warimpex

WARIMPEX

Report on the First Half of 2016

WARIMPEX GROUP

Key Figures

in EUR ’000	**1–6/2016**	Change	1–6/2015
Hotels revenues	24,188	-6%	25,777
Investment Properties revenues	3,983	457%	716
Development and Services revenues	789	-46%	1,453
Total revenues	*28,959*	*4%*	*27,945*
Expenses directly attributable to revenues	-16,906	-8%	-18,308
Gross income from revenues	*12,054*	*25%*	*9,637*
Gains or losses from the disposal of properties	147	–	-1,408
EBITDA	6,289	7%	5,905
Depreciation, amortisation, and remeasurement	3,918	–	-25,079
EBIT	10,207	–	-19,174
Earnings from joint ventures	61	–	2,428
Profit or loss for the period	12,300	–	-24,874
Net cash flow from operating activities	6,382	39%	4,592
Equity and liabilities	361,669	-18%	438,971
Equity	31,888	20%	26,615
Equity ratio	9%	3 pp	6%
Average number of shares in the financial year	54,000,000	–	54,000,000
Earnings per share in EUR	0.13	–	-0.29
Number of hotels	15	-3	18
Number of rooms (adjusted for proportionate share of ownership)	2,672	-497	3,169
Number of office and commercial properties	4	-1	5
Segment information (including joint ventures on a proportionate basis):			
Hotels revenues	37,832	-22%	48,156
Hotels net operating profit (NOP)	10,824	-23%	14,001
NOP per available room	3,884	-6%	4,122
Investment Properties revenues	4,351	299%	1,091
Investment Properties EBITDA	3,287	531%	521
Development and Services revenues	1,075	-36%	1,684
Gains or losses from the disposal of properties	147	–	-1,408
Development and Services EBITDA	-2,368	366%	-509

	30/6/2016	Change	31/12/2015
Gross asset value (GAV) in EUR millions	344.4	1%	340.8
Triple net asset value (NNNAV) in EUR millions	100.8	2%	98.4
NNNAV per share in EUR	1.9	–	1.8
End-of-period share price in EUR	0.536	-19%	0.665

Contents

angelo****
Plzeň, CZ

Highlights

Operational highlights

4/2016
Warimpex receives construction permit for Ogrodowa office building (roughly 26,000 square metres) in Łódź

6/2016
Warimpex sells 50% share in office property Parkur Tower, Warsaw, to joint venture partner

7/2016
Warimpex receives construction permit for Mogilska office building (roughly 12,000 square metres) in Krakow

OTHER SECURITIES OF WARIMPEX FINANZ- UND BETEILIGUNGS AG AS AT 30 JUNE 2016

	ISIN	Conversion price	Outstanding amount
Bond 03/17	–	–	PLN 15,000,000
Convertible bond 06/17	AT0000A18Q78	EUR 1.80	EUR 4,500,000
Bond 10/17	AT0000A139F7	–	PLN 1,500,000
Bond 02/18	PLWRMFB00024	–	PLN 3,000,000
Convertible bond 11/18	AT0000A100Y0	PLN 5.94	PLN 19,500,000
Bond 12/18	PLWRMFB00032	–	EUR 25,885,000
Bond 01/19	PLWRMFB00040	–	PLN 9,700,000

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

The positive trend from the first quarter continued. Hotel operations developed well, and we also saw encouraging progress in our development business. A construction permit was issued in April for our office project near the andel's hotel in Łódź with roughly 26,000 square metres of space. After the reporting date, we also received the construction permit for the project in Krakow, where an office building owned by Warimpex will be demolished to make way for a new building with around 12,000 square metres of space. In Russia, we began construction of a multifunctional building with around 450 parking spaces and roughly 6,000 square metres of office and archive space at AIRPORTCITY St. Petersburg at the beginning of the year. The entire building is already completely let out and is to be finished in the middle of 2017.

The prospects in Russia have now improved somewhat. The International Monetary Fund slightly raised its economic growth projection for Russia for 2016 from -1.6 per cent to -1.2 per cent and from 0.8 per cent to 1.0 per cent for 2017. The rouble recovered further in the second quarter, offsetting part of the prior non-cash foreign currency losses.

Occupancy at our fully consolidated hotels rose while room rates remained stable. However, the reduction in the number of rooms that resulted from the sale of the two establishments in Ekaterinburg caused revenues from the Hotels segment to decline by 6 per cent to EUR 24.2 million, but the NOP did not change. Revenues from our office buildings rose. The completion and letting of the Zeppelin office tower at AIRPORTCITY St. Petersburg and of the Erzsébet office building in Budapest caused a EUR 0.7 million increase in revenues from the rental of office properties to EUR 4 million. This boosted total revenues by 4 per cent to EUR 29 million. The gross income from revenues also improved by 25 per cent to EUR 12.1 million.

EBITDA climbed from EUR 5.9 million to EUR 6.3 million, and EBIT improved from EUR -19.2 million to a positive EUR 10.2 million. This was largely due to measurement gains of EUR 7.9 million in our development projects. Because of non-cash foreign currency gains, the financial result pleasingly turned from a negative EUR 3.4 million to plus EUR 3.9 million. Interest costs decreased substantially from EUR 11.8 million to EUR 6.4 million. In addition to debt reduction this resulted from the arrangement of refinancing under better terms. All in all, this led to a profit of EUR 12.3 million for the period, a marked improvement over the comparison period (1–6 2015: loss of EUR 24.9 million).

In terms of transactions, we sold our 50% stake in the Parkur Tower office building in Warsaw to our joint venture partner in June. We also signed a letter of intent for the sale of a hotel to an international investor in May. The deal is expected to close in the second half of the year.

We expect the current positive trend to continue in the second half of 2016. We intend to move forward with our current development projects in Poland, Russia, and Hungary, and to potentially initiate a further transaction in addition to the announced deal. At the same time, we are working to further improve the profitability of our hotels, to improve our financing conditions, and to repay or refinance expensive lines of credit. To this end, we will also place a focus on diversifying our portfolio in terms of markets and assets in future.

Franz Jurkowitsch

warimpex

Semi-Annual Consolidated Management Report

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

Economic Environment

In its World Economic Outlook update in July 2016, the International Monetary Fund (IMF) updated its April economic projections for 2016 as follows: The Eurozone economy is now expected to grow by 1.6 per cent in 2016 (April 2016 projection: 1.5 per cent), and by 1.4 per cent (1.6 per cent) in 2017. The 2016 projection for Russia improved from -1.6 per cent to -1.2 per cent and from 0.8 per cent to 1.0 per cent for 2017. Economic growth is still expected to total [1] 3.5 per cent (3.5 per cent) in emerging and developing Europe in 2016. The IMF growth projection for 2017 is 3.2 per cent (3.3 per cent).

Markets

POLAND

Existing portfolio: 6 hotels

Warimpex has been 50 per cent leaseholder of the five-star InterContinental in Warsaw since December 2012. Warimpex and UBM developed the hotel together, and each most recently held 50 per cent of the hotel with its 414 rooms. Warimpex and UBM sold the hotel at the end of December 2012. A lease was concluded between the purchaser and a subsidiary of Warimpex and UBM, under which it will lease the hotel back at a fixed rate and continue to run the establishment under the brand InterContinental until 2027. In Krakow, Warimpex has owned the three-star Vienna House Easy Chopin hotel since 2006 and has operated the four-star-plus andel's hotel since 2007 (as owner until 2009, and as leaseholder since then). In Łódź, Warimpex opened a further andel's hotel in June 2009; in March 2010, the first angelo hotel in Poland (a joint venture with UBM) opened in Katowice. In Międzyzdroje on the Baltic coast, Warimpex owns the Amber Baltic spa resort hotel.
The occupancy rate at the InterContinental hotel rose to 84 per cent (1–6 2015: 78 per cent), and the average room rate in euros rose slightly. The andel's hotel in Łódź achieved an occupancy rate of 65 per cent (1–6 2015: 61 per cent), and the average room rate in euros remained stable. Occupancy at the Chopin Hotel in Krakow fell from 67 per cent to 66 per cent, but the average room rate in euros increased marginally. At the andel's hotel in Krakow, occupancy came in at 77 per cent (1–6 2015: 75 per cent), and the average room rate rose by around 7 per cent. Room occupancy at the Amber Baltic beachfront resort amounted to 44 per cent (1–6 2015: 44 per cent), and the average room rate increased by roughly 10 per cent. Due to its location on the Baltic coast, occupancy rates at this hotel are subject to stronger seasonal fluctuations, and cannot be compared with those of city hotels.

Under development: 3 office buildings, 1 development property

In Łódź, Warimpex purchased a property near the andel's hotel for the development of an office building. The Company plans to build a new office building with roughly 26,000 square metres of space. The construction permit was issued in April 2016.
In addition, an office building owned by Warimpex in Krakow is to be demolished and replaced by a new office building with around 12,000 square metres of space. The building permit was issued in July 2016.
Warimpex is also the owner of a development property next to the Chopin Hotel, on which an office building with around 26,000 square metres of space is to be built. Planning for this project is under way.
Warimpex owns a development property in Białystok.

CZECH REPUBLIC

Existing portfolio: 4 hotels

In the Czech Republic, Warimpex owns the Hotel Vienna House Diplomat in Prague and the angelo hotels in Prague and Plzeň (50 per cent). Warimpex also operates the Vienna House Dvorak Karlovy Vary in Karlovy Vary as the leaseholder.
In the reporting period, the Diplomat Hotel and the angelo hotel in Prague achieved occupancy rates of 66 and 72 per cent (1–6 2015: 64 and 65 per cent), respectively; the average room rates were stable at both establishments. Occupancy at the angelo hotel in Plzeň improved from 67 to 69 per cent, and the average room rate remained stable. At the Dvorak hotel, occupancy fell from 51 per cent to 48 per cent, and the average room rate declined by roughly 10 per cent.

HUNGARY

Existing portfolio: 3 office properties

In Budapest, Warimpex owns the Erzsébet, Dioszegi, and Sajka office buildings, which together have a total net floor space of around 17,000 square metres.
The Dioszegi office building has roughly 800 square metres of lettable space and is almost fully occupied. The Sajka office building with its approximately 600 square metres of lettable space is also nearly fully let out.

[1] Emerging and Developing Europe
Composed of 13 countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Kosovo, Lithuania, FYR Macedonia, Montenegro, Poland, Romania, Serbia, and Turkey

At Erzsébet Office in Budapest, 12,250 square metres (of 14,500 square metres) are let to the insurance company Groupama Garancia Insurance Private Co. Ltd. – a Hungarian branch of the international Groupama Group – under a long-term lease. Tenants are being sought for the remaining space.

Under development: 1 hotel

Warimpex owns a plot of land on Üllői út in Budapest, and planning is under way for a hotel with adjoining apartments.

ROMANIA

Existing portfolio: 1 hotel

The angelo Airporthotel in Bucharest, which Warimpex acquired in 2007 and expanded by 69 rooms in 2008 along with adapting it into an angelo hotel, saw an occupancy increase from 59 to 65 per cent. The average room rate in euros remained constant.

FRANCE

Existing portfolio: 2 hotels

In Paris, Warimpex and its partner UBM are the joint leaseholders (finance leasing) of the four-star Vienna House Dream Castle Hotel and the four-star Vienna House Magic Circus at Disneyland® Resort Paris, each of which have about 400 rooms. Occupancy at the hotels declined to 63 and 50 per cent (1–6 2015: 68 and 59 per cent), respectively. The average room rate fell by around 18 per cent at both establishments. The cause of the poorer performance is above all fear of terrorist attacks in France.

AUSTRIA

Existing portfolio: 1 hotel

In Vienna, Warimpex holds around 10 per cent of the project company behind the Palais Hansen Kempinski hotel in Vienna together with Wiener Städtische Versicherung/Vienna Insurance Group and UBM. The hotel is Warimpex's first project in Austria and was opened in March 2013.

RUSSIA

Existing portfolio: 1 hotel, 1 office property

In St. Petersburg, Warimpex holds 55 per cent of AIRPORTCITY St. Petersburg. In the first phase of the project, a four-star Crowne Plaza hotel (InterContinental Hotel Group) and office buildings (Jupiter 1 and 2) with 16,800 square metres of lettable space were opened at the end of December 2011. AIRPORTCITY St. Petersburg is being developed by OAO AVIELEN A.G. together with CA Immo and UBM and is directly next to Pulkovo 2 international airport in St. Petersburg. AIRPORTCITY is the first premium-class business centre in the region and is a key infrastructure project in the growing economic centre of St. Petersburg.

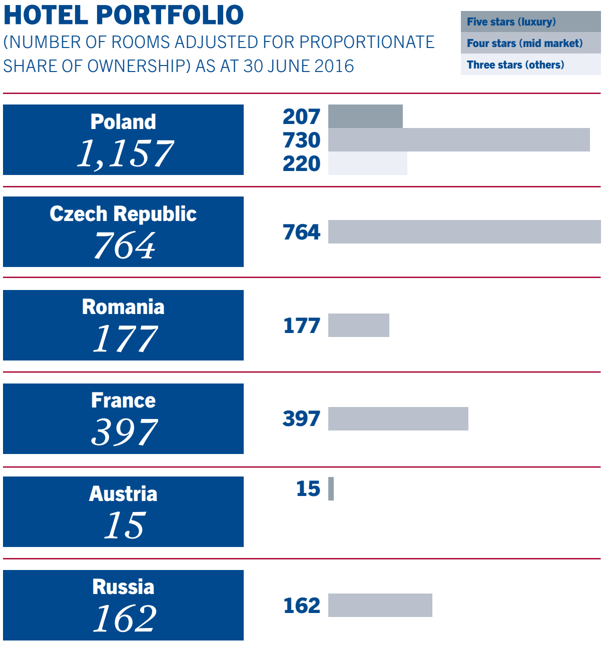
The contract for the sale of the Jupiter 1 and Jupiter 2 office towers at AIRPORTCITY St. Petersburg was signed in November 2014, and the deal closed in the first quarter of 2015. The Zeppelin office building with 15,600 square metres of lettable space was completed at AIRPORTCITY at the end of June 2015. The tower is completely let out. The Crowne Plaza achieved occupancy of 66 per cent (1–6 2015: 69 per cent) while the average room rate in euros rose slightly.

Under development:
1 multifunctional building, 1 development property

Construction of a multifunctional building for around 450 vehicles and of around 6,000 square metres of office and archive space was begun at AIRPORTCITY St. Petersburg at the beginning of 2016. The entire building is already completely let out and is to be finished in the middle of 2017.

HOTEL PORTFOLIO

(NUMBER OF ROOMS ADJUSTED FOR PROPORTIONATE SHARE OF OWNERSHIP) AS AT 30 JUNE 2016



The reduction in the proportionate number of rooms by 497 in annual comparison to 2,672 can be attributed to the sale of the andel's Berlin as well as the Liner and angelo hotels in Ekaterinburg.

Assets, Financial Position, and Earnings Situation

Earnings situation

Development of revenues
Revenues in the Hotels segment declined by 6 per cent to EUR 24.2 million in the first half of 2016 due to hotel sales in the prior year (angelo Ekaterinburg with 211 rooms, Liner Ekaterinburg with 155 rooms).

Revenues from the rental of office properties (Investment Properties revenues) increased from EUR 0.7 million to EUR 4.0 million as a result of the completion and letting of the Zeppelin office tower in St. Petersburg and of an office tower in Budapest.

Total revenues advanced by 4 per cent to EUR 29.0 million.

Expenses directly attributable to revenues fell from EUR 18.3 million to EUR 16.9 million.

Gains or losses from the disposal of properties
In June 2016, the 50 per cent stake in the owner of the Parkur office tower in Warsaw was sold to the joint venture partner.

The deal for the sale of both Jupiter office towers in St. Petersburg closed during the comparison reporting period. The loss from the disposal of properties can be attributed to the transaction costs.

EBITDA
Earnings before interest, taxes, depreciation and amortisation, and gains/losses on the remeasurement of investment properties (EBITDA) rose from EUR 5.9 million to EUR 6.3 million.

Depreciation, amortisation, and remeasurement
The valuation result from the office assets (investment properties) came to EUR 7.9 million (1–6 2015: EUR 15.1 million). The increase can above all be attributed to progress in development projects in Poland.

EBIT
EBIT improved from EUR -19.2 million to EUR 10.2 million.

Financial result
Finance income (including earnings from joint ventures) went from EUR -3.4 million to EUR 3.9 million.

Financing expenses declined from EUR 11.8 million to EUR 6.4 million primarily due to the reduction of financial liabilities as well as the refinancing transactions completed in the previous year at lower interest rates.

Non-cash gains of EUR 9.2 million (1–6 2015: EUR 4.5 million) in connection with exchange rate changes had an impact on the financial result for the period.

Profit or loss for the period
The result for the period for the Warimpex Group improved from EUR -24.9 million in the previous year to EUR 12.3 million.

Segment analysis

The Warimpex Group has defined the business segments of: Hotels, Investment Properties, and Development and Services. The joint ventures that are recognised using the equity method in the consolidated financial statements are included in the segment report using the proportionate consolidation method. The Hotels segment is comparable with the hotels and/or hotel rooms held by the Group as consolidated entities in the reporting period (with the joint ventures recognised on a proportionate basis). The Investment Properties segment contains the rental revenue from office properties. The Development and Services segment covers development services, activities of the Group parent, and profit contributions from the sale of properties.

Hotels segment*

in EUR '000	**1–6/2016**	1–6/2015
Revenues for the Group	37,575	48,021
Average number of hotel rooms for the Group	2,787	3,397
Occupancy	64%	64%
RevPar (in EUR)	48,6	50,0
GOP for the Group	13,956	17,738
NOP for the Group	10,824	14,001
NOP/available room in EUR	3,884	4,122

* Including all joint ventures on a proportionate basis

In the reporting period, the average number of rooms falling under Group ownership declined by 18 per cent due to the sale of the angelo and Liner hotels (both in Ekaterinburg) as well as the andel's Berlin. Revenues decreased by 22 per cent.

Key figures that are typical for the sector are used to manage the hotels. These include GOP (gross operating profit, calculated according to the Uniform System of Accounts for the Lodging Industry) and NOP (net operating profit, which corresponds to the GOP less specific costs of ownership after GOP such as management fees, insurance, property tax, etc.).

Investment Properties segment*

in EUR '000	**1–6/2016**	1–6/2015
Revenues for the Group	4,351	1,091
Segment EBITDA	3,287	521

* Including all joint ventures on a proportionate basis

The revenues and EBITDA of the Investment Properties segment increased due to the completion of the Zeppelin office tower in St. Petersburg and an office building in Budapest.

Development and Services segment*

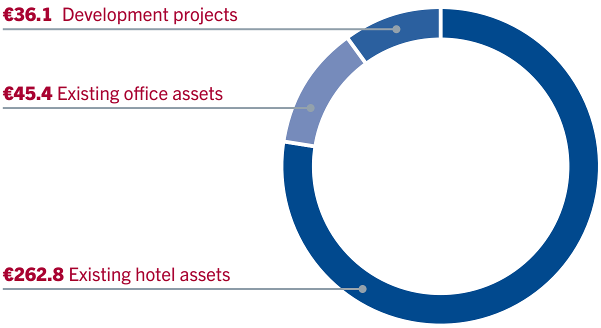
in EUR '000	**1–6/2016**	1–6/2015
Revenues for the Group	1,075	1,684
Gains or losses from the disposal of properties	147	-1,408
Segment EBITDA	-2,368	-509

* Including all joint ventures on a proportionate basis

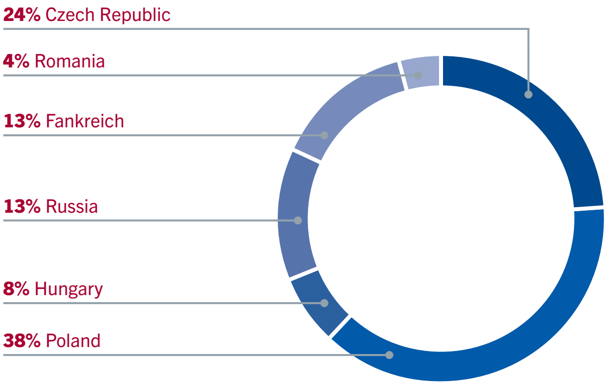
The results in this segment depend heavily on the sale of real estate holdings (share deals) and properties (asset deals) and are subject to significant year-on-year fluctuation.

Real Estate Assets

REAL ESTATE ASSETS IN MILLIONS



GAV BY COUNTRY



Calculation of gross asset value and net asset value in million EUR

Warimpex recognises its property, plant, and equipment such as hotel properties at cost less depreciation according to IAS 16, as is required for owner-operated hotels in IAS 40.12. Changes in the value of investment properties (primarily office buildings) are recognised on an ongoing basis through profit or loss according to the fair value model in IAS 40.56. To allow comparison with other real estate companies, Warimpex reports the triple net asset value (NNNAV) in its management report.

All material real estate and development projects are valuated twice annually (on 30 June and 31 December) by independent real estate appraisers.

The fair values are determined in accordance with the valuation standards of the Royal Institute of Chartered Surveyors. The fair value is the price that would be paid for the transfer of an asset or a liability in a transaction at arm's length terms on the reporting date. The real estate appraiser uses the discounted cash flow (DCF) approach to calculate the fair values of developed properties, and the comparative method for other properties. Development projects are generally measured using the residual value method, taking a developer's profit into account.

The gross asset value of Warimpex's proportionate properties came in at EUR 344.4 million on 30 June 2016 (31 December 2015: EUR 340.8 million), of which EUR 65.5 million (31 December 2015: EUR 74.9 million) can be attributed to joint ventures. This increase can be attributed primarily to progress in development projects in Poland and Russia offset by the sale of Parkur tower in Warsaw. The Group's triple net asset value (NNNAV) rose from EUR 98.4 million as at 31 December 2015 to EUR 100.8 million as at 30 June 2016.

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

in EUR millions	6/2016		12/2015	
Equity before non-controlling interests		58.9		53.8
Goodwill		-0.9		-0.9
Deferred tax assets	–		-0.1	
Deferred tax liabilities	11.0	11.0	10.1	10.0
Carrying amount of existing hotel assets	-190.3		-188.8	
Fair value of existing hotel assets	207.1	16.8	204.4	15.6
Carrying amount of development projects	-43.6		- 33.1	
Fair value of development projects	43.6	–	33.1	–
Carrying amount of joint ventures	-21.4		-24.1	
Fair value of joint ventures	36.4	15.0	44.0	19.9
Triple net asset value		**100.8**		**98.4**
Number of shares on 31 December		54.0		54.0
NNNAV per share in EUR		**1.9**		**1.8**

Material Risks and Uncertainties to Which the Group is Exposed and Risk Management

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

a) General

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

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

b) Operating risks

In the Hotels segment, Warimpex is exposed to the general risks inherent to the tourism industry such as economic fluctuations, political risks, and increasing fear of terrorist attacks. There is the risk that competitors may enter the Group's target markets, thereby increasing the number of beds available.

In the Investment Properties and Development and Services segments, the Group is exposed to finance and currency risks, interest rate risks, market entry risks, and the risk of delays in the completion of construction work on real estate projects. In addition, there are risks of rent default which may impact both the current cash flow and property values.

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

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

c) Capital market risk

Refinancing on the capital market is of high strategic importance for Warimpex.

To avoid risks of insufficient capital market compliance, Warimpex has enacted a compliance guideline that ensures adherence to the capital market regulations and that especially prevents the abuse or sharing of insider information. A permanent confidentiality area has been set up for all employees in Vienna, and temporary confidentiality areas are set up and waiting periods and trading prohibitions enacted on a project basis.

d) Legal risks

As an internationally active company, Warimpex is exposed to a wide range of legal risks. These include risks related to the purchase and sale of properties and legal disputes with tenants or joint venture partners.

At the time that the financial statements were prepared, no material legal disputes were known.

e) Risk and risk management related to financial instruments

Aside from derivative forms of financing, the most significant financial instruments used by the Group are current account and bank loans, bonds and convertible bonds, cash and cash equivalents, and short-term deposits. The main purpose of these financial instruments is to provide funds for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations.

The Group also enters into derivatives transactions that are intended to minimise the Group's exposure to interest rate and currency risk. The Group's risk management policies provide for a risk-oriented relationship between fixed-rate and variable-rate financial liabilities. All significant financial transactions are subject to approval by the Management Board and, when required, also approval by the Supervisory Board.

Further information on financial risk management, in particular quantitative disclosures, can be found in the notes to the consolidated financial statements as at 31 December 2015 in section 8.2.

1. Interest rate risk
The risk of fluctuations in market interest rates (usually the three-month EURIBOR for bank loans and the six-month WIBOR for bonds) to which the Group is exposed results primarily from its variable-rate long-term financial liabilities. Interest rate hikes can impact the Group's result by causing higher interest expenses for existing variable-rate financing. In the case of variable-rate financing, a change in the interest rate has an immediate effect on the Company's financial result.

Warimpex limits the risk of rising interest rates that would lead to higher interest expenses and a worsening of the financial result in part through the arrangement of fixed-rate financing and in part through the use of derivative financial instruments (especially interest rate swaps). Please see section 7.1.2. of the notes to the consolidated financial statements as at 31 December 2015 for information about the recognition of derivative financial instruments.

2. Currency risk
Currency risk results primarily from financial liabilities denominated in currencies other than the functional currency. For Group companies that have the euro as their functional currency, this is primarily financial liabilities in a local or other foreign currency (such as PLN), or for foreign Group companies with the local currency as their functional currency, financial liabilities in a foreign currency (EUR).

There are no natural hedges, and the Group does not systematically use derivative financial instruments to hedge its exposure to foreign currency risk. When needed, cross currency swaps or currency forwards concluded for a maximum of one year in relation to specific future payments in foreign currencies are employed to hedge the currency risk.

In addition to the currency risk from financial liabilities, a foreign exchange risk exists especially for those Group companies that operate hotels and that have the euro as their functional currency with regards to personnel expenses and expenses for materials and services received, which must be paid in the local currency, while revenues are generally based on the euro and debt must also largely be serviced in euros.

3. Default risk
The amounts stated as assets on the face of the consolidated statement of financial position represent the maximum credit risk and default risk, since there are no general settlement agreements. The default risk associated with trade receivables can be considered moderate because receivables are generally paid either in advance or immediately on site, especially in the Hotels segment. Longer payment terms are generally only accepted for receivables from travel agencies.

During the 2015 financial year, the Group substantially increased its financial assets due to the long-term deferral of part of the purchase price from the sale of the Jupiter office towers. The Group holds a 19 per cent interest in the purchaser ZAO Micos through its 55 per cent subsidiary.. The shareholders of ZAO Micos have extended a shareholder loan in the equivalent amount of EUR 15,002 thousand proportionate to their interests. These are subordinate to the purchase price claim. The payment of the purchase price claim also depends on the cash flow of the Jupiter office towers. Please see section 9.1.3.4. in the consolidated financial statements as at 31 December 2015 for information on the extended rental guarantees.

The default risk associated with cash and short-term deposits can be considered negligible since the Group only works with financial institutions which can demonstrate sound creditworthiness. The default risk for other receivables is relatively low, as attention is paid to working with contract partners that have good credit ratings. The Group recognises impairments where necessary.

4. Liquidity risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans for project financing. Refinancing on the capital market is also of high strategic importance for Warimpex. The Group issued two bonds during the first half of the year.

Significant fluctuations on the capital markets can hamper the raising of equity and debt capital. To limit refinancing risk, Warimpex maintains a balanced combination of equity and debt capital and of different terms for bank and capital market financing.

Liquidity risks are also minimised through a medium-term 18-month plan, an annual budget planned in monthly blocks, and revolving monthly liquidity planning. Daily liquidity management ensures that all operational obligations are met and that cash is invested optimally. Free liquidity resulting from the sale of properties is primarily used to repay operating credit lines and to finance acquisitions and the development of new projects.

The effects of the financial and real estate crisis that erupted in 2008, the sovereign debt crisis of recent years, the growing terror risk, and the problems in the Russian economy are causing a degree of uncertainty as to how the market participants will proceed. If these events repeat themselves or continue, prices and asset values can be subject to higher volatility. The risk of insufficient liquidity also means that it may be difficult to successfully sell properties on the market or to obtain refinancing from credit institutions depending on the prevailing conditions. This risk is diminished by ongoing capital market activities.

It has again become possible and probable that assets can be sold at acceptable prices. A number of asset disposals are currently in planning.

The Group had current liabilities in the amount of EUR 66,804 thousand (2015: EUR 110,431 thousand) as at the reporting date. Of this, EUR 40,340 thousand (2015: EUR 91,980 thousand) pertain to current financial liabilities serving Group financing purposes.

To secure the liquidity needed to ensure the continued operation of the Company, it will remain necessary to extend or refinance operating credit lines or to convert them into long-term financing, and to generate additional liquidity inflows. Property sales are planned in particular to cover liquidity needs.

Bonds with a total volume of PLN 42.7 million (roughly EUR 10 million) will mature by March 2017. The payments are to be financed through property sales and increases in project loans with currently low loan-to-value ratios. Should it prove impossible to complete the planned sales or increase the loans in the planned time frame or to the planned extent, other sources of financing will need to be arranged to cover any liquidity risk that arises.

To prevent cost overruns and an associated increased outflow of liquidity, Warimpex completes continuous budget and progress monitoring for development projects and maintenance work.

(f) Reporting on key characteristics of the internal control system and the risk management system as relevant for the accounting process

The Management Board bears overall responsibility for the Group's risk management system, while operational responsibility lies with the managers of the respective business units.

This makes the internal reports that are submitted to Group headquarters particularly important in ensuring that risks are recognised at an early stage so that suitable countermeasures can be taken. To this end, the operating units submit weekly and monthly reports to the Management Board with all necessary information.

The Group has enacted uniform standards for all subsidiaries governing the implementation and documentation of the entire internal control system, and therefore also the accounting process in particular. This is intended to prevent the risks that can lead to incomplete or erroneous financial reporting.

The internal reports that are prepared by the subsidiaries are subjected to plausibility reviews at the Group headquarters and are compared with the planning calculations to ensure that suitable countermeasures can be taken in the event of deviations. To this end, the companies are required to submit annual budgets and medium-term plans, which must be approved by the Management Board.

The correctness of the accounts at the subsidiaries is monitored by the hotel managers (such as Vienna House, InterContinental Hotel Group) as well as by the Group holding company. The annual financial statements of all operating property companies are also reviewed by external financial auditors.

The risk management system is primarily monitored by the Management Board, and compliance with the prescribed risk management targets and methods in the preparation of quarterly and annual financial statements is ensured by the following units and individuals:
- Management Board, especially the Chief Financial Officer
- Group accounting department
- Audit Committee (only for annual financial statements)

The current development of business and foreseeable opportunities and risks are discussed at regular meetings between the Management Board and local managers.
Quarterly financial statements are prepared by the Group

accounting department in orientation towards IAS 34, Interim Financial Reporting, reviewed by the Chief Financial Officer, and then approved for publication by the Management Board. The annual financial statements and consolidated annual financial statements are studied by the Supervisory Board and by the Audit Committee before they are published.

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

Events after the Reporting Date

Please see section 8.2. of the notes to the consolidated interim financial statements for information about key events after the reporting date.

Outlook

A letter of intent for the sale of a hotel to an international investor was signed in May 2016. The deal is expected to close in the middle of 2016.

At the end of May 2016, a long-term preliminary lease agreement was signed for the multifunctional building that is currently under construction at AIRPORTCITY St. Petersburg.

The following development projects are currently under construction or development:

- AIRPORTCITY, St. Petersburg, multifunctional building (under construction)
- Ogrodowa office building with roughly 26,000 square metres of space, Łódź
- Mogilska office building with roughly 12,000 square metres of space, Krakow
- Chopin office building with roughly 26,000 square metres of space, Krakow
- Hotel with roughly 170 rooms and around 60 apartments, Budapest

The development of hotel operations remained stable in the first half of the year, and revenues from investment properties increased due to the new leases signed in the second half of 2015. We expect that this trend will continue.

The declared goal for 2016 is to move forward with the current development projects in Poland and Russia. We are also working on a number of further transactions. At the same time, we are constantly working to improve our financing terms and to repay or refinance expensive lines of credit, and will continue to advance the diversification of our portfolio.

Vienna, 30 August 2016

Franz Jurkowitsch
Chairman
of the Management Board

Georg Folian
Vice-Chairman
of the Management Board

Alexander Jurkowitsch
Member of the
Management Board

Florian Petrowsky
Member of the
Management Board

Condensed Consolidated Interim Financial Statements

AS AT 30 JUNE 2016

angelo Prague****
Prague, CZ

Condensed Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016 – UNAUDITED

in EUR '000	Note	**1–6/2016**	**4–6/2016**	1–6/2015	4–6/2015
Hotels revenues		24,188	14,835	25,777	15,709
Investment Properties revenues		3,983	2,081	716	344
Development and Services revenues		789	187	1,453	926
Revenues		**28,959**	**17,102**	**27,945**	**16,979**
Expenses from the operation of hotels		(15,679)	(8,481)	(17,327)	(9,314)
Expenses from the operation of investment properties		(750)	(377)	(333)	(169)
Expenses directly attributable to development and services		(477)	(163)	(647)	(195)
Expenses directly attributable to the revenues	5.1.	**(16,906)**	**(9,021)**	**(18,308)**	**(9,678)**
Gross income from revenues		**12,054**	**8,081**	**9,637**	**7,302**
Income from the sale of properties		16	16	65,483	–
Disposal of carrying amounts and expenses related to sales		131	131	(66,891)	(32)
Gains or losses from the disposal of properties	5.2.	**147**	**147**	**(1,408)**	**(32)**
Other operating income		**619**	**344**	**3,443**	**213**
Administrative expenses	5.3.	**(4,841)**	**(2,696)**	**(4,453)**	**(2,526)**
Other expenses	5.4.	**(1,690)**	**(419)**	**(1,314)**	**(680)**
Results of operating activities before finance income, taxes, depreciation, and amortisation (EBITDA)		**6,289**	**5,456**	**5,905**	**4,276**
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets		(3,126)	(1,578)	(5,028)	(2,455)
Impairments		(3,868)	(3,868)	(5,786)	(5,786)
Reversals of impairment		3,041	2,764	860	444
Gains/losses on remeasurement of investment property		7,872	7,889	(15,124)	(15,124)
Depreciation, amortisation, and remeasurement	5.5.	**3,918**	**5,206**	**(25,079)**	**(22,921)**
Earnings before interest and taxes (EBIT)		**10,207**	**10,662**	**(19,174)**	**(18,645)**
Finance income	5.6.	1,010	423	1,521	384
Financing expenses	5.7.	(6,439)	(3,213)	(11,835)	(5,864)
Exchange rate changes	5.8.	9,236	5,716	4,479	3,380
Result from joint ventures (equity method) after taxes	6.3.	61	770	2,428	2,585
Financial result		**3,867**	**3,695**	**(3,408)**	**485**
Earnings before taxes		**14,074**	**14,357**	**(22,582)**	**(18,160)**
Income taxes		(173)	(174)	(11)	(5)
Deferred income taxes		(1,601)	(1,420)	(2,282)	(1,374)
Taxes		**(1,774)**	**(1,594)**	**(2,293)**	**(1,379)**
Profit or loss for the period		**12,300**	**12,763**	**(24,874)**	**(19,538)**
thereof profit of non-controlling interests		5,172	4,591	(9,018)	(9,997)
thereof profit of shareholders		**7,127**	**8,173**	**(15,856)**	**(9,541)**
Earnings per share in EUR:					
Undiluted profit or loss for the period attributable to equity holders of the parent		0.13	0.15	-0.29	-0.18
Diluted profit or loss for the period attributable to equity holders of the parent		0.13	0.15	-0.29	-0.18

Condensed Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016 – UNAUDITED

in EUR '000	Note	**1–6/2016**	**4–6/2016**	1–6/2015	4–6/2015
Profit or loss for the period		**12,300**	**12,763**	**(24,874)**	**(19,538)**
Foreign exchange differences		(897)	(341)	(7,104)	(9,588)
Valuation of cash flow hedges		(1,010)	(371)	(146)	(146)
Other comprehensive income from joint ventures (equity method)		(9)	(9)	3	(5)
Gains/losses from available-for-sale financial assets	6.6	(576)	(1)	(1,395)	(157)
(Deferred) taxes in other comprehensive income	5.9.	353	232	2,455	2,044
Other comprehensive income (to be reclassified in profit or loss in subsequent periods)		**(2,140)**	**(491)**	**(6,187)**	**(7,852)**
Total comprehensive income for the period		**10,160**	**12,272**	**(31,061)**	**(27,390)**
thereof profit of non-controlling interests		4,989	4,860	(11,423)	(13,367)
thereof profit of shareholders of the parent		**5,171**	**7,413**	**(19,638)**	**(14,023)**

Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE – UNAUDITED

in EUR '000	Note	30/6/16	31/12/15	30/6/15
ASSETS				
Property, plant, and equipment	6.1.	184,833	195,731	248,842
Investment property	6.2.	100,898	84,595	92,429
Goodwill		–	921	921
Other intangible assets		36	34	39
Net investments in joint ventures (equity method)	6.3.	21,444	24,083	38,529
Financial assets, available for sale		2	2	–
Other financial assets	6.4.	17,598	17,493	22,966
Deferred tax assets		42	102	30
Non-current assets		**324,853**	**322,960**	**403,756**
Inventories		594	583	1,007
Trade and other receivables	6.5.	6,817	8,686	15,812
Financial assets, available for sale	6.6.	9,097	10,610	12,828
Cash and cash equivalents	6.7.	5,468	7,394	5,568
Non-current assets (disposal groups), held for sale	6.8.	14,840	–	–
Current assets		**36,816**	**27,274**	**35,215**
TOTAL ASSETS		**361,669**	**350,235**	**438,971**
EQUITY AND LIABILITIES				
Share capital		54,000	54,000	54,000
Capital reserves		–	–	4,661
Retained earnings		2,923	(4,204)	(7,115)
Treasury shares		(301)	(301)	(301)
Other reserves		2,314	4,270	1,259
Equity attributable to shareholders of the parent		**58,936**	**53,765**	**52,505**
Non-controlling interests		(27,048)	(32,037)	(25,890)
Equity		**31,888**	**21,728**	**26,615**
Convertible bonds	6.9.	4,007	8,265	7,981
Other bonds	6.9.	31,437	41,270	13,464
Other financial liabilities	6.9.	195,324	208,925	251,909
Derivative financial instruments		2,935	2,142	1,111
Other liabilities		6,692	6,542	6,802
Provisions		2,448	2,353	2,284
Deferred tax liabilities		11,005	10,064	10,483
Deferred income	6.10.	9,129	7,162	7,890
Non-current liabilities		**262,977**	**286,722**	**301,925**
Convertible bonds	6.9.	4,341	61	5,937
Bonds	6.9.	15,486	9,800	15,214
Other financial liabilities	6.9.	20,513	18,363	70,828
Derivative financial instruments		–	–	53
Trade and other payables	6.11.	11,087	11,519	15,683
Provisions		1,052	613	1,104
Income tax liabilities		166	134	46
Deferred income	6.10.	1,790	1,296	1,566
Liabilities directly associated with the assets held for sale	6.8.	12,369	–	–
Current liabilities		**66,804**	**41,785**	**110,431**
Liabilities		**329,781**	**328,507**	**412,357**
TOTAL EQUITY AND LIABILITIES		**361,669**	**350,235**	**438,971**

Condensed Consolidated Statement of Cash Flows

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016 – UNAUDITED

in EUR '000	**1–6/2016**	**4–6/2016**	1–6/2015	4–6/2015
Cash receipts				
from hotel operations and rent received	28,504	15,999	28,599	15,223
from real estate development projects and other	451	9	408	241
from interest income	262	1	491	352
Cash receipts from operating activities	**29,217**	**16,008**	**29,499**	**15,815**
Cash payments				
for real estate development projects	(581)	(394)	(574)	142
for materials and services received	(9,090)	(4,813)	(10,694)	(6,384)
for related personnel expenses	(8,296)	(4,414)	(8,730)	(4,607)
for other administrative expenses	(4,727)	(2,166)	(4,886)	(2,386)
for income taxes	(140)	(141)	(22)	(34)
Cash payments for operating activities	**(22,835)**	**(11,929)**	**(24,906)**	**(13,269)**
Net cash flows from operating activities	**6,382**	**4,079**	**4,592**	**2,546**
Cash receipts from				
the sale of disposal groups and property	115	–	41,297	(131)
other financial assets	1,233	126	(47)	(47)
returns on joint ventures	4,119	24	123	–
Cash receipts from investing activities	**5,468**	**150**	**41,373**	**(177)**
Cash payments for				
investments in property, plant, and equipment	(959)	(465)	(1,028)	(498)
investments in investment property	(2,218)	(1,430)	(21,860)	(16,473)
the purchase of data processing programs	(5)	(5)	(2)	(1)
other financial assets	(32)	(18)	(960)	(582)
joint ventures	–	–	–	(89)
Cash payments for investing activities	**(3,214)**	**(1,918)**	**(23,849)**	**(17,644)**
Net cash flows from investing activities	**2,254**	**(1,767)**	**17,524**	**(17,822)**
Cash receipts from the issue of bonds and convertible bonds	45	–	12,180	(154)
Cash payments for the redemption of bonds and convertible bonds	(3,559)	–	(8,559)	(27)
Payments received from loans and borrowing	14,665	10,565	70,505	61,457
Payments made for the repayment of loans and borrowing	(15,721)	(10,809)	(91,469)	(47,848)
Paid interest (for loans and borrowing)	(3,212)	(1,669)	(7,855)	(4,455)
Paid interest (for bonds and convertible bonds)	(1,548)	(668)	(1,401)	(377)
Paid financing costs	(652)	(437)	(834)	(738)
Net cash flows from/used in financing activities	**(9,982)**	**(3,017)**	**(27,433)**	**7,858**
Net change in cash and cash equivalents	**(1,346)**	**(705)**	**(5,317)**	**(7,417)**
Foreign exchange rate changes in cash and cash equivalents	(24)	(21)	9	(10)
Foreign exchange rate changes from other comprehensive income	453	257	1,112	454
Cash and cash equivalents at the beginning of the period	7,394	6,947	9,765	12,542
Cash and cash equivalents as at 30 June	**6,477**	**6,477**	**5,568**	**5,568**
Cash and cash equivalents at the end of the period consist of:				
Cash and cash equivalents of the Group	5,468	5,468	5,568	5,568
Cash and cash equivalents of a disposal group	1,009	1,009	–	–
	6,477	**6,477**	**5,568**	**5,568**

Condensed Consolidated Statement of Changes in Equity

AS AT 30 JUNE – UNAUDITED

in EUR '000	Equity attributable to equity holders of the parent						Non-controlling interests	Total equity
	Share capital	Capital reserves	Retained earnings	Treasury shares	Other reserves	Total		
As at 1 January 2015	**54,000**	**4,661**	**8,742**	**(301)**	**5,041**	**72,143**	**(14,467)**	**57,676**
Total comprehensive income for the period	–	–	(15,856)	–	(3,782)	**(19,638)**	(11,423)	**(31,061)**
thereof profit for the period	–	–	*(15,856)*	–	–	***(15,856)***	*(9,018)*	***(24,874)***
thereof other comprehensive income	–	–	–	–	*(3,782)*	***(3,782)***	*(2,405)*	***(6,187)***
As at 30 June 2015	**54,000**	**4,661**	**(7,115)**	**(301)**	**1,259**	**52,505**	**(25,890)**	**26,615**
As at 1 January 2016	**54,000**	–	**(4,204)**	**(301)**	**4,270**	**53,765**	**(32,037)**	**21,728**
Total comprehensive income for the period	–	–	7,127	–	(1,956)	**5,171**	4,989	**10,160**
thereof profit for the period	–	–	*7,127*	–	–	***7,127***	*5,172*	***12,300***
thereof other comprehensive income	–	–	–	–	*(1,956)*	***(1,956)***	*(183)*	***(2,140)***
As at 30 June 2016	**54,000**	–	**2,923**	**(301)**	**2,314**	**58,936**	**(27,048)**	**31,888**

Condensed Consolidated Segment Information

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016 – UNAUDITED

	Hotels		Investment Properties	
in EUR '000	**2016**	2015	**2016**	2015
SEGMENT OVERVIEW PROFIT OR LOSS FOR THE PERIOD				
External revenues	37,832	48,156	4,351	1,091
Intragroup services	–	–	–	–
Expenses directly attributable to revenues	(27,008)	(34,155)	(1,024)	(550)
Gross income from revenues	**10,824**	**14,001**	**3,327**	**541**
Gains or losses from the disposal of properties	–	–	–	–
Other operating income	132	–	–	–
Expenses for development projects	–	–	–	–
Personnel expenses	(642)	(712)	–	–
Other/miscellaneous expenses	(3,681)	(3,204)	(40)	(20)
Intragroup services	(481)	(378)	–	–
Segment EBITDA	**6,151**	**9,707**	**3,287**	**521**
Scheduled depreciation and amortisation	(3,824)	(6,810)	–	–
Impairments	(3,868)	(5,442)	–	–
Reversals of impairment	3,170	1,072	–	–
Measurement gains	–	–	1,671	794
Measurement losses	–	–	(27)	(14)
Segment EBIT	**1,628**	**(1,474)**	**4,931**	**1,301**
Finance income	18	36	–	–
Financing expenses	(2,793)	(7,183)	(1,765)	(129)
Changes in foreign exchange rates	3,575	5,385	7,113	–
Earnings from joint ventures	–	–	–	–
Income taxes	(173)	(4)	–	–
Deferred income taxes	(606)	(1,199)	(92)	52
Segment overview – profit or loss for the period	**1,648**	**(4,439)**	**10,187**	**1,224**

	Development & Services		Segment total 1 January–30 June		Reconciliation		Group total 1 January–30 June	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
	1,075	1,684	**43,257**	50,931	**(14,298)**	(22,986)	**28,959**	27,945
	481	378	**481**	378	**(481)**	(378)	**–**	–
	(666)	(730)	**(28,698)**	(35,435)	**11,792**	17,127	**(16,906)**	(18,308)
	889	**1,331**	**15,040**	**15,873**	**(2,987)**	**(6,236)**	**12,054**	**9,637**
	147	(1,408)	**147**	(1,408)	**–**	–	**147**	(1,408)
	550	3,093	**682**	3,093	**–**	–	**682**	3,093
	(73)	(92)	**(73)**	(92)	**–**	1	**(73)**	(91)
	(2,212)	(2,178)	**(2,854)**	(2,890)	**8**	166	**(2,846)**	(2,724)
	(1,670)	(1,254)	**(5,391)**	(4,479)	**1,717**	1,878	**(3,674)**	(2,601)
	–	–	**(481)**	(378)	**481**	378	**–**	–
	(2,368)	**(509)**	**7,070**	**9,719**	**(781)**	**(3,814)**	**6,289**	**5,905**
	(30)	(31)	**(3,855)**	(6,841)	**728**	1,813	**(3,126)**	(5,028)
	–	(344)	**(3,868)**	(5,786)	**–**	–	**(3,868)**	(5,786)
	243	52	**3,413**	1,123	**(372)**	(264)	**3,041**	860
	10,394	1,833	**12,065**	2,627	**–**	(1,308)	**12,065**	1,319
	(4,167)	(16,442)	**(4,194)**	(16,456)	**1**	13	**(4,193)**	(16,443)
	4,072	**(15,441)**	**10,631**	**(15,614)**	**(423)**	**(3,560)**	**10,207**	**(19,174)**
	1,217	1,489	**1,235**	1,525	**(225)**	(4)	**1,010**	1,521
	(2,359)	(5,874)	**(6,917)**	(13,186)	**477**	1,350	**(6,439)**	(11,835)
	(1,452)	(906)	**9,236**	4,479	**–**	–	**9,236**	4,479
	77	164	**77**	164	**(16)**	2,264	**61**	2,428
	(51)	(7)	**(224)**	(11)	**51**	–	**(173)**	(11)
	(1,039)	(1,084)	**(1,738)**	(2,231)	**137**	(50)	**(1,601)**	(2,282)
	465	**(21,659)**	**12,300**	**(24,874)**	–	–	**12,300**	**(24,874)**

in EUR '000	Segment total 1 January–30 June 2016	2015	Reconciliation 1 January–30 June 2016	2015	Subtotal Group 1 January–30 June 2016	2015
HOTELS SEGMENT – OVERVIEW EBIT						
Revenues from hotels	**37,575**	48,021	**(13,629)**	(22,379)	**23,945**	25,642
Expenses for materials and services rendered	**(12,983)**	(17,916)	**5,228**	9,015	**(7,755)**	(8,901)
Personnel expenses	**(10,636)**	(12,367)	**4,590**	5,971	**(6,046)**	(6,396)
Gross operating profit (GOP)	**13,956**	**17,738**	**(3,811)**	**(7,393)**	**10,144**	**10,345**
Income after GOP	**257**	135	**(15)**	–	**242**	135
Management fees	**(1,721)**	(2,416)	**677**	1,103	**(1,044)**	(1,312)
Exchange rate differences	**(19)**	40	**2**	–	**(16)**	40
Property costs	**(1,649)**	(1,497)	**832**	739	**(817)**	(758)
Net operating profit (NOP)	**10,824**	**14,001**	**(2,315)**	**(5,551)**	**8,509**	**8,450**
Other costs after NOP	**(1,178)**	(1,304)	**130**	334	**(1,048)**	(970)
Leases/rent	**(3,014)**	(2,612)	**1,572**	1,570	**(1,442)**	(1,042)
Scheduled depreciation and amortisation on fixed assets	**(3,824)**	(6,810)	**727**	1,810	**(3,098)**	(5,000)
Impairment of fixed assets	**(3,868)**	(5,442)	–	–	**(3,868)**	(5,442)
Reversals of impairment	**3,170**	1,072	**(372)**	(264)	**2,798**	808
Contribution to the operating profit for the Hotels segment	**2,109**	**(1,096)**	**(258)**	**(2,101)**	**1,850**	**(3,197)**
Less intragroup services	**(481)**	(378)	**481**	378	–	–
Segment EBIT	**1,628**	**(1,474)**	**223**	**(1,723)**	**1,850**	**(3,197)**
Key operating figures in the Hotels segment						
Employees – Hotels	**1,141**	1,384	**(288)**	(367)	**853**	1,017
Rooms (absolute)	**2,789**	3,425	**(778)**	(1,051)	**2,011**	2,374
Rooms available	**2,787**	3,397	**(777)**	(1,055)	**2,010**	2,342
Rooms sold	**1,793**	2,159	**(508)**	(735)	**1,285**	1,424
Occupancy	**64%**	64%	**0%**	-3%	**64%**	61%
REVPAR (in EUR)	**48.63**	50.01	**(9.13)**	(15.11)	**39.49**	34.90
Composition of NOP (geographical):						
• Czech Republic	**2,717**	2,733	**(177)**	(178)	**2,540**	2,555
• Poland	**6,885**	6,284	**(2,472)**	(2,325)	**4,413**	3,959
• Romania	**488**	390	–	–	**488**	390
• Russia	**1,069**	1,546	–	–	**1,069**	1,546
• Germany	–	1,680	–	(1,680)	–	–
• France	**(333)**	1,369	**333**	(1,369)	–	–

Notes to the Condensed Consolidated Interim Financial Statements

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016 – UNAUDITED

[01] Corporate information

Warimpex Finanz- und Beteiligungs AG ("the Company" or "Warimpex") is registered with the Commercial Court of Vienna under the number FN 78485w. The Company's registered address is Floridsdorfer Hauptstrasse 1, A-1210 Vienna, Austria.

The condensed consolidated interim financial statements of Warimpex Finanz- und Beteiligungs AG as at 30 June 2016 were released for publication by the Management Board of Warimpex Finanz- und Beteiligungs AG on 29 August 2016.

[02] Basis for preparation of the interim financial statements and accounting policies

The consolidated interim financial statements for the period ended 30 June 2016 were 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 at 31 December 2015.

The interim financial statements as at 30 June 2016 were not audited and were not reviewed by an independent chartered auditor.

The accounting policies and measurement methods applied in preparing the interim consolidated financial statements as at 30 June 2016 have remained unchanged from the consolidated financial statements as at 31 December 2015.

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, the interim financial statements are affected by estimation uncertainties resulting from the timing of asset impairments or reversals.

[03] Seasonal fluctuations in earnings

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 properties, subsidiaries, or business combinations.

[04] Segment information

The operations of Warimpex Group are divided into three business segments: Hotels, Investment Properties, and Development and Services. The individual segments are identified on the basis of their different products and services. Individual hotels and individual managed properties also represent individual business segments based on the Group's reporting structure and are consolidated under the Hotels and Investment Properties segments as appropriate in accordance with IFRS 8.12.

Transactions between business segments contain the recharging of intragroup services and project development services at arm's length terms. The segment information includes information on the income and results of the Group's business segments for the period from 1 January to 30 June 2016 and as at 30 June 2016.

[05] Notes to the consolidated income statement

5.1. Expenses directly attributable to revenues

	1 January to 30 June 2016	2015
Composition of direct Hotels expenses:		
Expenses for materials and services rendered	(9,242)	(10,575)
Personnel expenses	(5,620)	(6,041)
Other expenses	(816)	(711)
	(15,679)	**(17,327)**

	1 January to 30 June 2016	2015
Composition of direct Investment Properties expenses:		
Expenses for materials and services rendered	(646)	(257)
Personnel expenses	(17)	(18)
Other expenses	(87)	(58)
	(750)	**(333)**

	1 January to 30 June 2016	2015
Composition of direct Development and Services expenses:		
Expenses for materials and services rendered	(306)	(340)
Other services	(171)	(307)
	(477)	**(647)**

5.2. Gains or losses from the disposal of properties

In June 2016, the 50 per cent stake in GF Ramba sp. z o.o., which is the owner of the Parkur office tower in Warsaw, was sold to the joint venture partner. The purchase price was roughly EUR 16 thousand; the transaction resulted in a positive profit contribution of around EUR 147 thousand. Shareholder's loans in the amount of some EUR 2.2 million were repaid in this context (see section 6.3.).

5.3. Administrative expenses

	1 January to 30 June 2016	2015
Composition:		
Other personnel expenses	(2,846)	(2,724)
Other administrative expenses	(1,994)	(1,728)
	(4,841)	**(4,453)**

The individual components of the administrative expenses are explained in sections 5.3.1. and 5.3.2.

5.3.1. Other personnel expenses

	1 January to 30 June 2016	2015
Composition:		
Wages and salaries	(6,127)	(6,833)
Social security costs	(885)	(1,062)
Other payroll-related taxes and contributions	(532)	(259)
Expenses for posted employees	(710)	(569)
Changes in provisions and expenses related to pensions and severance payments	(76)	(34)
Changes in accrual for compensated absences	(79)	15
Changes in pensions and other long-term employee benefits	(74)	(41)
	(8,483)	**(8,784)**
Less personnel expenses directly attributable to revenues	5,637	6,060
Other personnel expenses	**(2,846)**	**(2,724)**

An average of 908 employees (previous year: 1,075) were employed in the first half of 2016.

5.3.2. Other administrative expenses

	1 January to 30 June 2016	2015
Composition:		
Legal fees	(466)	(186)
Administrative costs	(914)	(818)
Other expenses	(614)	(724)
	(1,994)	**(1,728)**

5.4. Other expenses

	1 January to 30 June 2016	2015
Composition:		
Lease expenses	(1,442)	(1,042)
Property costs	(655)	(1,091)
Non-deductible input taxes	(122)	(127)
Advertising	(178)	(130)
Sundry other expenses	(367)	–
	(2,763)	**(2,390)**
Less administrative expenses directly attributable to revenues	1,074	1,077
Other expenses	**(1,690)**	**(1,314)**

5.5. Depreciation, amortisation, and remeasurement

	1 January to 30 June **2016**	2015
Composition:		
Scheduled amortisation and depreciation	(3,126)	(5,028)
Impairments	(3,868)	(5,786)
Reversals of impairment	3,041	860
Measurement gains (from investment properties)	12,065	1,319
Measurement losses (from investment properties)	(4,193)	(16,443)
	3,918	**(25,079)**

Scheduled depreciation decreased in annual comparison due to the deconsolidation of the hotels in Ekaterinburg and Karlovy Vary.

The impairments are due to changes in the future assumptions regarding the Hotels segment in Poland. The impairment reversals mainly pertain to the Hotels segment – primarily a hotel in Prague and one in Bucharest – and result from the application of a lower capitalisation interest rate.

The recoverable amount for property, plant, and equipment for which impairment reversals were recognised is EUR 55,444 thousand.

The measurement gains are the result of development projects in Łódź and St. Petersburg (Development and Services segment).

The measurement losses stem primarily from a development project in Krakow for which less development space is now planned (also in the Development and Services segment).

5.6. Financial revenue

	1 January to 30 June **2016**	2015
Composition:		
Dividend income	–	998
Other interest received	662	523
Unrealised gains on derivative financial instruments	348	–
	1,010	**1,521**

5.7. Financing expenses

	1 January to 30 June **2016**	2015
Composition:		
Interest on short-term borrowings, project loans, and other loans	(3,675)	(6,177)
Interest on convertible bonds	(232)	(987)
Interest on bonds	(1,141)	(1,244)
Interest on loans from minority shareholders	(917)	(1,196)
Interest paid to related parties	(16)	(17)
Other financing expenses	(438)	(1,554)
Unrealised losses on derivative financial instruments	–	(637)
Other	(21)	(23)
	(6,439)	**(11,835)**

5.8. Foreign exchange rate changes in the financial result

	1 January to 30 June **2016**	2015
Composition:		
From EUR financing (deviating functional currency)	10,670	8,998
From EUR claims (deviating functional currency)	(1,861)	–
From (convertible) bonds in PLN	409	(609)
From loans in CHF	(1)	(3,737)
Other financing-related foreign exchange rate changes	20	(173)
	9,236	**4,479**

The foreign exchange translation gains from EUR financing at subsidiaries pertain to bank loans and loans from non-controlling interests in subsidiaries where the functional currency is the local currency and the financing is denominated in euros. The largest share can be attributed to the subsidiary in Russia.

5.9. Income taxes in other comprehensive income

	1 January to 30 June **2016**	2015
The income taxes in other comprehensive income derive from:		
Foreign exchange differences	33	2,129
Other comprehensive income from joint ventures (equity method)	2	(1)
Gains/losses from available-for-sale financial assets	318	327
Taxes on other comprehensive income (to be reclassified in profit or loss in subsequent periods)	**353**	**2,455**

[06] Notes to the statement of financial position

6.1. Property, plant, and equipment

	Hotels	Reserve properties	Other property, plant, and equipment	**Total**
Changes in 2015:				
Carrying amounts at 1 January	241,704	6,148	1,266	249,118
Additions	1,573	7	63	1,642
Disposals	4,243	–	–	4,243
Scheduled depreciation and amortisation	(4,995)	–	(28)	(5,023)
Impairment charges	(5,442)	(344)	–	(5,786)
Reversals of impairment	808	52	–	860
Exchange adjustment	3,699	71	19	3,789
Carrying amounts at 30 June	**241,589**	**5,932**	**1,321**	**248,842**
Composition at 30 June 2015:				
Acquisition or production cost	336,830	11,074	2,037	349,941
Cumulated write-downs	(95,241)	(5,141)	(716)	(101,099)
	241,589	**5,932**	**1,321**	**248,842**
Changes in 2016:				
Carrying amounts at 1 January	188,831	5,763	1,137	195,731
Additions	3,266	21	55	3,342
Reclassification according to IFRS 5	(12,465)	–	–	(12,465)
Scheduled depreciation and amortisation	(3,077)	–	(29)	(3,105)
Impairment charges	(3,868)	–	–	(3,868)
Reversals of impairment	2,789	243	–	3,032
Exchange adjustment	2,301	(95)	(39)	2,166
Carrying amounts at 30 June	**177,777**	**5,931**	**1,125**	**184,833**
Composition at 30 June 2016:				
Acquisition or production cost	252,503	10,805	1,861	265,169
Cumulated write-downs	(74,726)	(4,874)	(736)	(80,335)
	177,777	**5,931**	**1,125**	**184,833**

6.2. Investment properties

	Developed properties	Development properties	Reserve properties	**Total**
Changes in 2015:				
Carrying amounts at 1 January	10,637	63,179	13,572	87,751
Additions/investments	5	18,290	–	18,295
Capitalised borrowing costs	–	1,290	–	1,290
Net measurement result	66	(15,190)	–	(15,124)
Exchange adjustment	–	218	–	218
Carrying amounts at 30 June	**10,708**	**67,786**	**13,572**	**92,429**
Changes in 2016:				
Carrying amounts at 1 January	57,244	12,745	14,606	84,595
Reclassification	–	4,373	(4,373)	–
Additions/investments	21	1,986	574	2,582
Capitalised borrowing costs	–	169	108	278
Net measurement result	1,585	6,369	(202)	7,752
Exchange adjustment	4,412	45	1,235	5,692
Carrying amounts at 30 June	**63,263**	**25,688**	**11,948**	**100,898**

6.3. Net investments in joint ventures (equity method)

	2016	2015
Development		
Carrying amounts at 1 January	24,083	36,222
Extension (+) / repayment (-) of loans	(2,821)	(123)
Disposals	131	–
Interest income from loans granted	77	164
Earnings allocation from profit/loss for the period	(16)	2,264
Earnings allocation from other comprehensive income	(9)	3
Carrying amounts at 30 June	**21,444**	**38,529**

The repayment of loans extended to joint ventures is related primarily to the sales transaction that closed in June 2016 (see section 5.2.).

6.4. Other financial assets

	30/6/2016	31/12/2015
Composition:		
Receivable from purchase price financing	13,063	13,187
Loans and other non-current receivables	258	168
Deposits with banks pledged as collateral	3,348	3,247
Advance payments	370	332
Pension reimbursement insurance rights	370	370
Other non-current financial assets	189	189
	17,598	**17,493**

6.5. Trade and other receivables (current)

	30/6/2016	31/12/2015
Composition:		
Trade receivables	2,579	2,753
Receivables from tax authorities	741	1,140
Receivables relating to property sales	651	271
Advance payments made	1,022	860
Other current receivables	849	747
Receivables due from joint ventures	74	1,696
Deferred expenses	900	1,218
	6,817	**8,686**

6.6. Financial assets, available for sale

	30/6/2016	31/12/2015
Composition:		
Shares in Palais Hansen Immobilienentwicklungs GmbH, Vienna	6,179	6,621
Shares in ZAO Micos, Moscow	2,918	3,989
Other (non-current)	2	2
	9,099	**10,612**

The 19% stake in ZAO Micos, which acquired the Jupiter office towers in St. Petersburg last year, was to be transferred to the majority shareholder in the middle of May 2016 taking an earn-out agreement into account. It was agreed to postpone this transaction by six months under the same terms at the beginning of May. During this time, further cooperation agreements pertaining to the development of the projects planned in St. Petersburg and pertaining to the existing office buildings are to be assessed and deviating contractual provisions agreed if necessary.

During the first half of the year, a payment was made by ZAO Micos to the Group company ZAO Avielen A.G. in the amount of roughly EUR 1.1 million. This payment will be applied to the calculation of the purchase price for the shares.

6.7.Cash and cash equivalents

Cash and cash equivalents relate to the Group's cash holdings as shown in the condensed statement of cash flows.

	30/6/2016	30/6/2015
Composition:		
Cash on hand	67	107
Bank balances	5,402	5,462
	5,468	**5,568**

6.8. Non-current assets (disposal groups), held for sale

This item contains the assets of the company that owns the angelo hotel in Prague, which is held for sale, and the goodwill assigned to this hotel. The associated liabilities are reported under current liabilities. The sale negotiations are at an advanced stage.

6.9. Financial liabilities

Financial liabilities contain interest-bearing liabilities – primarily convertible bonds, bonds, and loans from financial institutions or companies – that serve to cover the Group's financing needs.

	Project loans	Borrowings	Bonds, convertible bonds	Loans from minorities and others	Total
Changes in 2015:					
As at 1 January	243,251	20,849	37,219	76,033	377,352
Borrowing/accumulated interest	67,724	–	12,180	2,887	82,791
Repayment	(89,881)	(937)	(8,559)	(1,717)	(101,093)
Exchange rate and other changes	882	–	1,757	3,645	6,284
As at 30 June	**221,977**	**19,912**	**42,596**	**80,849**	**365,334**
thereof current (due < 1 year)	*49,087*	*13,140*	*21,151*	*8,602*	*91,980*
thereof non-current (due > 1 year)	*172,890*	*6,772*	*21,445*	*72,247*	*273,354*
Changes in 2016:					
As at 1 January	161,893	15,830	59,396	49,564	286,683
Borrowing/accumulated interest	9,183	2,000	(136)	1,208	12,254
Repayment	(7,770)	(7,676)	(3,559)	(19)	(19,024)
Reclassification according to IFRS 5	(9,420)	–	–	–	(9,420)
Exchange rate and other changes	40	–	(430)	1,005	615
As at 30 June	**153,925**	**10,155**	**55,271**	**51,757**	**271,108**
thereof current (due < 1 year)	*10,359*	*8,155*	*19,827*	*2,000*	*40,340*
thereof non-current (due > 1 year)	*143,566*	*2,000*	*35,444*	*49,758*	*230,768*

The additional borrowing reported under project loans pertains mostly to the refinancing of the project loan for the Amber Baltic hotel in the form of a sale and lease-back agreement (finance lease).

The reclassification according to IFRS 5 pertains to liabilities that are associated with disposal groups (see section 6.8.).

Bonds with an outstanding volume of PLN 39.9 million (roughly EUR 9.4 million) as at the reporting date came due at the end of March 2016. Part of the bonds was swapped out for new bonds. One tranche with a nominal value of PLN 9.7 million (roughly EUR 2.3 million) was issued in January 2016 at a lower interest rate and a term of three years. The second tranche with a nominal value of PLN 15 million (roughly EUR 3.5 million) was issued in March 2016 with a term of one year. The remaining amount of PLN 15.2 million (roughly EUR 3.6 million) was repaid.

A long-term bond liability in the amount of EUR 6,259 thousand was reclassified as a current liability because early redemption could be demanded due to the violation of non-financial covenants. Talks with the creditor after the reporting date yielded assurances that there is no intention to call the bond due early.

6.10. Deferred liabilities

The increase in deferred liabilities in the first half of 2016 can be attributed to the deferred sales proceeds from the sale and lease-back transaction for the Amber Baltic hotel.

6.11. Trade and other payables (current)

	30/6/2016	31/12/2015
Composition:		
Trade liabilities	3,868	3,838
Payables due to joint ventures	928	790
Trade liabilities due to related parties	3,892	3,640
Other liabilities	1,571	2,301
Security deposits received	370	336
Advance payments received	457	613
	11,087	**11,519**

[07] Information about financial instruments

7.1. Carrying amounts and fair values according to class and measurement category

The following table contains information on the carrying amounts and fair values of financial instruments, broken down into categories.

Measurement category as per IAS 39		IFRS 13 level	Carrying amount **30/6/16**	Fair value **30/6/16**	Carrying amount 31/12/15	Fair value 31/12/15
Assets – categories						
IAS 19	Refund claims (other financial assets)		370	370	370	370
LaR	Financial assets – fixed rate	3	13,063	10,856	13,187	10,706
LaR	Other financial assets		3,795	3,795	3,604	3,604
AfS	Financial assets, available for sale	3	2	2	2	2
	Non-financial non-current assets		307,624		305,798	
	Total non-current assets		324,853		322,960	
LaR	Receivables		3,530	3,530	5,197	5,197
LaR	Cash and cash equivalents		5,493	5,493	7,394	7,394
AfS	Financial assets, available for sale	3	9,097	9,097	10,610	10,610
LaR	Financial assets – fixed rate	3	635	587	271	238
	Non-financial current assets		18,061		3,802	
	Total current assets (including IFRS 5)		36,816		27,274	
	Total assets		**361,669**		**350,235**	
Liabilities – categories						
FL	Fixed-rate convertible bonds	3	4,007	3,834	8,265	8,511
FL	Variable-rate bonds	3	28,937	28,928	33,254	33,281
FL	Fixed-rate bonds	3	2,500	2,202	8,016	8,061
FL	Fixed-rate loans	3	117,545	106,332	127,772	117,955
FL	Variable-rate loans		77,779	73,317	81,152	72,439
FL	Other non-current liabilities	3	6,692	6,692	6,542	6,542
FVTPL	Derivative financial instruments – conversion rights	3	89	89	438	438
FVTPL	Derivative financial instruments – interest rate swaps	3	331	331	200	200
Hedge	Derivative financial instruments with hedging relationships	3	2,514	2,514	1,504	1,504
IAS 19	Provisions for pensions		678	678	612	612
	Non-financial non-current liabilities		21,904		18,967	
	Total non-current liabilities		262,977		286,722	
FL	Fixed-rate convertible bonds	3	4,341	4,341	61	61
FL	Variable-rate bonds	3	9,687	10,018	9,631	9,624
FL	Fixed-rate bonds	3	5,800	4,675	169	1,448
FL	Fixed-rate loans	3	9,278	9,403	4,014	4,030
FL	Variable-rate loans	3	11,235	11,295	14,349	14,216
FL	Other liabilities		9,511	9,511	10,023	10,023
	Non-financial current liabilities		16,953		3,538	
	Total current liabilities (including IFRS 5)		66,804		41,785	
	Total liabilities		**329,781**		**328,507**	

		30/6/16	31/12/15
Summary of carrying amounts by category for financial assets and liabilities:			
LaR	loans and receivables	26,516	29,653
AfS	available for sale	9,099	10,612
FL	Financial liabilities at amortised cost	287,312	303,249
FVTPL	at fair value through profit or loss	420	638
Hedge	Derivative financial instruments with hedging relationships	2,514	1,504

The method of fair value measurement is the same as at 31 December 2015.

7.2. Reconciliation of level 3 measurement (recurring fair value measurement)

The financial instruments that are subject to recurring fair value measurement can be broken down as follows:

	1 January to 30 June 2016	2015
Change in assets:		
Carrying amounts at 1 January	10,612	13,520
Additions	–	–
Disposals	(1,226)	–
Gains/losses on remeasurement in profit or loss	–	–
Gains/losses on remeasurement in other comprehensive income	(287)	(692)
Carrying amounts at 30 June	**9,099**	**12,828**

	1 January to 30 June 2016	2015
Changes in liabilities:		
Carrying amounts at 1 January	2,142	402
Additions	138	708
Disposals	–	–
Gains/losses on remeasurement in profit or loss	(356)	(92)
Gains/losses on remeasurement in other comprehensive income	1,010	146
Carrying amounts at 30 June	**2,935**	**1,164**

7.3. Measurement methods and inputs (recurring fair value measurement)

The following table shows the measurement method and input parameters relating to the recurring fair value measurement of financial instruments:

Level	Class	Measurement method	Material inputs
3	Financial assets, available for sale	Income-based	Capitalisation interest rate, Cash flows
3	Derivative financial instruments with hedging relationships	Income-based	Yield curve

No changes were made to the measurement methods in the reporting period.

The following is quantitative information about material, unobservable inputs that were used in the measurement of fair value.

Level	Class	Material inputs	Range	Weighted average
31/12/2015:				
3	Financial assets, available for sale	Exit yield	3.25%–10%	5.35%
3	Financial assets, available for sale	Cash flow (year one) in EUR '000	3,492–5,646	4,162
30/6/2016:				
3	Financial assets, available for sale	Exit yield	3.25%–10%	5.52%
3	Financial assets, available for sale	Cash flow (year one) in EUR '000	3,492–6,319	4,441
3	Derivative financial instruments with hedging relationships	Yield curve	n/a	n/a

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

The following is quantitative information about material, unobservable inputs that were used in the measurement of fair value. The cumulated, discounted expected payment flows correspond to the fair values.

Level	Input	Change of assumption	Change in the result before taxes	
			30/6/16	31/12/15
3	Financial Assets, available for sale			
	Exit yield	+ 50 bp	(4,312)	(3,992)
	Exit yield	- 50 bp	3,322	2,968
	Cash flow (year one)	+ 5%	3,773	3,436
	Cash flow (year one)	- 5%	(3,779)	(2,827)

Level	Input	Change of assumption	Change in equity	
			30/6/16	31/12/15
3	Non-current derivative financial instruments – interest rate swaps			
	Yield curve	+ 50 bp	836	894
	Yield curve	- 50 bp	(836)	(894)

[08] Other information

8.1. Related party transactions

8.1.1. Transactions with Management Board members

	2016	2015
Directors' Renumeration 1 January to 30 June	283	489
Interest charged to Management Board members	16	17
	30/6/16	31/12/15
Liabilities to Management Board members	2,719	1,494

8.1.2. Transactions with Supervisory Board members

	2016	2015
Supervisory Board members' fees 1 January to 30 June	123	135
	30/6/16	31/12/15
Liabilities to Supervisory Board members	88	–

8.1.3. Transactions with Vienna International Hotelmanagement AG (VI)

	2016	2015
Transactions between Group companies (fully consolidated) and Vienna International AG:		
Management fee charged 1 January to 30 June	995	1,061
Other purchased services in hotel operations 1 January to 30 June	1,136	941
	30/6/16	31/12/15
Liabilities to VI	3,193	3,024

	2016	2015
Transactions between Group companies (equity method) and Vienna International AG		
Management fee charged 1 January to 30 June	382	878
Other purchased services in hotel operations 1 January to 30 June	320	408
	30/6/16	31/12/15
Liabilities to VI	188	339

8.1.4. Transactions with joint ventures

	2016	2015
Income from transactions with joint ventures 1 January to 30 June	87	174
	30/6/16	31/12/15
Receivables due from joint ventures	74	1,696
Payables due to joint ventures	5,327	5,184

8.2. Events after the reporting date

No events that must be reported occured after the reporting date.

Vienna, 30 August 2016

Franz Jurkowitsch
Chairman
of the Management Board

Georg Folian
Vice-Chairman
of the Management Board

Alexander Jurkowitsch
Member of the
Management Board

Florian Petrowsky
Member of the
Management Board

Declaration by the Management Board

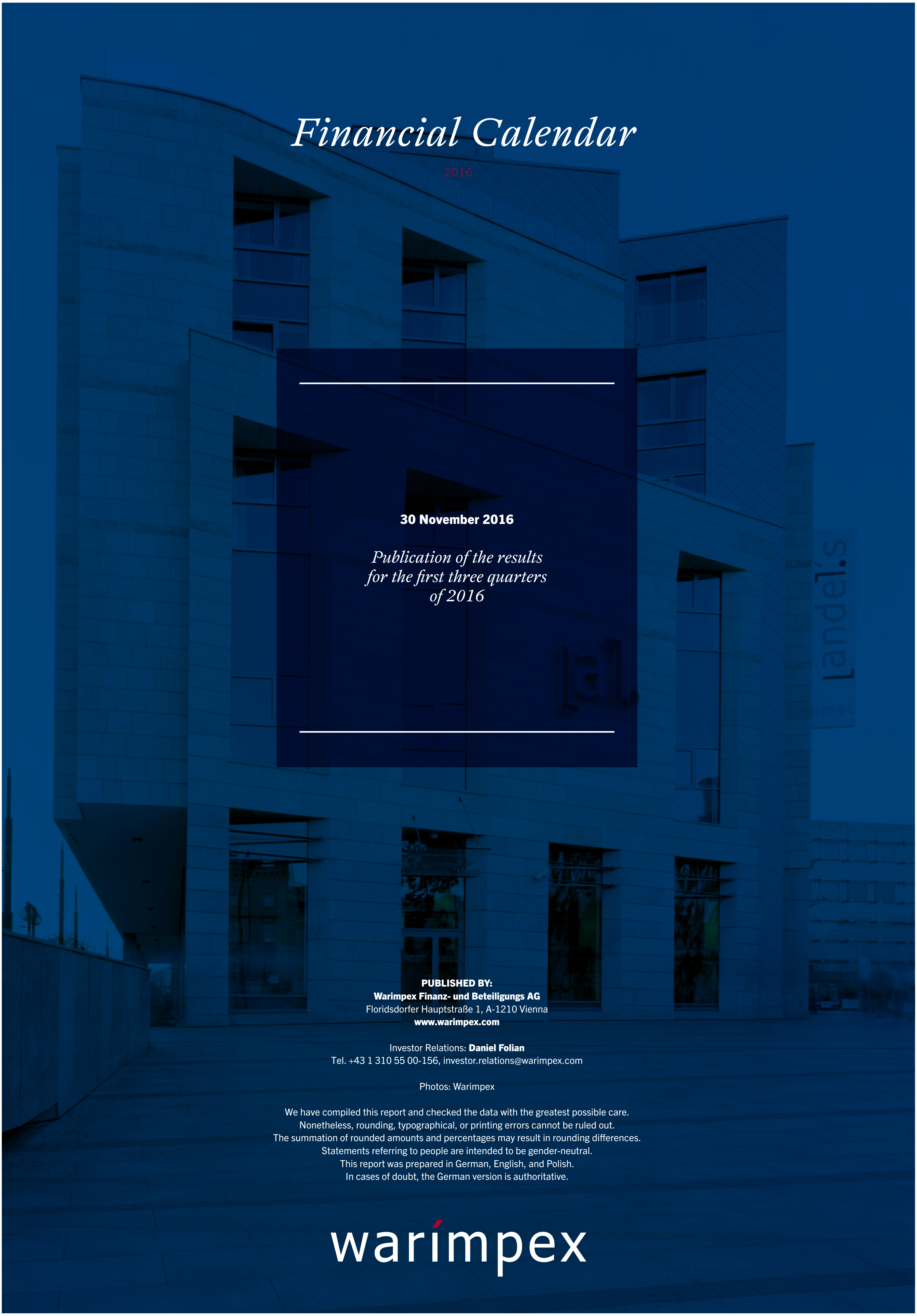
We confirm to the best of our knowledge that the condensed consolidated interim financial statements, which were prepared in accordance with the applicable accounting standards, give a true and fair view of the asset, financial, and earnings position of the Group and that the semi-annual consolidated management report of the Group gives a true and fair view of the asset, financial, and earnings position of the Group in terms of the material events during the first six months of the financial year and their effects on the condensed consolidated interim financial statements, in terms of the material risks and uncertainties in the remaining six months of the financial year, and in terms of the material related party transactions that must be disclosed.

Franz Jurkowitsch
Chairman of the Management Board
Responsibilities
Strategy, investor relations, and
corporate communications

Georg Folian
Deputy Chairman of the Management Board
Responsibilities
Finance and accounting,
financial management, and personnel

Alexander Jurkowitsch
Member of the Management Board
Responsibilities
Planning, construction,
information management, and IT

Florian Petrowsky
Member of the Management Board
Responsibilities
Organisation and legal issues
Transaction management



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2016

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