REPORT FOR THE FIRST THREE QUARTERS OF **2008**

warimpex

Key figures of the Warimpex Group

EUR '000	**1-9/2008**	**Change**	1-9/2007
Revenues from Hotels & Resorts segment	66,243	28%	51,594
Revenues from Development & Asset Management segment	4,659	-24%	6,102
Total revenues	70,901	23%	57,696
Gains from the sale of project companies	9,585	305%	2,367
EBITDA	28,380	20%	23,673
EBIT	19,139	15%	16,604
Profit for the period	2,037	-82%	11,450
Net cash flows from operating activities	6,750	-47%	12,774
Equity and liabilities	624,713	39%	450,985
Equity	175,781	14%	153,609
Average number of shares in the period	36,000,000	2%	35,333,333
Earnings per share in EUR	0.06	-81%	0.32
Number of hotels	17	3	14
Number of rooms (adjusted for proportional share of ownership)	2,631	514	2,117
Number of office and commercial properties	7	–	7
Number of development projects	14	5	9
Average number of employees in the group	1,455	25%	1,165

	30/6/2008*	Change	31/12/2007
Gross asset value (GAV) in EUR m	636.4	4%	614.8
Triple net asset value (NNNAV) in EUR m	341.4	-12%	387.4
NNNAV per share in EUR	9.5	-12%	10.8

* No independent assessment was obtained of the value of the real estate portfolio as of 30 September 2008.

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

The global financial system is in the grips of the most severe crisis we have seen in decades, and the repercussions have swept across the real estate sector.

The crisis began in 2006 and 2007, when a series of key interest rate hikes set in motion a wave of defaults in US mortgages. With interest rates low after the terror attacks of 11 September 2001, American banks applied lax lending standards and granted loans to borrowers with poor credit ratings to finance their homes. This would have been nothing more than a problem for individual banks in the USA if new structured financial products had not been introduced onto the global financial markets at this time through which default risk was sold to other market participants. To put it simply, the banks acted irresponsibly by not keeping the loans on their own books, but by selling them on. This not only sent America's investment banks into a tailspin, it shook the foundations of the entire international financial system.

Because of the inflated EURIBOR, the cost of project finance increased considerably for real estate companies. Now, banks are also much more restrictive in extending project loans than they were twelve months ago.

While some real estate companies and especially developers employed short-term financing during the boom years, Warimpex has always set up long-term financing for its projects. Even though Warimpex pursues the strategy of selling properties that it has developed itself, it has always been clear to us that there are market phases where it is very difficult to sell real estate. For this reason, full long-term financing is arranged for every property and every ongoing development project, usually for a period of fifteen years. In short, we act as if we were developing every property to hold it and operate it ourselves. This long-term and very conservative financing structure is now proving its worth in these times of crisis, in which refinancing is not only very expensive, but also very difficult to come by.

I am confident that Warimpex will also be successful under these changed market conditions, and that we will see further increases in our operating cash flow in the Hotels & Resorts segment after the opening of the angelo hotel in Plzen and the expansion of the angelo hotel in Bucharest at the end of the third quarter.
However, we will be very selective in taking on new projects or acquiring new properties as long as the current adverse conditions continue.

Franz Jurkowitsch

Investor Relations

Starting in the middle of 2007, the price of the Warimpex share began to decline in line with all other real estate stocks and the Austrian benchmark index IATX due to the turbulence triggered on the financial markets by the mortgage crisis in the USA. This decline continued in the third quarter.

The gross asset value of a company's real estate portfolio should theoretically dictate a lower price limit for its share price. However, more and more investors are calling property values into question.

This scepticism can be seen in the difference between the market capitalisation and net asset value of a listed real estate company. High administrative and other costs do justify a discount on the net asset value. However, there is also the immaterial value of a company that results from the synergies between its properties, especially for hotel properties, and the knowledge and expertise of its management. The Warimpex share is currently trading at a roughly 70% discount on its net asset value.

Of course even an international real estate appraiser cannot determine the exact saleable value of a property at the end of every reporting period. But the estimated value of a property would have to be based on fundamentally flawed assumptions to justify a 70% difference.

At the end of April 2008, for example, a villa from our portfolio in the Czech town of Karlovy Vary was sold at a price well over its calculated fair value.

After listing at EUR 6.64 (PLN 25.00) at the end of 2007, the share price was EUR 3.49 (PLN 12.35) at the close of trading on 30 September 2008.

Stock buyback programme

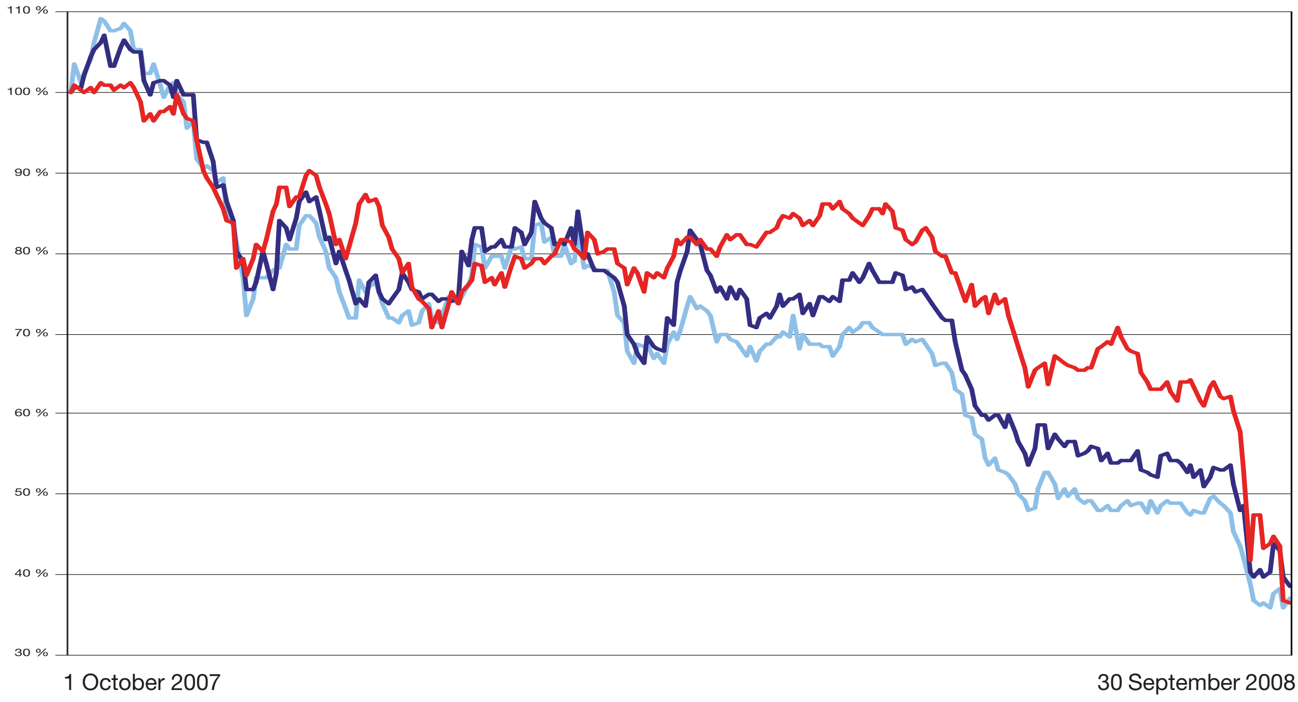
The ordinary annual general meeting on 29 May 2008 authorised the Management Board to purchase shares in the Company up to the maximum amount permitted by law of 10% of the total capital stock within a period of 30 months after the passing of the motion.

The buyback programme began on 21 July 2008, and the acquisition price range was set at EUR 3.00 to EUR 8.00. As of 30 September 2008, a total of 60,500 shares had been purchased at an average price of EUR 4.64. This corresponds to 0.17% of the capital stock.

The Management Board decided to take this measure because the current share price is roughly 70% below the NNNAV as of 30 June 2008, making this a good time to buy back outstanding shares either to be used for payment purposes in acquisitions or as bonuses for our employees.

Notices of any changes (§ 6 Publication Ordinance 2002) and the transactions that have been completed (§ 7 Publication Ordinance 2002) will be published solely at the web site of Warimpex Finanz- und Beteiligungs Aktiengesellschaft: www.warimpex.com.

Share price performance



Key share data	
ISIN	AT0000827209
Number of shares	36,000,000
Ticker symbols	Stock Exchanges WXF I Reuters WXFB.VI
High*	EUR 9.66 I PLN 36.30
Low*	EUR 3.49 I PLN 12.04
Price as of 30 September 2008	EUR 3.49 I PLN 12.35

* Last 52 weeks

Warimpex is included in the following indices:	
Vienna	ATX Prime, Immobilien-ATX
Warsaw	Market Main 250, Real estate developers
Research Reports:	
UniCredit CA-IB, 16/10/2008	Hold, target price EUR 5.50
Sal Oppenheim, 19/11/2008	Neutral, target price EUR 5.20
RCB, 24/10/2008	Hold, target price EUR 2.90
100-day trading average	in Vienna approximately 16,300 shares in Warsaw approximately 2,100 shares

GROUP MANAGEMENT REPORT

for the period 1 January to 30 September 2008

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 twenty-five years of experience in these markets and local offices in Warsaw, Prague, St. Petersburg and Budapest, Warimpex is today able to identify market opportunities quickly and efficiently. The Company plans to continue leveraging this competitive advantage in order to constantly expand its portfolio.

Because of the financial market and mortgage crisis, the International Monetary Fund (IMF) reduced its 2008 economic growth projections for the euro area from 1.4% (as of April 2008) to 1.3% (as of October 2008) and from 1.2% to 0.8% for 2009. Growth in the CEE region is now expected to total 4.5% (4.4%) in 2008 and 3.4% (4.3%) in 2009, whereby individual countries such as Russia (2008: 7%, 2009: 5.5%), Romania (2008: 8.6%, 2009: 4.5%) and Poland (2008: 5.2%, 2009: 3.8%) will likely achieve substantially higher growth rates. It is clear that that the CEE and SEE regions and especially Russia will continue to grow at a considerably faster rate than the euro area.

Markets

Poland

Existing portfolio: 6 hotels, 2 office properties

Warimpex holds a 50% interest in the five-star Hotel InterContinental and a 25% interest in the four-star Hotel Sobieski in Warsaw.

In Krakow Warimpex owns a four-star-plus andel’s hotel and the three-star Hotel Chopin. Renovation work on 83 rooms, the lobby and all conference rooms at the Hotel Chopin was completed at the beginning of 2008, and the remaining two floors with 137 rooms are to be converted to the new design by the end of 2009. In Międzyzdroje on the Polish Baltic coast Warimpex owns the Amber Baltic Spa Resort Hotel, a hotel ship and a 27-hole golf course. State-of-the-art flat-screen monitors were installed in all rooms in the Hotel Amber Baltic in the reporting period.

The occupancy rate at the well-established Hotel InterContinental in Warsaw developed pleasingly, increasing to 77% in the first nine months of 2008 (previous year: 78%), and the average room rate was increased by approximately EUR 10. The occupancy rate at the Hotel Sobieski was somewhat lower (Q1–3 2008: 68%, Q1–3 2007: 71%), though here too the average room rate was increased by around 10%. The occupancy rate at the Hotel Chopin increased slightly from 75% to 76% with unchanged average room rates. The andel’s Hotel in Krakow was able to establish itself in the market since its opening in June last year and achieved a respectable occupancy rate of 67% in the reporting period with room rates within budget.

The occupancy rate at the Amber Baltic beachfront resort fell slightly to 51% (2007: 53%), but the average room rate was increased somewhat here as well. Due to its location on the Baltic coast, occupancy rates at this hotel are subject to strong seasonal fluctuations, in contrast to those of city hotels.

In addition to the hotels listed above, Warimpex owns shares in the Sobieski Office and Parkur Tower office buildings in Warsaw through joint ventures. The Parkur Tower office building near Warsaw Airport, which was jointly developed by Warimpex and UBM and offers roughly 8,500 sqm of lettable floor space, was fully let in the period under report. In the second quarter, an adjacent plot was purchased and is to be the site of two further office buildings with 30,000 sqm of lettable space after the completion of the next development phase.

Under development: 3 hotels, 1 office building, 1 shopping centre

Two hotels of the design brands andel’s and angelo are under construction in Łódź and in Katowice. The andel’s in Łódź is scheduled to open in the middle of next year, and the angelo in Katowice in the first quarter of 2010.

It was originally planned to convert a fully occupied office building that is owned by Warimpex in Krakow into a Campanile budget hotel and to transfer this property into the joint venture in the second half of 2008. However, because of the robust demand for office space in Krakow, Warimpex has decided that it will not transfer the property into the joint venture. Instead, it will convert the building into a modern office building. Planning for this project began in the third quarter of 2008.

Warimpex owns one of the few historical buildings in Warsaw. Originally, the plan was to convert the property into a five-star Le Palais luxury hotel. The construction permit for this was issued in September. As rental rates for offices have risen considerably in the meantime, however, the development of an office building is currently being evaluated. The final decision will be made by no later than the end of 2008.

The plot that Warimpex purchased in Posen in 2007 was sold in the period under report at a modest profit.

In Białystok, Warimpex has commenced development of a shopping centre with approximately 19,000 sqm of lettable retail space and 11,000 sqm of lettable office space. Building permission is expected to be granted in the fourth quarter of 2008.

Occupancy rates and yields are stable in Poland thanks to domestic tourism, which traditionally accounts for more business than foreign tourism.

Czech Republic

Existing portfolio: 6 hotels

In Prague, the Warimpex Group owns the three five-star hotels Palace, Le Palais and Savoy, all of which are members of the "Leading Hotels of the World". Warimpex acquired the building adjacent to the Hotel Savoy in 2007 and plans to expand the hotel by approximately 25 additional rooms as well as enlarging the conference facilities.

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

Occupancy rates and yields declined in the smaller five-star segment and in the four-star segment in Prague for the first time. The reasons for the lower occupancy rates across the entire market in Prague are above all the relative strength of the Czech koruna, which is making trips to the Czech Republic more expensive, and an excessive supply of hotels. The effect of the strong koruna is being amplified by the weak dollar and the associated decline in the number of tourists from America. However, the dollar gained considerably again versus the Czech koruna in the third quarter.

In the period under review, the occupancy rates at the two four-star hotels in Prague were roughly 63% and 66% (previous year: 71% and 73%), while occupancy rates of between 41% and 61% were achieved in the five-star segment (previous year: between 49% and 64%). Average room prices declined slightly (by roughly 3–5%) for the first time at the five-star and four-star hotels.

At the Hotel Dvořák in Karlovy Vary, the occupancy rate in the first three quarters of the year was 87% (previous year: 89%); furthermore, the average room rate was raised by more than 10%.

Under development: 1 hotel

Another angelo hotel with 144 rooms was opened in Plzen on 1 October. The designer hotel was developed under a joint venture with UBM at a total cost of EUR 19.5 million and is located at the entrance to the old city, near the famous Pilsner Urquell brewery.

Hungary

Existing portfolio: 5 office properties

In Budapest Warimpex owns the Pauler, Csalogany, Erzsebet, Dioszegi and Sajka office buildings, which together have a total net floor space of around 21,000 sqm. During the reporting period, all 3,000 sqm of lettable space in the Pauler office building were let out after the building's complete renovation.

The tenant in the Csalogany office building terminated its lease. The office building has roughly 2,500 sqm of lettable space and is being completely renovated. The work includes the creation of ten new parking spaces and will be completed in December.

Under development: 1 office property

Warimpex is currently planning the modernisation and redevelopment of the two towers of the Erzsebet office complex. One of the towers is currently let out in full, the second is being completely renovated and will be completed in March 2009. After the renovation work is finished, the tenant in tower A is to move to tower B. The rental contract was signed during the reporting period.

Romania

Existing portfolio: 1 hotel

At the angelo airport hotel in Bucharest, which Warimpex acquired last year, the lobby and conference rooms have already been adapted to the angelo design and full thermal insulation installed on the facade. Office spaces on two floors were converted into an additional 69 hotel rooms over the past months. This increased the hotel's capacity to a total of 177 rooms. All renovation and conversion work was finished on schedule at the end of September 2008.

The occupancy rate in the first nine months of 2008 was a very encouraging 53% in spite of the renovation work.

Germany

Existing portfolio: 1 hotel

The Warimpex Group's first hotel in Germany, the 146-room angelo in Munich, was opened at the end of May 2008. This hotel was developed over a period of roughly 12 months in a joint venture with UBM by converting an existing office building. The hotel has achieved an occupancy rate of 59% since it opened, which is very good for a new establishment.

Under development: 2 hotels, 1 office building

Plans for the second phase of the angelo Munich project foresee the construction of city archives, an office building and a second hotel on the site.

The largest andel's hotel to date with more than 550 rooms and suites is currently under construction in Berlin. The basic structural building work was completed at the site on Landsberger Allee at the end of June 2008. The andel's Berlin is scheduled to open in the first quarter.

France

Existing portfolio: 2 hotels

In Paris, Warimpex and its long-term partner UBM are the joint leaseholders of the four-star Hotel Dream Castle and the four-star Holiday Inn at Disneyland¨ Resort Paris, each of which have 400 rooms. At 83% and 71% (previous year: 77% and 75%), the occupancy rates for the hotels showed an extremely gratifying trend in the reporting period. The average room price also increased significantly at both hotels.

Austria

Under development: 1 hotel including apartments

In Vienna, Warimpex is involved in developing the Palais Hansen on the city's Ringstraße boulevard into a high-end hotel and residential property in collaboration with Wiener Städtische/Vienna Insurance Group and PORR Solutions. The project, which is scheduled to open in 2010, is Warimpex's first in Austria.

The property development plan was prepared in collaboration with an architect and the collection of tenders from suitable hotel management companies commissioned in the reporting period. Numerous tours were held with hotel management companies in the third quarter.

Russia

Existing portfolio: 1 hotel

A 60% interest in an existing hotel at Koltsovo Airport in Ekaterinburg was purchased in the period under review, meaning that the Company has fulfilled the prerequisite for the development of an additional hotel at the airport. The Hotel Liner, which has been in operation for over twenty years, is to be renovated and developed into an international three-star hotel. The financing for this work will come from the hotel's own cash flow.

Vienna International already took over the management of the Hotel Liner. The hotel is fully consolidated in the financial statements, and business developed nicely in the reporting period.

Under development: 2 hotels, airport office park

Warimpex is also developing another airport project in Ekaterinburg. A new angelo hotel is planned to coincide with the expansion of the airport and will boast a direct link to the new terminals. Construction work began in the second quarter of 2008 and is proceeding according to plan. The hotel is expected to open on schedule in the second quarter of 2009.

The Airport City development project is currently under construction in St. Petersburg. The first phase comprises a four-star hotel plus a 40,000 sqm office building. Warimpex owns 50% of the project, while St. Petersburg Airport holds a further 15% and the CA Immo New Europe Fund 25%; UBM also bought into this major development with a share of 10% in March of 2008. Construction is proceeding according to schedule, and the building shell has already been completed up to the fifth floor. The Airport City in St. Petersburg is slated to open at the end of 2009.

Budget hotels

Under development: 4 hotels

Together with Louvre Hotels, Warimpex plans to develop a chain of budget hotels in Central Europe that is to comprise around 80 establishments in Hungary, the Czech Republic, Slovakia and Poland in five to seven years' time.

The first joint hotels are to be opened in Budapest, Wroclaw and Zielona Gora in 2010. Suitable properties for these hotels were purchased at central locations during the reporting period.

Warimpex and Louvre are also currently involved in negotiations on the development of further budget hotels in the Hungarian cities of Debrecen, Szeged and Nyiregyhaza. In Poland, two- to three-star hotels are to be built in Katowice, Krakow, Bydgoczcs, Gdansk and Warsaw. In the Czech Republic the joint venture partners are currently focusing on Prague and Brno, and on Bratislava in Slovakia.

From autumn 2007 onwards, there was a general decline in the price of land as a result of the financial crisis. Since land prices play a decisive role in the development of budget hotels, acquisitions of land were partially deferred awaiting further developments. Now, properties at good locations have become available at attractive prices.

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

- Campanile, Budapest
- Campanile, Zielona Gora
- Campanile, Wroclaw
- Premiere Classe, Wroclaw

MAIN BUSINESS ACTIVITIES IN THE FIRST THREE QUARTERS OF 2008

• Acquisition of a further 50% stake in the andel's hotel in Krakow
At the beginning of January 2008 the purchase of a further 50% interest in the parent company of the andel's hotel in Krakow was concluded. Warimpex is now the sole owner of the four-star-plus hotel, which was developed jointly with UBM and opened last May.

• Acquisition of an airport hotel and a hotel development project at Ekaterinburg Airport
At the beginning of March 2008, Warimpex acquired a 60% stake in an existing airport hotel and a hotel development project that is likewise located on the premises of Koltsovo Airport in Ekaterinburg. The Hotel Liner, which has been operating for over twenty years, is being refurbished and further developed as an international three-star establishment. As part of the airport expansion project Warimpex will also build an additional 210-room hotel under its established angelo brand, which will boast a direct link to the new terminals. Construction work started in the second quarter of 2008, with the opening due to follow in June 2009.

• Sale of a 10% stake in the Airport City St. Petersburg project development company
At the end of the first quarter of 2008 UBM AG was brought on board as a further co-investor in the Airport City development at Pulkovo Airport in St. Petersburg, with Warimpex selling 10% of its shares for EUR 12 million. UBM, which was previously responsible for the technical planning, has thus become a new equity partner in the project. St. Petersburg Airport continues to hold an unchanged 15% stake, and the CA Immo New Europe Fund has held a 25% interest since the end of last year. Warimpex now owns 50% of the project company.

• Start of construction work on the angelo hotel in Katowice
Construction work began for a new angelo hotel in Katowice at the end of the first quarter of 2008. The hotel will have 203 rooms and is scheduled to open in the first quarter of 2010.

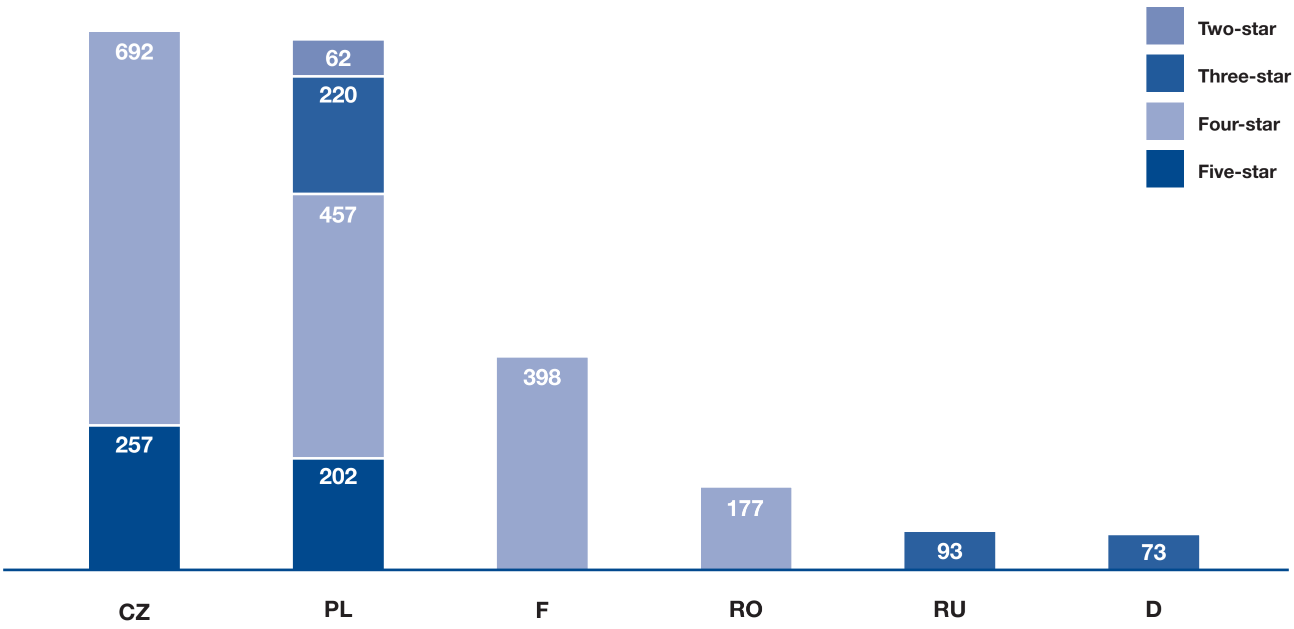
• Acquisition of first pieces of land under the joint venture with Louvre Hotels
After evaluating first joint projects and making initial investment decisions in the financial year 2007, the joint venture has now acquired plots of land in Budapest, Zielona Gora (Poland) and Wroclaw (Poland) during the first nine months of 2008. The site in Budapest is earmarked for a three-star Campanile brand hotel with around 280 rooms, which is due to open in 2010. Another Campanile hotel with roughly 80 rooms is planned in Zielona Gora and is to open in 2010. A Campanile hotel and a Premiere Classe hotel are scheduled to open in Wroclaw in 2010.

• Sale of the Villa Margareta in Karlovy Vary
At the end of April 2008 a villa in the Czech spa town of Karlovy Vary was sold to a private investor. The sales proceeds of approximately EUR 4.5 million were more than double the fair value of the property as determined by CBRE at 31 December 2007.

• Opening of the angelo hotel in Munich and the angelo in Plzen
A new angelo hotel was opened in Munich at the end of May 2008. An angelo was also opened in Plzen on 1 October 2008. Both hotels were developed jointly by Warimpex and UBM.

• Opening of an additional 69 rooms at the angelo in Bucharest
At the angelo airport hotel in Bucharest, which Warimpex acquired last year, the lobby and conference rooms were adapted to the angelo design and thermal insulation installed on the facade. Office spaces on two full floors were converted into new hotel rooms, increasing the hotel's capacity by 69 rooms to 177 rooms.

Hotel portfolio (number of rooms adjusted for proportionate share of ownership) at 30 September 2008



In the first nine months of 2008, the number of available hotel rooms (adjusted for the proportionate share of ownership) rose by 314, from 2,317 to 2,631 as of the reporting date 30 September 2008. This is attributable to the acquisition of the additional shares in the andel's hotel in Krakow, the acquisition of the Hotel Liner in Ekaterinburg, the opening of the angelo hotel in Munich and the 69 additional rooms at the angelo airport hotel in Bucharest.

The angelo in Plzen with 72 rooms (adjusted for the proportionate share of ownership) opened after the reporting date.

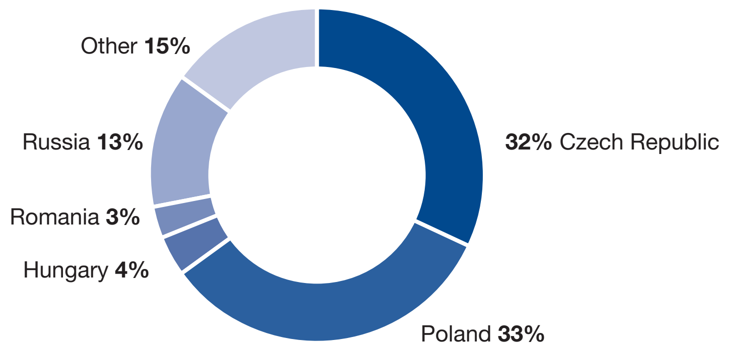
Aside from the budget hotels under the joint venture with Louvre Hotels, a total of thirteen development projects are currently under implementation. Seven properties are currently under construction, of which three hotels with a total of 1,000 rooms (roughly 700 when adjusted for the proportionate share of ownership) are due to open by the middle of 2009.

Business development

As of the end of September 2008 the Warimpex Group portfolio comprised a total of twenty-four properties, seventeen of which were hotels and seven office properties, plus numerous pieces of land and development projects in eight countries in Central and especially Eastern Europe. The focus of the portfolio is primarily on Hungary, the Czech Republic, Slovakia, Poland and Russia.

To enable an efficient, market-oriented response to ongoing developments, the Warimpex Group employs local staff in all the countries in which it operates.

Real estate assets by country (share of GAV)



Gross asset value (GAV) at 30 September 2008

The greatest share of the Company's gross asset value, 33%, is located in Poland, followed by the Czech Republic with 32%. The share of GAV in Russia increased to 13% as a result of the progress made in the Airport City development project.

In terms of sector breakdown, roughly 90% of the Group's real estate assets (excluding development projects) are hotels, while 10% are office properties.

ASSETS, FINANCIAL POSITION AND EARNINGS SITUATION

Operating business (the operation of hotels) continued to develop well throughout the first three quarters of the current financial year. Warimpex's two core hotel markets developed differently, however. While occupancy levels and room rates were stable or even increased in some cases in Poland and France and at the spa hotel in Karlovy Vary, occupancy levels and room rates decreased at the hotels in Prague.

Development of revenues

In the first nine months of the financial year 2008, Warimpex was able to boost Group revenues by 23% from EUR 57.74 million to EUR 70.9 million. Compared to the first three quarters of 2007, revenues from hotel operations rose from EUR 51.6 million to EUR 66.2 million, representing an increase of 28%. Following one-off effects in the first half of 2007, revenues from the letting of office properties and property development activities declined by 24% to EUR 4.7 million.

Earnings situation

Warimpex carries property, plant and equipment at cost less depreciation and amortisation, and increases in the value of real estate assets are not recognised annually in income. Such proceeds are only reported accordingly once a property is sold, so the profit indicators are strongly dependent on real estate sales and are therefore subject to fluctuations.

A “hybrid” real estate company pursues a strategy of developing projects, operating them after their completion and then selling them at a point in time at which the greatest added value can be attained based on the prevailing market conditions and project maturity.

In the first nine months of 2007 the Group sold its 50% share in a fully let office property, generating proceeds of EUR 2.2 million. In the first quarter of 2008 Warimpex sold a 10% stake in the Airport City development project in St. Petersburg to UBM, booking a profit of EUR 9.2 million from the transaction. In the first quarter of 2008 Warimpex also acquired the remaining 50% of the andel's hotel in Krakow. The purchase was effected at a price below the fair market values of the acquired assets, which pursuant to IFRS 3 (business combinations) resulted in a positive contribution to profits but had no impact on cash flow.

A villa in the Czech town of Karlovy Vary that was used as a seminar room by Hotel Dvorak was sold at the end of April 2008. The price paid for the villa was considerably higher than the fair value calculated by CBRE and the book value. This transaction made a contribution of roughly EUR 4.3 million to the profit for the period.

The angelo airport hotel in Bucharest was also purchased for a price well below the fair value of the assets as calculated by the real estate appraiser CB Richard Ellis in the third quarter of 2007, which also made a positive contribution to the profit for that period.

EBITDA – EBIT

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 20% from EUR 23.7 million to EUR 28.4 million, while the operating result (EBIT) also showed a period-on-period increase from EUR 16.6 million to EUR 19.1 million. This increase of EUR 2.5 million is primarily attributable to higher gains from the sale of properties and real estate development projects, as explained above.

Financial result

The financial result changed from EUR -6.6 million to EUR -18.2 million. This difference of EUR 11.6 million is primarily due to the recognition of impairment losses of EUR 5.9 million on current financial assets in the first quarter of 2008 and higher interest expenses due to the increased level of liabilities and the higher EURIBOR.

Profit for the period
The profit for the period fell from EUR 11.5 million to EUR 2.0 million, primarily due to the poor financial result.

Cash flow
The net cash flow from operating activities declined from EUR 12.8 million in the comparable period of 2007 to EUR 6.8 million, which is primarily attributable to lower cash receipts from operations and higher operating expenses in the development segment.

Real estate assets

As of 30 September 2008, the real estate portfolio of the Warimpex Group comprised seventeen hotels with a total of 3,686 rooms (2,631 rooms when adjusted for the proportionate share of ownership), plus seven office properties with a total lettable floor area of some 36,000 sqm (27,000 sqm when adjusted for the proportionate share of ownership).

In addition, fourteen development projects are under construction or in advanced stages of development, not including the planned budget hotels. The angelo hotel in Plzen with 144 rooms (72 rooms when adjusted for the proportionate share of ownership) opened after the reporting date.

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 recognised annually in income. To allow comparison with other real estate companies that report unrealised profits, Warimpex reports the triple net asset value (NNNAV) in its Group management report.

All existing real estate and development projects are valuated twice annually by the international independent real estate appraiser CB Richard Ellis (CBRE).

Outlook

Warimpex is currently working on thirteen development projects aside from the planned budget hotels. The following hotel projects are under construction:

- andel's, Berlin, 557 rooms (planned opening 1st quarter 2009)
- andel's, Łódź, 278 rooms (planned opening 2nd quarter 2009)
- angelo, Ekaterinburg, 210 rooms (planned opening 2nd quarter 2009)
- angelo, Katowice, 203 rooms (planned opening 1st quarter 2010)

The following development projects are also under construction:

- Airport City, St. Petersburg, business park with 40,000 sqm of office space and an international hotel with 300 rooms (planned opening 4th quarter 2009)
- Redevelopment of the Erzsebet office complex (planned opening of tower B 2nd quarter 2009)

The following projects are in advanced stages of development:

- Office building or Hotel Le Palais, Warsaw
- Office building, Krakow
- Hotel Munich
- Palais Hansen, Vienna
- Shopping centre, Białystok

The following projects are currently under development in a joint venture with Louvre Hotels:

- Campanile, Budapest
- Campanile, Zielona Gora
- Campanile, Wroclaw
- Premiere Classe, Wroclaw

Vienna, 26 November 2008

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF **30 SEPTEMBER 2008**

CONSOLIDATED INCOME STATEMENT

in EUR	Note	01–09/08	07–09/08	01–09/07	07–09/07
Revenues					
Revenues – "Hotels & Resorts" segment		66,242,706	24,649,466	51,594,033	20,401,040
Revenues – "Development & Asset Management" segment		4,658,503	1,926,457	6,102,032	1,859,510
		70,901,209	26,575,923	57,696,065	22,260,550
Gains from the sale of disposal groups					
Revenues from the sale of real estate (share deals)		18,250,000	–	7,366,489	–
Carrying amounts of the disposal groups sold		(8,665,249)	–	(4,999,227)	37,960
	[05]	9,584,751	–	2,367,262	37,960
Other income and expenses					
Changes in real estate projects under development or construction		(259,333)	(172,422)	(1,091,269)	(90,718)
Other income	[12]	4,212,608	(121,616)	4,743,639	(5,134)
		3,953,276	(294,038)	3,652,370	(95,852)
Expenses for materials and services received		(31,529,828)	(11,100,881)	(21,587,080)	(8,337,239)
Expenses for project development		(1,112,488)	(417,183)	(638,272)	(32,832)
Personnel expenses	[08]	(20,197,609)	(6,360,740)	(15,827,677)	(5,719,640)
Depreciation and amortisation expense		(9,240,384)	(3,052,357)	(7,068,529)	(2,556,101)
Other expenses	[09]	(6,140,498)	(1,924,599)	(6,241,661)	(2,143,715)
Negative goodwill recognised in income	[06]	2,920,854	–	4,251,099	4,251,099
		(65,299,953)	(22,855,760)	(47,112,119)	(14,538,427)
Operating profit		**19,139,282**	**3,426,125**	**16,603,577**	**7,664,230**
Finance revenue	[10]	2,426,272	31,932	2,197,077	102,090
Finance costs	[10]	(20,613,004)	(4,986,101)	(8,748,624)	(3,088,944)
Profit before tax		**952,550**	**(1,528,044)**	**10,052,031**	**4,677,375**
Current income tax expense	[11]	(1,338,461)	(1,266,635)	(6,503)	19,771
Deferred taxes	[11]	2,422,919	1,828,994	1,404,546	1,233,269
Profit for the period		**2,037,008**	**(965,685)**	**11,450,074**	**5,930,415**
Attributable to:					
- Equity holders of the parent		1,963,672	(1,072,636)	11,425,567	5,946,337
- Minority interests		73,336	106,951	24,507	(15,922)
		2,037,008	(965,685)	11,450,074	5,930,415
Earnings per share: undiluted, for the profit of the year attributable to ordinary equity holders of the parent		0.06	(0.03)	0.32	0.17

CONSOLIDATED BALANCE SHEET

in EUR	Note	30/9/2008 unaudited	31/12/2007 audited	30/9/2007 unaudited
ASSETS				
Non-current assets				
Property, plant and equipment	[12]	343,920,223	287,869,763	293,264,505
Plant under construction		130,077,361	87,190,312	39,295,455
		473,997,584	375,060,075	332,559,960
Investment properties	[13]	18,076,653	17,679,162	17,975,686
Goodwill		8,117,251	7,409,809	7,409,809
Acquired computer software		195,221	204,778	227,526
Investments in associates		11,485,032	8,229,836	–
Other financial assets	[14]	46,506,237	39,113,292	30,063,348
Deferred tax assets		5,545,507	4,208,795	4,642,952
		563,923,486	**451,905,747**	**392,879,282**
Current assets				
Inventories		1,821,848	2,200,984	2,548,968
Trade and other receivables	[16]	27,653,277	14,856,584	13,166,147
Available-for-sale investments		–	10,155,000	12,412,500
Other financial assets	[17]	1,010,820	557,436	594,350
Cash and short-term deposits		25,473,955	23,993,377	20,706,158
		55,959,900	51,763,381	49,428,123
Assets of a disposal group classified as held for sale	[07]	4,829,152	4,690,604	8,678,139
		60,789,052	**56,453,984**	**58,106,262**
TOTAL ASSETS		**624,712,538**	**508,359,731**	**450,985,544**

CONSOLIDATED BALANCE SHEET

in EUR	Note	30/9/2008 unaudited	31/12/2007 audited	30/9/2007 unaudited
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Issued capital		36,000,000	36,000,000	36,000,000
Capital reserves		55,576,939	55,576,939	56,002,672
Retained earnings		72,618,689	79,655,019	57,207,108
Treasury shares	[18]	(271,169)	–	–
Other reserves		6,359,852	5,808,226	4,251,616
		170,284,311	177,040,184	153,461,396
Minority interests		5,496,655	267,837	147,859
Total equity		**175,780,966**	**177,308,021**	**153,609,255**
Non-current liabilities				
Interest-bearing loans and borrowings	[15]	295,400,655	208,623,172	197,979,581
Provisions		3,467,379	3,370,029	3,889,175
Other liabilities		879,740	813,691	649,924
Deferred tax liability		21,641,773	19,074,381	17,921,658
		321,389,547	**231,881,273**	**220,440,338**
Current liabilities				
Trade and other payables	[16]	27,459,827	22,947,844	19,103,143
Interest-bearing loans and borrowings	[15]	94,175,364	70,302,533	49,959,376
Derivative financial instruments	[17]	15,713	–	0
Income tax payable		1,180,479	719,425	135,101
Provisions		913,947	1,033,507	1,306,753
		123,745,331	**95,003,310**	**70,504,372**
Liabilities directly associated with assets classified as held for sale	[07]	3,796,694	4,167,127	6,431,578
		127,542,025	**99,170,436**	**76,935,950**
TOTAL EQUITY AND LIABILITIES		**624,712,537**	**508,359,730**	**450,985,544**

CONSOLIDATED CASH FLOW STATEMENT

in EUR	Note	1/1–30/9/2008	1/1–30/9/2007
Cash receipts from operating activities			
From the operation of hotels and rent received		69,918,915	54,658,081
From real estate development projects		1,046,280	2,343,228
Interest received		831,864	767,055
		71,797,059	57,768,363
Cash payments for operating activities			
For real estate development projects		(2,150,497)	(708,861)
For materials and services received		(32,741,148)	(21,890,965)
For personnel and related expenses		(21,344,484)	(15,756,715)
For other expenses		(7,838,443)	(6,538,668)
Income tax paid		(972,766)	(99,543)
		(65,047,338)	(44,994,752)
Net cash flows from operating activities		**6,749,721**	**12,773,611**
Cash flows from investing activities			
Relating to property, plant and equipment:			
Proceeds from the sale of property, plant and equipment	[12]	4,648,484	195,347
Purchase of property, plant and equipment	[12]	(80,456,603)	(24,171,167)
		(75,808,119)	(23,975,820)
Relating to investment properties:			
Proceeds from the sale of investment properties		–	–
Purchase/expansion of investment properties		(760,355)	(792,542)
		(760,355)	(792,542)
Relating to available-for-sale investments:			
Proceeds from the sale of available-for-sale investments	[10]	4,206,000	653,640
Purchase of available-for-sale investments		–	(14,737,231)
		4,206,000	(14,083,590)
Purchase of computer software		(65,731)	(27,618)
Relating to other financial assets:			
Loans granted and the repayment of granted loans		1,114,681	(3,310,425)
Other		(54,372)	(258,936)
Payments for associated companies		(3,232,336)	–
		(2,172,027)	(3,569,361)
		(74,600,233)	**(42,448,931)**

CONSOLIDATED CASH FLOW STATEMENT

in EUR	Note	1/1–30/9/2008	1/1–30/9/2007
Cash flows from business combinations, other changes in the scope of consolidation and the acquisition of minority interests			
Proceeds from the sale of disposal groups		10,250,000	3,248,066
Net cash of the companies sold		(884,648)	(80,459)
	[05]	9,365,352	3,167,607
Payments made for business combinations	[06]	(17,499,852)	(9,693,867)
Cash acquired from business combinations		978,965	475,531
		(16,520,886)	(9,218,335)
Payments for business combinations effected in previous periods		(4,736,642)	(14,202,000)
		(11,892,176)	(20,252,728)
Net cash flows used in/from investing activities and changes in the scope of consolidation		**(86,492,409)**	**(62,701,659)**
Cash flows from financing activities			
Cash receipts from capital measures		–	66,000,000
Payments made for capital measures		–	(5,062,340)
Purchase of own shares (treasury shares)		(271,169)	–
Cash receipts from/payments to minority interests		129,966	(7,128)
Proceeds from loans and borrowings	[15]	118,694,386	26,114,732
Repayment of loans and borrowings	[15]	(15,230,110)	(19,639,541)
Interest and other finance cost paid		(13,894,137)	(9,035,643)
Cash receipts from/payments for derivative financial transactions	[17]	(329,429)	–
Payments for dividends			
Equity holders of the parent		(9,000,000)	(5,400,000)
Net cash flows from/used in financing activities		**80,099,506**	**52,970,081**
Net change in cash and cash equivalents		356,819	3,042,033
Net foreign exchange difference		1,043,212	162,930
Cash and cash equivalents at 1 January		24,135,200	17,649,563
Cash and cash equivalents at end of period		**25,535,231**	**20,854,525**
Cash and cash equivalents at end of period break down as follows:			
Cash and cash equivalents of the Group		25,473,955	20,706,158
Cash and cash equivalents of a disposal group classified as held for sale		61,277	148,367
		25,535,232	**20,854,525**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 September 2008 – unaudited

in EUR	Issued capital	Capital reserve	Retained earnings	Treasury shares	Other reserves	TOTAL	Minority interests	Total equity
At 1 January 2008	**36,000,000**	**55,576,939**	**79,655,018**	**–**	**5,808,226**	**177,040,183**	**267,838**	**177,308,021**
Foreign currency translation	–	–	–	–	615,609	615,609	143,832	759,441
(Deferred) tax effects of foreign currency	–	–	–	–	(42,577)	(42,577)	(15,614)	(58,191)
Net gains/losses from hedging	–	–	–	–	(26,428)	(26,428)	(143)	(26,570)
(Deferred) tax effects from hedging	–	–	–	–	5,021	5,021	27	5,048
Total income and expenses for the period recognised directly in equity	–	–	–	–	551,626	551,626	128,102	679,728
Changes in the scope of consolidation	–	–	–	–	–	–	5,029,913	5,029,913
Profit for the period	–	–	1,963,672	–	–	1,963,672	73,336	2,037,008
Total income and expenses for the period	–	–	1,963,672	–	551,626	2,515,297	5,231,352	7,746,649
Cash receipts from/payments to minority shareholders	–	–	–	–	–	–	(2,534)	(2,534)
Purchase of own shares (treasury shares)	–	–	–	(271,169)	–	(271,169)	–	(271,169)
Dividend payment	–	–	(9,000,000)	–	–	(9,000,000)	–	(9,000,000)
At 30 September 2008	**36,000,000**	**55,576,939**	**72,618,689**	**(271,169)**	**6,359,852**	**170,284,311**	**5,496,655**	**175,780,966**

for the period from 1 January to 30 September 2007 – unaudited

in EUR	Issued capital	Capital reserve	Retained earnings	Treasury shares	Other reserves	TOTAL	Minority interests	Total equity
At 1 January 2007	**30,000,000**	**–**	**51,181,541**	**–**	**5,565,543**	**86,747,084**	**280,651**	**87,027,736**
Foreign currency translation	–	–	–	–	(30,375)	(30,375)	32,756	2,382
(Deferred) tax effects of foreign currency	–	–	–	–	(411)	(411)	162	(249)
Fair value gains of available-for-sale investments	–	–	–	–	(2,241,429)	(2,241,429)	–	(2,241,429)
(Deferred) tax effects of fair value gains	–	–	–	–	552,936	552,936	–	552,936
Tax rate change for revaluation reserve IFRS 3	–	–	–	–	211,530	211,530	–	211,530
Net gains/losses from hedging	–	–	–	–	239,286	239,286	1,293	240,579
(Deferred) tax effects from hedging	–	–	–	–	(45,464)	(45,464)	(246)	(45,710)
Total income and expenses for the period recognised directly in equity	–	–	–	–	(1,313,927)	(1,313,927)	33,965	(1,279,961)
Changes in the scope of consolidation	–	–	–	–	–	–	(184,137)	(184,137)
Profit for the period	–	–	11,425,566	–	–	11,425,566	24,507	11,450,074
Total income and expenses for the period	–	–	11,425,566	–	(1,313,927)	10,111,640	(125,664)	9,985,975
Cash receipts from/payments to minority shareholders	–	–	–	–	–	–	(7,128)	(7,128)
Capital increase	6,000,000	60,000,000	–	–	–	66,000,000	–	66,000,000
Capital procurement costs		(4,981,429)	–	–	–	(4,981,429)	–	(4,981,429)
(Deferred) tax effects of capital procurement costs		984,101	–	–	–	984,101	–	984,101
Dividend payment	–	–	(5,400,000)	–	–	(5,400,000)	–	(5,400,000)
At 30 September 2007	**36,000,000**	**56,002,672**	**57,207,108**	**–**	**4,251,616**	**153,461,396**	**147,859**	**153,609,255**

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 registration number FN 78485 w. Its registered address is Floridsdorfer Hauptstrasse 1, A-1210 Vienna (formerly Porzellangasse 4, A-1090 Vienna), Austria. The interim financial statements of Warimpex Finanz- und Beteiligungs AG for the period ended 30 September 2008 were authorised for release by the directors on 26 November 2008. The main activities of the Company are described in Note [4] "Segment information".

[02] Basis of preparation

The interim consolidated financial statements for the period ended 30 September 2008 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 2007.
The accounting and valuation methods applied in preparing the interim consolidated financial statements as of 30 September 2008 have remained unchanged from the consolidated financial statements as of 31 December 2007.
With respect to the changes effective under IFRS as of 1 January 2008 and their effects, please refer to the details stated in the consolidated annual financial statements as of 31 December 2007.
By their very nature, interim consolidated financial statements are based on estimates to a greater extent than annual consolidated financial statements. In addition to the principal estimation uncertainties identified in the consolidated annual statements (goodwill as well as the valuation of land and buildings for first-time consolidation purposes), the interim financial statements are affected by estimation uncertainties resulting from the timing of asset impairments or write-ups.

[03] Seasonal fluctuations in results

Owing to seasonal fluctuations in tourism, in particular city tourism, earnings contributions from hotel properties are generally higher in the second half of the year. By contrast, no determinable pattern can be identified with regard to contributions from the sale of subsidiaries or business combinations.

[04] Business segments – overview for the period from 1 January to 30 September 2008 – unaudited

	Hotels & Resorts		Development & Asset-Management		Total in EUR	
in EUR	**2008**	2007	**2008**	2007	**2008**	2007
External sales	66,242,706	51,594,033	4,658,503	6,102,032	70,901,209	57,696,065
Segment results	7,888,396	10,169,928	11,250,887	6,433,650	19,139,282	16,603,578
Investments						
• In tangible fixed assets and software	75,789,196	19,563,402	13,810,421	2,474,208	89,599,617	22,037,610
• In financial assets	–	202,407	13,846,582	5,865,595	13,846,582	6,068,002
Business combinations and other changes in the scope of consolidation	23,422,507	34,785,004	(17,194,259)	(5,069,899)	6,228,248	29,715,105
	99,211,703	54,550,813	10,462,744	3,269,905	109,674,447	57,820,717
Depreciation						
• Ordinary depreciation	(8,364,101)	(6,587,765)	(876,283)	(480,764)	(9,240,384)	(7,068,529)
Net cash flows from operating activities	13,125,355	15,538,413	(6,375,633)	(2,764,802)	6,749,722	12,773,611
Segment assets	482,025,988	356,311,249	142,686,550	94,674,294	624,712,538	450,985,544
Segment liabilities (gross)	(375,441,195)	(282,389,333)	(73,490,377)	(14,986,955)	(448,931,572)	(297,376,288)
Intragroup financing	43,752,359	32,771,944	(43,752,359)	(32,771,944)	–	–
Segment liabilities (net)	(331,688,836)	(249,617,389)	(117,242,736)	(47,758,899)	(448,931,572)	(297,376,288)
Average payroll	1,380	1,101	75	64	1,455	1,165

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

for the period from 1 January to 30 September 2008 – unaudited

	Luxury		Up-Market		Others	
in EUR	**2008**	2007	**2008**	2007	**2008**	2007
Sales revenues	16,332,109	14,437,801	44,491,422	33,457,416	5,282,695	3,477,653
Expenses for materials and services	(6,889,500)	(5,601,364)	(17,427,141)	(11,187,869)	(1,660,753)	(934,215)
Personnel expenses	(4,875,888)	(3,816,575)	(10,199,633)	(6,917,528)	(1,046,238)	(595,427)
Gross operating profit	**4,566,721**	**5,019,862**	**16,864,648**	**15,352,018**	**2,575,703**	**1,948,011**
Hotel employees	346	321	830	648	155	90
Rooms available						
Total	661	661	2,588	1,977	437	282
thereof available from January to September	661	648	2,515	1,977	428	264
Joint venture share	(202)	(247)	(755)	(601)	–	–
Time allocation	–	–	(72)	(127)	(36)	–
Rooms available Group	**459**	**401**	**1,688**	**1,249**	**392**	**264**
Rooms sold	291	265	1,132	892	248	172
Average room occupancy rate	**63%**	**66%**	**67%**	**71%**	**63%**	**65%**
Management fee	(883,097)	(661,586)	(2,430,714)	(1,933,966)	(284,088)	(277,193)
Property costs	(418,088)	(365,397)	(1,189,706)	(374,045)	(107,918)	(209,181)
Net operating profit	**3,265,536**	**3,992,878**	**13,244,228**	**13,044,008**	**2,183,698**	**1,461,636**
Other revenues	–	–	74,527	–	61,954	–
Other costs after GOP	(245,019)	(297,071)	(980,344)	(1,073,874)	(119,075)	(72,322)
Pre-opening costs	–	–	(125,288)	(133,220)	–	–
Depreciation	(2,903,007)	(2,448,270)	(4,808,104)	(3,671,012)	(652,990)	(468,484)
Contribution to operating profit	**117,510**	**1,247,538**	**7,405,019**	**8,165,903**	**1,473,586**	**920,831**
thereof in						
• Czech Republic	(328,594)	980,780	3,869,513	5,935,470	–	–
• Poland	446,105	266,758	2,236,823	1,247,974	917,422	920,831
• France	–	–	1,758,759	801,865	–	–
• Germany	–	–	(8,227)	–	–	–
• Russia	–	–	–	–	556,164	–
• Romania	–	–	(451,848)	180,593	–	–
	117,510	1,247,538	7,405,019	8,165,903	1,473,586	920,831
Total for hotels in operation					**8,996,115**	**10,334,271**
Less expenses for hotels under construction/in planning phase					**(1,107,720)**	**(164,344)**
Segment contribution to operating profit					**7,888,396**	**10,169,928**

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

for the period from 1 January to 30 September – unaudited

	Luxury		Up-Market		Others	
in EUR	**2008**	2007	**2008**	2007	**2008**	2007
Cash receipts	16,549,621	14,447,037	44,295,075	32,562,636	5,174,710	3,175,917
Interest received	70,281	49,034	46,056	61,351	–	3,375
Cash paid for materials and services	(7,774,776)	(5,647,230)	(21,063,943)	(13,732,823)	(1,890,994)	(1,039,186)
Cash paid for personnel expenses	(5,013,555)	(3,955,758)	(10,576,263)	(7,413,330)	(1,134,351)	(655,914)
Cash paid for other expenses	(752,128)	(573,400)	(2,776,469)	(1,250,015)	32,135	(254,071)
Income tax paid	–	–	(607,666)	(31,500)	(104,954)	–
	3,079,445	**4,319,683**	**9,316,790**	**10,196,319**	**2,076,545**	**1,230,122**
thereof in						
• Czech Republic	952,793	2,638,784	4,357,846	7,037,977	–	–
• Poland	2,126,652	1,680,899	3,037,044	1,374,057	1,479,535	1,230,122
• France	–	–	2,219,639	1,554,303	–	–
• Germany	–	–	(146,431)	–	–	–
• Russia	–	–	–	–	597,011	–
• Romania	–	–	(151,308)	229,982	–	–
	3,079,445	4,319,683	9,316,790	10,196,319	2,076,545	1,230,122

	2008	2007
Total for hotels in operation	**14,472,780**	**15,746,124**
Less expenses for hotels under construction/in planning phase	(1,347,425)	(207,711)
Segment contribution to operating profit	**13,125,355**	**15,538,413**

Analysis of the segment "Development & Asset Management" – year-on-year comparison

for the period from 1 January to 30 September – unaudited

	Asset Management		Development		Others	
in EUR	**2008**	2007	**2008**	2007	**2008**	2007
Sales revenues	2,480,757	1,875,304	1,628,881	3,802,186	548,865	424,542
Changes in real estate projects under development	–	–	(259,333)	(1,091,269)	–	–
Sale of subsidiaries & negative goodwill recognised in income	–	–	12,513,674	6,618,361	(8,070)	–
Other income	–	(0)	4,203,282	4,715,852	–	2,190
Expenses for materials	(941,074)	(712,100)	(292,984)	(198,180)	(576,210)	(368,621)
Project development expenses	(20,475)	(74,347)	(514,617)	(338,276)	–	–
Personnel expenses	(21,834)	(25,401)	(3,268,162)	(3,819,099)	(16,607)	–
Depreciation	(321,492)	(251,861)	(496,894)	(196,098)	(57,898)	(32,805)
Other operating expenses	240,450	(166,362)	(3,561,549)	(3,717,633)	(7,824)	(12,735)
Segment operating results	**1,416,332**	**645,234**	**9,952,298**	**5,775,845**	**(117,743)**	**12,571**
thereof in						
• Czech Republic	–	(29,347)	4,143,990	(112,754)	–	–
• Poland	53,480	244,102	(520,384)	(228,803)	(98,525)	12,571
• Germany	–	–	(29,461)	–	–	–
• France	–	–	(154,895)	(64,079)	–	–
• Austria	–	–	7,397,889	5,768,538	–	–
• Hungary	1,383,328	430,478	(771,849)	439,156	–	–
• Others	(20,475)	–	(112,992)	(26,213)	(19,219)	–
	1,416,332	**645,234**	**9,952,298**	**5,775,845**	**(117,743)**	**12,571**

Segment cash flow "Development & Asset Management" – year-on-year comparison

for the period from 1 January to 30 September – unaudited

	Asset Management		Development		Others	
in EUR	**2008**	2007	**2008**	2007	**2008**	2007
Cash receipts from rent	2,550,418	1,938,646	689,410	1,829,595	658,314	471,002
Cash receipts from development	–	–	1,046,280	2,343,228	–	–
Interest received	9,610	2,743	630,276	642,546	209	75
Cash paid for development	(20,475)	(74,347)	(1,030,221)	(225,477)	(2,692)	–
Cash paid for materials and services	(1,191,161)	(785,525)	(243,034)	(287,090)	(601,587)	(401,656)
Cash paid for personnel expenses	(21,875)	(113,219)	(4,451,100)	(3,586,810)	(16,607)	–
Cash paid for other expenses	129,670	(161,609)	(4,243,312)	(4,275,000)	(9,878)	(14,428)
Income tax paid	(10,507)	(1,262)	(247,371)	(66,213)	–	–
Segment cash flow from operating activities	**1,445,680**	**805,427**	**(7,849,073)**	**(3,625,221)**	**27,760**	**54,992**
Cash flows from the sale of disposal groups			10,250,000	3,248,066		
Cash flow before investment and financing activities			**2,400,927**	**(377,155)**		
thereof in						
• Czech Republic	–	264,987	(101,794)	(111,428)	–	–
• Poland	220,910	341,767	(457,326)	(276,488)	30,452	54,992
• Germany	–	–	(20,019)	–	–	–
• Austria	–	–	(6,391,756)	(4,100,303)	–	–
• France	–	–	(594,190)	(155,725)	–	–
• Hungary	1,245,245	198,674	(186,550)	1,048,788	–	–
• Others	(20,475)	–	(97,438)	(30,064)	(2,692)	–
	1,445,680	**805,427**	**(7,849,073)**	**(3,625,221)**	**27,760**	**54,992**

[05] Sale of shares

Under the share purchase agreement of 31 March 2008, a further 10% interest in “Avielen OAO St, Petersburg” was sold to a co-investor for EUR 12 million. By this partial sale the share held by Warimpex in the company was reduced from 60% to now 50% and the company was transferred from full consolidation to proportionate consolidation. The project company “Millenium Plaza Sp.z.o.o.” was also sold for EUR 6.25 million in Q2 of 2008. The partial sale and the transfer from full to proportionate consolidation have the following effects on the consolidated financial statements:

	EURO
Property under construction	(17,259,370)
Non-current financial assets	(35,934)
Other current receivables	(69,041)
Cash and cash equivalents	(884,648)
	(18,248,993)
Minority interests	76,875
Third-party loans	82,903
Loans extended by Warimpex	8,838,715
Deferred tax liabilities	535,443
Other current payables	49,809
	9,583,744
Book value of the company assets sold	(8,665,249)
Agreed purchase price for the shares	18,250,000
Net sale price for the shares	**9,584,751**

Cash flow

Cash receipts and cash outflows from sold shares in subsidiaries break down as follows:

Proceeds from the sale of the company shares	18,250,000
shown in “Other receivables” in the reporting period	(8,000,000)
• Gross proceeds from the sale of disposal groups	10,250,000
• Net cash of the companies sold	(884,648)
	9,365,352

[06] Business combinations IFRS 3

Under the share purchase agreement dated 10 January 2008 the Warimpex Group acquired a further 50% of the shares of "UBX Krakow Sp.z.o.o.", making the Company the 100% owner of "andel's hotel Krakow". The acquisition price amounted to EUR 4.5 million. Loans in the amount of EUR 4.4 million were assumed by the Company. Furthermore, under a share purchase agreement dated 6 March 2008 the Company purchased 60% of the shares in "Reitano Holdings Limited", which owns 100% of the existing "Hotel Liner" and a hotel development project at Ekaterinburg Airport, Russia. The purchase price of the shares amounts to USD 12,748,000.00.

Under a share purchase agreement dated 20 March 2008 the Company acquired a further 50% of the shares of "Thermoenergia Sp.z.o.o." and hence increased its interest in this company from previously 40% to 90%. "Thermoenergia Sp.z.o.o." was transferred from proportionate to full consolidation.

An additional share of 30% was acquired in the company "El Invest Sp.z.o.o.", bringing the share held by the Warimpex Group to 81%.

The fair values of the identifiable assets and liabilities of the acquired companies as of the acquisition date were as follows:

	andel's Hotel Krakow	Hotel Liner Ekaterinburg	Thermo-energia	El-Invest Sp.z.o.o.
Property, plant and equipment, software	21,133,775	14,085,087	628,812	–
Non-current financial assets	–	615,241	–	–
Other current receivables	160,780	360,453	41,885	–
Cash and cash equivalents	765,764	201,274	11,928	–
	22,060,318	15,262,055	682,625	–
Minority interests	–	(5,167,107)	(367)	60,686
Third-party loans	(5,807,216)	–	(327,442)	–
Loans extended by Warimpex	(2,216,113)	–	(218,230)	–
Deferred tax liabilities	(1,836,832)	(2,164,799)	–	–
Other current payables	(345,089)	(206,736)	(62,489)	–
	(10,205,250)	(7,538,642)	(608,529)	60,686
Fair value of net assets	11,855,069	7,723,413	74,096	60,686
Goodwill	–	686,885	–	20,557
Negative goodwill recognised directly in income	(2,920,129)	–	(725)	–
Total cost of business combination	8,934,939	8,410,298	73,371	81,243
Purchase price obligation unpaid	–	–	–	–
Cash payments made in the reporting period	8,934,939	8,410,298	73,371	81,243
Thereof cash payments for the purchase price	4,500,000	8,307,384	73,371	81,243
Thereof assumed loans to joint venture partner	4,428,618	–	–	–
Thereof ancillary costs associated with the purchase price	6,321	102,913	–	–
	8,934,939	8,410,298	73,371	81,243

[07] Subsidiaries classified as held for sale

The assets and liabilities of "Palminvest kft" developed as follows in the reporting period:

in EUR	At 1/1/2008	±Change 1–9/08	At 30/9/2008
Investment properties	4,445,643	189,804	4,635,448
Current receivables	103,138	29,290	132,428
Cash and cash equivalents	141,822	(80,546)	61,277
	4,690,604	138,549	4,829,152
Project loans	3,727,898	(440,686)	3,287,212
Deferred tax liabilities	326,303	22,643	348,946
Current payables	112,926	47,610	160,536
	4,167,127	(370,433)	3,796,694
Net assets of the disposal group	523,477	508,982	1,032,458

[08] Personnel expenses, average payroll

in EUR	1/1–30/9/2008	1/1–30/9/2007
Wages and salaries	(14,755,111)	(11,047,684)
Social insurance contributions	(3,564,705)	(2,833,663)
Other wage- and salary-related contributions	(793,635)	(554,482)
Voluntary staff costs	(159,598)	(21,883)
Billed costs for provided personnel	(803,518)	(683,072)
Payments for termination and post-employment benefits	(60,409)	(287,912)
Change in deferred entitlements for compensated absences	1,066	(60,632)
	(20,135,910)	(15,489,327)
Changes in social capital	(61,700)	(338,350)
	(20,197,609)	(15,827,677)

In the reporting period January to June, the Company employed an average staff of 1,455 (comparable period of the previous year: 1,165).

The increase in the average number of employees is basically due to the fact that the Hotel InterContinental Warsaw was included at a rate of only 33.33% (current period 50%) and Liner Hotel, the angelo airport hotel in Bucharest, Bucharest, the Holiday Inn Paris and the andel's hotel in Krakow had not yet been opened or not yet included in the scope of consolidation in the comparable period of the previous year.

The 27.6% increase in personnel expenses from EUR 15,827,677.00 to EUR 20,197,609.00 in the reporting period is partly due to the higher number of employees and partly to exchange rate appreciation, in particular of the Czech crown and Polish zloty.

Remuneration to the Management Board including the bonus entitlement of 5% of the consolidated profit amounted to EUR 893,730.00 in the reporting period (comparable period in the previous year: EUR 1,303,841.00).

[09] Other expenses

in EUR	1/1–30/9/2008	1/1–30/9/2007
Pre-opening costs	(352,788)	(133,220)
Legal fees	(1,468,746)	(986,907)
Proportionate costs for capital measures	–	(1,125,935)
Non-recoverable VAT	(380,530)	(301,884)
Property costs	(1,646,076)	(795,014)
Impairment of current assets	(246,925)	5,439
General administrative costs	(1,024,094)	(1,262,915)
Advertisement and marketing	(770,909)	(574,610)
Other	(250,431)	(1,066,616)
	(6,140,498)	(6,241,661)

[10] Financial result

in EUR	1/1–30/9/2008	1/1–30/9/2007
Financial revenue		
Interest income from cash management	749,976	902,249
Interest on loans granted to associated companies	22,861	–
Interest on loans granted to joint ventures	1,456,836	716,472
	2,229,674	1,618,721
Foreign currency gains on interest-bearing loans denominated in CHF	–	358,410
Derivative financial instruments	196,598	219,945
	2,426,272	2,197,077
Finance costs		
Interest on short-term borrowings, project loans and other loans	(12,212,719)	(8,043,068)
Interest on loans from minority shareholders	(8,401)	(1,551)
Interest on loans relating to joint ventures	(739,225)	(462,086)
Interest on loans from related parties	–	(11,723)
	(12,960,345)	(8,518,429)
Derivative financial instruments	[1] (727,178)	–
Interest rate component for social capital	(75,066)	(98,400)
Foreign currency losses on interest-bearing loans denominated in CHF	[2] (552,330)	–
Other finance costs	(349,086)	(98,989)
Losses on the sale of available-for-sale investments	[3] (5,949,000)	(32,806)
	(20,613,004)	(8,748,624)

[1] Foreign currency losses on derivative financial instruments arose from the CMS spread caps discussed under note [17], which were purchased for EUR 0.97 million at the end of Q2 2008.

[2] Foreign currency losses on interest-bearing loans denominated in CHF arose from an outstanding project loan in the amount of CHF 12.4 million at 30 September 2009. The loan runs until the end of 2016.

[3] The credit spreads associated with last year's investment in the credit spread index booster notes have widened even further in the reporting period, representing a potential threat to the recoverability of the position.
The Company decided to sell this position in the first quarter of 2008 in order to avoid further losses. On 18 February 2008 the pro-rata interest for 63 days in the amount of EUR 158,182.50 was credited to the Company's account; the proceeds from the sale amounted to EUR 4,206,000.00, while the losses realised in the reporting period amounted to EUR 5,790,817.00.
The year-on-year increase in interest on short-term borrowings, project loans and other loans in the reporting period was in line with the development of liabilities.

[11] Income taxes

A reconciliation of tax expense and the product of accounting profit multiplied by the Group's domestic tax rate of 25% for the reporting period (2007: 25%) is as follows:

in EUR	1/1–30/9/2008	1/1–30/9/2007
Accounting profit before income tax	**952,550**	**10,052,031**
Accounting profit before income tax *25% (previous year 25%)	(238,137)	(2,513,008)
± Tax rate changes	–	1,432,893
± Other foreign tax rates	(534,216)	136,210
± Tax free profits from the participation exemption (Sec. 10, Austrian CIT Act)	2,813,074	590,816
± Permanent differences	198,903	(251,135)
± Discount on previously recognised temporary differences	(1,219,725)	(238,919)
± Capitalisation of previously unrecognised temporary differences	116,213	1,605,294
± Permanent differences relating to (negative) goodwill	730,213	674,383
± Effects of exchange rate fluctuations	(781,868)	(38,492)
	1,084,458	1,398,044
Thereof current income tax	(1,338,461)	(6,503)
Thereof changes in tax deferrals	2,422,919	1,404,546
Effective tax rate	-113.85%	-13.91%

[12] Property, plant and equipment

The item “Property, plant and equipment” comprises land and rights equivalent to land, buildings including plant under construction, and equipment.

	30/9/2008	30/9/2007
Net carrying amount at 1 January	375,060,075	288,327,053
Changes in the scope of consolidation	18,577,280	29,672,988
Investments	88,771,367	21,217,450
Disposals	(324,593)	–
Depreciation	(8,790,812)	(6,699,386)
Exchange adjustments	704,268	41,854
Net carrying amount at 30 September	473,997,584	332,559,960
Capitalised interest contained in additions	*575,865*	*107,416*

During the reporting period, Villa Margareta in Karlovy Vary, the Czech Republic, was sold for CZK 138 million. As this transaction took the form of an asset deal, this revenue of roughly EUR 4.3 million is reported under “Other income”, while sales by means of share deals are recognised separately under the item “Gains from the sale of disposal groups”.

Cash flows from investments relate primarily to the following projects:	1/1–30/9/2008	1/1–30/9/2007
Development progress on “Airport City St. Petersburg”	(5,398,526)	(4,335,389)
Development progress on the “Louvre Hotels” joint venture	(5,466,063)	–
Expansion of “angelo airport hotel Bucharest”	(4,153,727)	–
Expansion of “Hotel Chopin”	(930,430)	(111,776)
Acquisition of neighbouring property at Parkur Tower	(1,621,298)	–
Acquisition of neighbouring property at Hotel Savoy/conversion	(121,914)	(2,092,692)
Construction progress “andel’s Berlin”	(18,116,623)	(1,570,077)
Construction progress “angelo Plzen”	(5,317,434)	(1,349,538)
Construction progress “andel’s Lodz”	(20,569,846)	(1,554,126)
Construction progress “angelo Ekaterinburg”	(7,050,513)	–
Completion of “angelo Munich”	(4,842,683)	(627,160)
Completion of “UBX 2 – Prague” office building (sold on 30 March 2007)	–	(1,995,133)
Completion of “andel’s Krakow”	(2,239,029)	(5,686,670)
	(75,828,085)	(19,322,561)
Other developments and current investments related to hotels	(4,628,518)	(4,848,606)
	(80,456,603)	(24,171,167)

[13] Investment properties

Investment properties comprise land and rights similar to land ownership, buildings including plant under construction, and equipment.

	30/9/2008	30/9/2007
Net carrying amount at 1 January	17,679,162	25,338,478
Transfers according to IFRS 5	–	(7,859,724)
Investments	762,519	792,542
Depreciation	(363,097)	(295,146)
Exchange adjustment	(1,930)	(463)
Net carrying amount on 30 September	18,076,653	17,975,686
Result from “Investment properties":		
Rental income and charged expenses	2,325,871	1,882,843
Direct expenses	(831,603)	(712,100)
	1,494,268	1,170,743

Expert opinions were obtained on the fair values of all investment properties as part of the completion of the interim consolidated financial statements as of 30 June 2008; the fair values at 30 June 2008 totalled EUR 26.02 million

[14] Other financial assets

	30/9/2008	31/12/2007	30/9/2007
Loans	6,806,152	4,041,507	3,796,725
Payments for business combinations	15,131	15,131	–
Loans to joint ventures*)	32,837,994	28,739,072	19,267,815
Deposits blocked as collateral for guarantees	5,030,377	5,145,012	5,145,012
Loans to executive staff	123,229	117,253	111,185
Claims from liability insurance	917,657	917,657	816,876
Other non-current financial assets	775,699	137,660	925,734
	46,506,237	39,113,292	30,063,347

*) Loans to joint ventures changed as follows in the reporting period: (see also note 19 for details)

At 1 January 2008	28,739,072
Additions to the scope of consolidation as per note 5	8,838,715
Eliminations from the scope of consolidation as per note 6	(2,434,343)
Interest income as per note 10	1,456,836
Repayment of extended loans	(1,114,681)
Reclassification to “Loans” (finance leasing)	(2,750,000)
Exchange adjustments	102,394
At 30 September 2008	32,837,994

[15] Interest-bearing loans

	At 1/1/2008	Changes in the scope of consolidation	New debt	Repayment	Other changes	At 30/9/2008
a) Dedicated project loans with mortgage collateral						
Fully consolidated companies						
Hotel Diplomat	35,827,170	–	–	(1,110,233)	4,689	34,721,626
Hotel Palace	16,198,500	–	–	(991,500)	–	15,207,000
Hotel Chopin	12,337,312	–	–	(154,276)	–	12,183,037
Hotel angelo Prague	10,926,598	–	–	(447,300)	–	10,479,298
Hotel Amber Baltic	8,377,442	–	–	(1,046,477)	552,330	7,883,295
Hotel angelo Bucharest	12,942,116	–	4,735,062	–	–	17,677,178
Hotel Savoy	7,961,259	–	–	(389,031)	–	7,572,228
Hotel andel's Łódź	–	–	23,159,830	–	–	23,159,830
Hotel andel's Krakow	8,021,525	8,021,525	–	–	–	16,043,049
Erszebet office building	8,000,000	–	101,050	–	–	8,101,050
Hotel Le Palais	7,271,690	–	–	(294,146)	–	6,977,543
Hotel Dvořák	6,167,204	–	–	(531,599)	–	5,635,605
Hotel angelo Ekaterinburg	–	–	15,500,000	–	–	15,500,000
Posen project development	3,869,251	–	–	(3,869,251)	–	–
Cetelem office building	2,463,767	–	–	(80,758)	–	2,383,010
Gas pipeline Warsaw	329,774	–	–	(55,898)	16,235	290,111
Gas heating plant Warsaw	223,525	306,938	–	(41,947)	21,319	509,835
Sajka office building	128,058	–	–	(34,281)	–	93,777
	141,045,191	8,328,463	43,495,942	(9,046,696)	594,573	184,417,473
Proportionately consolidated joint ventures						
Hotel InterContinental 50%	31,696,776	–	–	(562,505)	25,269	31,159,540
Hotel Dream Castle 50%	18,947,669	–	–	(368,371)	–	18,579,298
Hotel HolidayInn Paris 50%	6,000,000	–	2,000,000	–	(50,000)	7,950,000
Hotel andel's Berlin	–	–	20,450,000	–	–	20,450,000
Hotel angelo Munich 50%	10,731,073	–	4,949,921	–	–	15,680,994
Hotel angelo Plzen 50%	–	–	3,073,015	–	–	3,073,015
Sobieski hotel and office building 25%	6,622,973	–	1,731,728	–	35,899	8,390,600
Parkur Tower office building 50%	3,983,411	–	1,725,609	–	–	5,709,020
	77,981,902	–	33,930,273	(930,876)	11,168	110,992,467
b) Other loans						
Short-term working capital loans	22,732,149	–	32,431,646	–	–	55,163,795
Short-term loans	411,613	12,027	150,000	(322,607)	(65,148)	185,885
Long-term loans from joint ventures	28,519,379	(2,214,309)	2,721,339	(4,487,422)	(12,964)	24,526,023
Leasing purchase options and loans	7,517,948	–	2,750,000	–	3,821	10,271,769
Interest-free loans	650,995	–	–	–	–	650,995
Long-term loans from minority shareholders	66,528	8,477	3,273,364	–	19,243	3,367,612
	59,898,612	(2,193,805)	41,326,349	(4,810,029)	(55,047)	94,166,079
Total	**278,925,706**	**6,134,657**	**118,752,564**	**(14,787,602)**	**550,693**	**389,576,019**
c) Under IFRS 5						
Pauler office building	3,727,898	–	–	(442,509)	1,822	3,287,212

[16] Current receivables and liabilities

	30/9/2008	31/12/2007	30/9/2007
Trade and other receivables			
Trade receivables	9,158,738	7,223,570	6,415,368
Receivables for taxes	7,591,538	4,647,890	3,784,285
Extended purchase price receivables relating to the sale of subsidiaries	8,000,000	–	–
Advance payments made	626,942	372,838	430,770
Other current receivables and other current assets	460,109	977,753	483,399
Receivables due from minority shareholders	–	–	16
Receivables due from joint ventures	204,536	636,291	674,080
Receivables due from related parties	(1,283)	22,187	11,901
Deferred expenses	1,612,697	976,056	1,366,328
	27,653,277	**14,856,584**	**13,166,147**

	30/9/2008	31/12/2007	30/9/2007
Trade and other payables			
Trade payables*)	16,486,212	7,910,444	6,074,125
Trade payables due to joint ventures	503,696	758,150	755,093
Purchase price obligations from business combinations	–	736,642	–
Trade payables due to related parties	1,177,675	2,649,715	2,766,057
Purchase price obligations	5,742,238	6,670,445	3,423,120
Other payables including accruals for compensated absences	2,281,319	3,342,782	5,096,733
Advance payments received	1,268,688	879,667	988,015
	27,459,827	**22,947,844**	**19,103,142**

*) Of the trade payables reported at 30 September 2008, roughly two thirds pertain to ongoing construction projects (roughly 25% of these liabilities pertained to ongoing construction projects at 31 December 2007).

[17] Derivative financial instruments

As of 30 September 2008 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:

	Fair value 30/9/2008	Fair value 30/9/2007
Project loan Hotel Le Palais, Prague		
Notional amount at 30 September (underlying: 3-month Euribor)	6,977,543	7,408,270
Fair value at 30 September (formally expired, was agreed again in July 2008)	(15,713)	–
Project loan Hotel Chopin, Krakow		
Notional amount at 30 September (underlying: 3-month Euribor)	12,183,037	12,542,380
Fair value at 30 September	285,684	310,733
Project loan Hotel Sobieski, Warsaw (amount of the Group's proportionate share)		
Notional amount at 30 September (underlying: 3-month Euribor)	8,390,600	6,889,575
Fair value at 30 September	142,877	69,260

Other derivative financial instruments

As of the end of the reporting period the Group is party to the following derivative financial instruments. 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.

			30/9/2008	30/9/2007
Knock out CAP	Maturity date	Fair value		
	30/6/2009 buy cap	15,000,000 3-M-Euribor 4%	112,130	120,586
	14/4/2008 buy cap	5,000,000 3-M-Euribor 2%	expired	93,771

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%.

			30/9/2008	30/9/2007
CMS spread cap	Maturity date	Fair value		
	5/6/2018 buy cap	900,000 10Y/2Y EUR CMS 0.75 %	19,570	–
	5/6/2018 buy cap	54,600,000 10Y/2Y EUR CMS 1%	334,556	–
	5/6/2018 buy cap	4,200,000 10Y/2Y EUR CMS 1.1%	50,706	–
	5/6/2018 buy cap	21,000,000 10Y/2Y EUR CMS 1.25%	65,297	–

The Company bought the indicated caps on the interest difference between the 10-year EUR CMS and the 2-year EUR CMS during the reporting period. If the difference between the 10-year EUR CMS and the 2-year EUR CMS is greater than or equal to the indicated percentage rate on the respective maturity dates (the 5th of March, June, September and December), the Company receives the excess payment. There is no obligation to put up further capital.

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”.

[18] Capital stock, earnings per share

The Company's capital stock is divided into 36 million no-par-value shares. At the ordinary annual general meeting on 29 May 2008, the Management Board was authorised to purchase shares in the Company up to the maximum amount permitted by law of 10% of the total capital stock within a period of 30 months after the passing of the motion. This stock buyback programme began on 21 July 2008; the acquisition price range was set at EUR 3.00 to EUR 8.00.
As of 30 September 2008, the Company had purchased a total of 60,500 shares at an average price of EUR 4.48/share. The number of diluted shares for the period from 1 January 2008 to 30 September 2008 was 35,991,533 shares and 35,964,901 for the period from 1 July 2008 to 30 September 2008. The undiluted earnings per share are the same as the diluted earnings per share.

[19] Transactions with related parties

	1/1–30/9/2008	1/1–30/9/2007
Amber/Bocca private trust		
Balance at 1 January	–	(755,081)
Dividend entitlements	(2,861,000)	(2,215,804)
Interest	–	(8,471)
± Payments	2,861,000	2,215,804
	–	(763,553)
Management Board members with material shareholdings in the Company		
Balance at 1 January	(1,027,341)	(681,153)
Regular remuneration and bonus entitlements	(375,424)	(769,341)
Dividend entitlements	(3,559,500)	(1,871,546)
± Payments	4,679,088	2,799,982
	(283,177)	(522,058)
Other Management Board members		
Balance at 1 January	(677,874)	(3,592,792)
Dividend entitlements	freefloat	freefloat
Regular remuneration and bonus entitlements	(258,400)	(534,500)
± Payments	747,042	3,778,567
	(189,232)	(348,725)

Supervisory Board members
The Company purchased the project Avielen St. Petersburg from Friedrich Grassi, who was a member of the Supervisory Board until 29 May 2008, in financial year 2006. The Company fulfilled open purchase price obligations in connection with this purchase in the amount of EUR 4 million during the reporting period. No further amounts were open in relation to this purchase at the end of the reporting period (EUR 263,195.00 were still open at 30 September 2007).
Profit shares totalling EUR 95,000.00 were paid to eight members of the Supervisory Board in the reporting period (profit shares were paid to four members of the Supervisory Board in the amount of EUR 22,000.00 in the previous year).

	1/1–30/9/2008	1/1–30/9/2007
Vienna International AG (including KDAG Data GesmbH)		
Balance at 1 January	(922,314)	(1,058,401)
Invoiced management fees	(3,156,518)	(2,714,782)
± Payments	3,372,282	2,916,559
	(706,549)	(856,624)
Executive staff		
Balance at 1 January	117,253	(1,657,507)
Exchange effects	5,976	1,904
± Payments	–	1,767,133
	123,229	111,530

Summary of receivables from and liabilities to related parties

	30/9/2008	30/9/2007
Other financial assets	123,229	111,185
Trade receivables and other receivables (current)	(1,283)	11,901
Trade liabilities and other liabilities (current)	(1,177,675)	(2,766,057)
	(1,055,729)	(2,642,971)

Joint ventures

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

	1/1–30/9/2008	1/1–30/9/2007
Trade revenues	226,237	915,879
Loans granted to joint ventures	4,098,921	(3,265,366)
Interest income related to joint ventures	1,456,836	716,472
Interest expense related to joint ventures*)	(739,225)	(462,086)

Interest expense from loans from joint venture partners related to plant under construction are not recognised in income, while interest charged on loans granted to joint ventures is always recognised in income.

	Loans granted to joint ventures changed as follows during the reporting period			Loans granted by joint venture partners		
	At 1/1/2008	Change	At 30/9/2008	At 1/1/2008	Change	At 30/9/2008
Sienna Hotel Sp.z.o.o.	9,466,589	491,727	9,958,316	(9,416,223)	(571,304)	(9,987,527)
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG	1,837,062	378,750	2,215,812	(1,800,684)	(371,250)	(2,171,934)
GF Ramba Sp.z.o.o.	519,683	427,863	947,547	(519,509)	(425,857)	(945,366)
Thermo Energia Sp.z.o.o.	184,017	(184,017)	–	(44,273)	44,273	–
Louvre Warimpex Investment Holding S.a.r.l.	–	1,452,502	1,452,502	–	(1,452,027)	(1,452,027)
Melica Sp.z.o.o.	2,279,627	(1,460,514)	819,113	(2,234,194)	1,410,472	(823,722)
Avielen OAO	–	9,653,250	9,653,250	–	(1,433,088)	(1,433,088)
Hotel Paris II S.a.r.l.	125,687	3,509	129,195	(125,666)	(5,232)	(130,898)
Asset Paris II S.a.r.l.	6,158,644	(6,158,644)	–	(6,157,654)	6,157,654	–
UBX Krakow Sp.z.o.o.	2,216,113	(2,216,113)	–	(2,214,309)	2,214,309	–
UBX Katowice Sp.z.o.o.	368,486	622,792	991,278	(368,045)	(622,777)	(990,822)
UBX 3 s.r.o.	5,764	(193)	5,571	(6,039)	(655)	(6,694)
UBX Plzen s.r.o.	1,339,046	1,243,268	2,582,314	(1,361,422)	(1,220,892)	(2,582,314)
UBX Development s.a.r.l.	206,946	(208,551)	(1,606)	(207,151)	207,151	–
UBX 1 Objekt Berlin GmbH	4,029,850	27,697	4,057,547	(4,062,653)	87,653	(3,975,000)
UBX 2 Objekt Berlin GmbH	–	25,519	25,519	–	(25,000)	(25,000)
Hotelinvestments s.a.r.l.	1,558	76	1,634	(1,555)	(75)	(1,630)
	28,739,072	4,098,921	32,837,994	(28,519,379)	3,993,356	(24,526,023)

[20] Events after the balance sheet date

There were no significant events after the end of the reporting period.

[21] Other commitments, litigation and contingencies

There were no changes in the reporting period with respect to other commitments, litigation and contingencies as compared to the situation described in the consolidated financial statements as of 31 December 2007.

Vienna, 26 November 2008

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) Amber Baltic**, Międzyzdroje**
PL-72500 Międzyzdroje,
Promenada Gwiazd 1
191 rooms (opened 1991)

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

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

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

5) angelo hotel*, Munich**
D-81677, Munich, Leuchtenbergring 20
146 rooms (opened in May 2008)

6) angelo hotel*PLUS,Pilsen**
CZ-305 00 Pilsen, U Prazdoj
144 rooms (opened in October 2008)

7) andel's hotel**, Berlin**
D-10407 Berlin,
Landsberger Allee 106
557 rooms
(opening scheduled for 1st quarter 2009)

8) andel's hotel**, Łódź**
PL-91 065 Łódź, Ogrodowa 17
278 rooms
(opening scheduled for 1st quarter 2009)

9) angelo Airport Hotel**, Ekaterinburg-Koltsovo**
RU-Airport Ekaterinburg-Koltsovo
210 rooms
(opening scheduled for 4th quarter 2009)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Financial calendar

27 November 2008	Publication of results for 1st–3rd quarter of 2008
27 April 2009	Publication of the Annual Report 2008
25 May 2009	Publication of results for 1st quarter of 2009
28 May 2009	Annual General Meeting
2 June 2009	Ex-dividend date
5 June 2009	Dividend payment date
28 August 2009	Publication of results for 1st half of 2009
26 November 2009	Publication of results for 1st–3rd quarter of 2009

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