

REPORT ON THE FIRST QUARTER OF 2012



warimpex

KEY FIGURES OF THE WARIMPEX GROUP

EUR '000	Retrospectively adjusted ¹		
	1-3/2012	Change	1-3/2011
Revenues from the Hotels & Resorts segment	12,238	18%	10,335
Revenues from the Development & Asset Management segment	1,612	49%	1,085
<i>Total revenues</i>	<i>13,850</i>	<i>21%</i>	<i>11,419</i>
Gains from the sale of project companies	319	-79%	1,521
EBITDA	932	79%	522
EBIT	-1,513	-	-330
Profit for the period	259	-	-3,007
Net cash flows from operating activities	1,086	-	-418
Equity and liabilities	416,217	7%	390,392
Equity	76,448	10%	69,811
Issued capital	54,000	-	54,000
Average shares in the period	54,000,000	-	54,000,000
Earnings/loss per share	in EUR 0.01	-	-0.05
Number of hotels	21	0	21
Number of rooms (adjusted for proportionate share of ownership)	3,462	95	3,367
Number of office and commercial properties	5	0	5
Average number of employees in the Group	1,611	30	1,581
	31/12/2011²	Change	31/12/2010²
Gross asset value (GAV)	in EUR m 605.2	3%	589.7
Triple net asset value (NNNAV)	in EUR m 172.6	2%	169.2
NNNAV per share	in EUR 3.2	3%	3.1
End-of-period share price	in EUR 0.78	-71%	2.68

¹ Please refer to page 22 and Note 2.02 in the consolidated financial statements as of 31 December 2011 for information about the retrospective adjustment.

² An external valuation of the portfolio was not completed as of 31 March 2012 or 31 March 2011.

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

The first quarter of 2012 brought a good start to the new year for Warimpex despite the turbulent economic conditions. Revenues from hotel operations improved by 18 per cent in annual comparison to EUR 12.2 million. This growth was primarily the result of substantially higher revenues in Ekaterinburg, Prague and Krakow.

The good overall performance of our hotels can especially be seen in the increase in the cash flow from operations from EUR -0.4 million to EUR 1.1 million. EBITDA, one of our most important performance indicators because it is not distorted by industry-specific valuation methods, also improved from EUR 0.5 million in the first quarter of 2011 to EUR 0.9 million. Because of lower profit contributions from property sales and lower non-cash reversals of impairments, the operating result (EBIT) fell from minus EUR 0.3 million to minus EUR 1.5 million. Overall, this resulted in a profit for the reporting period.

Sales revenues from hotels grew at a significantly higher rate in 2012 than in 2011 when the joint ventures are consolidated on a proportionate basis. The average number of available rooms was nearly unchanged at 3,621, while sales revenues from hotel operations increased by 10 per cent from EUR 19.6 million to EUR 21.6 million. The net operating profit improved by 93 per cent to EUR 4.3 million. This significantly higher NOP margin can above all be attributed to improved occupancy levels and higher room rates.

The encouraging trend on the transaction markets continued into the current year. The head of terms agreement for the intended sale of the 50 per cent stake in the InterContinental hotel in Warsaw was signed at the end of the quarter. The closing is expected to take place this year. The expected purchase price will be greater than the carrying value of the property and the sale will have a very positive effect on our earnings and liquidity position in 2012.

In our development segment, there are currently seven real estate projects under construction or in advanced stages of development – including the Le Palais office building in Warsaw, which is scheduled to open at the end of 2012. In Vienna, we are involved in developing Palais Hansen on the city's Ring boulevard into a high-end hotel and residential property. This project, our first in Austria, is expected to open in the spring of 2013. At Airport City St. Petersburg, the four-star Crowne Plaza hotel and a neighbouring office building were already opened last year. The shell of the second office building with 15,000 square metres of lettable space has also been completed; the building can be finished this year depending on rental demand and financing.

As already announced in our annual report for 2011, the new tightening of conditions on the financing markets has led us to focus on bolstering our Company's foundation to insulate us from the volatile market conditions and to ensure that we are ideally positioned to seize promising new development opportunities when they arise. The good results that we achieved in the first quarter of 2012 make me confident that we will see pleasing performance in the traditionally stronger quarters to come.



Franz Jurkowitsch

BUSINESS HIGHLIGHTS

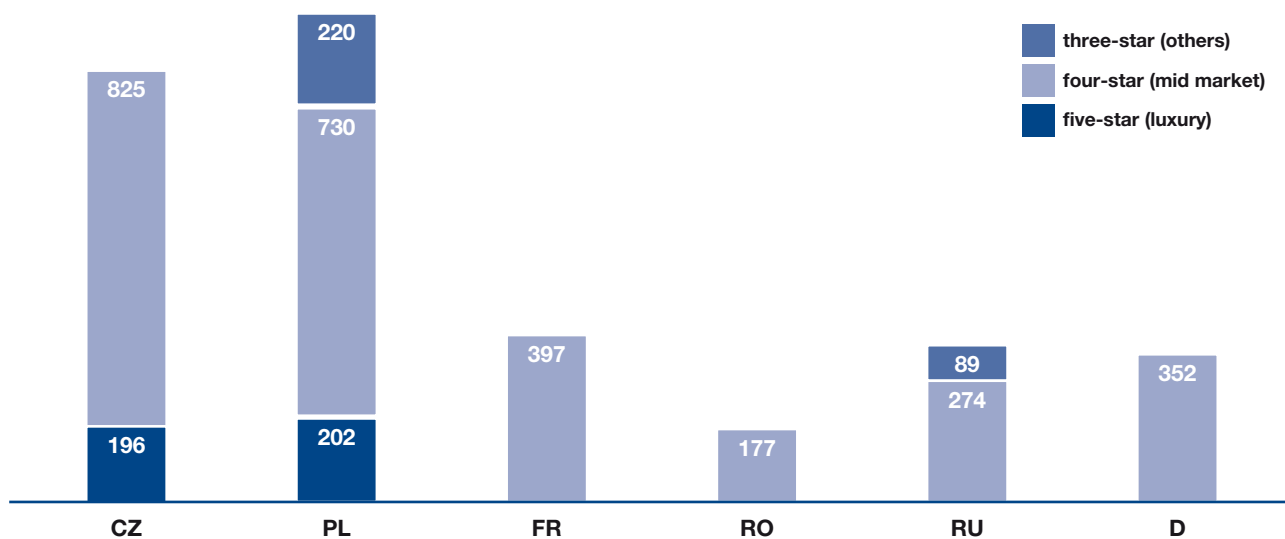
- 04/2012 Head of terms agreement for the intended sale of the InterContinental hotel in Warsaw signed

INVESTOR RELATIONS

After closing 2011 at EUR 0.78 and PLN 2.95, the share price rose in the first quarter of 2012. The closing price on 31 March 2012 was PLN 4.05 and EUR 0.97.

Since our IPO, we have maintained an open and proactive communication policy with our investors. Warimpex participated in investor conferences in Zürich and Warsaw in 2012.

Hotel portfolio (number of rooms adjusted for proportionate share of ownership) at 31 March 2012



The increase in the number of rooms by 95 in annual comparison from 3,367 to 3,462 can be attributed to the opening of the Crowne Plaza hotel in St. Petersburg at the end of 2011, which was partially offset by the sale of Sobieski Hotel in Warsaw.

GROUP MANAGEMENT REPORT

for the period from 1 January to 31 March 2012

ECONOMIC ENVIRONMENT

In May 2012, the European Commission lowered its economic forecasts for 2012 and 2013 (European Economic Forecast, Spring 2012) considerably compared with its projections from autumn 2011. The Eurozone economy is now expected to contract by 0.3 per cent in 2012 (autumn 2011 projection: growth of 0.5 per cent), and to expand by 1.0 per cent (1.3 per cent) in 2013. While significant decreases in economic output are predicted for Southern Europe, the outlook for Germany, Austria and CEE is considerably more positive. Individual economies such as Poland are expected to expand by 2.7 per cent in 2012 and 2.6 per cent in 2013, an improvement of 0.2 per cent since the autumn forecast.

MARKETS

POLAND

Existing portfolio: 6 hotels, 1 office property

Warimpex holds a 50 per cent interest in the five-star InterContinental in Warsaw.

In Krakow, Warimpex has leased the four-star-plus andel's hotel since September 2009 and also owns the three-star Chopin Hotel. In Łódź, Warimpex opened a further andel's hotel in June 2009; in March 2010, the first angelo hotel in Poland (a joint venture with UBM) opened in Katowice. In Międzyzdroje on the Baltic coast, Warimpex owns the Amber Baltic spa resort hotel.

The occupancy rate at the InterContinental hotel fell to 70 per cent in 2010 (1–3 2011: 75 per cent), but the average room rate in euros increased slightly. The andel's hotel in Łódź achieved an occupancy rate of 55 per cent (1–3 2011: 52 per cent), and the average room rate in euros also increased slightly.

The occupancy rate at the Chopin Hotel rose from 32 per cent to 46 per cent, but the average room rate in euros decreased slightly. At the andel's hotel in Krakow, the occupancy rate also increased significantly (1–3 2012: 56 per cent, 1–3 2011: 49 per cent), and the average room rate remained stable. The occupancy rate at the Amber Baltic beachfront resort came in at 25 per cent (1–3 2011: 22 per cent), and the average room rate declined. Due to its location on the Baltic coast, occupancy rates at this hotel are subject to strong seasonal fluctuations, and cannot be compared to those of city hotels.

In addition to the hotels listed above, Warimpex owns 50 per cent of the Parkur Tower office building in Warsaw.

Under development: 2 office buildings, 1 shopping centre

At the end of 2010, Warimpex sold a project company in Warsaw that is converting one of the few historic buildings in the city into a modern office building. Warimpex has undertaken to complete the project as a developer. Construction started at the beginning of 2011 and is scheduled to be completed at the end of 2012.

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

CZECH REPUBLIC

Existing portfolio: 7 hotels

In Prague, Warimpex owns the three five-star hotels Palace, Le Palais and Savoy. In the four-star segment, it owns the Diplomat Hotel and the angelo hotels in Prague and Plzeň. Warimpex also consolidates the Dvořák spa hotel in Karlovy Vary according to IAS/IFRS. At the end of 2011, Golden Tulip (part of the Louvre/Starwood Capital Group) was appointed as the new manager of Savoy Hotel.

In the reporting period, the two four-star hotels in Prague achieved occupancy rates of 53 and 50 per cent (1–3 2011: 31 and 47 per cent); the average room rates were lower but the RevPAR improved substantially at both establishments. Occupancy increased in the five-star segment as well and ranged between 27 and 37 per cent (1–3 2011: 28 and 30 per cent). The average room rates in euros decreased by roughly 10 per cent in two of the three hotels, but the RevPar improved at all three. At the Dvořák spa hotel in Karlovy Vary, the occupancy rate was 72 per cent (1–3 2011: 73 per cent). The average room rate rose slightly. Occupancy at the angelo hotel in Plzeň increased significantly from 29 to 39 per cent, and the average room rate was 7 per cent higher.

HUNGARY

Existing portfolio: 3 office properties

In Budapest, Warimpex owns the Erzsebet, Dioszegi and Sajka office buildings, which together have a total net floor space of around 17,000 square metres.

The Dioszegi office building has roughly 800 square metres of lettable space, roughly 100 per cent of which is occupied. Sajka office building with its approximately 600 square metres of lettable space is partially rented out.

Of the two towers in the Erzsebet office complex, tower B was completely renovated and handed over to the tenant in May 2009. It was completely rented out in the reporting period. Tenants are currently being sought for tower A; plans are in place to modernize and rent this tower as well.

ROMANIA

Existing portfolio: 1 hotel

The angelo Airporthotel in Bucharest, which Warimpex acquired in 2007 and expanded by 69 rooms in 2008 along with adapting it to the angelo design, saw an occupancy rate of 45 per cent (1–3 2011: 39 per cent). The average room rate in euros remained stable.

GERMANY

Existing portfolio: 2 hotels

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

At the angelo hotel in Munich, the occupancy rate came to 72 per cent (1–3 2011: 73 per cent). The average room rate fell by 5 per cent. Occupancy at the andel's hotel in Berlin came to 60 per cent (1–3 2011: 52 per cent). The average room rate was down slightly.

Under development: 1 hotel, 1 conference centre

Plans for the second phase of the angelo project in Munich call for the expansion of the hotel. In addition, a piece of land adjacent to the andel's hotel in Berlin was purchased in 2009 for the development of a conference centre and commercial space. Planning is currently under way for both projects.

FRANCE**Existing portfolio: 2 hotels**

In Paris, Warimpex and its partner UBM are the joint leaseholders of the four-star Dream Castle Hotel and the four-star Magic Circus at Disneyland® Resort Paris, each of which have about 400 rooms. The occupancy rates at the hotels were 52 and 45 per cent (1–3 2011: 62 and 48 per cent). The average room rate increased at both hotels.

AUSTRIA**Under development: 1 hotel including apartments**

In Vienna, Warimpex is involved in developing Palais Hansen on the city's Ring boulevard into a high-end hotel and residential property in collaboration with Wiener Städtische/Vienna Insurance Group and PORR Solutions. The project, which is scheduled to open in the spring of 2013, is Warimpex's first in Austria. A renowned operator and leaseholder was won for Palais Hansen, the hotel operator Kempinski. Construction work commenced at the beginning of September 2010.

RUSSIA**Existing portfolio: 3 hotels, 1 office building**

In Russia, Warimpex holds 60 per cent of the Liner Hotel and the angelo hotel at Koltsovo airport in Ekaterinburg. The angelo hotel Ekaterinburg, which has a direct link to the new terminals, was opened in the third quarter of 2009. In St. Petersburg, Warimpex holds 50 per cent of Airport City St. Petersburg. In the first phase of the project, a four-star Crowne Plaza hotel (InterContinental Group) and an office building with 17,000 square metres of lettable space were opened at the end of December 2011. Airport City St. Petersburg is being developed by OAO AVIELEN A.G. in a joint venture with CA Immo and UBM and is directly next to Pulkovo 2 international airport. It is the first premium-class business centre in the region and is a key infrastructure project in the growing economic centre of St. Petersburg.

While the Liner Hotel continued to enjoy very satisfactory occupancy in 2011, occupancy at the more expensive angelo hotel rose significantly (1–3 2012: 50 per cent, 1–3 2011: 29 per cent) and the average room rate in euros improved by 7 per cent. The newly opened Crowne Plaza at Airport City St. Petersburg achieved 25 per cent occupancy.

Under development: 1 office building

The shell of a second office building that will have 15,000 square metres of lettable space has also been completed at Airport City. This building will be completed in accordance with rental demand and the available financing.

ASSETS, FINANCIAL POSITION AND EARNINGS SITUATION

Due to seasonal effects, revenues are generally the lowest in the first quarter of the year, and are not representative of the development of sales for the full year. In contrast, the second and third quarters generally show the best sales.

Development of revenues

Consolidated sales revenues rose by 21 per cent to EUR 13.9 million. Sales revenues from hotel operations increased by 18 per cent from EUR 10.3 million in the first three months of 2011 to EUR 12.2 million. This improvement can primarily be attributed to significantly higher sales revenues in Ekaterinburg, Prague and Krakow. Revenues from the rental of offices and the provision of development services increased from EUR 1.1 million to EUR 1.6 million, primarily due to the progress made in the construction of the Le Palais office building in Warsaw.

Segment reporting*

(*For more information, see the detailed comments in [05] Segment information in the Notes)

The Warimpex Group has defined the segments Hotels & Resorts and Development & Asset Management. The Hotels & Resorts segment is clearly comparable with the hotels and/or hotel rooms held by the Group as consolidated entities in the reporting year. The Development & Asset Management segment contains profits resulting from the letting of investment property and profits from the sale of real estate. The figures in the segment information are based on proportionate consolidation.

Hotels & Resorts segment

in EUR thousands	1-3/2012	1-3/2011
Revenues for the Group	21,638	19,608
Average number of hotel rooms for the Group	3,621	3,568
Group NOP	4,308	2,235

Sales revenues from hotels grew at a significantly higher rate in the reporting period than in 2011. The average number of available rooms was nearly unchanged at 3,621, while sales revenues from hotel operations increased by 10 per cent from EUR 19.6 million to EUR 21.6 million.

The net operating profit (GOP calculated according to the Uniform System of Accounts for the Lodging Industry less costs after GOP) improved by 93 per cent to EUR 4.3 million. This significantly higher NOP margin can above all be attributed to improved occupancy levels and room rates.

Development & Asset Management segment

in EUR thousands	1-3/2012	1-3/2011
Revenues for the Group	1,820	1,441
Gains from the sale of project companies	319	1,521
Segment EBITDA	-406	896

Revenues in the Development & Asset Management segment rose by 26 per cent from EUR 1.4 million to EUR 1.8 million. This improvement can primarily be attributed to development revenues in connection with the contract for the completion of the Le Palais office building in Warsaw.

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.

Earnings situation

Warimpex recognizes its tangible non-current assets at cost minus depreciation, and does not recognize any increases in the value of its real estate assets in the profit and loss account. Any such value increases are not recognized until the asset is actually sold. As a result, earnings are highly dependent on the sale of properties and fluctuate significantly. The purchase price adjustment for the sale of the joint venture share in Louvre Hotels took place in the first quarter, and earnings of EUR 0.3 million were posted. Warimpex sold a 12.5 per cent share in Sobieski Hotel in Warsaw in the first quarter of 2011. The profit from this transaction was EUR 1.5 million.

EBITDA – EBIT

Compared with the first quarter of 2011, earnings before interest, tax, depreciation and amortization (EBITDA) rose from EUR 0.5 million to EUR 0.9 million, and earnings before interest and taxes (EBIT) fell from minus EUR 0.3 million to minus EUR 1.5 million. The reasons for this decrease were lower profit contributions from property sales and lower non-cash reversals of impairments (1–3 2012: EUR 0.5 million, 1–3 2011: EUR 2.1 million).

Financial result

The financial result improved from minus EUR 2.9 million to plus EUR 1.7 million.

Profit for the period

The profit for the first quarter came in at EUR 0.3 million (1–3 2011: minus EUR 3.0 million)

Cash flow

The cash flow from operating activities improved from minus EUR 0.4 million to plus EUR 1.1 million.

OUTLOOK

The following projects are currently under construction:

- Le Palais office building, Warsaw (opening scheduled for the end of 2012)
- Palais Hansen Kempinski hotel, Vienna (opening scheduled for Q1 2013)
- Airport City, St. Petersburg, additional 15,000 square metres of office space in the business park

Given the current volatile market situation, we will focus on bolstering our Company's foundation and on our portfolio of existing properties in 2012 so that we are ideally positioned to seize promising new development opportunities when they arise. To this end, we are working to strengthen our financing structure and continue the successful operation of our existing properties.

Vienna, 24 May 2012



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

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 31 March 2012 – unaudited

in EUR	Note	Retrospective adjustment	
		2012	2011
Revenues			
Revenues – Hotels & Resorts segment		12,238,009	10,334,703
Revenues – Development & Asset Management segment		1,612,336	1,084,782
		13,850,346	11,419,485
Income from the sale of properties			
Gains from the sale of real estate		318,738	2,336,907
Carrying amounts, loans and borrowings assumed by the purchaser		–	(816,298)
	[06]	318,738	1,520,610
Expenses for materials and services rendered		(6,386,387)	(5,845,118)
Expenses for project development		(812,661)	(118,571)
Personnel expenses	[07]	(4,472,114)	(4,408,832)
Depreciation and amortization expense		(2,912,672)	(2,907,769)
Impairments		(6,753)	–
Reversal of impairments		474,915	2,055,500
Other expenses	[08]	(1,566,133)	(2,045,064)
		(15,681,806)	(13,269,853)
		(1,512,722)	(329,759)
Operating profit			
Financial revenue	[09]	615,324	1,647,153
Finance costs	[09]	(5,488,631)	(3,562,787)
Result from joint ventures	[13]	6,567,172	(1,003,284)
		181,143	(3,248,677)
Profit before tax			
Current income taxes	[10]	(184,983)	2,922
Deferred taxes	[10]	262,738	238,955
		258,898	(3,006,800)
Profit for the period			
Foreign currency translation		(102,068)	(135,487)
Other result from joint ventures		(274,660)	–
Fair value measurement of financial instruments available for sale		–	(1,446)
Net gains/losses from hedging		(20,581)	202,485
(Deferred) taxes recognized in equity		3,883	(38,466)
		(134,527)	(2,979,714)
Total income and expenses for the period			
Profit for the period attributable to:			
- Equity holders of the parent		502,600	(2,786,957)
- Non-controlling interests		(243,702)	(219,843)
		258,898	(3,006,800)
Total income/expenses for the period attributable to:			
- Equity holders of the parent		142,941	(3,104,051)
- Non-controlling interests		(277,469)	124,337
		(134,527)	(2,979,714)
Earnings per share:			
Undiluted, for the profit for the period attributable to ordinary equity holders of the parent		0.01	(0.05)
Diluted, for the profit for the period attributable to ordinary equity holders of the parent		0.01	(0.05)

CONSOLIDATED BALANCE SHEET

as of 31 March 2011

in EUR	Note	31/03/2012	31/12/2011	Retrospective adjustment
		unaudited		31/03/2011 unaudited
ASSETS				
Non-current assets				
Property, plant and equipment	[11]	276,036,414	277,149,161	273,355,113
Investment properties	[12]	13,561,141	13,562,844	14,879,873
Goodwill		921,266	921,266	921,266
Other intangible assets		198,420	219,470	271,382
Joint ventures	[13]	98,746,430	92,252,489	74,507,236
Other financial assets		9,494,415	9,493,936	8,544,509
Deferred tax assets		361,679	351,654	363,466
		399,319,766	393,950,821	372,842,846
Current assets				
Inventories		954,822	1,497,460	847,371
Trade and other receivables	[15]	5,966,208	5,825,035	6,549,632
Financial instruments available for sale		3,988,802	3,988,802	5,476,499
Other financial assets	[16]	2,628	6,795	44,108
Cash and short-term deposits		5,984,689	7,015,958	4,631,748
		16,897,148	18,334,050	17,549,359
TOTAL ASSETS		416,216,914	412,284,871	390,392,205
EQUITY AND LIABILITIES				
<i>Equity attributable to equity holders of the parent</i>				
Issued capital		54,000,000	54,000,000	54,000,000
Capital reserves		71,387,604	71,387,604	70,921,626
Retained earnings		(46,294,714)	(46,797,314)	(56,045,405)
Treasury shares		(301,387)	(301,387)	(301,387)
Other reserves		733,386	1,093,045	2,087,916
		79,524,890	79,381,948	70,662,750
<i>Minority interests</i>		<i>(3,077,074)</i>	<i>(2,800,148)</i>	<i>(3,831,478)</i>
Total equity		76,447,816	76,581,800	66,831,272
Non-current liabilities				
Convertible bonds	[14]	15,157,017	13,774,416	–
Interest-bearing loans and borrowings	[14]	227,560,525	212,224,507	213,808,549
Provisions		4,078,282	4,017,065	4,464,765
Other payables	[15]	611,037	866,610	8,548,119
Deferred tax liabilities		12,129,790	12,386,386	12,708,049
		259,536,651	243,268,983	239,529,483
Current liabilities				
Trade and other payables	[15]	17,086,488	16,385,504	9,350,013
Interest-bearing loans and borrowings	[14]	59,178,466	72,414,075	72,774,747
Derivative financial instruments	[16]	1,610,893	2,199,317	1,223,540
Income tax payable		255,377	104,575	220,699
Provisions		2,101,223	1,330,616	462,450
		80,232,447	92,434,087	84,031,449
TOTAL EQUITY AND LIABILITIES		416,216,914	412,284,871	390,392,205

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January to 31 March 2012 – unaudited

in EUR	Note	2012	Retrospective adjustment 2011
Cash receipts from operating activities			
From the operation of hotels and rent received		13,042,183	11,967,534
From real estate development projects		854,849	377,680
Interest received		22,099	4,861
		<u>13,919,132</u>	<u>12,350,075</u>
Cash payments for operating activities			
For real estate development projects		(910,648)	(137,241)
For materials and services received		(6,020,942)	(5,611,798)
For personnel and related expenses		(4,379,879)	(4,350,434)
For other expenses		(1,470,174)	(2,676,239)
Income tax paid		(51,937)	7,210
		<u>(12,833,581)</u>	<u>(12,768,503)</u>
Net cash flows from operating activities		<u>1,085,551</u>	<u>(418,428)</u>
Net cash flows from investing activities			
Purchase of property, plant and equipment		(1,211,679)	(82,679)
Purchase of investment properties		(220,646)	–
Acquisition of software		(618)	287
Payments for available-for-sale investments		–	(354,217)
Income/payments for other financial assets		(479)	21,493
Income/payments for joint ventures	[13]	(201,429)	98,817
		<u>(1,634,851)</u>	<u>(316,299)</u>
Cash flows from the sale of business entities			
Proceeds from the sale of disposal groups and properties		–	22,359
Cash and cash equivalents of sold disposal groups		–	45,235
Purchase price payments for business entities sold/purchased in prior periods	[06]	1,007,366	284,710
Proceeds from the sale of available-for-sale investments		–	846,279
Net cash flows from/used in financing activities		<u>1,007,366</u>	<u>1,198,584</u>
Cash flows from financing activities			
Proceeds from loans and borrowings	[14]	333,972	1,320,227
Payments received from and made to minority interests		543	–
Repayment of loans and borrowings	[14]	(748,202)	(2,243,093)
Interest and other finance costs paid		(1,575,025)	(2,251,012)
Net cash flows from/used in financing activities		<u>(1,988,711)</u>	<u>(3,173,878)</u>
Net change in cash and cash equivalents		(1,530,645)	(2,710,021)
Net foreign exchange difference		499,375	49,724
Cash and cash equivalents at 1 January		7,015,958	7,292,046
Cash and cash equivalents at the end of the period		<u>5,984,689</u>	<u>4,631,748</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 31 March 2012 – unaudited

in EUR	Issued capital	Capital reserves	Retained earnings	Treasury shares	Other reserves	Total	Minority interests	Total equity
At 1 January 2012	54,000,000	71,387,604	(46,797,314)	(301,387)	1,093,045	79,381,948	(2,800,148)	76,581,800
Other changes in minority interests	-	-	-	-	-	-	543	543
Profit for the period	-	-	502,600	-	-	502,600	(243,702)	258,898
Other income/expense	-	-	-	-	(359,659)	(359,659)	(33,767)	(393,425)
Total income and expenses for the period	-	-	502,600	-	(359,659)	142,941	(277,469)	(134,527)
At 31 March 2012	54,000,000	71,387,604	(46,294,714)	(301,387)	733,386	79,524,890	(3,077,074)	76,447,816

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 31 March 2011 – unaudited

in EUR	Issued capital	Capital reserves	Retained earnings	Treasury shares	Other reserves	Total	Minority interests	Total equity
At 1 January 2011	54,000,000	70,921,626	(53,258,449)	(301,387)	2,405,011	73,766,801	(3,955,815)	69,810,986
Profit for the period	-	-	(2,786,956)	-	-	(2,786,956)	(219,843)	(3,006,799)
Other income/expense	-	-	-	-	(317,095)	(317,095)	344,180	27,086
Total income and expenses for the period	-	-	(2,786,956)	-	(317,095)	(3,104,051)	124,337	(2,979,714)
At 31 March 2011	54,000,000	70,921,626	(56,045,405)	(301,387)	2,087,916	70,662,750	(3,831,478)	66,831,272

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[01] Corporate information

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

The interim financial statements as of 31 March 2012 for Warimpex Finanz- und Beteiligungs AG were released for publication by the Company’s management on 24 May 2012. The main activities of the Company are described in Note [04], Business segments.

[02] Retrospective adjustment

At the end of 2011, the Company reassessed its recognition method for joint ventures and decided to change from the proportionate method to the equity method of consolidation. The figures for the previous years were retrospectively adjusted. The figures for the previous year were also retrospectively adjusted for the consolidated financial statements as of 31 March 2012. See also Note [05], Segment information.

[03] Basis for preparation

The interim consolidated financial statements for the period ended 31 March 2012 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 2011.

The interim financial statements as of 31 March 2012 were not audited and were not reviewed by an independent financial auditor.

The accounting and valuation methods applied in preparing the interim consolidated financial statements as of 31 March 2012 have remained unchanged from the consolidated financial statements as of 31 December 2011.

With respect to the changes effective under IFRS as of 1 January 2012 and their effects, please refer to the details stated in the consolidated annual financial statements as of 31 December 2011.

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.

[04] 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.

[05] Segment information

for the period from 1 January to 31 March 2012 – unaudited (31 March 2011 retrospectively adjusted)

The Warimpex Group's operations are divided into two business segments: Hotels & Resorts and Development & Asset Management. The business activity and operating region of each company are taken into account when determining the segment for internal management reporting purposes.

Transactions between business segments contain the recharging of intragroup services as well as project development services. The services are charged at cost plus a profit margin. The following tables present revenue and profit and certain asset and liability information regarding the Group's business segments for the period from 1 January 2012 to 31 March 2012; the figures for the previous year were retrospectively adjusted.

Differences in the results (reconciliation) in the segment reports, in which the joint ventures are consolidated proportionately, and the interim financial statements, in which the joint ventures are consolidated using the equity method, result primarily from the valuation of impairment charges on loans extended to joint ventures, which are applied through the allocation of profit or loss. In the first quarter of 2012, the discount on an acquired loan in the amount of EUR 4,412,776 was released in connection with the InterContinental hotel Warsaw joint venture, which is to be sold. See also Note [18], Events after the balance sheet date.

SEGMENT OVERVIEW in EUR '000

	Hotels & Resorts		Development & Asset Management	
	2012	2011	2012	2011
PROFIT FOR THE PERIOD				
External sales	21,670	19,650	1,820	1,441
Inter-segment sales	(388)	(306)	388	306
Income from the sale of properties	-	-	319	1,521
Changes in real estate projects under development	-	-	-	-
Other income	-	-	-	-
Expenses for materials and services rendered	(11,100)	(10,334)	(498)	(518)
Expenses for project development	-	-	(829)	(124)
Personnel expenses	(6,431)	(6,322)	(832)	(874)
Other expenses	(971)	(1,942)	(386)	(550)
Segment EBITDA	3,168	1,052	(406)	896
Scheduled write-downs	(4,660)	(4,600)	(366)	(194)
Impairments	(13)	-	(7)	-
Write-ups	891	1,946	232	243
Segment result from ordinary operations	(614)	(1,602)	(548)	945
Financial revenue	1	291	610	1,361
Finance costs	(4,708)	(3,597)	(5,096)	(1,891)
Result from joint ventures	-	-	1,202	1,089
Income tax	(185)	3	(2)	6
Deferred income tax	2,274	471	2,912	(84)
Segment overview: profit for the period	(3,233)	(4,434)	(921)	1,427
SEGMENT OVERVIEW: BALANCE SHEET				
Real estate and goodwill	453,378	442,741	76,482	61,000
Joint ventures	-	-	2,657	(17,136)
Other financial assets	12	12	9,483	8,533
Deferred tax assets	4,797	1,321	8,287	430
Non-current assets	458,186	444,074	96,909	52,827
Inventories and receivables	14,698	8,085	3,448	3,614
Securities and other financial assets	3	44	3,989	5,476
Cash and short-term deposits	6,825	7,392	6,353	3,360
Segment overview: assets	479,712	459,595	110,699	65,278
Convertible bonds, interest-bearing loans and borrowings	337,272	333,975	126,516	91,158
Other liabilities and reserves	33,719	30,983	14,873	13,411
Segment overview: debt	370,991	364,958	141,389	104,569
SEGMENT OVERVIEW: CASH FLOW				
Cash receipts from operating activities				
From the operation of hotels and rent received	22,058	21,215	725	1,197
From real estate development projects	-	-	855	378
Interest received	1	5	22	6
	22,059	21,220	1,603	1,580
Cash payments for operating activities				
For real estate development projects	57	(29)	(927)	(143)
For materials and services received	(8,277)	(9,996)	(368)	(455)
For personnel and related expenses	(6,372)	(6,355)	(819)	(897)
For other expenses	(4,526)	(2,722)	898	(553)
For income taxes	(10)	7	6	7
Segment overview:				
net cash flows from operating activities	2,931	2,125	392	(460)
Investment cash flow	(3,929)	(2,326)	(1,131)	4,126
Financing cash flow	(3,277)	(2,461)	(265)	(455)
Segment overview:				
net change in cash and cash equivalents	(4,275)	(2,662)	(1,004)	3,211
Average payroll	1,544	1,509	66	72

Segment total at 31 March		Reconciliation difference		Total at 31 March	
2012	2011	2012	2011	2012	2011
23,490	21,091	(9,639)	(9,671)	13,850	11,419
-	-	-	-	-	-
319	1,521	-	-	319	1,521
-	-	-	-	-	-
-	-	-	-	-	-
(11,598)	(10,852)	5,211	5,007	(6,386)	(5,845)
(829)	(124)	17	5	(813)	(119)
(7,263)	(7,196)	2,791	2,787	(4,472)	(4,409)
(1,357)	(2,492)	(209)	447	(1,566)	(2,045)
2,761	1,948	(1,829)	(1,426)	932	523
(5,026)	(4,794)	2,114	1,887	(2,913)	(2,908)
(20)	-	13	-	(7)	-
1,123	2,189	(648)	(133)	475	2,056
(1,162)	(657)	(351)	328	(1,513)	(330)
610	1,653	5	(6)	615	1,647
(9,804)	(5,487)	4,315	1,925	(5,489)	(3,563)
1,202	1,089	5,365	(2,092)	6,567	(1,003)
(187)	9	2	(6)	(185)	3
5,186	387	(4,923)	(148)	263	239
(4,154)	(3,007)	4,413	-	259	(3,007)
529,860	503,741	(239,143)	(214,314)	290,717	289,428
2,657	(17,136)	96,090	91,643	98,746	74,507
9,494	8,545	-	-	9,494	8,545
13,084	1,751	(12,722)	(1,387)	362	363
555,095	496,901	(155,776)	(124,058)	399,320	372,843
18,146	11,699	(11,225)	(4,302)	6,921	7,397
3,991	5,521	-	-	3,991	5,521
13,178	10,752	(7,193)	(6,121)	5,985	4,632
590,411	524,873	(174,194)	(134,481)	416,217	390,392
463,787	425,133	(161,891)	(138,550)	301,896	286,583
48,593	44,395	(10,720)	(7,417)	37,873	36,978
512,380	469,527	(172,611)	(145,966)	339,769	323,561
22,784	22,412	(9,742)	(10,444)	13,042	11,968
855	378	-	-	855	378
23	11	(1)	(6)	22	5
23,662	22,800	(9,742)	(10,450)	13,919	12,350
(870)	(172)	(41)	34	(911)	(137)
(8,646)	(10,451)	2,625	4,839	(6,021)	(5,612)
(7,190)	(7,251)	2,810	2,901	(4,380)	(4,350)
(3,628)	(3,275)	2,158	599	(1,470)	(2,676)
(5)	14	(47)	(7)	(52)	7
3,323	1,665	(2,237)	(2,083)	1,086	(418)
(5,060)	1,800	4,432	(917)	(627)	882
(3,542)	(2,916)	1,553	(258)	(1,989)	(3,174)
(5,279)	548	3,748	(3,258)	(1,531)	(2,710)
1,611	1,581	(488)	(457)	1,122	1,124

HOTELS & RESORTS SUB-SEGMENT RESULT in EUR '000

	Luxury		Upmarket		Others	
	2012	2011	2012	2011	2012	2011
Revenues	3,303	3,512	17,096	15,142	1,238	954
Expenses for materials	(1,621)	(1,912)	(8,031)	(7,113)	(374)	(326)
Personnel expenses	(991)	(1,261)	(4,916)	(4,456)	(330)	(368)
Gross operating profit	691	339	4,149	3,573	534	260
<i>Hotel employees</i>	<i>238</i>	<i>263</i>	<i>1,156</i>	<i>1,087</i>	<i>122</i>	<i>128</i>
<i>Total rooms</i>	<i>398</i>	<i>459</i>	<i>2,853</i>	<i>2,739</i>	<i>370</i>	<i>370</i>
<i>Rooms available</i>	<i>398</i>	<i>458</i>	<i>2,848</i>	<i>2,730</i>	<i>370</i>	<i>367</i>
<i>Rooms sold</i>	<i>216</i>	<i>231</i>	<i>1,402</i>	<i>1,235</i>	<i>264</i>	<i>212</i>
Average room occupancy	54%	51%	49%	45%	71%	58%
Management fee	(35)	(43)	(811)	(724)	(85)	(68)
Lease/rent	–	–	(594)	(576)	(19)	(20)
Exchange adjustments	64	104	1,242	(66)	(7)	6
Property costs	(254)	(239)	(553)	(288)	(15)	(22)
Net operating profit	466	160	3,434	1,920	408	156
Revenues after GOP	–	–	4	1	28	41
Other costs after GOP	(93)	(107)	(1,042)	(991)	(38)	(59)
Scheduled write-downs	(611)	(903)	(3,741)	(3,428)	(308)	(270)
Impairments	–	–	(13)	–	–	–
Write-ups	–	295	1,402	1,562	(511)	89
Contribution to the operating result for HOTELS & RESORTS	(237)	(555)	44	(936)	(421)	(43)
Thereof sales revenues in						
• Czech Republic	883	1,045	4,634	3,971	–	–
• Poland	2,421	2,468	4,201	4,156	504	420
• Romania	–	–	582	500	–	–
• Russia	–	–	1,759	834	734	534
• Germany	–	–	3,222	2,878	–	–
• France	–	–	2,698	2,802	–	–
Thereof GOP in						
• Czech Republic	(223)	(548)	1,057	937	–	–
• Poland	914	886	1,331	1,382	129	59
• Romania	–	–	190	129	–	–
• Russia	–	–	488	251	405	201
• Germany	–	–	791	591	–	–
• France	–	–	291	283	–	–
Thereof contribution to operating result						
• Czech Republic	(419)	(811)	83	128	–	–
• Poland	182	256	(728)	(422)	(120)	(183)
• Romania	–	–	119	(2)	–	–
• Russia	–	–	1,263	84	(301)	140
• Germany	–	–	(137)	(292)	–	–
• France	–	–	(556)	(431)	–	–
• Others	–	–	–	–	–	–

Under development & construction		Segment total at 31 March		Reconciliation difference		Total at 31 March	
2012	2011	2012	2011	2012	2011	2012	2011
-	-	21,638	19,608	(9,434)	(9,317)	12,204	10,291
-	-	(10,026)	(9,351)	4,647	4,497	(5,379)	(4,854)
-	-	(6,238)	(6,086)	2,782	2,737	(3,456)	(3,349)
-	-	5,374	4,171	(2,005)	(2,083)	3,369	2,089
		1,516	1,478	(466)	(433)	1,049	1,045
		3,621	3,568	(1,286)	(1,233)	2,335	2,335
		3,616	3,555	(1,284)	(1,229)	2,332	2,327
		1,882	1,678	(678)	(702)	1,204	976
		52%	47%	53%	57%	52%	42%
-	-	(931)	(835)	331	333	(600)	(502)
-	-	(613)	(596)	0	9	(613)	(587)
-	-	1,299	44	(1,314)	(84)	(14)	(40)
-	-	(821)	(549)	1,024	514	202	(35)
-	-	4,308	2,235	(1,965)	(1,310)	2,344	925
-	-	32	42	3	2	34	44
-	(68)	(1,173)	(1,225)	199	277	(974)	(948)
-	-	(4,660)	(4,600)	2,069	1,829	(2,591)	(2,771)
-	-	(13)	-	13	-	-	-
-	-	891	1,946	(515)	(133)	376	1,813
-	(68)	(614)	(1,602)	(196)	665	(811)	(937)
-	-	5,517	5,016	(184)	(131)	5,333	4,885
-	-	7,126	7,044	(2,928)	(3,506)	4,199	3,538
-	-	582	500	-	-	582	500
-	-	2,493	1,368	(403)	-	2,090	1,368
-	-	3,222	2,878	(3,222)	(2,878)	-	-
-	-	2,698	2,802	(2,698)	(2,802)	-	-
-	-	834	389	12	51	845	441
-	-	2,374	2,327	(1,126)	(1,261)	1,248	1,067
-	-	190	129	-	-	190	129
-	-	893	452	191	-	1,085	452
-	-	791	591	(791)	(591)	-	-
-	-	291	283	(291)	(283)	-	-
-	-	(336)	(683)	0	28	(336)	(655)
-	-	(666)	(350)	(178)	(154)	(844)	(504)
-	-	119	(2)	-	-	119	(2)
-	-	961	224	(711)	-	251	224
-	-	(137)	(292)	137	292	-	(0)
-	-	(556)	(431)	556	431	-	-
-	(68)	-	(68)	-	68	-	-

	Luxury		Upmarket		Others	
	2012	2011	2012	2011	2012	2011
SUB-SEGMENT CASH FLOW HOTELS & RESORTS						
Cash receipts	3,242	3,784	17,576	16,298	1,240	1,133
Interest received	–	3	–	2	–	–
Development costs	–	–	57	(86)	–	–
Expenses for materials	(1,600)	(1,859)	(7,089)	(7,974)	411	(163)
Personnel expenses	(1,047)	(1,281)	(4,967)	(4,556)	(357)	(404)
Cash paid for other expenses	(208)	(62)	(4,267)	(2,632)	(52)	(23)
Income tax	–	–	32	6	(43)	1
Cash flow from operations for Hotels & Resorts	387	586	1,343	1,057	1,200	543
Thereof in						
• Czech Republic	(149)	(343)	757	613	–	–
• Poland	536	929	591	(73)	233	182
• Romania	–	–	61	(187)	–	–
• Russia	–	–	470	(166)	967	362
• Germany	–	–	(2,077)	545	–	–
• France	–	–	1,542	325	–	–
• Others	–	–	–	–	–	–
SUB-SEGMENT ASSETS HOTELS & RESORTS						
Property, plant and equipment and goodwill	68,296	78,025	352,680	310,728	27,071	26,753
Other non-current assets	446	12	4,362	988	(0)	(0)
Other current assets	1,229	1,296	12,696	6,012	777	752
Cash and cash equivalents	1,534	575	4,313	3,728	976	267
Sub-segment assets	71,504	79,909	374,050	321,456	28,824	27,772
Interest-bearing loans and borrowings	46,763	53,998	279,585	265,511	10,924	11,245
Other non-current liabilities	–	–	8,568	16,316	1,761	1,193
Other current liabilities	1,918	1,739	19,782	9,311	1,689	1,273
Sub-segment liabilities	48,681	55,736	307,935	291,138	14,374	13,711
Analysis of assets HOTELS & RESORTS						
At 1 January	68,901	78,521	353,235	320,398	27,110	27,015
Changes in the scope of consolidation	–	–	–	(8,300)	–	(118)
Segment reclassifications	–	–	–	495	–	–
Additions	6	112	2,103	113	733	50
Disposals	–	–	–	–	–	–
Scheduled write-downs	(611)	(903)	(3,741)	(3,428)	(308)	(270)
Impairments	–	–	(13)	–	(537)	–
Write-ups	–	295	1,402	1,562	26	89
Exchange effects	–	–	(307)	(113)	48	(13)
Fixed assets on 31 March	68,296	78,025	352,680	310,728	27,071	26,753
Analysis of financial liabilities HOTELS & RESORTS						
Loans on 1 January	46,988	54,064	277,631	270,817	11,208	11,239
Changes in the scope of consolidation	–	–	–	(6,145)	–	–
New borrowings	–	–	361	41	–	–
Repayment of loans	(304)	(313)	122	(388)	(286)	0
Capitalized interest	79	246	1,272	1,470	2	5
Segment reclassifications	–	–	–	–	–	–
Exchange effects	–	–	198	(285)	–	–
Loans on 31 March	46,763	53,998	279,585	265,511	10,924	11,245

Under development & construction		Segment total at 31 March		Reconciliation difference		Total at 31 March	
2012	2011	2012	2011	2012	2011	2012	2011
-	-	22,058	21,215	(9,508)	(10,221)	12,550	10,994
-	-	1	5	1	(3)	1	2
-	57	57	(29)	(57)	28	-	(0)
-	-	(8,277)	(9,996)	2,706	4,870	(5,571)	(5,126)
-	(113)	(6,372)	(6,355)	2,810	2,901	(3,561)	(3,454)
-	(5)	(4,526)	(2,722)	3,633	566	(893)	(2,156)
-	-	(10)	7	(41)	1	(51)	7
-	(61)	2,931	2,125	(455)	(1,858)	2,475	267
-	-	609	270	(61)	(87)	548	182
-	-	1,360	1,038	(1,013)	(962)	347	76
-	-	61	(187)	-	-	61	(187)
-	0	1,437	196	83	(0)	1,519	196
-	(0)	(2,077)	545	2,077	(545)	-	(0)
-	-	1,542	325	(1,542)	(325)	-	-
-	(61)	-	(61)	-	61	-	-
5,331	27,235	453,378	442,741	(185,189)	(174,883)	268,189	267,858
-	333	4,808	1,333	(4,587)	(965)	221	368
-	69	14,701	8,129	(8,700)	(4,105)	6,000	4,024
2	2,822	6,825	7,392	(3,943)	(4,603)	2,882	2,789
5,333	30,458	479,712	459,595	(202,419)	(184,556)	277,293	275,039
-	3,222	337,272	333,975	(135,191)	(128,612)	202,080	205,363
-	315	10,329	17,825	(825)	(1,302)	9,505	16,523
1	836	23,390	13,158	(6,243)	(4,555)	17,147	8,603
1	4,373	370,991	364,958	(142,259)	(134,469)	228,732	230,489
5,331	25,858	454,577	451,793	(185,222)	(182,678)	269,355	269,114
-	-	-	(8,418)	-	8,300	-	(118)
-	-	-	495	-	(495)	-	-
-	1,445	2,842	1,719	(1,814)	(1,773)	1,028	(53)
-	-	-	-	-	-	-	-
-	-	(4,660)	(4,600)	2,069	1,829	(2,591)	(2,771)
-	-	(550)	-	13	-	(537)	-
-	-	1,428	1,946	(515)	(133)	913	1,813
-	(67)	(259)	(193)	280	67	21	(126)
5,331	27,235	453,378	442,741	(185,189)	(174,883)	268,189	267,858
-	3,205	335,827	339,326	(134,840)	(134,826)	200,987	204,500
-	-	-	(6,145)	-	6,145	-	-
-	17	361	58	(100)	(38)	262	20
-	-	(468)	(701)	(192)	574	(659)	(127)
-	-	1,353	1,721	(60)	(466)	1,293	1,255
-	-	-	-	-	-	-	-
-	-	198	(285)	-	-	198	(285)
-	3,222	337,272	333,975	(135,191)	(128,612)	202,080	205,363

DEVELOPMENT & ASSET MANAGEMENT SUB-SEGMENT RESULT in EUR '000

	DEVELOPMENT				ASSET MANAGEMENT	
	Primary		Other		Rented out	
	2012	2011	2012	2011	2012	2011
Revenues	1,024	409	289	294	506	738
Changes in real estate projects under development	–	–	–	–	–	–
Sale of real estate	319	1,521	–	–	–	–
Other operating income	–	–	–	–	–	–
Materials and services received	(130)	(121)	(205)	(236)	(163)	(161)
Project development expenses	(829)	(124)	–	–	–	–
Personnel expenses	(832)	(874)	–	–	–	–
Other operating expenses	(339)	(597)	0	(14)	(47)	61
Scheduled write-downs	(15)	(13)	(12)	(12)	(340)	(72)
Impairments	(7)	–	–	–	–	–
Write-ups	7	145	–	–	92	–
Contribution to operating profit	(802)	346	72	32	48	567
Thereof sales revenues in						
• Czech Republic	94	97	–	–	–	–
• Hungary	–	–	–	–	301	383
• Poland	928	259	289	294	193	282
• Germany	–	–	–	–	13	73
• Austria	2	54	–	–	–	–
• Luxembourg	–	–	–	–	–	–
Thereof contribution to operating result						
• Czech Republic	85	(9)	–	–	–	–
• Hungary	(115)	–	–	–	15	252
• Poland	(8)	84	72	32	37	263
• Russia	–	28	–	–	–	–
• Germany	(17)	(5)	–	–	(4)	51
• Austria	(1,053)	259	–	–	–	–
• Luxembourg	306	(12)	–	–	–	–
SUB-SEGMENT CASH FLOW						
Cash receipts from rent	214	296	177	302	335	599
Interest received	22	3	0	0	0	2
Cash receipts from development	855	378	–	–	–	–
Cash paid for development	(927)	(143)	–	–	–	–
Expenses for materials	(121)	(136)	(249)	(238)	2	(82)
Personnel expenses	(819)	(897)	–	–	–	–
Cash paid for other expenses	(479)	(506)	(2)	(13)	(300)	(34)
Income tax	(0)	–	–	–	6	7
Cash flow from operating activities	(1,255)	(1,005)	(75)	52	43	493
Thereof in						
• Czech Republic	72	(39)	–	–	–	–
• Hungary	(111)	–	–	–	(76)	279
• Poland	9	(100)	(75)	52	121	161
• Russia	–	11	–	–	–	–
• Germany	(19)	(7)	–	–	(3)	53
• Austria	(1,185)	(865)	–	–	–	–
• Luxembourg	(22)	(5)	–	–	–	–

Under development & construction		Segment total at 31 March		Reconciliation difference		Total at 31 March	
2012	2011	2012	2011	2012	2011	2012	2011
-	-	1,820	1,441	(207)	(356)	1,612	1,085
-	-	-	-	-	-	-	-
-	-	319	1,521	-	-	319	1,521
-	-	-	-	-	-	-	-
-	-	(498)	(518)	94	37	(404)	(482)
-	-	(829)	(124)	17	5	(813)	(119)
-	-	(832)	(874)	-	-	(832)	(874)
-	-	(386)	(550)	31	(80)	(355)	(630)
-	(98)	(366)	(194)	45	58	(322)	(137)
-	-	(7)	-	-	-	(7)	-
133	98	232	243	(133)	-	99	243
133	(0)	(548)	945	(154)	(337)	(702)	607
-	-	94	97	-	-	94	97
-	-	301	383	-	-	301	383
-	-	1,410	835	(193)	(282)	1,217	552
-	-	13	73	(13)	(73)	-	-
-	-	2	54	(2)	(1)	-	53
-	-	-	-	-	-	-	-
-	-	85	(9)	-	1	85	(8)
-	(0)	(100)	252	-	-	(100)	252
-	-	102	379	(40)	(263)	61	116
133	-	133	28	(133)	(28)	-	-
-	-	(21)	46	21	(46)	-	-
-	-	(1,053)	259	(2)	(1)	(1,054)	258
-	-	306	(12)	-	-	306	(12)
-	-	725	1,197	(234)	(224)	492	973
-	-	22	6	(2)	(3)	21	3
-	-	855	378	-	-	855	378
-	0	(927)	(143)	17	6	(911)	(137)
-	-	(368)	(455)	(82)	(31)	(450)	(486)
-	-	(819)	(897)	-	-	(819)	(897)
1,679	-	898	(553)	(1,475)	33	(577)	(520)
-	-	6	7	(6)	(7)	(0)	-
1,679	0	392	(460)	(1,782)	(225)	(1,390)	(686)
-	-	72	(39)	-	1	72	(38)
-	-	(187)	279	-	-	(187)	279
-	-	56	113	(123)	(161)	(67)	(48)
1,679	0	1,679	11	(1,679)	(11)	-	-
-	-	(21)	46	21	(46)	-	-
-	-	(1,185)	(865)	(2)	(8)	(1,187)	(873)
-	-	(22)	(5)	-	-	(22)	(5)

	DEVELOPMENT				ASSET MANAGEMENT	
	Primary		Other		Rented out	
	2012	2011	2012	2011	2012	2011
ANALYSIS OF SUB-SEGMENT ASSETS						
Property, plant and equipment and goodwill	11,577	9,229	709	754	15,492	16,210
Joint ventures	2,657	(17,136)	–	–	–	–
Other non-current assets	9,580	8,533	–	–	54	7
Other current assets	4,675	8,738	226	136	105	213
Cash and cash equivalents	3,088	1,869	48	19	83	21
Sub-segment assets	31,577	11,233	983	909	15,735	16,452
Convertible bonds, interest-bearing loans and borrowings	88,261	69,323	183	200	12,668	13,135
Other non-current liabilities	6,769	8,466	–	–	406	448
Other current liabilities	4,043	2,805	97	75	358	323
Sub-segment liabilities	99,072	80,594	280	275	13,433	13,907
Analysis of assets						
At 1 January	11,547	9,061	679	776	15,710	20,104
Changes in the scope of consolidation	–	–	–	–	–	(3,327)
Segment reclassifications	–	–	–	–	–	(495)
Additions	68	26	–	–	31	–
Disposals	–	–	–	–	–	–
Scheduled write-downs	(15)	(13)	(12)	(12)	(340)	(72)
Impairments	(7)	–	–	–	–	–
Write-ups	7	145	–	–	92	–
Exchange effects	(24)	9	42	(10)	–	–
Fixed assets on 31 March	11,577	9,229	709	754	15,492	16,210
Analysis of financial liabilities						
Loans on 1 January	86,133	70,709	115	217	12,532	15,243
Changes in the scope of consolidation	–	–	–	–	–	(1,792)
New borrowings	–	1,300	72	–	–	–
Repayment of loans	(76)	(1,907)	(13)	(14)	(59)	(316)
Capitalized interest	1,141	–	–	–	195	–
Segment reclassifications	–	–	–	–	–	–
Exchange effects	1,062	(779)	9	(3)	–	–
Loans on 31 December	88,261	69,323	183	200	12,668	13,135

Under development & construction		Segment total at 31 March		Reconciliation difference		Total at 31 March	
2012	2011	2012	2011	2012	2011	2012	2011
48,704	34,807	76,482	61,000	(53,954)	(39,431)	22,528	21,569
–	–	2,657	(17,136)	96,090	91,643	98,746	74,507
8,136	423	17,770	8,963	(8,136)	(423)	9,635	8,540
2,431	3	7,437	9,091	(2,525)	(197)	4,912	8,894
3,134	1,450	6,353	3,360	(3,250)	(1,518)	3,103	1,842
62,404	36,683	110,699	65,278	28,225	50,075	138,924	115,353
25,405	8,499	126,516	91,158	(26,700)	(9,938)	99,816	81,220
2,339	362	9,514	9,275	(2,199)	(77)	7,314	9,198
861	933	5,360	4,136	(1,453)	(1,482)	3,907	2,654
28,605	9,794	141,389	104,569	(30,352)	(11,497)	111,037	93,072
48,504	32,920	76,440	62,861	(53,943)	(41,412)	22,498	21,449
–	–	–	(3,327)	–	3,327	–	–
–	–	–	(495)	–	495	–	–
200	1,887	299	1,913	(56)	(1,898)	242	15
–	–	–	–	–	–	–	–
–	(98)	(366)	(194)	45	58	(322)	(137)
–	–	(7)	–	–	–	(7)	–
133	98	232	243	(133)	–	99	243
(133)	–	(116)	(1)	133	(0)	18	(1)
48,704	34,807	76,482	61,000	(53,954)	(39,431)	22,528	21,569
24,073	6,894	122,854	93,063	(25,428)	(45,483)	97,426	47,581
–	–	–	(1,792)	–	1,792	–	–
–	6,430	72	7,730	–	(6,430)	72	1,300
1,332	(4,825)	1,184	(7,063)	(1,272)	4,946	(89)	(2,116)
–	–	1,335	–	–	–	1,335	–
–	–	–	–	–	–	–	–
–	–	1,071	(781)	(0)	35,237	1,071	34,456
25,405	8,499	126,516	91,158	(26,700)	(9,938)	99,816	81,220

[06] Sale of shares

The item pertains to the final settlement and release of the purchase price that was held in escrow for the 50% share in the Louvre subgroup that was sold in December 2011. The ex post purchase price adjustment amounts to EUR 1,007,366.

[07] Personnel expenses, average payroll

in EUR	1 January to 31 March	
	2012	Retrospective adjustment 2011
Wages and salaries	(3,372,826)	(3,341,664)
Social security costs	(680,505)	(660,488)
Other payroll-related taxes and contributions	(136,716)	(132,788)
Voluntary employee benefits	(6,730)	(13,139)
Expenses for posted employees	(231,209)	(172,773)
Expenses for termination and post-employment benefits	(3,268)	(87,979)
Changes in accrual for compensated absences	(18,267)	–
Changes in pensions and other long-term employee benefits	(22,594)	–
	<u>(4,472,114)</u>	<u>(4,408,832)</u>

The Company had an average of 1,122 employees in the first quarter of 2012 (Q1 2011: 1,124).

[08] Other expenses

in EUR	1 January to 31 March	
	2012	Retrospective adjustment 2011
Legal fees	(152,147)	(336,422)
General administration	(293,358)	(299,707)
Advertisement and marketing	(86,632)	(91,896)
Non-recoverable VAT	(99,227)	(74,350)
Lease payments for andel's Krakow and other rents	(613,185)	(586,586)
Property costs	(235,189)	(461,934)
Others	(86,396)	(194,168)
	<u>(1,566,133)</u>	<u>(2,045,064)</u>

[09] Financial result

in EUR	1 January to 31 March	
	2012	Retrospective adjustment 2011
Financial revenue		
Interest income from cash management	6,319	13,261
Foreign currency gains on loans denominated in CHF	–	1,063,139
Gains/losses on the sale of available-for-sale investments	–	403,138
Unrealized gains on derivative financial instruments	609,005	167,615
(thereof from the cross currency swap in connection with the convertible bond: EUR 609,005)	615,324	1,647,153
Finance costs		
Interest on short-term borrowings, project loans and other loans	(3,204,708)	(3,378,062)
Interest on convertible bonds	(367,584)	–
Interest on purchase price claim extension agreement for andel's hotel Łódź	(116,408)	(56,728)
Interest on loans from minority shareholders	(58,833)	(23,637)
Interest cost for provisions for pensions and other long-term employee benefits	(38,624)	–
Foreign exchange differences on loans denominated in CHF	(219,558)	–
Foreign currency losses in connection with the PLN convertible bond	(906,686)	–
Other finance costs	(572,063)	(104,360)
Unrealized losses on derivative financial instruments	(4,167)	–
	(5,488,631)	(3,562,787)

[10] Income taxes

A reconciliation between tax expense and the Group's domestic tax rate (valid corporate income tax rate in Austria) of 25% for the reporting period (previous year: 25%) is as follows:

in EUR	1 January to 31 March	
	2012	Retrospective adjustment 2011
Profit before tax	181,143	(3,248,677)
Accounting profit before income tax *25% (prior year: 25%)	(45,286)	812,169
± Other foreign tax rates	(264,369)	(179,578)
± Tax-free profits from the participation exemption (§ 10 KStG)	92,738	501,094
± Permanent differences	227,710	95,951
± Impairment of deferred tax assets	147,783	(251,072)
± Income from first-time recognition of deferred tax assets	4,201	8,867
± Effects of changes in equity	–	(38,472)
± Effects of exchange rate fluctuations	(85,022)	(707,082)
	77,755	241,877

[11] Property, plant and equipment

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

in EUR	As of	
	31/3/2012	Retrospective adjustment 31/3/2011
Net carrying amounts at 1 January	277,149,161	274,451,818
Additions	1,070,285	(37,838)
Disposals	–	(118,296)
Depreciation	(2,597,814)	(2,771,635)
Impairments	(543,755)	–
Reversal of impairments	920,310	1,957,680
Exchange adjustment	38,226	(126,616)
Net carrying amounts at 31 March	276,036,414	273,355,113
<i>Thereof property under construction</i>	<i>3,479,000</i>	<i>4,322,000</i>

[12] Investment properties

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

in EUR	As of	
	31/3/2012	Retrospective adjustment 31/3/2011
Net carrying amounts at 1 January	13,562,844	14,893,989
Additions	199,795	–
Depreciation	(293,174)	(111,936)
Reversal of impairments	91,606	97,820
Exchange adjustment	71	–
Net carrying amounts at 31 March	13,561,141	14,879,873
<i>Thereof property under construction</i>	<i>6,409,142</i>	<i>6,990,559</i>
Result from "Investment properties":		
Rental income and charged expenses	300,515	382,796
Direct expenses	(68,963)	(124,336)
	231,551	258,460

[13] Joint ventures

in EUR	31/3/2012	As of Retrospective adjustment 31/3/2011
Breakdown of the balance sheet items		
Interests in joint ventures	38,175,620	30,149,244
Result from joint ventures	(23,272,494)	(20,036,630)
Loans to joint ventures	98,122,496	100,660,939
Accumulated impairment on loans	(14,279,193)	(36,266,318)
	<u>98,746,430</u>	<u>74,507,236</u>
Analysis of the balance sheet items		
Net carrying amounts at 1 January	92,252,489	78,511,087
- Reductions in interests due to sales	-	(81,250)
± Allocated results	1,222,619	(1,140,768)
(thereof "Other result" recognized in equity)	(274,660)	-
- Reductions in allocated results due to sales	-	(1,559,967)
± Loans to joint ventures	1,403,623	990,065
- Repayment of loans due to sales	-	(1,260,532)
± Impairment of loans to joint ventures	3,867,699	(951,400)
+ Use of impairment provisions due to sales	-	-
Net carrying amount on 31 March	<u>98,746,430</u>	<u>74,507,236</u>
Result from joint ventures		
Allocated results	1,497,278	(1,140,768)
Interest charged on loans	1,202,195	1,088,883
Impairments on loans	(1,045,750)	(1,181,094)
Write-up on loans	4,913,449	229,695
	<u>6,567,172</u>	<u>(1,003,284)</u>
Cash flow from joint ventures		
Increase in loans extended to joint ventures	(1,403,623)	(990,065)
thereof charged interest	1,202,195	1,088,883
	<u>(201,429)</u>	<u>98,818</u>

[14] Financial liabilities

Amounts in EUR '000	At 1/1/2011	New borrowings	Deferred interest	Repayment of loans	± f/x	At 31/3/2011
a) Project-related loans secured by mortgages						
for andel's hotel Łódź	50,000	–	713	–	–	50,713
for Diplomat Hotel	29,065	–	–	–	–	29,065
for angelo hotel Ekaterinburg	37,312	–	166	–	–	37,478
for angelo Airporthotel Bucharest	11,000	–	96	–	–	11,096
for Palace Hotel	13,525	–	139	–	–	13,663
for Chopin Hotel	10,694	–	2	–	–	10,696
for angelo hotel Prague	11,252	–	–	–	–	11,252
for Erszebet office building	11,638	–	–	(28)	–	11,611
for Amber Baltic Hotel	7,388	–	27	(27)	(285)	7,103
for Savoy Hotel	5,276	–	36	–	–	5,313
for Le Palais Hotel	6,466	–	71	–	–	6,537
for Dvořák spa hotel	20,956	–	3	(100)	–	20,858
for Warsaw gas pipeline	130	–	–	(14)	(2)	114
for Louvre development property, Hungary	–	–	–	–	–	–
	214,702	–	1,251	(169)	(286)	215,498
b) Holding company borrowing facilities **)						
	50,489	402	–	(1,907)	–	48,985
Loans from minority interests	1,663	25	4	–	(1)	1,691
Loans from financial institutions	20,209	291	–	–	(779)	19,722
Convertible bonds	–	–	–	–	–	–
Other loans	253	601	–	(167)	–	687
	287,317	1,320	1,255	(2,243)	(1,066)	286,583

Thereof due within		At 1/1/2012	New borrowings	Deferred interest	Repayment of loans	± f/x	At 31/3/2012	Thereof due within	
1 year	> 1 year							1 year	> 1 year
1,813	48,900	48,900	–	700	–	–	49,600	2,050	47,550
2,930	26,136	27,776	–	–	–	–	27,776	2,420	25,355
1,755	35,723	37,730	–	351	–	–	38,081	1,696	36,384
635	10,461	11,000	–	158	–	–	11,158	1,429	9,729
2,754	10,909	13,079	–	–	–	–	13,079	3,701	9,379
728	9,968	10,349	–	2	(286)	–	10,065	672	9,393
628	10,623	10,623	–	–	(161)	–	10,462	651	9,811
3,956	7,655	11,126	–	194	–	–	11,320	4,013	7,307
592	6,511	6,966	–	–	–	64	7,030	639	6,391
895	4,417	4,835	–	–	–	–	4,835	886	3,949
6,537	–	6,336	–	79	–	–	6,415	6,415	–
445	20,414	20,567	–	3	(213)	–	20,357	600	19,757
56	58	78	–	–	(13)	4	69	69	–
–	–	2,871	–	136	–	–	3,007	3,007	–
23,723	191,776	212,235	–	1,623	(673)	69	213,254	28,248	185,007
48,365	620	43,794	–	178	(76)	–	43,896	21,947	21,949
–	1,691	2,863	334	–	–	138	3,336	–	3,336
–	19,722	16,859	–	255	–	155	17,269	–	17,269
–	–	13,774	–	476	–	907	15,157	–	15,157
687	–	8,887	–	97	–	–	8,984	8,984	–
72,775	213,809	298,413	334	2,628	(748)	1,269	301,896	59,178	242,718

[15] Current receivables and liabilities

in EUR	31/3/2012	As of Retrospective adjustment 31/3/2011
Trade and other receivables		
Trade receivables	2,016,177	1,813,563
Receivables from tax authorities	315,568	44,780
Extended purchase price receivables relating to the sale of subsidiaries	122,835	2,727,886
Advance payments made	885,337	313,463
Other receivables and assets	1,866,346	954,643
Receivables due from joint ventures	360,772	352,493
Deferred expenses	399,173	342,804
	<u>5,966,208</u>	<u>6,549,632</u>
Trade and other payables – current		
Trade payables	2,856,288	4,904,338
Interest-bearing construction invoices from the completion of the andel's Łódź*)	7,709,606	–
Trade payables due to joint ventures	16,874	16,515
Trade payables due to related parties	2,700,611	1,621,360
Other payables including accruals for compensated absences	2,792,436	1,929,554
Advance payments received	1,010,673	878,246
	<u>17,086,488</u>	<u>9,350,013</u>
Trade and other payables – non-current		
Purchase price obligation for andel's hotel Łódź*)	–	8,098,955
Security deposits received	602,062	435,746
Other	8,974	13,418
	<u>611,036</u>	<u>8,548,119</u>

*) The open amount due from the completion of the andel's hotel Łódź was deferred by the general contractor until 30 June 2012. For this reason, this liability was classified as non-current on 31 March 2011.

[16] Derivative financial instruments

16a Interest rate collars in connection with finance loans

As of 31 March 2012, there are derivative financial instruments (interest rate collars) relating to the Group's financial liabilities. The main terms and parameters of these collars are as follows:

in EUR	31/3/2012	As of Retrospective adjustment 31/3/2011
<i>Project loan Chopin Hotel, Krakow</i>		
Notional amount at 31 March (underlying: 3-month Euribor)	10,065,210	10,695,998
Fair value at 31 March	(707,122)	(345,140)
<i>Project loan angelo hotel, Prague</i>		
Notional amount at 31 March (underlying: 3-month Euribor)	10,461,888	11,251,598
Fair value at 31 March	2,628	44,108
<i>Cross currency swap – PLN convertible bond (until 7 May 2014)</i>		
On 6 November and 6 May (starting on 6 November 2011 and ending on 6 May 2014), the Company receives 8.5% interest for the nominal amount of PLN 38.2 million and pays 6.7% interest for the nominal amount of EUR 9,714,514.21.	(902,332)	–

16b Other derivative financial instruments

As part of the capital increase on 11 May 2010, Wiener Städtische Versicherung AG was granted the right to purchase 1,440,000 shares at a price of EUR 2.00 per share within 24 months after the completion of the capital increase, or to receive a cash settlement in the amount of the difference between the closing price of the Warimpex share on the day before the exercise date and the price of EUR 2.00 per share as consideration for the assumption of a placement guarantee.

	(1,440)	(878,400)
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[17] Transactions with related parties

The total amount of compensation due to the directors for the reporting period amounted to EUR 0.227 million (prior period: EUR 0.225 million). Vienna International AG assessed management fees totalling EUR 0.600 million (prior year: EUR 0.502 million).

[18] Events after the balance sheet date

The Company signed the head of terms agreement for the sale of its 50% share in the InterContinental hotel in Warsaw on 23 April 2012. The closing is expected to take place this year. The intended sale will generate proceeds greater than the carrying value of the property and have a very positive effect on the Company's earnings and liquidity position in 2012.

[19] 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 2011.

Vienna, 24 May 2012



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

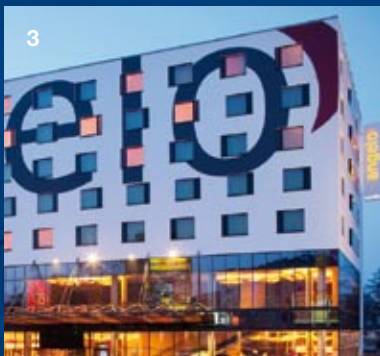
SELECTED WARIMPEX GROUP PROPERTIES



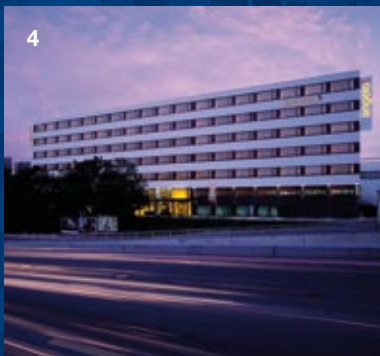
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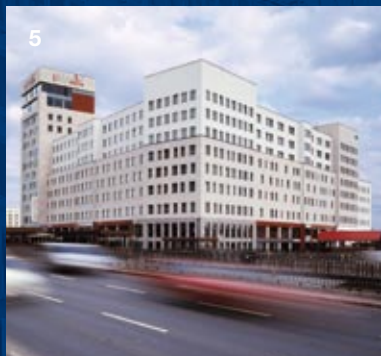
2



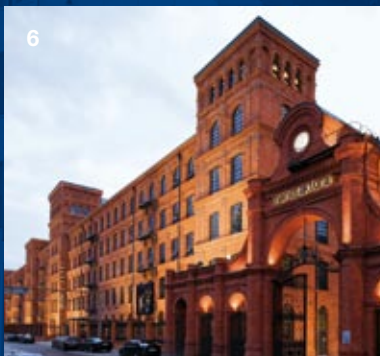
3



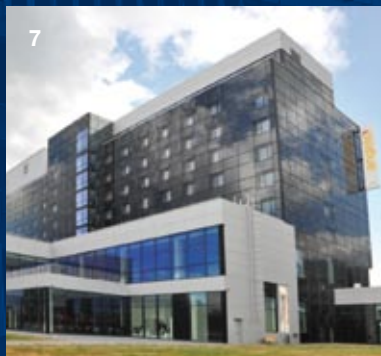
4



5



6



7

1) Le Palais Hotel***, Prague**

CZ-120 00 Prague 2, U Zvonařky 1
72 rooms (opened in 2002)

2) InterContinental***, Warsaw**

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

3) angelo hotel**, Katowice**

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

4) angelo Designhotel, Munich

D-81677 Munich, Leuchtenbergring 20
146 rooms (opened in May 2008)

5) andel's hotel**s, Berlin**

D-10407 Berlin,
Landsberger Allee 106
557 rooms (opened in March 2009)

6) andel's hotel**, Łódź**

PL-91 065 Łódź, ul. Ogrodowa 17
278 rooms (opened in June 2009)

7) angelo Airporthotel**, Ekaterinburg-Koltsovo**

RU-Airport Ekaterinburg-Koltsovo
203 rooms (opened in September 2009)

Financial calendar

24 May 2012	Publication of the results for the first quarter of 2012
11 June 2012	Annual General Meeting
30 Aug 2012	Publication of the results for the first half of 2012
28 Nov 2012	Publication of the results for the third quarter of 2012

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