HALF-YEAR FINANCIAL REPORT **2007**

warimpex

Key figures of the Warimpex Group

in EUR '000	**H1 2007**	Change	H1 2006
Revenues from "Hotels & Resorts" segment	31,193	44%	21,612
Revenues from "Asset Management & Development" segment	4,243	104%	2,079
Total revenues	35,436	50%	23,691
Gains from the sale of project companies	2,329	(64%)	6,410
EBITDA	13,452	(11%)	15,034
EBIT	8,939	(20%)	11,241
Profit for the period	5,520	(42%)	9,437
Net cash flows from operating activities	8,428	668%	1,098
Equity and liabilities	423,249	45%	290,899
Equity	149,320	99%	75,038
Number of hotels	13	30%	10
Number of office and commercial properties	7	75%	4
Number of hotel development projects	9	13%	8
Ø employees in the Group	1,078	23%	875

in EUR m	**30/6/2007**	Change	31/12/2006
Gross Asset Value (GAV)	574.8	20%	477.5
Triple Net Asset Value (NNNAV)	391.9	22%	320.6*
NNNAV per share in EUR	10.9	22%	8.9

*) incl. proceeds from flotation

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear shareholders,

In January of this year Warimpex raised fresh capital via an IPO on the Vienna and Warsaw stock exchanges with the clear objective of achieving faster and more efficient growth, both in the development segment and as an asset manager. The success of the IPO demonstrated investors' great confidence in our strategy.

The dynamic development of the Warimpex Group in the first half of 2007 shows that we are consistently pursuing this course, seizing the opportunities that present themselves and implementing our objectives.

Our development projects are making excellent progress. The beginning of June saw the opening of the Andel's Hotel in Krakow, and with the acquisition of a hotel in Romania with good potential for development we were able to make our entry into this new Warimpex market in July. In the first six months of the year we were already able to start construction work on four hotels, and in the second half of 2007 we will commence building on four further real estate projects. In parallel to this, numerous other projects are in the preparatory phase.

The joint venture for entry into the budget hotels segment, announced at the time of the flotation, was finalised this spring. The preparations are currently in full swing, and the joint venture company will start its operations before the end of 2007.

In the six months just ended and reported on here we decided to sell just one small office property: our half-year result is thus below that of the previous year, in which we realised higher profits from sales. Our cash flows from operating activities nevertheless posted a strong rise which reflects the company's growth, as does the increase in the value of our net assets.

The increase in the Triple Net Asset Value (NNNAV), which we use as our performance yardstick, amounted to 22% in comparison to 31 December 2006. Not only did our properties increase in number, there was also a significant climb in their value. NNNAV per share rose commensurately from EUR 8.91 to EUR 10.89.

Since these increases in value are not recognised annually in income, our results are subject to strong fluctuations depending on our sales activities. The continuous increase in NNNAV, together with our cash flows, is therefore the key indicator of the success of the Warimpex Group, and also of its potential.

In view of the crisis on the international real estate markets that started to make itself felt this summer, our strategy of covering a large share of the value-added chain and only pursuing specialised real estate projects is certainly the correct one.

Based on the results of the past six months we expect to achieve our ambitious growth targets for 2007 as a whole. Our longstanding staff and partners have made a significant contribution to this, and we should like to take this opportunity to thank them for their support.

Franz Jurkowitsch

Contents

HALF-YEAR FINANCIAL REPORT 2007

Economic environment

The growth market of hotel real estate in Eastern Europe

In the early eighties, Warimpex was one of the first international groups to start developing hotels in the Czech Republic, Hungary and Poland. With more than 25 years of experience in these markets and local offices in Warsaw, Prague and Budapest, Warimpex is today able to identify market opportunities quickly and efficiently, realising projects in these growth markets as a hotels specialist.

Main business activities in the first half of 2007

Acquisition of an additional 16.67% stake in the InterContinental Hotel, Warsaw

In mid-June Warimpex concluded the purchase of a further 16.67% interest in the holding company of the Hotel InterContinental in Warsaw. Warimpex now holds a 50% stake in this 404-room hotel in a prime location in Warsaw.

Opening of Andel's Hotel, Krakow

1 June 2007 saw the opening of the 159-room Andel's Hotel in Krakow. The design hotel is the second of its kind after the extremely successful Andel's Hotel in Prague, opened in 2002, and the satisfactory occupancy rates achieved during the first few months of operation lead us to expect a similarly successful development.

Start of construction work on hotels Andel's Łódź, Andel's Berlin, Angelo Munich and Angelo Plzeň

Back in the first quarter construction already started on a further Andel's Hotel in Łódź comprising 255 rooms and suites, with opening anticipated for the end of 2008.

Building work also commenced on an Andel's Hotel in Berlin featuring 556 rooms and suites; the establishment is scheduled to open in 2008.

In the second quarter of the financial year construction began on the 146-room Hotel Angelo in Munich. Since this is a redevelopment project involving the conversion of an existing office building into a hotel, the opening is slated for as early as March 2008.

Construction work on a Hotel Angelo was also started in Plzeň; completion of the 144-room hotel and adjacent office building is planned for the end of 2008.

Preparations for the launch of the joint venture with Louvre Hotels

The last few months were used to put the organisational structures in place for a swift roll-out and identify suitable sites for the construction of budget hotels in the target markets. Warimpex currently owns three plots of land, with further options on others. The aim is to start work on around seven hotel developments in the first year of business.

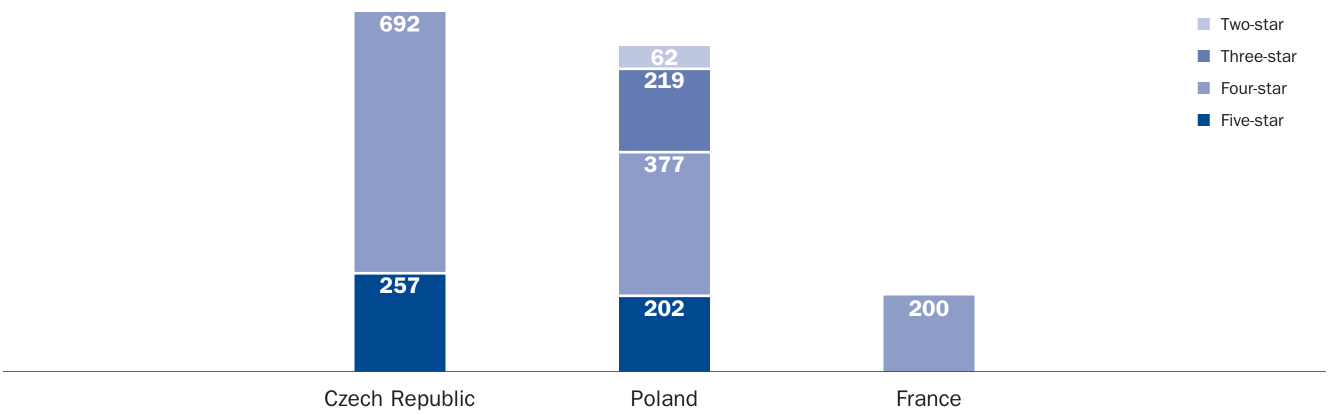
Preparations for entry into the Romanian market

In the course of the first half of 2007 preparations were made for the acquisition of an airport hotel in Bucharest, the purchase agreement being signed in mid-July. The Sky Gate Hotel currently comprises over 108 rooms plus 3,000 sqm of office space that can be converted into approximately 80 additional rooms. The preparatory work for the redevelopment of the office space is already under way. The redeveloped hotel will be operated as the Angelo Airporthotel Bucharest.

Sale of an office building in Prague

In the first quarter of 2007 Warimpex sold an office property in Prague that was fully let and therefore ready for realisation. The 50% stake in the holding company previously owned by Warimpex was sold to the joint venture partner.

Hotel portfolio as at 30 June 2007 (number of rooms)



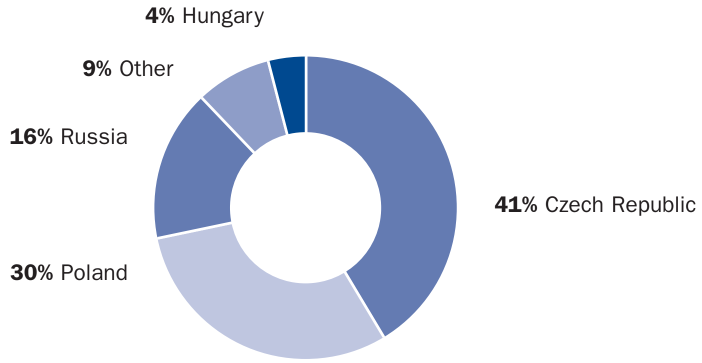
As at the reporting date of 30 June 2007, the number of hotel rooms adjusted for the proportionate share of ownership had risen by 147 since the end of 2006, from 1,862 to 2,009. This was due to the acquisition of the additional share in the Hotel InterContinental, Warsaw, and the opening of the Andel's Hotel in Krakow.

Based on the ongoing development projects, the adjusted number of hotel rooms will climb to over 3,000 by the end of 2008.

Business development

Warimpex now has a presence in seven countries in Central and notably Eastern Europe. The focus of the Group's portfolio is on the home markets of the Czech Republic, Poland and Hungary as well as the promising future market of Russia. The Group's entry into the Romanian market was effected in mid-July.

Real estate assets by country (share of GAV)

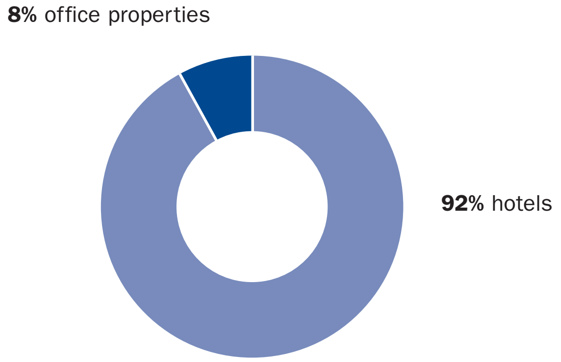


Gross Asset Value (GAV) as at 30 June 2007
according to CBRE valuation

41% of the Warimpex Group's real estate assets (Gross Asset Value) are located in the Czech Republic, and 30% in Poland. The progress made with the Airportcity real estate development project in St. Petersburg led to an increase in the Russian share in the portfolio to 16%.

In terms of sector breakdown, the lion's share of approximately 92% of the Group's existing real estate assets (without development projects) are hotels, with office properties accounting for around 8%.

Existing real estate assets by sector (share of GAV)



Gross Asset Value (GAV) as at 30 June 2007
according to CBRE valuation

Assets, financial position and earnings situation

In the reporting period Warimpex succeeded in achieving a clear rise in revenues as well as increasing the intrinsic value of the company (NNNAV). The second quarter thus continued the dynamic course of growth begun in the prior financial year and in the first quarter.

Revenues were increased by 50% from EUR 23.7 million to EUR 35.4 million in comparison to the first six months of the previous year.

Warimpex carries property, plant and equipment at cost less depreciation and amortisation, and increases in the value of real estate assets are not realised annually and recognised in income. As a result, the profit indicators are strongly dependent on real estate sales and are therefore subject to fluctuations. This is because Warimpex can only determine the “true” market value and report the proceeds accordingly when a property is sold.

The typical strategy of a hybrid real estate company is to develop projects, operate and manage them upon completion and then sell them on, depending on the market situation and degree of maturity, as soon as the maximum value added can be attained.

In the comparable period of the previous year, for instance, the Velký Špalíček Shopping and Multiplex Centre in Brno was sold and recognised in income and in the cash flow statement. The comparable period of the previous year likewise saw the acquisition of the Hotel Chopin in Krakow at a price below the fair market values of the acquired assets, which resulted in a positive contribution to profits.

In the first half of 2007 Warimpex sold its 50% stake in a smaller office property in Prague. This resulted in gains from the sale of project companies in an amount of EUR 2.3 million, compared to EUR 6.4 million in the first half of 2006.

While the net assets and intrinsic value (NNNAV) of Warimpex increased by EUR 71.27 million or 22%, the Group’s profit indicators, for the reasons stated above, were below the values reported in the prior year. Earnings before interest, taxes, depreciation and amortisation (EBITDA) went down by 11% from EUR 15.0 million to EUR 13.5 million, while the operating result (EBIT) declined from EUR 11.2 million to EUR 8.9 million in comparison to the same period of the previous year. Net cash flows from operating activities, on the other hand, saw a clear increase from EUR 1.1 million to EUR 8.4 million, reflecting Warimpex’ earning power and operational growth.

Real estate assets

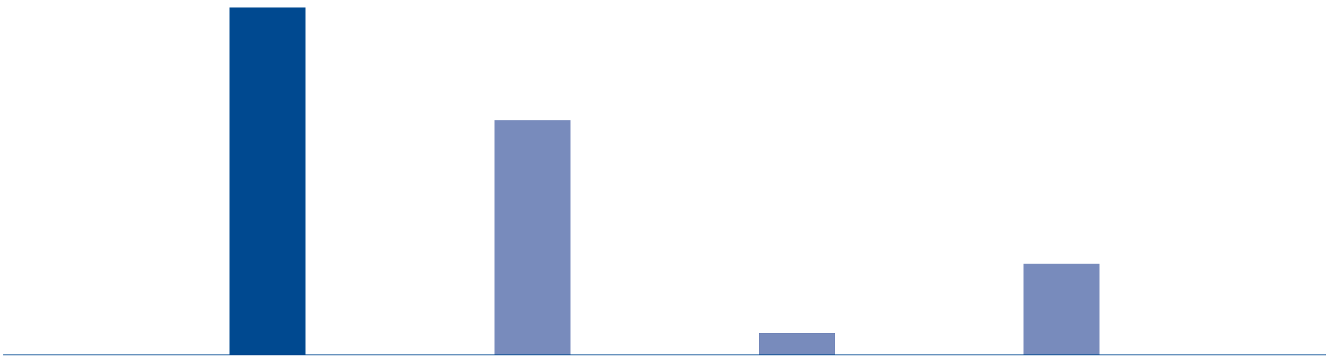
As at the reporting date of 30 June 2007 the real estate portfolio of the Warimpex Group comprised thirteen hotels with a total of more than 2,800 rooms, plus seven office properties with a total lettable floor area of some 36,000 sqm.

In addition – apart from the planned budget hotels – nine further hotel projects are currently under construction or at an advanced stage of development.

In accordance with the regulations laid down in IAS 40.12 – pertaining to owner-managed hotels – Warimpex carries its hotel properties at cost less depreciation and amortisation, and increases in the value of the remainder of the real estate portfolio are not realised annually and recognised in income. A comparison of the Group’s assets, financial position and earnings situation with that of real estate companies that report unrealised profits is therefore only possible to a limited extent. To enhance comparability Warimpex reports both the Triple Net Asset Value and the annual increase in NNNAV separately.

All existing real estate and development projects are valuated twice annually by the international independent real estate appraiser CB Richard Ellis (CBRE). The fair values are determined in accordance with the valuation standards of the Royal Institute of Chartered Surveyors. The fair value of a property is the price at which it could be exchanged in a current transaction between two knowledgeable, unrelated and willing parties.

Gross Asset Value



As at the reporting date of 30 June 2007, the fair value of Warimpex' real estate assets amounted to EUR 574.8 million (as at 31 December 2006: EUR 477.5 million). This increase is primarily attributable to the progress made with development projects and to property acquisitions.

Compared to the value reported as at 31 December 2006, the Triple Net Asset Value (NNNAV) of the Warimpex Group rose by EUR 71.3 million or 22%, from EUR 320.6 million to EUR 391.9 million as at the reporting date of 30 June 2007. To enhance comparability, the proceeds from the company's flotation in January 2007 were added to the final figure for the previous year, thus the clear increase purely reflects the increase in value of the Warimpex Group. NNNAV per share rose commensurately from EUR 8.91 to EUR 10.89.

Calculation of the Triple Net Asset Value (NNNAV) according to the Best Practice Policy Recommendations published by the European Public Real Estate Association (EPRA) in November 2006 before accounting for deferred taxes:

in EUR '000	**June 2007**	Dec. 2006
GAV according to CBRE valuation	574,824	477,545
Other non-current assets	28,963	27,340
Other current assets	44,272	34,066
Current assets from IPO	–	62,285
Non-current debt	(201,370)	(174,091)
Current debt	(54,806)	(106,533)
Triple Net Asset Value/EPRA	**391,883**	**320,611**
NNNAV per share in EUR	**10.9**	**8.9**

Poland

Existing portfolio: 6 hotels, 2 office properties

Warimpex holds an interest in the five-star Hotel InterContinental and the four-star Hotel Sobieski in Warsaw.

In Krakow Warimpex has been the owner of the three-star Hotel Chopin since July 2006. It also owns the self-developed Andel's Hotel Krakow, which opened in June 2007. In Międzyzdroje on the Baltic coast Warimpex owns the Amber Baltic Spa Resort Hotel, a hotel ship and a 27-hole golf course.

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

Under development: 4 hotels, 1 budget hotel, 1 shopping centre

Construction work on a further Andel's Hotel in Łódź started in the first quarter, with completion scheduled for 2008.

In Katowice, a Hotel Angelo is at the development stage. In Krakow an existing office building was purchased for conversion into a two- to three-star hotel in the coming two years. The office building is currently fully let, and the costs of the project development activities can be covered from the rental income. Construction work on these two projects is due to start before the end of 2007.

In Warsaw, project development is under way on a five-star luxury hotel of the Le Palais brand, with construction work expected to begin in the fourth quarter of 2007.

In Białystok Warimpex has commenced development of a shopping centre with budget hotel.

Czech Republic

Existing portfolio: 6 hotels

In Prague, the Warimpex Group owns the five-star hotels Savoy, Palace, and Le Palais, all of which are members of the "Leading Hotels of the World".

In the four-star hotel segment the Group owns the Dvořák health resort in Karlovy Vary, as well as the Hotel Diplomat and the Hotel Angelo in Prague.

Under development: 1 hotel

In the Czech Republic, construction work on the Hotel Angelo in Plzeň commenced according to schedule in the second quarter of 2007. The hotel's opening is anticipated at the end of 2008.

Hungary

Existing portfolio: 5 office properties

In Budapest Warimpex owns the Pauler, Cetelem, Erzsebet, Dioszegi and Sajka office buildings, which together have a total net floor space of around 21,000 sqm.

Under development: 1 budget hotel, 1 office property

The Erzsebet office complex was acquired at the end of 2006. Centrally located, the building is partially let and consists of two separate office towers with a total floor area of approximately 15,000 sqm. Plans are to modernise the office complex in stages, with one office tower to be redeveloped as a budget hotel while the other continues to be let as office space.

Germany

Under development: 3 hotels

An Andel's Hotel with 556 rooms and suites is under development in Berlin. The site preparation and demolition works were carried out in the second quarter of 2007, while interior work commenced at the start of the third quarter.

In Munich construction started on a further Hotel Angelo, with completion scheduled for mid-2008. Plans for the second phase of this project foresee the development of city archives and a second hotel on the site.

France

Existing portfolio: 1 hotel

In Paris Warimpex and a joint venture partner have been the joint leaseholders of the 400-room four-star Hotel Dream Castle since June 2006. Warimpex was the original developer of this hotel project.

Russia

Under development: 1 hotel and airport office park

In cooperation with St. Petersburg Airport, Warimpex has started developing a business park (Airportcity) on a 62,000 sqm plot beside Pulkovo Airport in St. Petersburg. On this piece of land, plans foresee the construction of a four-star hotel from an international hotel chain as well as an office building with about 40,000 sqm of lettable space in a first phase. Further office buildings with approximately 40,000 sqm of lettable space are projected in a second phase. Project development proceeded successfully in the second quarter, so construction work can be expected to start before the end of 2007.

Material risks and other related information

In the "Hotels & Resorts" segment, the Group is exposed to the general risks of the tourist industry such as cyclical fluctuations, political risk, and the growing 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.

The "Asset Management & Development" segment is exposed to interest rate, financing and currency risks, market entry risks and the risk of delays in the completion of construction work on real estate projects. These risks might be exacerbated by developments on the financial markets that are beyond the company's control and thus might have an impact on the company's ability to finance or sell projects. In addition, there are risks of rent default, which may impact on both the cash flow and on real estate valuation.

For information on significant transactions with related parties, please see the notes to the interim financial statements.

Investor relations

Warimpex Finanz- und Beteiligungs AG shares have been listed at the Vienna and Warsaw stock exchanges since the end of January 2007. Following highs of EUR 14.00 and PLN 56.00 in the first few days of trading, demand calmed. Subsequently, rising interest rates and the faltering real estate market in the USA exerted a significant negative impact on the performance of all real estate stocks. Despite its focus as a hybrid real estate company, Warimpex was unable to escape the influence of the adverse stock market environment. At end of quarter on 30 June 2007 the share was trading at EUR 10.60 and PLN 39.84.

Share price performance

Key share data

■ ISIN	AT0000827209
■ Number of shares	36,000,000
■ Ticker symbol	Stock Exchanges WXF I Reuters WXFB.VI
■ Issue price	EUR 11.00 I PLN 42.83
■ High	EUR 14.00 I PLN 56.00
■ Low	EUR 10.35 I PLN 39.37
■ Price as of 30 June 2007	EUR 10.60 I PLN 39.84

Warimpex is included in the following indices:

■ Vienna	ATX Prime, Immobilien-ATX
■ Warsaw	Market Main 250, Real estate developers

Outlook

The development of business in the first half of 2007 confirms Warimpex' strategy of expansion and the Group's dynamic growth. The start of construction work on four hotel properties, the intensive preparations for the launch of the joint venture to develop a chain of budget hotels and the market entry in Romania have created a solid basis for further growth.

To strengthen the market position of the Warimpex Group in its home markets, Warimpex will start construction of the following real estate projects in the second half of 2007:

- Le Palais, Warsaw
- Angelo, Katowice
- Multi-development, Krakow
- Airportcity (incl. international hotel), St. Petersburg

The following hotels are currently under construction:

- Angelo, Munich (opening anticipated in 2nd quarter 2008)
- Angelo, Plzeň (opening anticipated in 3rd quarter 2008)
- Andel's, Berlin (opening anticipated in 4th quarter 2008)
- Andel's, Łódź (opening anticipated in 4th quarter 2008)

Budget hotels

With its joint venture partner Louvre Hotels, Warimpex will start developing a chain of budget hotels before the end of 2007. Under the joint venture, the two companies will expand Louvre Hotels' existing successful hotel brands – Campanile, Première Classe and Kyriad – in the region (Czech Republic, Poland, Hungary, Slovenia and Slovakia). In a first investment phase 30 new budget hotels are to be built, the aim being to start development on approximately seven hotel projects in the first year.

Warimpex will act as developer in the joint venture, while Louvre Hotels acts as the hotel operator.

Ongoing expansion

For the four- and three-star-plus hotels – the Andel's and Angelo hotel brands – further expansion opportunities will also be sought in the region's secondary metropolitan areas. For the further development of the Le Palais luxury brand Warimpex will focus its search for suitable land and properties on the capital cities.

Additional hotels in existing and new markets such as Slovakia, Serbia, Romania, Russia and Ukraine are to complement the portfolio in the future.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2007

CONSOLIDATED INCOME STATEMENT

for the period 1 January to 30 June 2007 – *unaudited*

in EUR	Note	**1/1–30/6/2007**	1/4–30/6/2007	1/1–30/6/2006	1/4–30/6/2006
Revenues – "Hotels & Resorts" segment		31,192,993	19,308,841	21,611,725	14,021,186
Revenues – "Asset Management & Development" segment	5	4,242,522	1,605,113	2,079,118	1,074,852
		35,435,515	**20,913,954**	**23,690,843**	**15,096,038**
Changes in real estate projects under development or construction	5	(1,000,551)	(333,827)	604,891	302,445
Gains from the sale of Group subsidiaries	6	2,329,302	151,880	6,409,792	6,409,792
Other income	7.1	4,748,773	4,718,310	250,463	247,515
		6,077,524	**4,536,363**	**7,265,146**	**6,959,753**
Expenses for materials and services received		(13,249,841)	(7,231,284)	(9,857,855)	(5,969,094)
Expenses for project development		(605,440)	(434,973)	(677,139)	(244,806)
Personnel expenses	10	(10,108,037)	(5,705,258)	(6,736,703)	(3,972,835)
Depreciation and amortisation expense		(4,512,428)	(2,348,024)	(3,793,483)	(1,917,652)
Other expenses	11	(4,097,946)	(2,644,459)	(2,127,252)	(1,237,392)
Negative goodwill recognised in income		–	–	3,477,090	3,177,129
		(32,573,691)	**(18,363,999)**	**(19,715,343)**	**(10,164,650)**
Operating profit		**8,939,348**	**7,086,319**	**11,240,647**	**11,891,141**
Finance revenue	12	2,094,987	1,488,928	1,591,293	623,836
Finance costs	12	(5,659,679)	(2,625,566)	(2,903,037)	(1,649,235)
Profit before tax		**5,374,656**	**5,949,681**	**9,928,903**	**10,865,742**
Income tax expense	13	(26,274)	(5,699)	(517,531)	(264,944)
Deferred taxes	13	171,277	(531,734)	25,699	(341,755)
Profit for the period		**5,519,659**	**5,412,249**	**9,437,072**	**10,259,043**
Attributable to:					
– *Equity holders of the parent*		*5,479,230*	*5,411,753*	*9,197,521*	*10,025,654*
– *Minority interests*		*40,430*	*496*	*239,551*	*233,388*
Earnings per share					
basic, for the profit for the period attributable to ordinary equity holders of the parent	20	0.15	0.15	0.26	0.28

CONSOLIDATED BALANCE SHEET
at 30 June 2007

ASSETS in EUR	Note	**At 30/6/2007** *unaudited*	At 31/12/2006 *audited*	At 30/6/2006 *unaudited*
Non-current assets				
Property, plant and equipment	14	312,300,342	288,327,053	226,109,083
Investment properties	15	17,640,973	25,338,478	8,541,031
Goodwill	8	7,409,809	7,400,765	6,089,466
Acquired computer software		243,341	244,577	171,326
Available-for-sale investments		269	603,145	709,684
Other financial assets		28,719,848	26,491,931	16,720,161
Deferred tax assets	13	4,235,315	2,529,622	2,658,224
		370,549,897	**350,935,572**	**260,998,975**
Current assets				
Inventories		2,450,895	3,148,360	2,606,056
Trade and other receivables	18	11,349,297	12,959,409	11,078,662
Other financial assets	19	713,557	308,314	224,850
Cash and short-term deposits	16	29,758,562	17,649,563	15,990,251
		44,272,311	**34,065,645**	**29,899,820**
Assets of a disposal group classified as held for sale	9	8,426,677	–	–
		52,698,988	**34,065,645**	**29,899,820**
Total assets		**423,248,884**	**385,001,217**	**290,898,795**

EQUITY AND LIABILITIES		**At 30/6/2007**	At 31/12/2006	At 30/6/2006
in EUR	Note	*unaudited*	*audited*	*unaudited*
Equity attributable to equity holders of the parent				
Issued capital	20	36,000,000	30,000,000	30,000,000
Capital reserves		55,980,655	–	–
Retained earnings		51,260,771	51,181,541	39,489,861
Other reserves		5,908,875	5,565,543	5,287,433
		149,150,301	86,747,084	74,777,293
Minority interests		169,323	280,651	261,131
Total equity		**149,319,623**	**87,027,735**	**75,038,424**
Non-current liabilities				
Interest-bearing loans and borrowings	17	197,116,050	169,981,798	131,721,460
Provisions		3,626,919	3,478,290	6,385,065
Other liabilities		627,461	631,367	203,703
Deferred tax liability	13	17,752,627	17,348,669	15,909,430
		219,123,056	**191,440,124**	**154,219,657**
Current liabilities				
Trade and other payables	8	18,235,603	38,698,938	23,923,886
Interest-bearing loans and borrowings	17	28,740,749	65,844,876	35,161,595
Derivative financial instruments	19	3	129,839	322,724
Income tax payable		138,923	253,392	446,632
Provisions		1,293,082	1,606,312	1,785,876
		48,408,359	106,533,358	61,640,713
Liabilities directly associated with assets classified as held for sale	9	6,397,845	–	–
		54,806,204	**106,533,358**	**61,640,713**
Total equity and liabilities		**423,248,884**	**385,001,217**	**290,898,795**

CONSOLIDATED CASH FLOW STATEMENT

for the period 1 January to 30 June 2007 – *unaudited*

in EUR	Note	**1/1–30/6/2007**	1/1–30/6/2006
Cash receipts from operating activities			
– From the operation of hotels and rents received		34,254,055	23,105,360
– From real estate development projects		2,112,144	1,545
– Interest received		639,098	86,301
		37,005,296	**23,193,205**
Cash payments for operating activities			
– For real estate development projects		(190,235)	(492,106)
– For materials and services received		(14,280,671)	(12,927,644)
– For personnel and related expenses		(10,108,402)	(6,176,850)
– For other expenses		(3,886,562)	(1,856,185)
– Income tax paid		(111,892)	(642,829)
		(28,577,763)	**(22,095,614)**
Net cash flows from operating activities		**8,427,533**	**1,097,592**
Cash flows from investing activities			
Relating to property, plant and equipment:			
– Proceeds from the sale of property, plant and equipment		20,840	16,072
– Purchase of property, plant and equipment		(19,842,590)	(11,555,599)
	14	(19,821,750)	(11,539,527)
Relating to available-for-sale investments:			
– Proceeds from the sale of properties		–	486,163
– Purchase of investment properties		(371,761)	(3,179)
	15	(371,761)	482,984
Relating to available-for-sale investments:			
– Proceeds from the sale of available-for-sale investments		574,761	6,163,168
– Purchase of available-for-sale investments		(12,480)	(103,125)
		562,281	6,060,043
Purchase of computer software		(6,180)	(8,732)
Relating to other financial assets:			
– Loans granted		(2,128,699)	(3,686,608)
– Other cash flows relating to financial assets		(253,250)	–
		(2,381,949)	(3,686,608)
		(22,019,360)	**(8,691,839)**

in EUR	Note	**1/1–30/6/2007**	1/1–30/6/2006
Cash flows from business combinations, other changes in the scope of consolidation and acquisition of minority interests			
Proceeds from the sale of disposal groups		3,210,106	7,600,000
Cash and cash equivalents of disposal groups		(80,459)	(546,764)
	6	3,129,647	7,053,236
Payments made for business combinations		(195,933)	(7,710,517)
Cash acquired from business combinations		312,631	600,590
	7	116,699	(7,109,927)
Payments for business combinations effected in previous periods	7	(14,202,000)	(4,953,566)
		(10,955,654)	(5,010,257)
Net cash flows used in/from investing activities and changes in the scope of consolidation		**(32,975,015)**	**(13,702,096)**
Cash flows from financing activities			
Cash receipts from capital measures	20	66,000,000	–
Payments relating to capital measures	20	(5,091,697)	–
Cash receipts from/payments to minority interestes		–	297
Proceeds from loans and borrowings	17	11,373,123	22,330,484
Repayment of loans and borrowings	17	(24,089,479)	(10,819,038)
Interest and other payment costs paid	17	(5,908,885)	(2,392,157)
Dividends paid			
Dividends paid to equity holders of the parent	20	(5,400,000)	–
Net cash flows from/used in financing activities		**36,883,062**	**9,119,587**
Net change in cash and cash equivalents		12,335,580	(3,484,918)
Net foreign exchange difference		(172,844)	(117,725)
Cash and cash equivalents at 1 January		17,649,563	19,592,893
Cash and cash equivalents at end of period		**29,812,299**	**15,990,251**
Cash and cash equivalents at end of period can be analysed as follows:			
Cash and cash equivalents of the Group		29,758,562	15,990,251
Cash and cash equivalents of a disposal group classified as held for sale		53,737	–
	16	**29,812,299**	**15,990,251**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1 January to 30 June 2007 – *unaudited*

in EUR	Issued capital	Capital reserves	Retained earnings	Other reserves	Total	Minority interests	Total equity
At 1 January	**30,000,000**	**–**	**51,181,541**	**5,565,543**	**86,747,084**	**280,651**	**87,027,735**
Foreign currency translation	–	–	–	9,957	9,957	33,466	43,424
(Deferred) tax effects of foreign currency translation	–	–	–	352	352	162	514
Fair value gains of available-for-sale investments	–	–	–	83,571	83,571	–	83,571
(Deferred) tax effects of fair value gains of available-for-sale investments	–	–	–	(28,314)	(28,314)	–	(28,314)
Net gains (losses) from hedging	–	–	–	342,921	342,921	1,854	344,775
(Deferred) tax effects of hedging	–	–	–	(65,155)	(65,155)	(352)	(65,507)
Total income and expenses for the period recognised directly in equity	**–**	**–**	**–**	**343,332**	**343,332**	**35,129**	**378,462**
Changes in the scope of consolidation	–	–	–	–	–	(186,887)	(186,887)
Profit for the period	–	–	5,479,229	–	5,479,229	40,430	5,519,659
Total income and expense for the period	**–**	**–**	**5,479,229**	**343,332**	**5,822,562**	**(111,328)**	**5,711,233**
Capital increase	6,000,000	60,000,000	–	–	66,000,000	–	66,000,000
Costs of funds	–	(5,010,786)	–	–	(5,010,786)	–	(5,010,786)
(Deferred) tax effects of costs of funds	–	991,441	–	–	991,441	–	991,441
Dividends paid	–	–	(5,400,000)	–	(5,400,000)	–	(5,400,000)
At 30 June	**36,000,000**	**55,980,655**	**51,260,771**	**5,908,875**	**149,150,301**	**169,323**	**149,319,62**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1 January to 30 June 2006 – *unaudited*

in EUR	Issued capital	Capital reserves	Retained earnings	Other reserves	Total	Minority interests	Total equity
At 1 January	**15,000,000**	**–**	**46,958,118**	**5,926,903**	**67,885,020**	**11,686,516**	**79,571,537**
Foreign currency translation	–	–	–	(179,641)	(179,641)	27,956	(151,685)
(Deferred) tax effects of foreign currency translation	–	–	–	(52)	(52)	–	(52)
Fair value gains of available-for-sale investments	–	–	–	(25,220)	(25,220)	–	(25,220)
(Deferred) tax effects of fair value gains of available-for-sale investments	–	–	–	4,533	4,533	–	4,533
Other transfers	–	–	439,089	(439,089)	–	–	–
Total income and expenses for the period recognised directly in equity	**–**	**–**	**439,089**	**(639,470)**	**(200,381)**	**27,956**	**(172,425)**
Changes in the scope of consolidation	–	–	–	–	–	(11,685,556)	(11,685,556)
Profit for the period	–	–	9,197,521	–	9,197,521	239,551	9,437,072
Losses of minority interests allocated against majority interests	–	–	7,633	–	7,633	(7,633)	–
Total income and expenses for the period	**–**	**–**	**9,644,243**	**(639,470)**	**9,004,773**	**(11,425,683)**	**(2,420,909)**
Other changes in minority interests	–	–	–	–	–	297	297
Capital increase	15,000,000	–	(15,112,500)	–	(112,500)	–	(112,500)
Agreed dividend	–	–	(2,000,000)	–	(2,000,000)	–	(2,000,000)
At 30 June	**30,000,000**	**–**	**39,489,861**	**5,287,433**	**74,777,294**	**261,131**	**75,038,425**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 30 June 2007

1. Corporate information

Warimpex Finanz- und Beteiligungs AG (the "Company") is registered with the Commercial Court of Vienna under registration number FN 78485 w. Its registered address is Floridsdorfer Hauptstrasse 1, A-1210 Vienna (formerly Porzellangasse 4, A-1090 Vienna) Austria.

On 26 January 2007 and 29 January 2007 the shares of the Company were admitted for trading on the official market of the Vienna Stock Exchange and the Warsaw Stock Exchange, respectively. In the course of this transaction the Company issued 6 million shares at an offer price of EUR 11.00 per share.

The interim financial statements of Warimpex Finanz- und Beteiligungs AG for the period ended 30 June 2007 were authorised for release by the directors on 29 August 2007. The main activities of the Company are described in Note 4 "Segment Information".

2. Basis of preparation

The interim consolidated financial statements for the half-year period ended 30 June 2007 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 of 31 December 2006.

The accounting and valuation methods applied in preparing the interim consolidated financial statements of 30 June 2007 have remained unchanged from the consolidated financial statements of 31 December 2006.

Application of the disclosure requirements according to IFRS 7 "Financial Instruments: Disclosures" effective as of 1 January 2007 had no effects on the consolidated interim report. Although IFRS 8 "Operating Segments" will become applicable only from 1 January 2009, the disclosures required under IAS 14 with regard to segment reporting have already been expanded to accommodate the more comprehensive disclosure requirements introduced under IFRS 8.

No change requirements resulted from the application of the IFRIC Interpretations effective as from the financial year 2007, namely IFRIC 7 (Applying the restatement approach under IAS 39 Financial Reporting in Hyperinflationary Economies), IFRIC 8 (Scope of IFRS 2), IFRIC 9 (Reassessment of Embedded Derivatives) and IFRIC 10 (Interim Financial Reporting and Impairment).

Owing to the use of spreadsheet programs, rounding differences may occur from the summation of rounded figures and percentage values.

By their very nature, interim consolidated financial statements are based on estimates to a greater extent than annual consolidated financial statements. In addition to the principal estimation uncertainties identified in the consolidated annual statements (goodwill as well as the valuation of land and buildings for first-time consolidation purposes), the interim financial statements are affected by estimation uncertainties resulting from the timing of asset impairments or write-ups.

3. 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.

4. Segment information

The Warimpex Group's operations are divided into two business segments (primary segmentation): "Hotels & Resorts" and "Asset Management & Development". Operations are classified into one of these segments at the level of individual subsidiaries. For the purposes of secondary segmentation operations are classified according to target markets.

PRIMARY SEGMENTS – OVERVIEW

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

in EUR	"Hotels & Resorts" 2007	2006	"Asset Management & Development" 2007	2006	Total 2007	2006
External sales	31,192,993	21,611,725	4,242,522	2,079,118	35,435,515	23,690,843
Inter-segment sales	(740,755)	(885,830)	740,755	885,830	–	–
Segment results (EBIT)	4,983,666	1,573,910	3,955,682	9,666,736	8,939,348	11,240,647
Capital expenditure						
for tangible fixed assets and software	15,484,192	15,708,435	1,792,107	4,721,709	17,276,298	20,430,144
for financial assets	202,371	–	5,625,836	1,574,041	5,828,207	1,574,041
Business combinations and other changes in the scope of consolidation	16,380,968	20,258,333	(5,069,899)	4,018,809	11,311,069	–
	32,067,530	**35,966,768**	**2,348,044**	**10,314,559**	**34,415,574**	**22,004,185**
Depreciation						
ordinary depreciation	(4,163,777)	(3,577,513)	(348,651)	(215,970)	(4,512,428)	(3,793,483)
Net cash flows from operating activities	8,832,105	3,001,786	(404,572)	(1,904,194)	8,427,533	1,097,592
Segment assets	334,253,930	196,165,073	88,994,955	94,733,722	423,248,884	290,898,795
Segment liabilities (gross)	(267,689,405)	(180,966,907)	(6,239,856)	(34,893,464)	(273,929,261)	(215,860,370)
Intra-Group financing	30,722,593	18,784,608	(30,722,593)	(18,784,608)	–	–
Segment liabilities (net)	(236,966,812)	(162,182,299)	(36,962,449)	(53,678,071)	(273,929,261)	(215,860,370)
Average payroll	1,028	823	50	52	1,078	875

SECONDARY SEGMENTS – OVERVIEW

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

in EUR	Czech Republic	Poland	Hungary	Austria	Germany	France	Other
External sales 2007	18,619,437	9,671,601	2,436,629	891,755	147,348	3,668,745	–
External sales 2006	*18,061,024*	*4,098,989*	*587,010*	*32,090*	*270,017*	*641,713*	–
Segment assets 2007	162,452,473	137,147,969	21,428,402	49,315,815	17,476,282	28,008,799	7,419,144
Segment assets 2006	*141,842,140*	*59,114,217*	*9,494,430*	*66,691,212*	*12,305,401*	*1,451,394*	–
Capital expenditure 2007	5,053,160	5,934,404	102,114	5,754,012	1,128,249	43,207	5,089,359
Capital expenditure 2006	*14,107,717*	*6,064,042*	*212*	*1,780,454*	*495*	*51,266*	–
Depreciation 2007	(2,226,929)	(1,538,470)	(144,373)	(70,000)	–	(532,656)	–
Depreciation 2006	*(2,739,088)*	*(860,917)*	*(125,187)*	*(47,392)*	*(19,800)*	*(1,099)*	–

SEGMENT RESULTS "HOTELS & RESORTS" – YEAR-ON-YEAR COMPARISON

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

	Luxury		Up-Market		Others	
in EUR	2007	2006	2007	2006	2007	2006
Sales revenues	9,170,059	8,851,746	19,833,306	12,528,978	2,042,280	232,351
Expenses for materials and services	(3,567,240)	(3,294,830)	(6,822,584)	(4,256,515)	(566,401)	(130,150)
Personnel expenses	(2,440,822)	(2,122,201)	(4,386,840)	(2,475,563)	(386,328)	(76,749)
Gross operating profit	**3,161,996**	**3,434,715**	**8,623,882**	**5,796,900**	**1,089,552**	**25,453**
Hotel employees	*308*	*295*	*593*	*471*	*87*	*20*
Management fees	(458,406)	(470,213)	(1,271,567)	(883,047)	(148,900)	(25,363)
Property costs	(196,749)	(110,574)	(271,439)	(337,495)	(143,807)	(47,587)
Net operating profit	**2,506,841**	**2,853,928**	**7,080,877**	**4,576,358**	**796,844**	**(47,498)**
Other costs after GOP	(260,833)	(245,200)	(710,164)	(835,023)	(60,863)	–
Pre-opening costs	–	–	(125,223)	(254,781)	–	–
Depreciation	(1,508,199)	(1,543,288)	(2,344,852)	(2,006,403)	(310,726)	(27,822)
Contribution to operating profit	**737,810**	**1,065,439**	**3,900,638**	**1,480,151**	**425,255**	**(64,910)**
thereof in						
Czech Republic	*454,104*	*1,094,062*	*3,336,866*	*1,351,719*	–	–
Poland	*283,706*	*(28,622)*	*446,364*	*115,408*	*425,255*	*(64,910)*
France	–	–	*117,408*	*13,025*	–	–

	2007	2006
Total for hotels in operation	**5,063,703**	**2,480,681**
Plus income from hotels under construction/at the planning stage	147,348	(1,350)
Less expenses for hotels under construction/at the planning stage	(227,385)	(19,590)
Segment contribution to operating profit	**4,983,666**	**2,459,740**

SEGMENT CASH FLOWS "HOTELS & RESORTS"

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

	Luxury		Up-Market		Others	
in EUR	2007	2006	2007	2006	2007	2006
Cash receipts	9,259,025	9,207,285	19,875,512	11,610,405	1,835,279	250,900
Interest received	27,478	4,200	38,645	9,268	2,165	1,099
Cash paid for materials and services	(3,525,370)	(3,897,595)	(9,183,476)	(7,599,294)	(532,648)	(165,327)
Cash paid for personnel expenses	(2,574,027)	(2,157,514)	(4,609,041)	(2,771,810)	(427,668)	(75,079)
Cash paid for other expenses	(149,399)	(227,974)	(899,490)	(709,094)	(197,432)	(73,066)
Income taxes paid	–	(325,813)	(53,071)	(15,698)	–	–
	3,037,706	**2,602,589**	**5,169,080**	**523,778**	**679,696**	**(61,472)**
thereof in						
Czech Republic	*1,968,417*	*1,978,157*	*4,273,465*	*272,514*	–	–
Poland	*1,069,289*	*631,184*	*574,263*	*412,038*	*679,696*	*(61,472)*
France	–	–	*321,351*	*(106,992)*	–	–

	2007	2006
Total for hotels in operation	**8,886,482**	**3,064,895**
Less cash payments made for hotels under construction/at the planning stage	(54,378)	(63,109)
Segment cash flow from operating activities	**8,832,105**	**3,001,786**

SEGMENT RESULTS "ASSET MANAGEMENT & DEVELOPMENT" – YEAR-ON-YEAR COMPARISON

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

	Asset Management		Development		Others	
in EUR	2007	2006	2007	2006	2007	2006
Sales revenues	1,076,128	1,393,932	2,826,823	545,516	339,571	139,670
Changes in real estate projects under development	–	–	(1,000,551)	604,891	–	–
Sale of subsidiaries and negative goodwill recognised in income	–	–	2,329,302	9,886,882	–	–
Other income	167,997	–	4,556,989	224,815	2,190	–
Expenses for materials	(350,238)	(446,443)	(128,077)	(410,063)	(301,904)	(124,714)
Project development expenses	(190,118)	20,870	(230,437)	(698,009)	–	–
Employee expenses	(18,381)	(55,313)	(2,259,490)	(1,280,933)	–	–
Depreciation	(180,802)	(116,891)	(135,101)	(68,987)	(32,748)	(30,092)
Other operating expenses	(65,501)	(68,675)	(2,440,116)	(720,092)	(9,855)	(15,457)
Segment operating results	**439,086**	**727,479**	**3,519,343**	**8,084,020**	**(2,746)**	**(30,593)**
thereof in						
Czech Republic	*(29,347)*	*531,601*	*(64,450)*	*(176,762)*	–	–
Poland	*195,531*	*14,394*	*(224,321)*	*2,672,642*	*(2,746)*	*(30,593)*
Germany	–	–	–	*122,595*	–	–
Austria	–	–	*3,544,029*	*5,330,584*	–	–
Hungary	*272,901*	*181,485*	*313,264*	*211,550*	–	–
Others	–	–	*(49,179)*	*(76,589)*	–	–

SEGMENT CASH FLOWS “ASSET MANAGEMENT & DEVELOPMENT”

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

	Asset Management		Development		Others	
in EUR	2007	2006	2007	2006	2007	2006
Cash receipts from rent	1,131,071	1,511,978	1,603,134	411,954	389,715	112,837
Cash receipts from development	–	–	2,112,144	1,545	–	–
Interest received	3,844	(3,762)	560,642	75,458	73	6
Cash paid for development	(151,311)	24,649	88,300	(513,280)	–	–
Cash paid for materials and services	(494,094)	(822,019)	(146,599)	(334,656)	(327,873)	(108,754)
Cash paid for personnel expenses	(106,191)	(56,589)	(2,370,374)	(1,115,858)	–	–
Cash paid for other expenses	52,696	(104,358)	(2,679,629)	(670,609)	(11,845)	(11,419)
Income tax paid	(1,262)	(146,064)	(57,010)	(155,254)	–	–
Segment cash flows from operating activities	**434,753**	**403,835**	**(889,394)**	**(2,300,701)**	**50,070**	**(7,329)**
Cash flows from the sale of disposal groups	–	–	3,210,106	7,600,000	–	–
thereof in						
Czech Repbulic	*264,987*	*110,566*	*(77,707)*	*(81,075)*	–	–
Poland	*97,648*	*4,957*	*(216,578)*	*77,256*	*50,070*	*(7,329)*
Germany	–	–	–	*166,114*	–	–
Austria	–	–	*(1,670,653)*	*(1,958,685)*	–	–
Hungary	*72,118*	*288,313*	*1,106,627*	*(420,834)*	–	–
Intra-segment transfers	*31,082*	*83,477*	*(31,082)*	*(83,477)*	–	–

5. Changes in real estate projects under development and recognition in income

In the reporting period the Örs Utca residential real estate project in Budapest was recognised in income with sales revenues in the amount of EUR 1.6 million. As of 30 June 2007 the value of the as yet unsold project less payments received (reported under "Inventories") amounted to EUR 1.2 million.

6. Sale of shareholding in UBX Praha 2 s.r.o.

Under a contract dated 30 March 2007, 50% of the shares in the company UBX Praha 2 s.r.o. were sold to the joint venture partner for EUR 2.4 million. The assets and liabilities of the sold company (proportionate to the 50% interest) developed as follows in the reporting period:

in EUR	At 1/1/2007	Change ±Q1 2007	At 30/3/2007
Property under construction	4,411,537	667,405	5,078,943
Cash and cash equivalents	787	79,673	80,459
Other current receivables	83,206	94,272	177,479
	4,495,530	**841,350**	**5,336,881**
External loans and borrowings	(2,720,705)	(1,789,870)	(4,510,576)
Loans from Warimpex	(454,113)	–	(454,113)
Deferred tax liability	(27,380)	–	(27,380)
Other current liabilities	(1,291,407)	919,173	(372,234)
	(4,493,606)	**(870,697)**	**(5,364,303)**

Book value of net assets of the sold company	27,422
Agreed sale price for the shares	2,401,800
Directly attributable costs related to the sale of the company	(99,920)
Net proceeds from the sale of the company	**2,329,302**

In comparison to the consolidated interim financial statements as of 31 March 2007, additional income in the amount of EUR 0.15 million accrued under a purchase price adjustment clause in the period under report. EUR 0.215 million of the sale price was prepaid to account at the end of the first quarter of 2007, the remainder was fully paid to account in the second quarter of 2007.

Cash flows from the sale of disposal groups

in EUR	At 31/3/2007	Change ± Q2/2007	At 31/6/2007
Sales price for the shares	2,150,000	251,800	2,401,800
Direct costs related to the sale of the company	–	(99,920)	(99,920)
Loans assumed by the purchaser	908,226	–	908,226
Thereof not paid at the end of the period and reported under “Other receivables”	(2,843,226)	2,843,226	–
Gross proceeds from the sale of disposal groups	**215,000**	**2,995,106**	**3,210,106**
Net cash and cash equivalents of the company sold	(80,459)	–	(80,459)
	134,541	**2,995,106**	**3,129,647**

7. Business combinations and other changes in the scope of consolidation, and acquisition of minority interests

On 2 April 2007 the Company purchased the minority shares of the company Revital Rt. Budapest; hence, the Warimpex Group now holds 100% of Revital Rt. and its subsidiaries. On 14 June 2007 the Group acquired a further 16.67% interest (from previously 33.33% to now 50%) in Sienna Hotel Sp. z o.o.; the effects on the consolidated interim financial statements are as follows:

in EUR	18.28% Revital group	16.67% Sienna Hotel Sp. z o.o	Total
Acquired property, plant and equipment, and software	–	16,380,968	16,380,968
Goodwill	9,044	–	9,044
Consolidation loans given by Warimpex	–	(3,062,227)	(3,062,227)
Deferred tax assets	–	183,747	183,747
Inventories	–	17,212	17,212
Trade receivables and other current assets	–	245,750	245,750
Cash and cash equivalents acquired	–	312,631	312,631
	9,044	**14,078,081**	**14,087,125**
Minority interests	(186,887)	–	(186,887)
Interest-bearing loans and borrowings	–	13,897,727	13,897,727
Trade payables and other payables and provisions	–	180,353	180,353
	(186,887)	**14,078,080**	**13,891,193**
Total cost of acquisition	**195,932**	**1**	**195,933**

7.1. As regards the acquisition of the shares in Sienna Hotel Sp. z o.o. the joint venture partner acquired shareholder loans in the amount of EUR 6.4 million for EUR 2 million; the assignment discount in the amount of EUR 4.4 million is reported under “Other income”.

Cash flows from the acquisition of shares in companies

Payments made for business combinations, acquisitions of shares in companies and the purchase of minority interests in detail comprise the following:

in EUR	1/1–30/6/2007	1/1–30/6/2006
Purchase of the minority interest Revital Rt.	(195,932)	–
Purchase of 16.67% share in Sienna Hotel Sp. z o.o.	(1)	–
Purchase of Chopin Sp. z o.o.	–	(3,000,000)
Purchase/merger of Palminvest/PAU	–	(2,360,517)
Purchase of 50% share in UBX Praha 1 s.r.o.	–	(2,350,000)
Business combinations in the period under report	**(195,933)**	**(7,710,517)**
Cash flows for purchase price obligations		
For 50% share in Grassi Hotelbeteiligungs- und Errichtungs GesmbH	(11,000,000)	–
For 5% share in UBX Plzeň s.r.o.	(160,000)	–
For 5% share in UBX Praha 2 s.r.o.	(207,000)	–
For 16.67% share in Kopernik Sp. z.o.o.	(326,000)	–
For 6.67% share in Sienna Hotel Sp. z o.o.	(1,484,000)	–
For 5% minority interest in UBX Praha 1 s.r.o.	(1,025,000)	–
For 100% share in Warimpex Leasing AG	–	(4,700,000)
Balance of purchase price for Prózna Properties Sp. z o.o.	–	(253,566)
	(14,202,000)	**(4,953,566)**

8. Goodwill in connection with business combinations

in EUR	At 30/6/2007	At 31/12/2006	At 30/6/2006
Warimpex Leasing AG	5,784,513	5,784,513	5,784,513
Grassi Hotelbeteiligungs- und Errichtungs GesmbH/ Recoop Tour a.s.	304,952	304,952	304,952
UBX Praha 1 s.r.o.	921,266	921,266	–
Idit kft.	390,033	390,033	–
Revital Rt.	9,044	–	–
	7,409,809	**7,400,765**	**6,089,466**

9. Subsidiaries classified as held for sale

By decision of the Management Board at the end of the first quarter 2007 the subsidiaries Bocca kft. and Palminvest kft. were classified as held for sale. Their assets and liabilities were transferred in accordance with IFRS 5 and broke down as follows as at 30 June 2007:

in EUR	Bocca kft. Office building Cetelem	Palminvest kft. Office building Pauler	Total
Investment properties	3,838,499	4,303,100	8,141,599
Current receivables	49,021	148,274	197,295
Cash	3,182	50,555	53,737
Deferred tax assets	–	34,046	34,046
	3,890,701	**4,535,976**	**8,426,677**
Project loans	2,585,069	3,715,787	6,300,856
± Changes in the reporting period	*(63,772)*	*(96,080)*	*(159,852)*
Deferred tax liabilities	55,243	–	55,243
Current payables	24,961	176,638	201,598
	2,601,501	**3,796,344**	**6,397,845**
Net assets of the disposal group	**1,289,200**	**739,631**	**2,028,832**

10. Personnel expenses

in EUR	1/1–30/6/2007	1/1–30/6/2006
Wages and salaries	6,990,280	4,430,051
Social security costs	1,829,881	1,257,602
Other payroll-related taxes and contributions	287,799	166,605
Voluntary employee benefits	17,766	6,014
Expenses for posted employees	548,913	440,731
Payments in respect of pensions and severance payments	116,200	37,450
Changes in accrual for compensated absences	195,741	270,939
	9,986,580	**6,609,391**
Changes in payroll-related provisions	121,457	127,312
	10,108,037	**6,736,703**

During the reporting period January to June the Group employed an average of 1,078 employees (comparable period of the previous year: 875). The increase in the number of employees is essentially attributable to the hotels Chopin Krakow, Angelo Prague, Sobieski Warsaw and Dream Castle Paris, which were not yet included in the consolidated group or were only included pro rata temporis in the comparable period of the previous year.

Higher personnel expenses are on the one hand explained by the higher number of employees; in addition, the number of Management Board members was raised from 2 to 4 and the staff employed at the Group holding company in Vienna was increased by 5 persons.

The personnel expenses also contain an amount of EUR 271,391 for a bonus of 5% of the Group result to which the Management Board is entitled in the period under report; this bonus system had not yet been introduced as of 30 June of the previous year. This item also contains one-off bonuses of approximately EUR 0.15 million relating to the IPO effected in the period under report.

11. Other expenses

in EUR	1/1–30/6/2007	1/1–30/6/2006
Foreign exchange differences	354,477	9,615
Pre-opening costs Hotel Angelo Krakow (previous year: Hotel Angelo Prague)	125,223	254,781
Legal fees	511,930	551,307
Pro-rata costs of capital measures[*)]	1,125,935	–
Non-recoverable VAT	138,366	152,972
Property costs	546,672	376,658
Impairment charges (reversal of impairment) for current assets	(7,749)	(64,157)
Other[**)]	1,303,093	846,075
	4.097.946	**2.127.252**

*) This item includes the costs incurred in connection with the IPO in January 2007, which in accordance with IAS 32.35 are not to be accounted for as a deduction from equity.
**) "Other expenses" contain costs incurred in connection with the relocation of the headquarters of the Group holding company in Vienna and the branch office in Prague.

12. Financial result

in EUR	1/1–30/6/2007	1/1–30/6/2006
Finance revenue		
Interest income from cash management	906,506	123,972
Interest on loans to joint ventures	563,729	243,854
	1,470,235	**367,826**
Foreign currency gains on interest-bearing, CHF-denominated loans	372,364	693,754
Gains from fair value adjustments of derivative financial instruments	252,389	529,713
	2,094,987	**1,591,293**
Finance costs		
Interest on short-term borrowings, project loans and other loans	(5,116,516)	(2,558,313)
Interest on loans from minority interests	(1,551)	(3,160)
Interest on loans relating to joint ventures	(316,746)	(181,776)
Interest on loans from related parties	(8,868)	(18,660)
	(5,443,681)	**(2,761,910)**
Interest cost for provision for pensions and other long-term employee benefits	(53,651)	(86,253)
Interest cost of derivative financial instruments	(50,662)	(33,933)
Net loss on the sale of available-for-sale investments	(111,686)	(20,941)
	(5,659,679)	**(2,903,037)**

The increase in interest expenses is attributable to the increase in interest-bearing loans and borrowings for new projects. In addition, loans and borrowings for a number of projects were already included as of 30 June 2006, but were not yet recognised in interest expenses.

13. Income taxes

The reconciliation between income tax expenses and the product of accounting profit and the Group's domestic tax rate for the period under report is as follows:

in EUR	1/1–30/6/2007	1/1–30/6/2006
Accounting profit before income tax	**5,374,656**	**9,928,903**
Accounting profit before income tax x 25% (previous year: 25%)	(1,343,664)	(2,482,226)
± Other foreign tax rates	(146,354)	(67,358)
± Tax free profits from the participation exemption (Sec. 10 Austrian CIT Act)	581,326	1,626,761
± Permanent differences	13,882	(178,787)
± Valuation allowance on deferred tax assets	1,042	(149,003)
± Income from the first-time recognition of deferred tax assets	1,023,600	121,182
± Permanent differences relating to (negative) goodwill	(5,793)	672,681
± Effects of exchange rate fluctuations	20,964	(35,082)
	145,004	**(491,832)**
Thereof income tax expenses	*(26,274)*	*(517,531)*
Thereof change in deferred taxes	*171,277*	*25,699*
Effective tax rate	**(2.70%)**	**4.95%**

Development of deferred tax assets and liabilities

in EUR	Deferred tax assets	Deferred tax liabilities
Balances at 1 January 2007	2,529,622	(17,348,669)
Changes in the scope of consolidation	183,747	27,380
Transfers (IFRS 5)	(25,941)	48,956
Changes directly recognised in equity		
relating to		
Gains and losses on available-for-sale investments	–	(28,314)
Foreign currency translation	1,153	(640)
Cash flow hedges	–	(65,507)
IPO costs recognised directly in equity	991,441	–
Deferred tax income/expense		
For disposal groups classified as held for sale	(8,104)	6,287
Other	563,398	(392,121)
Balances at 30 June 2007	**4,235,315**	**(17,752,627)**

14. Property, plant and equipment

The item "Property, plant and equipment" comprises land & rights equivalent to land, buildings including plant under construction, and equipment. Changes in property, plant and equipment in the period under report were as follows:

in EUR	1/1–30/6/2007	1/1–30/6/2006
Net carrying amount at 1 January	288,327,053	189,132,670
Changes in the scope of consolidation	11,274,547	20,257,497
Additions	16,891,493	20,563,627
Transfers of "Investment properties"	–	121,018
Depreciation	(4,256,766)	(3,634,190)
Exchange adjustments	64,015	(331,538)
Net carrying amount at 30 June	**312,300,342**	**226,109,083**
Capitalised interest contained in additions	*(15,107)*	*145,393*

Cash flows from investing activities relating to property, plant and equipment

Payments made for purchases and proceeds from the sale of property, plant and equipment break down as follows:

in EUR	1/1–30/6/2007	1/1–30/6/2006
Proceeds from the sale of property, plant and equipment	20,840	16,072
Additions according to movement schedule	(16,891,493)	(20,563,627)
Thereof acquired through changes in the scope of consolidation	–	8,810,306
± Liabilities incurred for the purchase of property, plant and equipment	(5,324,893)	561,566
± Tax incurred for the purchase of property, plant and equipment	2,373,796	(363,844)
	(19,821,750)	**(11,539,527)**

Additions from investments relate to the following projects:

in EUR	2007	2006
Development progress on Airportcity St. Petersburg	4,886,987	–
Completion of Andel's Hotel Krakow	3,805,968	1,550,423
Completion of Hotel Angelo Prague	–	12,635,027
Expansion of Hotel Savoy Prague (purchase of land)	2,080,250	–
Refurbishment of Hotel Palace Prague	982,502	346,953
Construction progress on Andel's Hotel Berlin	859,428	–
Construction progress on Hotel Angelo Plzeň	613,589	140,008
Construction progress on Andel's Hotel Łódź	839,949	502,277
Completion of Andel's City office building (sold on 30 March 2007)	667,405	735,786
Development progress on Hotel Angelo Leuchtenbergring	268,821	–
	15,004,901	**15,910,474**
Other developments and current investment related to hotels	1,886,592	4,653,153
	16,891,493	**20,563,627**

15. Investment properties

Investment properties comprise land and buildings and are stated at historical cost less accumulated depreciation, which is calculated on a straight-line basis over the estimated useful lives of the assets, and accumulated impairment in value. In the period under report this item developed as follows:

in EUR	1/1–30/6/2007	1/1–30/6/2006
Net carrying amount at 1 January	25,338,478	5,028,903
Changes in the scope of consolidation	–	4,018,809
Additions	371,761	3,179
Disposals	–	(261,348)
Transfers to "Property under construction"	–	(121,018)
Transfers according to IFRS 5	(7,859,724)	–
Depreciation	(207,930)	(112,132)
Exchange adjustment	(1,613)	(15,363)
Net carrying amount at 30 June	**17,640,973**	**8,541,031**
Result from "Investment properties"		
Rental income and charged expenses	1,076,128	587,010
Direct expenses	(350,238)	(336,904)
	725,891	**250,105**

The fair market value of all "Investment properties" at 30 June 2007 amounted to EUR 25.13 million.

Additions during the period under report relate to the following investment properties:

in EUR	1/1–30/6/2007	1/1–30/6/2006
Extension of Erzsebet office building, Budapest	63,643	–
Extension of Sajka Utca office building	337	–
Extension of Dioszegi office building, Budapest	19,898	3,179
Final settlement of Parkur Tower, Warsaw	287,883	–
	371,761	**3,179**

Cash flows from investing activities/investment properties

Payments made for purchases and proceeds from the sale of "Investment properties" break down as follows:

in EUR	1/1–30/6/2007	1/1–30/6/2006
Proceeds from the sale of property, plant and equipment	–	486,163
Additions according to movement schedule	(371,761)	(3,179)
	(371,761)	**482,984**

16. Cash and short-term deposits

in EUR	At 30/6/2007	At 31/12/2006	At 30/6/2006
Cash in hand	395,904	363,879	172,928
Cash at banks	7,228,422	12,750,138	11,208,009
Short-term deposits	21,428,501	2,578,594	3,403,755
Deposits relating to project loans	705,735	1,956,953	1,205,559
	29,758,562	**17,649,563**	**15,990,251**

17. Interest-bearing loans and liabilities

in EUR	At 1/1/2007	Changes in the scope of consolidation	New borrowings	Repayment of loans	Foreign currency and exchange adjustments	At 30/6/2007
a) Project-related loans secured by mortgage						
Subsidiaries (full consolidation)						
For Hotel Diplomat	37,605,233	–	–	(840,977)	–	36,764,256
For Hotel Palace	17,490,500	–	–	(646,000)	–	16,844,500
For Hotel Chopin	12,975,511	–	–	(287,894)	–	12,687,617
For Hotel Angelo Prague	11,638,840	–	–	(424,514)	–	11,214,325
For Hotel Amber Baltic	9,698,011	–	–	(467,695)	(372,364)	8,857,952
For Hotel Savoy	8,499,829	–	–	(280,277)	–	8,219,551
For Erszebet office building – bridge loan	8,031,869	–	–	(31,869)	–	8,000,000
For Hotel Le Palais	7,690,818	–	–	(187,177)	–	7,503,641
For Hotel Dvořák	7,264,798	–	–	(547,796)	–	6,717,003
For Pauler Utca office building	3,715,787	(3,715,787)	–	–	–	–
For Cetelem office building	2,585,069	(2,585,069)	–	–	–	–
For Örs Utca residential real estate project	2,416,437	–	–	(2,480,407)	63,970	–
For Warsaw gas pipeline	381,553	–	–	(29,468)	6,404	358,490
For Sajka Utca office building	175,742	–	–	(24,971)	–	150,771
	130,169,998	**(6,300,856)**	**–**	**(6,249,046)**	**(301,990)**	**117,318,106**
Joint ventures (proportionate consolidation)						
For Hotel InterContinental 50%	20,253,395	10,835,502	1,411,108	–	–	32,500,005
For Hotel Dream Castle 50%	19,426,035	–	328,245	–	(202,325)	19,551,955
For Leuchtenbergring project 49.5%	10,730,994	–	–	–	–	10,730,994
For Sobieski hotel and office complex 25%	7,000,000	–	–	(13,465)	–	6,986,535
For Parkur Tower office building 50%	3,208,733	–	373,632	–	–	3,582,365
For Andel's Prague office building 50%	2,243,686	(4,033,556)	1,789,870	–	–	–
For Andel's Hotel Krakow 50%	1,775,507	–	5,952,190	–	–	7,727,697
For Warsaw gas heating plant 40%	242,906	–	–	(29,600)	3,983	217,289
	195,051,254	**501,090**	**9,855,046**	**(6,292,111)**	**(500,332)**	**198,614,946**

in EUR	At 1/1/2007	Changes in the scope of consolidation	New borrowings	Repayment of loans	Foreign currency and exchange adjustments	At 30/6/2007
b) Other interest-bearing loans						
Short-term working capital loans	15,571,879	–	4	(14,343,880)	–	1,228,003
Short-term loans	265,585	–	1,887	(180,380)	–	87,092
Long-term loans from joint ventures	16,775,532	2,585,206	1,514,635	(3,113,256)	666	17,762,782
Call options and loans under lease agreements	7,453,499	–	–	–	–	7,453,499
Non-interest-bearing loans	650,995	–	–	–	–	650,995
Long-term loans from minority interests	57,931	–	1,551	–	–	59,483
	40,775,420	2,585,206	1,518,077	(17,637,517)	666	27,241,853
Total interest-bearing loans and borrowings	**235,826,674**	**3,086,295**	**11,373,123**	**(23,929,627)**	**(499,667)**	**225,856,799**

The loan for the Hotel InterContinental Warsaw failed to meet the conditions of the loan agreement as of 30 June 2006 and the amount of the Group's proportionate share (26.67%) was consequently to be presented as current liabilities. At the reporting date of 30 June 2007 the loan had already been refinanced and predominantly reclassified as non-current in the amount of the Group's proportionate share (50%).

Cash flows from financing activities

Cash receipts from loans and borrowings, and repayment of interest-bearing liabilities break down as follows:

in EUR	1/1–30/6/2007	1/1–30/6/2006
Cash receipts from loans and borrowings	11,373,123	22,330,484
Payments on loans and borrowings	(23,929,627)	(10,819,038)
Repayment of loans and borrowings according to IFRS 5	(159,852)	–
Interest and other finance costs paid	(5,908,885)	(2,392,157)
	(18,625,242)	**9,119,289**

18. Receivables and liabilities (current)

in EUR	At 30/6/2007	At 31/12/2006	At 30/6/2006
Trade and other receivables			
Trade receivables	4,946,741	4,498,393	4,201,760
Receivables for taxes	3,820,694	4,593,290	2,514,781
Extended purchase price receivables relating to the sale of subsidiaries	–	205,744	2,938,201
Advance payments made	343,461	442,844	100,109
Other current receivables and other current assets	638,597	525,473	273,963
Receivables due from joint ventures	308,963	600,269	75,918
Receivables due from related parties	19,631	15,530	6,376
Receivables due from minority interests	65	–	57,328
Deferred expenses	1,271,145	2,077,865	910,225
	11,349,297	**12,959,409**	**11,078,662**

in EUR	At 30/6/2007	At 31/12/2006	At 30/6/2006
Trade and other payables (current)			
Trade payables	5,883,830	10,796,697	5,218,223
Trade payables due to joint ventures	753,356	800,015	748,556
Trade payables due to related parties	2,746,227	7,870,091	3,351,671
Purchase price obligations	3,286,738	14,421,884	11,000,000
Payables due to minority interests	–	–	57,862
Other payables including accruals for compensated absences	5,098,416	4,004,133	2,938,347
Advance payments received	467,035	806,119	609,228
	18,235,603	**38,698,938**	**23,923,886**

19. Derivative financial instruments

As of 30 June 2007 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	30/6/2007	30/6/2006
Project loan Hotel Le Palais, Prague		
Notional amount at 30 June (underlying: 3-month Euribor)	7,503,641	7,873,339
Fair value at 30 June	–	–
Project loan Hotel Chopin, Krakow		
Notional amount at 30 June (underlying: 3-month Euribor)	12,687,617	13,244,460
Fair value at 30 June	414,928	–
Project loan Hotel InterContinental, Warsaw		
(amount of the Group's proportionate share)		
Notional amount at 30 June (underlying: 3-month Euribor)	–	16,662,650
Fair value at 30 June	–	(179,982)
Project loan Hotel Sobieski, Warsaw		
(amount of the Group's proportionate share)		
Notional amount at 30 June (underlying: 3-month Euribor)	6,986,535	–
Fair value at 30 June	27,303	–

Other derivative financial instruments

As of the end of the reporting period the Group is party to the following derivative financial instruments. All derivative financial instruments outstanding as of the reporting date have been concluded between Warimpex Finanz- und Beteiligungs AG, Vienna, and Raifffeisenlandesbank Wien-Niederösterreich. Since there are no hedges for the exposures resulting from these financial instruments, the Group is exposed to interest rate risk and foreign currency risk for the whole term of the contracts.

					Fair value at	
Knock-out cap	Maturity date				30/6/2007	30/6/2006
	30 June 2009	buy cap	15,000,000	3-M-EURIBOR 4%	156,854	150,445
	14 April 2008	buy cap	5,000,000	3-M-EURIBOR 2%	114,471	74,406

In 2004 the Company purchased an interest rate cap based on the 3-month EURIBOR for a notional amount of EUR 15 million. If the 3-month EURIBOR exceeds 4%, the Company receives the excess payment. The knock-out rate is 6%.

				Fair value at	
FX options	Maturity date			30/6/2007	30/6/2006
	10 April 2008	>= 1.45	EUR/CHF 5 million/strike 1.525	(2)	(48,030)
Interest rate swap	(expired 2006)			expired	(94,712)

Subject to the condition that the CHF exchange rate falls to or below 1.45 by 14 April 2008, the Company is obliged to purchase the CHF equivalent of EUR 5 million at a fixed rate of 1.525. The option premium received by the Company for selling this option was granted in the form of an interest rate cap on the 3-month EURIBOR, the strike price of which is 2%.

Negative fair values from derivative financial instruments are presented within “Derivative financial instruments” in the interim consolidated financial statements, positive fair values are presented within “Other financial assets”.

20. Share capital, shareholder structure, earnings per share, dividend

On 26 and 29 January 2007 respectively a capital increase was effected through the issue of new shares on the Vienna and Warsaw stock exchanges. The gross costs directly attributable to the capital measure were recognised directly in equity.

The number of shares outstanding and the registered share capital proceeds are as follows:

	in EUR
1 January 2006	
The share capital is divided into 15,000 bearer shares with a nominal value of EUR 1,000 each.	15,000,000
8 February 2006	
An extraordinary shareholders’ meeting of Warimpex Finanz- und Beteiligungs AG approved the conversion of 15,000 nominal shares into 15 million no-par-value shares.	
18 May 2006	
In the Annual General Meeting approving the financial statements for the year ended 31 December 2005 a capital increase through conversion of free reserves was approved, leading to an increase in the number of shares from 15,000,000 to 30,000,000. The related transaction costs comprise the capital transfer tax of 1% of the volume of the capital increase and have been charged to equity on a net-of-tax basis. The capital increase was registered in the Commercial Register on 7 July 2006.	15,000,000

	in EUR
31 July 2006	
An extraordinary shareholders' meeting approved an authorised capital increase of up to EUR 15 million.	
26 January 2007	
Capital increase through issue of new shares on the stock exchanges in Vienna and Warsaw	6,000,000
31 May 2007 – Annual General Meeting on the results of the reporting period 2006	
The Board was authorised to issue, within the next five years, convertible bonds with attached conversion or subscription rights to up to 9 million shares representing a proportionate amount of up to EUR 9 million of the share capital and excluding the statutory subscription rights of the existing shareholders.	**36,000,000**

Cash flows from capital measures

Issuance of 6 million new offer shares at an issue price of EUR 11/share		66,000,000
IPO costs charged directly to equity	(5,010,786)	
Thereof originated in the previous year, and therefore accrued	1,045,024	
		(3,965,762)
IPO costs recognised in "Other expenses"		(1,125,935)
		60,908,303

Additionally, the shareholders' meeting convened on 31 May 2007 to deliberate on the results of the reporting period 2006 approved a dividend of EUR 5.4 million, which was paid to the shareholders on 10 June 2007. As of the reporting date of 30 June 2006, the agreed dividend of EUR 2 million had not yet been paid to the shareholders and was presented within "Trade payables to related parties".

Since there are no circumstances that could lead to a dilution of shareholders' interests, diluted earnings per share equal basic earnings per share. Earnings per share – both for the reporting period and the comparable period of the previous year – were calculated on the basis of 36 million shares in accordance with IAS 33.64.

21. Transactions with related parties

in EUR	1/1–30/6/2007	1/1–30/6/2006
Amber/Bocca Privatstiftung		
Balances at 1 January	(755,081)	(5,674,503)
Dividends	(2,215,804)	(1,164,000)
Interest on current accounts	(5,617)	(18,660)
± Payments received and made	2,215,804	4,943,749
	(760,698)	**(1,913,414)**

in EUR	1/1–30/6/2007	1/1–30/6/2006
Directors who hold substantial shareholdings in the Company		
Balances at 1 January	(681,153)	1,788
Regular remunerations and bonus	(774,423)	(238,710)
Dividends	(1,871,546)	(776,000)
± Payments received and made	2,850,582	242,394
	(476,540)	**(770,528)**
Other directors		
Balances at 1 January	(3,592,792)	–
Dividends	free float	–
Regular remuneration and bonus	(531,406)	–
± Payments received and made	3,806,493	–
	(317,705)	**–**
Grassi family (Mr. Friedrich Grassi SB member since 31 May 2007)		
Balances at 1 January	(11,180,138)	–
Dividends	free float	(60,000)
Purchase 50% Grassi Hotelbeteiligungs- und Errichtungs GmbH	–	(11,000,000)
Interest on current accounts	(3,251)	–
± Payments received and made	10,920,194	–
	(263,195)	**(11,060,000)**
Vienna International AG		
Balances at 1 January	(1,058,401)	(2,521,286)
Management fees charged by Vienna International	(1,782,389)	(1,315,296)
± Payments received and made	1,932,332	3,235,229
	(908,458)	**(601,353)**
Senior managers		
Balances at 1 January	(1,657,507)	126,814
Exchange adjustments	1,904	(4,941)
± Payments received and made	1,767,133	(18,000)
(presented within "Other financial assets")	**111,530**	**103,873**

Joint Ventures

The following transactions with joint ventures were made in the reporting period:

in EUR	1/1–30/6/2007	1/1–30/6/2006
Revenues from transactions with joint ventures	555,357	36,490
Loans given to joint ventures	(2,059,207)	1,470,916
Interest income on loans given to joint ventures	563,729	243,854
Interest expense on loans received from joint ventures	(316,746)	(181,776)

	Loans given to joint ventures proceeded as follows during the reporting period:			Compared with **loans received from joint venture partners:**		
in EUR	At 1/1/2007	Change	At 30/6/2007	At 1/1/2007	Change	At 30/6/2007
Sienna Hotel Sp. z o.o.	(8,371,872)	(812,971)	(9,184,844)	9,059,192	125,647	9,184,839
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG	(837,162)	(343,400)	(1,180,562)	820,584	336,600	1,157,184
GF Ramba Sp. z o.o.	(489,740)	(14,022)	(503,762)	488,567	14,801	503,368
Thermo Energia Sp. z o.o.	(105,004)	(38,859)	(143,863)	38,338	628	38,966
Melica Sp. z o.o.	(2,151,715)	(63,372)	(2,215,087)	2,180,142	(12,175)	2,167,967
UBX Krakow Sp. z o.o.	(2,068,411)	(69,531)	(2,137,943)	2,066,185	69,697	2,135,883
UBX Katowice Sp. z o.o.	(81,141)	(79,747)	(160,888)	80,735	79,704	160,439
UBX Praha 2 s.r.o.	(454,113)	454,113	–	477,020	(477,020)	–
UBX 3 s.r.o.	–	–	–	–	5,750	5,750
UBX Plzeň s.r.o.	(157,107)	(488,670)	(645,777)	175,434	594,919	770,353
UBX Development s.a.r.l.	(195,045)	–	(195,045)	295,082	(100,000)	195,082
UBX 1 Objekt Berlin GmbH	(1,091,139)	(601,249)	(1,692,387)	1,094,252	347,199	1,441,451
Hotelinvestments s.a.r.l.	–	(1,500)	(1,500)	–	1,500	1,500
	(16,002,450)	**(2,059,207)**	**(18,061,657)**	**16,775,532**	**987,250**	**17,762,782**

22. Events after the balance sheet date

On 8 August Warimpex acquired 99.98% of the shares in Comtel Focus S.A. for EUR 9.8 million. The company owns the Sky Gate Hotel/ Airporthotel Angelo in Otopeni, Bucharest.

The hotel is currently being valuated by CBRE for the purposes of purchase price allocation. The effects of the acquisition of this company on the consolidated financial statements cannot yet be determined at the present point in time.

With regard to the development of the Airportcity project in St. Petersburg, a declaration of intent was signed in August which provides for co-investors to be brought on board in the third quarter.

23. Other commitments, litigation and contingencies

With one exception, there were no changes in the reporting period with respect to other commitments, litigation and contingencies as compared to the situation described in the consolidated financial statements as of 31 December 2006. This exception relates to the litigation regarding the property on which the Hotel Diplomat is located, which was decided in favour of the Company in the first half of 2007.

The contractual obligation to complete the Hotel Angelo in Krakow, originally to be met by 31 December 2006, was discharged in the period under report; the hotel was opened on 1 June 2007.

Vienna, 29 August 2007

Franz Jurkowitsch

Georg Folian

Christian Fojtl

Alexander Jurkowitsch

DECLARATION BY THE MANAGEMENT BOARD

This Half-Year Financial Report was prepared in accordance with the relevant International Accounting Standards and to our knowledge presents a true and fair view of the assets, financial position and earnings situation of Warimpex Finanz- und Beteiligungs AG and its entire consolidated group of companies. The Half-Year Financial Report was drawn up in accordance with “IAS 34: Interim Financial Reporting” and the International Financial Reporting Standards adopted by the EU pursuant to EU Regulation 1606/2002/EC.

The Half-Year Financial Report presents material events that occurred during the first six months of the financial year and their impacts, provides information on significant transactions with related parties and describes the material risks and uncertainties to which the Group will be exposed in the remaining six months of the financial year.

Franz Jurkowitsch
Chairman of the Management Board

Georg Folian
Deputy Chairman of the Management Board

Christian Fojtl
Member of the Management Board

Alexander Jurkowitsch
Member of the Management Board

Selected Warimpex Group properties

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

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

3) Andel's Hotel**, Krakow**
PL-31 547 Krakow, ul. Pawia 3
159 rooms (opened in June 2007)

4) Sky Gate Hotel**, Bucharest**
RO-075100, Bucharest – Otopeni
283 Caleo Bucurestilor
108 rooms (opened in 2001, acquired in July 2007)

5) Andel's Hotel**, Berlin**
D-10407 Berlin, Landsberger Allee 106
556 rooms
(opening scheduled for 4^{th} quarter 2008)

6) Andel's Hotel**, Łódź**
PL-91 065 Łódź, ul. Ogrodowa 17
255 rooms
(opening scheduled for 4^{th} quarter 2008)

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Financial calendar

29 November 2007	Publication of results for the 3rd quarter of 2007
28 April 2008	Publication of Annual Report 2007
26 May 2008	Publication of results for the 1st quarter of 2008
29 May 2008	Annual General Meeting
3 June 2008	Ex-dividend date
6 June 2008	Dividend payment date
28 August 2008	Publication of results for the 1st half of 2008
27 November 2008	Publication of results for the 3rd quarter of 2008

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