | 7,061 | 5,984 | (2,621) | (1,682) | 4,441 | 4,302 |
| - | - | 5,990 | 6,651 | (5,990) | (6,651) | - | - |
| - | - | 7,904 | 8,236 | (7,904) | (8,236) | - | - |
| - | - | 4,808 | 4,327 | (74) | (14) | 4,734 | 4,313 |
| - | - | 6,581 | 7,644 | (2,488) | (3,538) | 4,093 | 4,105 |
| - | - | 381 | 435 | - | - | 381 | 435 |
| - | - | 3,393 | 2,561 | (930) | (283) | 2,463 | 2,278 |
| - | - | 2,010 | 2,051 | (2,010) | (2,051) | - | - |
| - | - | 2,024 | 2,600 | (2,024) | (2,600) | - | - |
| - | - | 892 | 1,393 | (58) | 4 | 834 | 1,396 |
| - | - | 310 | 1,884 | (435) | (2,113) | (125) | (229) |
| - | - | 239 | (341) | - | - | 239 | (341) |
| - | - | 4,486 | 1,554 | 231 | 857 | 4,716 | 2,412 |
| - | - | 366 | 99 | (366) | (99) | - | - |
| - | - | 255 | 846 | (255) | (846) | - | - |
| - | - | - | - | - | - | - | - |

| | Luxury | | Upmarket | | Others | |
|---|---------------|---------------|----------------|----------------|---------------|---------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| SUB-SEGMENT CASH FLOW HOTELS & RESORTS | | | | | | |
| Cash receipts | 7,769 | 8,182 | 43,014 | 41,838 | 2,884 | 2,572 |
| Interest received | 12 | 6 | 7 | 1 | - | - |
| Development costs | - | - | - | 22 | - | - |
| Expenses for materials | (4,014) | (3,594) | (19,731) | (17,475) | (736) | (664) |
| Personnel expenses | (2,062) | (2,109) | (10,333) | (10,673) | (760) | (680) |
| Cash paid for other expenses | (1,318) | (198) | (2,876) | (5,066) | (140) | (86) |
| Income tax | - | - | (161) | (54) | - | (43) |
| Cash flow from operations for HOTELS & RESORTS | 386 | 2,287 | 9,920 | 8,593 | 1,248 | 1,099 |
| Thereof in | | | | | | |
| • Czech Republic | 79 | 198 | 3,017 | 2,836 | - | - |
| • Poland | 307 | 2,089 | 1,463 | 2,003 | 650 | 558 |
| • Romania | - | - | 65 | 267 | - | - |
| • Russia | - | - | 2,532 | 537 | 598 | 540 |
| • Germany | - | - | 1,679 | 1,297 | - | - |
| • France | - | - | 1,164 | 1,652 | - | - |
| • Others | - | - | - | - | - | - |
| SUB-SEGMENT ASSETS HOTELS & RESORTS | | | | | | |
| Property, plant and equipment and goodwill | 1,200 | 68,566 | 325,612 | 350,327 | 30,036 | 27,216 |
| Other non-current assets | - | 137 | 4,714 | 7,032 | - | - |
| Other current assets | 926 | 1,710 | 10,889 | 9,164 | 280 | 982 |
| Cash and cash equivalents | 2,622 | 2,510 | 6,632 | 5,232 | 324 | 292 |
| IFRS 5 assets | 27,531 | - | - | - | - | - |
| Sub-segment assets | 32,279 | 72,923 | 347,847 | 371,756 | 30,641 | 28,490 |
| Loans and borrowings | - | 46,507 | 249,596 | 275,369 | 10,648 | 10,988 |
| Other non-current liabilities | (3,933) | - | 8,682 | 8,692 | 2,056 | 1,796 |
| Other current liabilities | 2,204 | 2,011 | 19,019 | 19,258 | 3,420 | 1,165 |
| IFRS 5 liabilities | 20,508 | - | - | - | - | - |
| Sub-segment liabilities | 18,779 | 48,518 | 277,298 | 303,320 | 16,124 | 13,949 |
| Analysis of assets HOTELS & RESORTS | | | | | | |
| As of 1 January | 9,329 | 68,901 | 332,116 | 353,235 | 27,915 | 27,110 |
| Reclassification (IFRS 5) | (8,031) | - | - | - | - | - |
| Additions | 89 | 217 | 883 | 2,053 | 2,506 | 656 |
| Retrospective purchase price adjustments | - | - | (2,097) | - | - | - |
| Scheduled amortization and depreciation | (186) | (552) | (7,253) | (7,525) | (589) | (604) |
| Impairments | - | - | (5) | (764) | - | (488) |
| Write-ups | - | - | 3,998 | 2,482 | 807 | 467 |
| Foreign exchange effects | - | - | (2,030) | 846 | (604) | 76 |
| Assets as of 30 June | 1,200 | 68,566 | 325,612 | 350,327 | 30,036 | 27,216 |
| Analysis of financial liabilities HOTELS & RESORTS | | | | | | |
| Loans as of 1 January | 6,340 | 46,988 | 254,266 | 277,631 | 10,790 | 11,208 |
| Reclassification (IFRS 5) | (6,341) | - | - | - | - | - |
| New borrowings | - | - | 36,759 | 1,569 | - | - |
| Repayment of loans | - | (617) | (41,602) | (2,729) | (135) | (223) |
| Capitalized interest | 1 | 135 | 310 | (1,175) | 41 | 3 |
| Foreign exchange effects | - | - | (137) | 73 | (49) | - |
| Loans as of 30 June | - | 46,507 | 249,596 | 275,369 | 10,648 | 10,988 |

| Under development and construction | | Segment total as of 30 June | | Reconciliation difference | | Total as of 30 June | |
|---------------------------------------|-------|--------------------------------|----------|------------------------------|-----------|------------------------|----------|
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| - | - | 53,667 | 52,592 | (24,745) | (23,783) | 28,922 | 28,809 |
| - | - | 18 | 7 | (13) | 1 | 5 | 8 |
| - | - | - | 22 | - | (22) | - | - |
| - | - | (24,481) | (21,733) | 12,340 | 10,349 | (12,141) | (11,384) |
| - | - | (13,155) | (13,463) | 5,693 | 5,884 | (7,462) | (7,579) |
| - | - | (4,335) | (5,350) | 2,626 | 2,526 | (1,709) | (2,825) |
| - | - | (161) | (97) | 49 | 2 | (111) | (95) |
| - | - | 11,554 | 11,978 | (4,050) | (5,044) | 7,504 | 6,934 |
| - | - | 3,096 | 3,034 | (43) | (63) | 3,053 | 2,970 |
| - | - | 2,419 | 4,651 | (397) | (2,505) | 2,022 | 2,146 |
| - | - | 65 | 267 | - | - | 65 | 267 |
| - | - | 3,130 | 1,077 | (767) | 473 | 2,363 | 1,551 |
| - | - | 1,679 | 1,297 | (1,679) | (1,297) | - | - |
| - | - | 1,164 | 1,652 | (1,164) | (1,652) | - | - |
| - | - | - | - | - | - | - | - |
| - | 5,331 | 356,848 | 451,441 | (117,253) | (183,925) | 239,596 | 267,515 |
| - | - | 4,714 | 7,168 | (2,907) | (5,468) | 1,808 | 1,701 |
| - | - | 12,096 | 11,856 | (7,495) | (6,852) | 4,601 | 5,004 |
| - | 2 | 9,578 | 8,037 | (4,578) | (4,822) | 5,000 | 3,215 |
| - | - | 27,531 | - | - | - | 27,531 | - |
| - | 5,333 | 410,767 | 478,502 | (132,232) | (201,067) | 278,535 | 277,436 |
| - | - | 260,244 | 332,865 | (85,089) | (131,921) | 175,156 | 200,944 |
| - | - | 6,805 | 10,488 | 3,057 | (785) | 9,863 | 9,702 |
| - | 1 | 24,644 | 22,435 | (6,448) | (6,194) | 18,196 | 16,242 |
| - | - | 20,508 | - | - | - | 20,508 | - |
| - | 1 | 312,201 | 365,788 | (88,479) | (138,900) | 223,722 | 226,888 |
| - | 5,331 | 369,360 | 454,577 | (121,712) | (185,222) | 247,648 | 269,355 |
| - | - | (8,031) | - | - | - | (8,031) | - |
| - | - | 3,478 | 2,927 | (381) | (1,612) | 3,097 | 1,315 |
| - | - | (2,097) | - | 2,097 | - | - | - |
| - | - | (8,028) | (8,681) | 2,969 | 3,708 | (5,059) | (4,973) |
| - | - | (5) | (1,253) | - | - | (5) | (1,253) |
| - | - | 4,805 | 2,949 | (226) | (182) | 4,579 | 2,767 |
| - | - | (2,633) | 922 | - | (617) | (2,633) | 304 |
| - | 5,331 | 356,848 | 451,441 | (117,253) | (183,925) | 239,596 | 267,515 |
| - | - | 271,396 | 335,827 | (87,478) | (134,840) | 183,918 | 200,987 |
| - | - | (6,341) | - | - | - | (6,341) | - |
| - | - | 36,759 | 1,569 | - | (823) | 36,759 | 746 |
| - | - | (41,736) | (3,568) | 2,731 | 1,319 | (39,006) | (2,249) |
| - | - | 353 | (1,036) | (341) | 2,423 | 11 | 1,387 |
| - | - | (187) | 73 | - | - | (187) | 73 |
| - | - | 260,244 | 332,865 | (85,089) | (131,921) | 175,156 | 200,944 |

DEVELOPMENT & ASSET MANAGEMENT SUB-SEGMENT RESULT

| in EUR '000 | DEVELOPMENT | | | | ASSET | |
|---|----------------|----------------|------------|-------------|--------------|--------------|
| | Primary | | Other | | Rented out | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Revenues | 877 | 2,955 | 476 | 374 | 2,839 | 1,016 |
| Changes in real estate projects under development | 1,108 | – | – | – | – | – |
| Sale of real estate | 1,635 | 329 | – | – | – | – |
| Other operating income | 94 | – | – | – | – | – |
| Materials and services received | (243) | (262) | (323) | (277) | (804) | (252) |
| Project development expenses | (1,466) | (2,684) | – | – | – | – |
| Personnel expenses | (2,593) | (1,895) | – | – | (177) | – |
| Other operating expenses | (1,131) | (856) | (44) | (14) | (514) | (78) |
| Scheduled amortization and depreciation | (28) | (29) | (26) | (23) | (620) | (342) |
| Impairments | (11) | (39) | – | – | – | – |
| Write-ups | 211 | 77 | – | – | 208 | 1,823 |
| Contribution to operating profit | (1,547) | (2,403) | 83 | 60 | 931 | 2,166 |
| Thereof sales revenues in | | | | | | |
| • Czech Republic | 174 | 186 | – | – | – | – |
| • Hungary | – | – | – | – | 596 | 592 |
| • Poland | 698 | 2,765 | 476 | 374 | 390 | 389 |
| • Germany | – | – | – | – | – | 34 |
| • Austria | 4 | 4 | – | – | – | – |
| • Russia | – | – | – | – | 1,853 | – |
| Thereof contribution to operating profit | | | | | | |
| • Czech Republic | 28 | (33) | – | – | – | – |
| • Hungary | (15) | (115) | – | – | 306 | 1,969 |
| • Poland | 183 | (109) | 83 | 60 | 139 | 192 |
| • Russia | – | – | – | – | 487 | – |
| • Germany | (12) | (27) | – | – | – | 6 |
| • Austria | (1,710) | (2,426) | – | – | – | – |
| • Luxembourg | (21) | 308 | – | – | – | – |
| SUB-SEGMENT CASH FLOW | | | | | | |
| DEVELOPMENT & ASSET MANAGEMENT | | | | | | |
| Cash receipts from rent | 712 | 564 | 501 | 290 | 2,772 | 654 |
| Interest received | 10 | 48 | 2 | 0 | 35 | 1 |
| Cash receipts from development | 544 | 2,619 | – | – | – | – |
| Cash paid for development | (2,659) | (2,197) | – | – | – | – |
| Expenses for materials | (267) | (264) | (303) | (316) | (813) | (59) |
| Personnel expenses | (2,024) | (1,791) | – | – | (177) | – |
| Cash paid for other expenses | (2,623) | (490) | (41) | (16) | (597) | (297) |
| Income tax | 3,966 | (1) | – | – | (1) | (1) |
| Cash flow from operating activities | (2,341) | (1,512) | 158 | (42) | 1,219 | 298 |
| Thereof in | | | | | | |
| • Czech Republic | (61) | (64) | – | – | – | – |
| • Hungary | (48) | (111) | – | – | 300 | 110 |
| • Poland | (1,980) | 534 | 158 | (42) | 124 | 179 |
| • Russia | – | – | – | – | 796 | – |
| • Germany | (9) | (28) | – | – | – | 9 |
| • Austria | (208) | (1,813) | – | – | – | – |
| • Luxembourg | (35) | (32) | – | – | – | – |

MANAGEMENT

| Under development and construction | | Segment total as of 30 June | | Reconciliation difference | | Total as of 30 June | |
|------------------------------------|---------|-----------------------------|---------|---------------------------|---------|---------------------|---------|
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| - | - | 4,192 | 4,345 | (2,228) | (425) | 1,964 | 3,920 |
| - | - | 1,108 | - | - | - | 1,108 | - |
| - | - | 1,635 | 329 | (49) | - | 1,586 | 329 |
| - | - | 94 | - | - | - | 94 | - |
| - | - | (1,369) | (791) | 569 | 89 | (800) | (702) |
| - | - | (1,466) | (2,684) | 12 | 27 | (1,454) | (2,657) |
| - | - | (2,771) | (1,895) | 177 | - | (2,593) | (1,895) |
| - | - | (1,689) | (949) | 483 | 41 | (1,206) | (908) |
| - | - | (675) | (394) | 384 | 90 | (291) | (304) |
| - | (1,437) | (11) | (1,476) | - | 1,437 | (11) | (39) |
| - | - | 419 | 1,900 | - | - | 419 | 1,900 |
| - | (1,437) | (532) | (1,613) | (651) | 1,259 | (1,183) | (355) |
| - | - | 174 | 186 | - | - | 174 | 186 |
| - | - | 596 | 592 | - | - | 596 | 592 |
| - | - | 1,564 | 3,529 | (373) | (389) | 1,191 | 3,139 |
| - | - | - | 34 | - | (34) | - | - |
| - | - | 4 | 4 | (2) | (2) | 3 | 3 |
| - | - | 1,853 | - | (1,853) | - | - | - |
| - | - | 28 | (33) | 2 | - | 29 | (33) |
| - | - | 291 | 1,853 | - | - | 291 | 1,853 |
| - | - | 405 | 143 | (177) | (198) | 228 | (55) |
| - | (1,437) | 487 | (1,437) | (487) | 1,437 | - | - |
| - | - | (12) | (22) | 12 | 22 | - | - |
| - | - | (1,710) | (2,426) | (2) | (2) | (1,711) | (2,427) |
| - | - | (21) | 308 | - | - | (21) | 308 |
| - | - | 3,985 | 1,508 | (2,199) | (342) | 1,785 | 1,166 |
| - | 39 | 47 | 88 | (37) | (41) | 9 | 47 |
| - | - | 544 | 2,619 | - | - | 544 | 2,619 |
| - | - | (2,659) | (2,197) | 12 | 27 | (2,647) | (2,170) |
| (1,058) | - | (2,440) | (639) | 1,635 | (41) | (806) | (681) |
| - | - | (2,201) | (1,791) | 177 | - | (2,024) | (1,791) |
| 730 | 2,925 | (2,531) | 2,122 | (162) | (2,733) | (2,693) | (610) |
| - | - | 3,965 | (2) | (3,968) | 1 | (4) | (1) |
| (328) | 2,965 | (1,292) | 1,708 | (4,542) | (3,129) | (5,834) | (1,420) |
| - | - | (61) | (64) | 2 | - | (59) | (64) |
| - | - | 251 | (1) | - | (0) | 251 | (1) |
| - | - | (1,698) | 672 | (116) | (181) | (1,814) | 490 |
| (328) | 2,965 | 468 | 2,965 | (468) | (2,965) | - | - |
| - | - | (9) | (19) | 9 | 19 | - | - |
| - | - | (208) | (1,813) | (3,970) | (2) | (4,177) | (1,814) |
| - | - | (35) | (32) | - | - | (35) | (32) |

| | DEVELOPMENT | | | | ASSET | |
|--|---------------|----------------|--------------|------------|---------------|---------------|
| | Primary | | Other | | Rented out | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| ANALYSIS OF SUB-SEGMENT ASSETS | | | | | | |
| DEVELOPMENT & ASSET MANAGEMENT | | | | | | |
| Property, plant and equipment and goodwill | 11,574 | 11,681 | 758 | 682 | 43,012 | 17,221 |
| Joint ventures | 5,409 | 1,674 | – | – | – | – |
| Other non-current assets | 12,307 | 9,437 | – | – | 117 | 59 |
| Other current assets | 13,915 | 4,431 | 176 | 139 | 252 | 327 |
| Cash and cash equivalents | 2,005 | 1,601 | 72 | 15 | 155 | 140 |
| Sub-segment assets | 45,209 | 28,823 | 1,005 | 837 | 43,537 | 17,747 |
| Convertible bonds, loans and borrowings | 78,322 | 88,329 | 133 | 159 | 13,863 | 12,548 |
| Other non-current liabilities | 11,879 | 6,823 | – | – | 400 | 745 |
| Other current liabilities | 7,627 | 5,126 | 117 | 11 | 494 | 524 |
| Sub-segment liabilities | 97,828 | 100,278 | 250 | 170 | 14,756 | 13,816 |
| Analysis of assets | | | | | | |
| DEVELOPMENT & ASSET MANAGEMENT | | | | | | |
| As of 1 January | 11,576 | 11,547 | 725 | 679 | 28,600 | 15,710 |
| Segment reclassifications | – | – | – | – | 14,794 | – |
| Additions | 180 | 138 | 102 | 1 | 69 | 31 |
| Disposals | (23) | – | – | – | (38) | – |
| Scheduled depreciation | (28) | (29) | (26) | (23) | (620) | (342) |
| Impairments | (11) | (39) | – | – | – | – |
| Write-ups | 211 | 77 | – | – | 208 | 1,823 |
| Foreign exchange effects | (331) | (14) | (42) | 25 | – | – |
| Assets as of 30 June | 11,574 | 11,681 | 758 | 682 | 43,012 | 17,221 |
| Analysis of financial liabilities | | | | | | |
| DEVELOPMENT & ASSET MANAGEMENT | | | | | | |
| Loans as of 1 January | 73,336 | 86,133 | 137 | 115 | 14,491 | 12,532 |
| New borrowings | 2,803 | 510 | 4 | 72 | – | – |
| Issue of bonds | 19,705 | – | – | – | – | – |
| (Early) redemption of convertible bonds | (9,426) | – | – | – | – | – |
| Repayment of loans | (6,834) | (317) | – | (27) | (629) | (120) |
| Capitalized interest | 346 | 1,286 | – | – | – | 135 |
| Foreign exchange effects | (1,607) | 716 | (8) | (1) | – | – |
| Loans as of 30 June | 78,322 | 88,329 | 133 | 159 | 13,863 | 12,548 |

MANAGEMENT

| Under development and construction | | Segment total as of 30 June | | Reconciliation difference | | Total as of 30 June | |
|---------------------------------------|---------------|--------------------------------|----------------|------------------------------|-----------------|------------------------|----------------|
| 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| 32,185 | 48,557 | 87,530 | 78,141 | (62,394) | (53,935) | 25,136 | 24,206 |
| – | – | 5,409 | 1,674 | 78,654 | 97,595 | 84,063 | 99,270 |
| 5,630 | 9,813 | 18,054 | 19,308 | (5,630) | (9,813) | 12,424 | 9,495 |
| 260 | 958 | 14,603 | 5,855 | (606) | (1,110) | 13,997 | 4,745 |
| 524 | 1,542 | 2,755 | 3,298 | (645) | (1,637) | 2,110 | 1,661 |
| 38,599 | 60,870 | 128,351 | 108,276 | 9,379 | 31,100 | 137,730 | 139,377 |
| 21,385 | 25,719 | 113,704 | 126,756 | (30,428) | (26,954) | 83,276 | 99,801 |
| 3,833 | 2,319 | 16,111 | 9,887 | (3,554) | 12,528 | 12,557 | 22,415 |
| 209 | 387 | 8,447 | 6,048 | (346) | (938) | 8,100 | 5,110 |
| 25,427 | 28,426 | 138,262 | 142,691 | (34,329) | (15,364) | 103,933 | 127,326 |
| 46,591 | 48,504 | 87,493 | 76,440 | (62,329) | (53,943) | 25,164 | 22,498 |
| (14,794) | – | – | – | – | – | – | – |
| 388 | 2,331 | 739 | 2,501 | (487) | (2,360) | 251 | 140 |
| – | – | (61) | – | 38 | – | (23) | – |
| – | – | (675) | (394) | 384 | 90 | (291) | (304) |
| – | (1,437) | (11) | (1,476) | – | 1,437 | (11) | (39) |
| – | – | 419 | 1,900 | – | – | 419 | 1,900 |
| – | (842) | (374) | (831) | – | 842 | (374) | 10 |
| 32,185 | 48,557 | 87,530 | 78,141 | (62,394) | (53,935) | 25,136 | 24,206 |
| 21,385 | 24,073 | 109,350 | 122,854 | (24,594) | (25,428) | 84,756 | 97,426 |
| – | 1,646 | 2,807 | 2,228 | – | (1,646) | 2,807 | 582 |
| – | – | 19,705 | – | – | – | 19,705 | – |
| – | – | (9,426) | – | (6,039) | – | (15,466) | – |
| – | – | (7,463) | (464) | 205 | 120 | (7,257) | (344) |
| – | – | 346 | 1,422 | – | – | 346 | 1,422 |
| – | – | (1,615) | 715 | – | – | (1,615) | 715 |
| 21,385 | 25,719 | 113,704 | 126,756 | (30,428) | (26,954) | 83,276 | 99,801 |

[05] Sale of shares

This item consists primarily of the sale of the shares in the Leuchtenbergring companies in Munich to the joint venture partner. For more information, please see the information in Note [27] to the consolidated financial statements as of 31 December 2012.

[06] Personnel expenses, average payroll

| in EUR | 1 January to 30 June | |
|---|----------------------|--------------------|
| | 2013 | 2012 |
| Wages and salaries | (7,126,055) | (7,164,496) |
| Social security expenses | (1,442,174) | (1,432,478) |
| Other payroll-related taxes and contributions | (329,257) | (296,174) |
| Voluntary employee benefits | (3,144) | (12,530) |
| Expenses for posted employees | (476,921) | (498,781) |
| Expenses for termination and post-employment benefits | (83,689) | (8,061) |
| Changes in accrual for compensated absences | (29,848) | (32,638) |
| Changes in pensions and other long-term employee benefits | (533,894) | (45,187) |
| | <u>(10,024,982)</u> | <u>(9,490,345)</u> |

The Company had an average of 1,094 employees in the first half of 2013 (H1 2012: 1,129).

[07] Impairment and impairment reversals

The impairments relate to the measurement of the disposal groups reported pursuant to IFRS 5.

The impairment reversals result primarily from the increase in the value of the hotels in Ekaterinburg and the Diplomat Hotel in the Czech Republic according to external appraisals.

[08] Other expenses

| in EUR | 1 January to 30 June | |
|---------------------------------|----------------------|--------------------|
| | 2013 | 2012 |
| Legal fees | (305,118) | (198,795) |
| General administration | (643,513) | (494,355) |
| Advertisement and marketing | (133,130) | (137,555) |
| Non-recoverable VAT | (216,661) | (198,791) |
| Hotel lease expenses | (1,236,472) | (1,215,102) |
| Supervisory Board members' fees | (102,000) | (110,000) |
| Property costs | (384,728) | (481,489) |
| Others | (486,910) | (637,699) |
| | <u>(3,508,531)</u> | <u>(3,473,787)</u> |

[09] Financial result

| in EUR | 1 January to 30 June | |
|---|----------------------|--------------------|
| | 2013 | 2012 |
| Financial revenue | | |
| Interest income from cash management | 13,957 | 40,711 |
| Foreign currency gains on loans denominated in CHF | 552,106 | – |
| Foreign currency gains in connection with the financing of subsidiaries *) | 49,126 | – |
| Foreign currency gains in connection with the PLN (convertible) bonds | 1,261,761 | – |
| Convertible bond book value adjustment | 11,501 | – |
| Unrealized gains on derivative financial instruments | – | 392,531 |
| | <u>1,888,451</u> | <u>433,243</u> |
| Finance costs | | |
| Interest on short-term borrowings, project loans and other loans | (5,965,459) | (6,468,027) |
| Interest on bonds and convertible bonds | (1,277,357) | (817,198) |
| Interest on purchase price claim extension for andel's hotel Łódź | (325,159) | (347,237) |
| Interest on loans from minority shareholders | (161,552) | (117,109) |
| Interest on loans relating to joint ventures | (58,125) | – |
| Interest cost for provisions for pensions and other long-term employee benefits | (3,739) | (77,248) |
| Foreign currency losses on loans denominated in CHF | – | (249,857) |
| Foreign currency losses in connection with the financing of subsidiaries *) | (2,222,798) | – |
| Foreign currency losses in connection with the PLN convertible bond | – | (539,541) |
| Other finance costs | (610,620) | (929,865) |
| Unrealized losses on derivative financial instruments | (474,746) | (6,795) |
| (thereof from the cross currency swap in connection with the convertible bond: EUR 474,746) | <u>(11,099,554)</u> | <u>(9,552,876)</u> |

* The foreign currency gains in connection with the financing of subsidiaries pertain to subsidiaries whose functional currency is the respective local currency and the financing is denominated in euros.

[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 period: 25%) is as follows:

| in EUR | 1 January to 30 June | |
|---|----------------------|------------------|
| | 2013 | 2012 |
| Profit before tax | (5,704,286) | 905,366 |
| Accounting profit before income tax * 25% (prior year: 25%) | 1,426,072 | (226,341) |
| ± Other foreign tax rates | (95,047) | (209,051) |
| ± Tax-free profits from the participation exemption (§ 10 KStG) | 63,626 | 71,517 |
| ± Permanent differences | 48,925 | 43,483 |
| ± Impairment of deferred tax assets | (1,388,890) | 1,095,291 |
| ± Income from first-time recognition of deferred tax assets | – | (2,095) |
| ± Effects of exchange rate fluctuations | (56,814) | (1,073,946) |
| | <u>(2,129)</u> | <u>(301,143)</u> |

[11] Property, plant and equipment

Property, plant and equipment includes properties, rights equivalent to land, buildings including buildings on leasehold land, equipment and furnishings, hotel inventories and technical plant.

| in EUR | 30/6/2013 | As of 30/6/2012 |
|--|--------------------|--------------------|
| Net carrying amounts as of 1 January | 256,568,642 | 277,149,161 |
| Additions | 3,295,533 | 1,401,026 |
| Disposals | (23,195) | – |
| Reclassification (IFRS 5) | (8,031,230) | – |
| Depreciation | (5,079,504) | (4,983,414) |
| Impairments | (15,471) | (1,291,548) |
| Reversal of impairments | 4,790,395 | 2,844,002 |
| Exchange adjustment | (3,007,327) | 314,971 |
| Carrying amounts as of 30 June | <u>248,497,843</u> | <u>275,434,198</u> |
| <i>Thereof property under construction</i> | <i>3,552,856</i> | <i>3,567,000</i> |

The additions to property, plant and equipment pertain to the property of the Chopin Hotel in Poland and adjacent land. Please see Note 07 for information on the impairment reversals.

[12] Investment properties

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

| in EUR | 30/6/2013 | As of 30/6/2012 |
|--|-------------------|--------------------|
| Net carrying amounts as of 1 January | 15,198,222 | 13,562,844 |
| Additions | 12,503 | 52,637 |
| Depreciation | (235,918) | (250,868) |
| Reversal of impairments | 207,893 | 1,823,212 |
| Carrying amounts as of 30 June | <u>15,182,700</u> | <u>15,187,824</u> |
| <i>Thereof property under construction</i> | <i>6,219,731</i> | <i>6,261,984</i> |
| Result from investment properties: | | |
| Rental income and charged expenses | 596,160 | 592,456 |
| Direct expenses | (234,416) | (162,794) |
| | <u>361,744</u> | <u>429,662</u> |

[13] Joint ventures

| in EUR | 30/6/2013 | As of 30/6/2012 |
|--|--------------|--------------------|
| Breakdown of the balance sheet items | | |
| Interests in joint ventures | 38,317,996 | 38,175,620 |
| Result from joint ventures | (27,660,972) | (25,972,153) |
| Loans to joint ventures | 79,032,942 | 99,259,153 |
| Accumulated impairment on loans | (5,626,651) | (12,193,065) |
| | 84,063,315 | 99,269,556 |
| Analysis of the balance sheet items | | |
| Net carrying amounts as of 1 January | 84,936,203 | 92,252,489 |
| - Reductions in interests due to sales | (39,500) | - |
| ± Allocated results | (3,324,443) | (1,477,041) |
| (thereof other comprehensive income recognized in equity) | - | (142,273) |
| ± Reductions in allocated results due to sales | 39,500 | - |
| ± Loans to joint ventures | 2,771,345 | 2,540,280 |
| ± Impairment of loans to joint ventures | (319,791) | 5,953,827 |
| Carrying amounts as of 30 June | 84,063,315 | 99,269,556 |
| Result from joint ventures | | |
| Allocated results | (3,324,443) | (1,334,768) |
| Interest charged on loans | 2,194,777 | 2,522,338 |
| Impairments on loans | (811,074) | (691,518) |
| Write-up on loans | 491,283 | 6,645,345 |
| ± Provisions related to joint ventures | 476,212 | - |
| | (973,244) | 7,141,397 |
| Cash flow from joint ventures | | |
| Increase in loans extended to joint ventures | (2,771,345) | (2,540,280) |
| thereof charged interest | 2,194,777 | 2,522,338 |
| Loans received from joint ventures | 3,875,000 | - |
| thereof in connection with the restricted account for the InterContinental guarantee | (1,937,500) | - |
| Other payments received from joint ventures | 35,293 | - |
| | 1,396,224 | (17,943) |

[14] Financial liabilities

| Amounts in EUR '000 | As of 1/1/2012 | New borrowings | Deferred interest | Repayment of loans | ± f/x | As of 30/6/2012 |
|--|-------------------|-------------------|----------------------|-----------------------|------------|--------------------|
| a) Project-related loans secured by mortgages | | | | | | |
| for andel's hotel Łódź | 48,900 | – | 1,324 | – | – | 50,224 |
| for Diplomat Hotel | 27,776 | – | – | (708) | – | 27,068 |
| for angelo hotel Ekaterinburg | 37,730 | – | (249) | – | – | 37,480 |
| for angelo Airporthotel Bucharest | 11,000 | – | 174 | (600) | – | 10,574 |
| for Palace Hotel IFRS 5 | 13,079 | – | 55 | – | – | 13,134 |
| for Chopin Hotel | 10,349 | – | 3 | (223) | – | 10,130 |
| for angelo hotel Prague | 10,623 | – | – | (324) | – | 10,299 |
| for Erzsebet office building | 11,126 | – | 135 | – | – | 11,261 |
| for Amber Baltic Hotel | 6,966 | – | – | – | 73 | 7,039 |
| for Savoy Hotel | 4,835 | – | – | – | – | 4,835 |
| for Le Palais Hotel IFRS 5 | 6,336 | – | 80 | – | – | 6,416 |
| for Dvořák spa hotel | 20,567 | – | – | (394) | – | 20,172 |
| for Warsaw gas pipeline | 78 | – | – | (27) | 3 | 54 |
| Louvre property, Hungary | 2,871 | – | 167 | – | – | 3,038 |
| | 212,235 | – | 1,689 | (2,276) | 76 | 211,724 |
| b) Holding company borrowing facilities | | | | | | |
| | 43,794 | – | 184 | (317) | – | 43,661 |
| c) Other | | | | | | |
| Loans from non-controlling interests | 2,863 | 818 | – | – | (4) | 3,677 |
| Loans from financial institutions | 16,859 | – | 516 | – | 177 | 17,552 |
| Bonds/convertible bonds | 13,774 | – | 419 | – | 540 | 14,733 |
| Other loans | 8,887 | 510 | – | – | – | 9,398 |
| | 42,384 | 1,328 | 936 | – | 712 | 45,360 |
| | 298,413 | 1,328 | 2,809 | (2,593) | 788 | 300,745 |

The project loans for the Palace Hotel and Le Palais Hotel in Prague were not reported under the financial liabilities, but under debts directly related to assets classified as held for sale due to the intention to sell and the successful sale in July 2013.

The project loan for Chopin Hotel is recognized as current – long-term refinancing with short-term loan repayment is planned. Preliminary agreements have already been signed with the financing banks.

| Thereof due | | As of 1/1/2013 | New borrowings | Deferred interest | Repayment of loans | ± IFRS 5 ± f/x | As of 30/6/2013 | Thereof due | |
|---------------|----------------|-------------------|-------------------|----------------------|-----------------------|-------------------|--------------------|---------------|----------------|
| < 1 year | > 1 year | | | | | | | < 1 year | > 1 year |
| 2,674 | 47,550 | 49,900 | – | (35) | (350) | – | 49,515 | 1,215 | 48,300 |
| 2,855 | 24,212 | 26,340 | – | – | (764) | – | 25,576 | 6,747 | 18,829 |
| 2,331 | 35,150 | 36,930 | 36,586 | – | (37,096) | – | 36,419 | 1,326 | 35,094 |
| 845 | 9,729 | 10,364 | – | – | (99) | – | 10,265 | 291 | 9,974 |
| 4,402 | 8,733 | – | – | – | – | – | – | – | – |
| 919 | 9,211 | 9,807 | – | 2 | (135) | – | 9,674 | 9,674 | – |
| 667 | 9,632 | 9,972 | – | – | (217) | – | 9,755 | 814 | 8,941 |
| 4,069 | 7,192 | 11,235 | – | – | (423) | – | 10,812 | 474 | 10,338 |
| 640 | 6,399 | 6,377 | – | – | – | (137) | 6,239 | 624 | 5,615 |
| 1,332 | 3,503 | 4,835 | – | – | (50) | – | 4,785 | 4,785 | – |
| 6,416 | – | 6,340 | – | 1 | – | (6,341) | – | – | – |
| 600 | 19,572 | 19,577 | – | 4 | (295) | – | 19,286 | 700 | 18,586 |
| 54 | – | – | – | – | – | – | – | – | – |
| 3,038 | – | 3,021 | – | – | (1) | – | 3,020 | 3,020 | – |
| 30,842 | 180,883 | 194,697 | 36,586 | (29) | (39,430) | (6,478) | 185,346 | 29,669 | 155,676 |
| 26,137 | 17,524 | 31,873 | 2,803 | – | (5,362) | – | 29,314 | 25,891 | 3,423 |
| – | 3,677 | 3,614 | 178 | 40 | – | (57) | 3,775 | – | 3,775 |
| – | 17,552 | 19,735 | – | (529) | – | (415) | 18,791 | – | 18,791 |
| – | 14,733 | 15,396 | 19,705 | 875 | (9,426) | (1,193) | 25,358 | 6,039 | 19,318 |
| 9,398 | – | 3,359 | – | – | (1,471) | – | 1,888 | 1,888 | – |
| 9,398 | 35,962 | 42,104 | 19,883 | 386 | (10,897) | (1,664) | 49,812 | 7,928 | 41,884 |
| 66,376 | 234,369 | 268,675 | 59,272 | 357 | (55,689) | (8,143) | 264,471 | 63,488 | 200,983 |

At the beginning of March 2013, a bond was successfully placed in Poland. The nominal value of this issue is PLN 63.1 million (roughly EUR 15.3 million); the coupon is 7% + 6M WIBOR, with semi-annual payment on 31 March and 30 September. The term is three years. A nominal share of PLN 26.75 million (roughly EUR 6.5 million) was swapped out of the existing convertible bonds from 2011 that run until 2014.

At the beginning of April 2013, convertible bonds with a total nominal value of PLN 26.5 million (roughly EUR 6.4 million) and a denomination of PLN 250,000 were successfully placed in Poland with a term of three years and a coupon of 4.875% p.a., payable semi-annually. The conversion price was set at PLN 7.06. A share of PLN 6.5 million (roughly EUR 1.6 million) was swapped out of the existing convertible bonds from 2011. Of the issue proceeds, PLN 6.5 million (roughly EUR 1.6 million) were used for the early redemption of the convertible bonds from 2011.

[15] Receivables and liabilities

| in EUR | 30/6/2013 | As of 30/6/2012 |
|--|-------------------|--------------------|
| Trade and other receivables – current | | |
| Trade receivables | 3,654,380 | 2,883,467 |
| Receivables from tax authorities | 656,550 | 232,486 |
| Extended purchase price receivables relating to the sale of subsidiaries | – | 122,694 |
| Advance payments made | 774,258 | 314,934 |
| Other receivables and assets | 501,153 | 483,928 |
| Receivables due from joint ventures | 31,528 | 295,611 |
| Deferred expenses | 326,810 | 442,535 |
| | <u>5,944,679</u> | <u>4,775,657</u> |
| Trade and other payables – current | | |
| Trade payables | 3,667,277 | 3,166,810 |
| Interest-bearing construction invoices from the completion of the andel's Łódź | 7,067,299 | 7,991,977 |
| Trade payables due to joint ventures | 334,093 | 16,874 |
| Trade payables due to related parties | 3,383,917 | 3,201,234 |
| <i>thereof Vienna International AG</i> | <i>2,998,956</i> | <i>2,628,951</i> |
| <i>thereof deferred directors' bonuses</i> | <i>384,961</i> | <i>572,283</i> |
| Liabilities from property purchases | 1,991,962 | – |
| Other payables including accruals for compensated absences | 3,200,236 | 2,880,698 |
| Advance payments received | 3,615,606 | 849,400 |
| | <u>23,260,390</u> | <u>18,106,993</u> |
| Other non-current liabilities | | |
| Security deposits received | 825,257 | 595,951 |
| Liabilities to joint ventures | 3,933,125 | – |
| Other | 6,483 | 8,974 |
| | <u>4,764,865</u> | <u>604,925</u> |

[16] Derivative financial instruments

Interest rate collars in connection with finance loans:

As of 30 June 2013, there are derivative financial instruments (interest rate collars) relating to the Group's financial liabilities. The main terms and parameters of these collars are as follows:

| in EUR | As of 30/6/2013 | 30/6/2012 |
|--|--------------------|-------------|
| <i>Project loan Chopin Hotel, Krakow</i> | | |
| Notional amount as of 30 June (underlying: 3-month Euribor) | 9,674,200 | 10,129,658 |
| Fair value as of 30 June | (664,608) | (735,340) |
| <i>Project loan angelo hotel, Prague</i> | | |
| Notional amount as of 30 June (underlying: 3-month Euribor) | 9,755,021 | 10,299,170 |
| Fair value as of 30 June | 249 | - |
| <i>Cross currency swap – PLN convertible bond (until 7 May 2014)</i> | | |
| On 6 November and 6 May (starting on 6 November 2011 and ending on 6 May 2014), the Company receives 8.5% interest for the nominal amount of PLN 38.2 million and pays 6.7% interest for the nominal amount of EUR 9,714,514,21. | | |
| | (1,013,479) | (1,120,245) |

Other derivatives:

The non-current derivatives include the conversion right from the issue of the PLN convertible bond in spring of 2013.

[17] Transactions with related parties

Transactions with the Management Board:

| | |
|---|-----------|
| Directors' remuneration 1 January to 30 June 2013 | (448,402) |
| Balance with directors as of 30 June 2013 | (384,961) |

Transactions with Vienna International AG:

| | |
|---|-------------|
| Management fee charged for fully consolidated companies 1 January to 30 June 2013 | (1,540,298) |
| Balance with Vienna International AG as of 30 June 2013 | (3,435,221) |

Rights of compensation from Vienna International in connection with the termination of the contract for the Palace Hotel in Prague that was sold in July 2013 are not included in the balance as of 30 June 2013.

Transactions with joint ventures:

| | |
|--|-------------|
| Earnings from joint ventures 1 January to 30 June 2013 | 2,244,827 |
| Liabilities to joint ventures as of 30 June 2013 | (4,235,690) |

Earnings from joint ventures pertain primarily to interest income from loans to joint ventures. The liabilities to joint ventures include the non-current payable in connection with the allocation of a security account for a rent guarantee.

[18] Information on the fair value

a) Carrying amounts and fair values by measurement categories

The following shows the fair values for financial instruments (IFRS 7) and for assets and liabilities that are measured at fair value (IFRS 13), broken down by categories and balance sheet items.

| Measurement category according to IAS 39 or other IFRS | Balance sheet items – assets/categories | IFRS 13 level | Carrying value 30/6/13 | Fair value 30/6/13 | Carrying value 31/12/12 | Fair value 31/12/12 |
|--|--|---------------|------------------------|--------------------|-------------------------|---------------------|
| LaR | Other non-current financial assets | | 10,727,201 | 10,727,201 | 8,089,701 | 8,089,701 |
| IAS 19 | Other non-current fin assets – refund claims | 3 | 2,987,993 | 2,987,993 | 2,987,993 | 2,987,993 |
| LaR | Current trade receivables | | 3,654,380 | n/a | 3,358,544 | n/a |
| LaR | Other current receivables | | 532,682 | n/a | 878,475 | n/a |
| AfS | Financial instruments available for sale | 3 | 9,115,621 | 9,115,621 | 7,279,433 | 7,279,433 |
| FVTPL | Other current financial assets – derivatives | 3 | 249 | 249 | 2 | 2 |
| LaR | Cash and short-term deposits | | 7,110,013 | n/a | 7,144,968 | n/a |
| IFRS 5 | Disposal groups held for sale | 3 | 27,530,892 | 29,010,892 | 24,838,793 | 26,398,793 |

| Measurement category according to IAS 39 or other IFRS | Balance sheet items – liabilities/categories | IFRS 13 level | Carrying value 30/6/13 | Fair value 30/6/13 | Carrying value 31/12/12 | Fair value 31/12/12 |
|--|---|---------------|------------------------|--------------------|-------------------------|---------------------|
| LaR | Non-current convertible bonds and bonds | | (19,318,067) | (19,029,158) | (15,396,167) | (15,396,167) |
| LaR | Non-current variable-interest loans | | (64,202,133) | (63,261,771) | (99,441,588) | (95,462,504) |
| LaR | Non-current fixed-interest loans | | (117,463,054) | (121,599,709) | (73,064,910) | (73,560,799) |
| LaR | Other non-current liabilities | | (4,764,865) | n/a | (773,731) | n/a |
| FVTPL | Non-current derivative financial instruments – conversion right | 3 | (1,137,762) | (1,137,762) | – | – |
| LaR | Current convertible bonds | | (6,039,494) | (5,781,430) | – | – |
| LaR | Trade payables | | (3,667,277) | n/a | (4,263,878) | n/a |
| LaR | Other current liabilities | | (8,910,208) | n/a | (8,435,590) | n/a |
| LaR | Other current liabilities – interest-bearing construction invoice | | (7,067,299) | n/a | (8,676,736) | n/a |
| LaR | Current variable-interest loans | | (34,343,123) | (33,553,654) | (44,894,054) | (44,697,958) |
| LaR | Current fixed-interest loans | | (23,105,143) | (23,635,250) | (35,877,849) | (36,110,037) |
| FVTPL | Derivative financial instruments (current) | 3 | (1,013,479) | (1,013,479) | (538,486) | (538,486) |
| Hedge | Derivative financial instruments with hedging relationships (current) | 3 | (664,608) | (664,608) | (741,906) | (741,906) |
| IFRS 5 | Disposal groups held for sale | | (20,507,961) | (20,507,961) | (13,648,761) | (13,648,761) |

LaR = Loans and receivables

AfS = Available for sale

FVTPL = at fair value through profit or loss

b) Reconciliation level-3 measurement (recurring fair value measurement)

| Change | Amount | Individual profit/loss item |
|---|------------------|--------------------------------|
| Carrying amount on 1 January 2013 | 8,987,035 | |
| Additions | 698,426 | |
| Measurement result – profit and loss statement | (474,746) | See Note [09] Financial result |
| Measurement result – other comprehensive income | 77,298 | |
| Carrying amounts as of 30 June 2013 | <u>9,288,013</u> | |

The measurement result can only be allocated to unrealized profits and losses.

c) Measurement methods and inputs (recurring fair value measurement)

| Level | Balance sheet items/categories | Measurement method | Material inputs |
|-------|---|--------------------|---|
| 3 | Other non-current financial assets – refund claims | Income-based | Expected payment flow, profit participation according to the GBVUU (profit participation regulation of the FMA) |
| 3 | Financial instruments available for sale | Income-based | Expected payment flow |
| 3 | Derivative financial instruments – assets (current) | Income-based | Yield curve, credit risk |
| 3 | Non-current derivative financial instruments – conversion right | Income-based | Volatility, share prices |
| 3 | Derivative financial instruments – liabilities (current) | Income-based | Yield curve, credit risk, PLN/EUR FX rate |
| 3 | Derivative financial instruments with hedging relationships Liabilities (current) | Income-based | Yield curve, credit risk |

No reassignments according to the IFRS 13 levels or changes in the measurement methods have taken place in the financial year.

d) Sensitivity analysis for changes in unobservable material inputs (recurring measurement)

| Financial instruments inputs | Change of the assumption | Change in pre-tax result (rounded) |
|---|--------------------------|------------------------------------|
| Payment flows (available-for-sale securities) | + 5% | 934,000 |
| Payment flows (available-for-sale securities) | - 5% | (934,000) |
| Volatility of Warimpex share price in PLN | + 5 percentage points | (153,000) |
| Volatility of Warimpex share price in PLN | - 5 percentage points | 157,000 |
| Warimpex share price in PLN | + 10% | 254,000 |
| Warimpex share price in PLN | - 10% | (277,000) |

The development of the share price influences the volatility of the share price.

The fair value of the refund claims in connection with the pension reimbursement insurance is disclosed by the insurance company and includes profit participation entitlements according to the legal regulations.

Interest rate and cross currency swaps are measured using the fair values calculated by the respective counterparty (bank). Please see Note [16] for information on the effects of possible changes in the inputs. Because of the terms of the interest rate swap in connection with the angelo Prague financing loan (asset derivative), a worsening of the results is not expected.

[19] Events after the balance sheet date (disposal groups held for sale)

The Palace Hotel in Prague was sold on 1 July 2013 in the form of a transfer of undertakings according to Czech law. This had financial effects (cash inflow) in the amount of EUR 5.3 million. As of 30 June 2013, the assets and liabilities of Palace Hotel were reported as held for sale pursuant to IFRS 5.

The sale of Le Palais Hotel in Prague is also planned. Negotiations have already begun. For this reason, the assets and liabilities of Les Palais Hotel were reported as held for sale pursuant to IFRS 5 as of 30 June 2013.

Shortly before the release of this report in August 2013, the project loan for Airport City in St. Petersburg in the amount of EUR 60 million was converted into a long-term real estate financing facility with a Russian bank. The new financing facility runs for ten years and has a longer term than the original project loan and substantially lower annual instalments in the first years of operation.

[20] Other commitments, litigation and contingencies

There were no material changes in the reporting period with respect to other commitments, litigation and contingencies as compared with the situation described in the consolidated financial statements as of 31 December 2012.

Vienna, 30 August 2013



Franz Jurkowitsch

Chairman of the Management Board



Georg Folian

Deputy Chairman of the Management Board



Alexander Jurkowitsch

Member of the Management Board

DECLARATION BY THE MANAGEMENT BOARD

We confirm to the best of our knowledge that these interim consolidated financial statements as of 30 June 2013 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.



Franz Jurkowitsch
Chairman of the
Management Board

Responsibilities:
strategy, investor relations,
corporate communications,
organization and legal issues



Georg Folian
Deputy Chairman of the
Management Board

Responsibilities:
finance and accounting,
financial management and personnel



Alexander Jurkowitsch
Member of the
Management Board

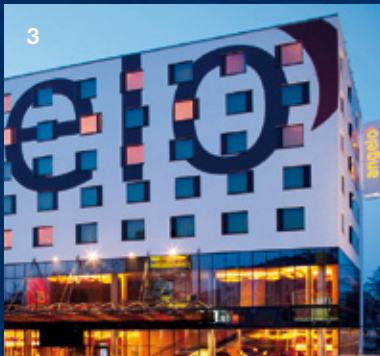
Responsibilities:
planning, construction,
information management and IT

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
414 rooms (opened in 2003)



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

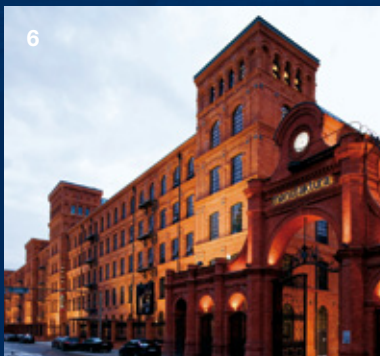
4) angelo Hotel**, Prague**
CZ-150 00 Prague 5, Radlická 1g
168 rooms (opened in June 2006)

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



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

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



Financial calendar

| | |
|-------------|---|
| 30 Aug 2013 | Publication of results for the first half of 2013 |
| 28 Nov 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