REPORT ON THE FIRST THREE QUARTERS OF **2011**

warimpex

KEY FIGURES OF THE WARIMPEX GROUP

in EUR thousands		1–9/2011	Change	1–9/2010
Revenues from the Hotels & Resorts segment		76,816	10%	69,627
Revenues from the Development & Asset Management segment		4,208	-25%	5,590
Total revenues		81,025	8%	75,217
Gains from the sale of project companies		2,620	-20%	3,270
EBITDA		17,744	15%	15,431
EBIT		12,579	-35%	19,309
Profit for the period		-2,812	–	4,768
Net cash flows from operating activities		13,534	18%	11,492
Equity and liabilities		618,628	1%	615,438
Equity		85,574	-3%	88,174
Average shares in the period	number of shares	54,000,000	15%	47,051,147
Earnings/loss per share	in EUR	-0.05	–	0.11
Number of hotels		20	-1	21
Number of rooms (adjusted for proportionate share of ownership)		3,313	-108	3,421
Number of office and commercial properties		4	-1	5
Average number of employees in the Group		1,593	-61	1,654

		30/6/2011	Change	30/6/2010
Gross asset value (GAV)	in EUR m	599.5	4%	579.2
Triple net asset value (NNNAV)	in EUR m	190.2	6%	178.5
NNNAV per share	in EUR	3.52	6%	3.31
End-of-period share price		2.05	12%	1.83

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

After a period of recovery, the economic conditions became considerably worse again, especially on the financing markets, in the third quarter of 2011. Warimpex was able to further expand its market position despite the resurging uncertainty. Especially hotel operations developed encouragingly again this quarter, with business travel and tourism increasing further. This development was also seen in the figures for the period, with revenues from hotel operations increasing by 10 per cent compared with the first three quarters of 2010 to reach EUR 76.8 million. This growth was primarily the result of revenues from our recently opened hotels in Ekaterinburg, Łódź, Katowice and Berlin, which were again able to perform very well on the market in the first three months of the traditionally strong second half-year.

The core markets of Warimpex were consistently on a positive track and enjoyed constant growth in the third quarter of 2011. Occupancy rates remained stable for the most part in Poland, while room rates rose substantially. Germany and France especially saw higher occupancy, with the situation in France developing particularly well. The average room rates remained the same in Germany, and rose marginally in France. The Czech market, which saw comparatively slow development for a long period, continued on the upward course set in the previous quarter. Occupancy rose again considerably, and the average room rates improved by as much as 10 per cent. The growth market of Russia also saw clear expansion in the past quarter, and occupancy rates were again higher in year-on-year terms.

This positive trend was especially evident in the cash flow from operating activities, which rose by 18 per cent to EUR 13.5 million thanks to the good overall performance of the hotels. EBITDA, the most important indicator for real estate companies and a metric that is not distorted by the industry-specific valuation methods, improved by 15 per cent in annual comparison. EBIT are solidly in the black again at EUR 12.6 million. Revenues improved by 6 per cent and EBITDA by 35 per cent to EUR 8.4 million in the third quarter of 2011.

Activity on the transaction market picked up noticeably in the first nine months of 2011. We also chalked up a major success with the sale of a 25 per cent share in Sobieski Hotel in Warsaw. This transaction made a EUR 2.3 million contribution to the profit for the period. Several sales are under negotiation. The sale of a development stake is in its final stages of negotiation and is expected to be completed in the coming days.

Our other development projects are proceeding according to plan. I would especially like to mention the impending completion of the first construction phase of the Airport City St. Petersburg project at the end of this year. A soft opening will already be held for the four-star Crowne Plaza hotel (InterContinental Group) and the neighbouring office building with 21,000 square metres of space in December 2011. The remaining 18,000 square metres of space can be completed as early as the end of 2012 depending on rental demand.

Warimpex performed well and took key steps under increasingly complex market conditions in the first three quarters of 2011. Now, we must build on our successes, and must especially continue to take advantage of the momentum on the transactions markets in the final quarter of 2011. This will enable us to make the most of the traditionally strong fourth quarter.

Franz Jurkowitsch

BUSINESS HIGHLIGHTS

- 3–7/2011 Sale of a 12.5 per cent share in Sobieski Hotel, Warsaw
- 4–5/2011 Successful placement of a convertible bond with a volume of PLN 66.3 million or EUR 16.8 million on the Warsaw stock exchange.
- 7/2011 Sale of the remaining 12.5 per cent share in Sobieski Hotel, Warsaw

INVESTOR RELATIONS

After closing 2010 at EUR 2.68 and PLN 10.17, the share price remained stable in the first quarter of 2011. The stock markets were more volatile in the second and third quarters. The closing prices on 30 September 2011 were EUR 1.22 and PLN 5.36.

At the end of April and the end of May, convertible bonds with a total nominal value of PLN 66.3 million and a denomination of PLN 250,000 were successfully placed with a term of three years and a coupon of 8.5 per cent p.a., payable semi-annually.

The conversion price was set at PLN 12.79. This bond grants the right of exchange or subscription for up to 5,179,828 bearer shares in the Company.

Since our IPO, we have maintained an open and proactive communication policy with our investors. Warimpex participated in investor conferences in Kitzbühel, Zürs, Warsaw and London in 2011.

GROUP MANAGEMENT REPORT
for the period from 1 January to 30 September 2011

ECONOMIC ENVIRONMENT

In April 2011 (World Economic Database), the International Monetary Fund (IMF) upped its economic forecast for 2011 slightly compared with October 2010. The Eurozone economy is now expected to grow by 1.7 per cent in 2010 (October 2010 projection: 1.7 per cent), and by 1.6 per cent (1.5 per cent) in 2011. The CEE economy is now expected to expand by 4.2 per cent in 2010 (3.7 per cent). The IMF's 2011 economic growth projections for Central and Eastern Europe were also upped significantly from 3.1 per cent to 3.7 per cent. Individual economies such as Poland are expected to expand by 3.8 per cent in 2010 and 3.6 per cent in 2011. After contracting by 7.9 per cent in 2009, Russia's economy is also expected to grow by a significant 4.0 per cent in 2010 and 4.8 per cent in 2011. Starting in August, uncertainty about this projection began to grow rapidly, but the IMF has not yet published any amendments to its forecast.

MARKETS

POLAND

Existing portfolio: 6 hotels, 2 office properties
Warimpex holds a 50 per cent interest in the five-star InterContinental in Warsaw. Warimpex sold its 25 per cent share in Sobieski Hotel and office complex in the first nine months of 2011.

In Krakow, Warimpex has leased the four-star-plus andel's hotel since September 2009 and also owns the three-star Hotel Chopin. In Łódź, Warimpex opened a further andel's 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 27-hole golf course was sold in February 2011.

The occupancy rate at the InterContinental remained constant at 77 per cent in the first quarter (Q1–Q3 2010: 78 per cent), but the average room rate was increased by more than 10 per cent. The occupancy rate at the Chopin Hotel fell from 67 per cent to 58 per cent, but the average room rate remained stable. At the andel's hotel in Krakow, the occupancy rate fell slightly (Q1–Q3 2011: 69 per cent, Q1–Q3 2010: 73 per cent), while the average room rate was increased by around 10 per cent. The andel's hotel in Łódź achieved an occupancy rate of 53 per cent in the first three quarters of 2011 (Q1–Q3 2010: 50 per cent), and the average room rate remained stable. The occupancy rate at the Amber Baltic beachfront resort came in at 49 per cent (Q1–Q3 2010: 45 per cent), and the average room rate remained stable. Due to its location on the Baltic coast, occupancy rates at this hotel are subject to strong seasonal fluctuations, in contrast to 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, and in the four-star segment 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.

In the first three quarters of the year, the two four-star hotels in Prague achieved occupancy rates of 60 and 69 per cent (Q1–Q3 2010: 56 and 63 per cent), and the average room rates were increased by roughly 10 per cent at both establishments. The five-star segment has been improving since March 2011, with occupancy rates of between 56 and 62 per cent (Q1–Q3 2010: between 45 and 62 per cent). The average room rate increased by 10 per cent on average compared to the first three quarters of the prior year. At the Hotel Dvořák in Karlovy Vary, the occupancy rate for the year was 76 per cent (Q1–Q3 2010: 75 per cent). The average room rate was raised by roughly 10 per cent. At the angelo hotel in Plzeň, the occupancy rate for the first three quarters of 2011 came to 45 per cent (Q1–Q3 2010: 48 per cent), and the average room rate was increased slightly.

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 and is fully occupied. About 70 per cent of the roughly 600 square metres of lettable space in the Sajka office building was rented out in the first quarter of 2011.

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. Lease negotiations are currently under way for tower A, which is also to be modernized and let out.

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 40 per cent in the first three quarters of 2011 (Q1–Q3 2010: 40 per cent). The average room rate 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.

Occupancy at the angelo in Munich was 81 per cent (Q1–Q3 2010: 77 per cent), and the average room rate increased slightly. In Berlin, the occupancy rate for the first three quarters of 2011 came to 68 per cent (Q1–Q3 2010: 64 per cent). The average room rate fell marginally.

Under development: 1 hotel expansion, 1 conference centre

Plans for the second phase of the angelo project in Munich foresee 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. 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 encouraging in the first three quarters of 2011 at 71 and 79 per cent (Q1–Q3 2010: 65 and 73 per cent). The average room rates rose slightly 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 at the end of 2012, is Warimpex's first in Austria. A renowned operator and leaseholder was won for Palais Hansen, the hotel operator Kempinski. In February 2010, Warimpex reduced its share in this project from 26.57 to 9.88 per cent. Construction work commenced at the beginning of September 2010.

RUSSIA

Existing portfolio: 2 hotels

In Russia, Warimpex holds 60 per cent of the Liner Hotel and the angelo hotel at Koltsovo airport in Ekaterinburg. While the existing Liner Hotel enjoyed very satisfactory occupancy in the first three quarters of the year, occupancy at the considerably more expensive angelo hotel was lower but still significantly higher than in the previous year (Q1–Q3 2011: 32 per cent, Q1–Q3 2010: 16 per cent).

Under development: 1 hotel, airport office park

The Airport City development project is currently under construction in St. Petersburg. The first phase comprises a four-star Crowne Plaza hotel (InterContinental Group) plus office buildings with 39,000 square metres of space. The hotel is scheduled to be completed at the end of December 2011. The adjoining office building with 21,000 square metres of space is also scheduled to be completed at the end of 2011, and the remaining 18,000 square metres can be completed as early as 2012 depending on rental demand.

BUDGET HOTELS

Under development: 7 hotels

In March 2007, Warimpex entered into a strategic joint venture with Louvre Hotels to develop budget hotels in Central Europe. At the beginning of 2009, Louvre transferred its financial interest in this joint venture to Starwood Capital Group – the owner of Louvre – but is still involved as a development partner and especially as the operator and franchisor (for the brands Première Classe and Campanile) of all of the hotels.

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

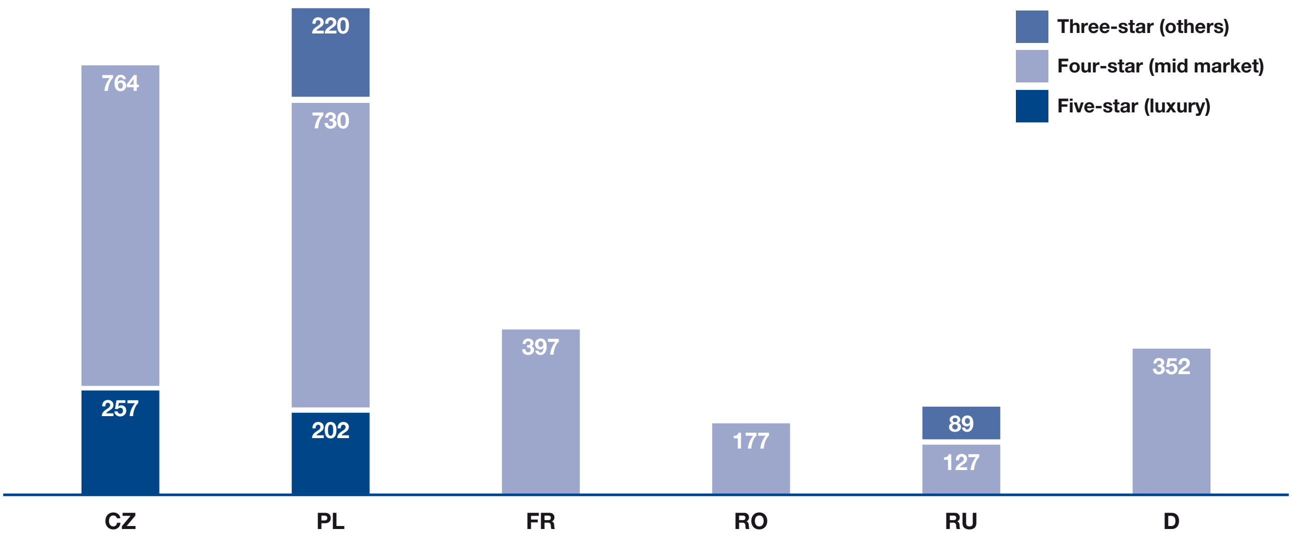
Under construction:

- Campanile hotel, Wrocław (152 rooms, opening scheduled for Q2 2012)
- Première Classe hotel, Wrocław (136 rooms, opening scheduled for Q2 2012)

In design phase:

- Campanile hotel, Budapest (284 rooms)
- Campanile hotel, Zielona Góra (84 rooms)
- Campanile hotel, Bydgoszcz (117 rooms)
- Campanile hotel, Katowice (105 rooms)
- Campanile hotel, Ostrava (112 rooms)
- Première Classe hotel, Katowice (90 rooms)
- Première Classe hotel, Ostrava (100 rooms)

Hotel portfolio (number of rooms adjusted for proportionate share of ownership) at 30 September 2011



Compared to 30 September 2010, the number of hotel rooms (adjusted for the proportionate share of ownership) fell by 108 from 3,421 to 3,313 as of 30 September 2011. This can be attributed to the sale of Sobieski Hotel.

ASSETS, FINANCIAL POSITION AND EARNINGS SITUATION

The first three quarters of 2011 saw the hotel industry recover substantially. Occupancy rates and room rates increased across the portfolio.

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.

Development of revenues

Consolidated turnover improved considerably, rising 8 per cent from EUR 75.2 million to EUR 81.0 million. Revenues from hotel operations increased by 10 per cent from EUR 69.6 million in the first nine months of 2010 to EUR 76.8 million, primarily due to revenues from the new hotels that were opened in Ekaterinburg, Berlin, Łódź and Katowice in 2009 and 2010, which began operating in the middle of the crisis and are now gradually becoming established on the market. It generally takes between one and three years for a newly opened hotel to become established and generate stable revenues. Revenues from the rental of offices and the provision of development services decreased from EUR 5.6 million to EUR 4.2 million. While revenues from the rental of offices fell only marginally from EUR 2.1 million to EUR 1.7 million, the billing of an approach ramp whose construction was included in the purchase price of the property in Łódź brought one-off income in the development sub-segment in the first quarter of 2010, causing sales revenues in this sub-segment to fall from EUR 2.6 million to EUR 2.1 million.

Segment reporting*

(*For more information, see the detailed comments in [04] Segment information in the Notes)

The Warimpex Group has defined the segments Hotels & Resorts and Development & Asset Management. The 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 both profits resulting from the letting of investment property and profits from the sale of real estate.

Hotels & Resorts segment in EUR thousands	**1–9/2011**	1–9/2010
Revenues for the Group	76,816	69,627
Average number of hotel rooms for the Group	3,506	3,469
Group NOP	20,081	17,343

Development & Asset Management segment in EUR thousands	**1–9/2011**	1–9/2010
Revenues for the Group	4,208	5,590
Gains from the sale of project companies	2,620	3,270
Segment EBITDA	-10	1,621

Earnings situation

Warimpex sold its 25 per cent share in Sobieski Hotel in the first nine months of 2011. The profit from this transaction was EUR 2.3 million.

In the first nine months of 2010, Warimpex sold a 16.69 per cent share in the Palais Hansen development project in Vienna for a price of EUR 7.3 million. The profit from this transaction was EUR 3.1 million.

EBITDA – EBIT

Compared to the first half of 2010, earnings before interest, tax, depreciation and amortization (EBITDA) rose from EUR 15.4 million to EUR 17.7 million, and earnings before interest and taxes (EBIT) fell from EUR 19.3 million to EUR 12.6 million.

Property values on the real estate markets in Eastern Europe are beginning to stabilize, and impairment write-downs in the amount of EUR 9.1 million (Q1–Q3 2010: EUR 18.4 million) were reversed as of September 2011. Scheduled write-downs are recognized independent of this. The fact that impairment reversals are EUR 9.3 million lower than in the first three quarters of 2010 is the main reason why the profit for the period was lower than in the same period of the prior year despite higher EBITDA.

Profit for the period

The result for the first nine months of the year came to minus EUR 2.8 million (Q1–Q3 2010: plus EUR 4.8 million).

Cash flow

The cash flow from operations also improved by 18 per cent from EUR 11.5 million to EUR 13.5 million thanks to better hotel performance.

EVENTS AFTER THE BALANCE SHEET DATE

Regarding material events after the balance sheet date, reference is made to Note 16 in the Group financial statements.

OUTLOOK

The following properties are currently under construction:

- Airport City, St. Petersburg, business park with 40,000 square metres of office space and an international hotel with 300 rooms (opening of the hotel and phase 1a scheduled for December 2011, earliest opening of phase 1b at the end of 2012)
- Le Palais office building, Warsaw (opening scheduled for the end of 2012)
- Palais Hansen Kempinski hotel, Vienna (opening scheduled for the end of 2012)

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

- Campanile hotel, Wrocław (152 rooms, opening scheduled for Q2 2012)
- Première Classe hotel, Wrocław (136 rooms, opening scheduled for Q2 2012)

Vienna, 29 November 2011

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF **30 SEPTEMBER 2011**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 September 2011 – unaudited

in EUR	Note	1–9/11	7–9/11	1–9/10	7–9/10
Revenues					
Revenues – Hotels & Resorts segment		76,816,383	28,403,880	69,627,297	27,034,722
Revenues – Development & Asset Management segment		4,208,128	1,468,859	5,589,905	1,063,770
		81,024,511	**29,872,739**	**75,217,202**	**28,098,492**
Income from the sale of properties					
Gains from the sale of real estate		6,078,712	2,954,288	7,702,121	(45,000)
Carrying amounts, loans and borrowings assumed by the purchaser		(3,458,829)	(2,258,153)	(4,432,145)	(1,574)
	[05]	**2,619,883**	**696,135**	**3,269,976**	**(46,574)**
Other income and expenses					
Changes in real estate projects under development or construction		–	–	(1,341,454)	–
Other income		880,540	880,539	1,256,620	95,962
		880,540	**880,539**	**(84,834)**	**95,962**
Expenses for materials and services rendered		(36,107,647)	(12,792,572)	(33,770,205)	(12,208,736)
Expenses for project development		(1,299,682)	(733,322)	(128,584)	(42,294)
Personnel expenses	[06]	(22,536,772)	(7,299,707)	(22,107,816)	(7,525,138)
Depreciation and amortization expense		(13,934,315)	(4,469,496)	(14,157,011)	(4,396,711)
Impairments		(318,776)	(108,209)	(364,460)	(241,103)
Reversal of impairment write-downs		9,088,655	1,143,802	18,400,116	4,297,214
Other expenses	[07]	(6,837,212)	(2,238,027)	(6,964,894)	(2,138,068)
		(71,945,750)	**(26,497,532)**	**(59,092,854)**	**(22,254,836)**
Operating profit		**12,579,184**	**4,951,881**	**19,309,490**	**5,893,044**
Financial revenue	[08]	4,728,048	2,537,274	2,266,261	560,929
Finance costs	[08]	(20,081,668)	(7,103,733)	(18,229,030)	(5,073,965)
Profit before tax		**(2,774,436)**	**385,422**	**3,346,721**	**1,380,007**
Current income taxes	[09]	(9,228)	1,128	(1,226,726)	(62,044)
Deferred taxes	[09]	(28,395)	(41,714)	2,647,805	(279,227)
Profit for the period		**(2,812,059)**	**344,836**	**4,767,800**	**1,038,736**
Foreign currency translation		(334,676)	(355,775)	(2,386,293)	4,156
Fair value measurement of financial instruments available for sale		(5,746)	(3,071)	–	–
Net gains/losses from hedging		(95,996)	(225,892)	(279,275)	(8,951)
(Deferred) taxes recognized in equity		(37,117)	(8,675)	80,328	8,838
Total income and expenses for the period		**(3,285,593)**	**(248,578)**	**2,182,560**	**1,042,779**
Profit for the period attributable to:					
- Equity holders of the parent		(2,808,375)	446,969	4,946,631	1,258,759
- Non-controlling interests		(3,684)	(102,133)	(178,831)	(220,023)
		(2,812,059)	344,836	4,767,800	1,038,736
Total income/expenses for the period attributable to:					
- Equity holders of the parent		(4,117,978)	(284,433)	3,261,073	1,288,012
- Non-controlling interests		832,385	35,855	(1,078,513)	(245,233)
		(3,285,593)	(248,578)	2,182,560	1,042,779
Earnings per share:					
Undiluted, for the profit for the period attributable to ordinary equity holders of the parent		(0.05)	0.01	0.11	0.03
Diluted, for the profit for the period attributable to ordinary equity holders of the parent		(0.05)	0.01	0.11	0.03

CONSOLIDATED BALANCE SHEET
at 30 September 2011

in EUR	Note	30/9/2011 unaudited	31/12/2010 audited	30/9/2010 unaudited
ASSETS				
Non-current assets				
Property, plant and equipment	[10]	457,949,137	461,928,351	467,212,173
Investment properties	[11]	64,886,648	55,021,114	47,888,752
Goodwill		921,266	921,266	921,266
Other intangible assets		157,624	236,051	280,978
Associated companies		–	–	5,876,356
Other financial assets		64,862,304	62,552,132	70,240,412
Deferred tax assets		1,893,541	1,578,047	717,943
		590,670,520	**582,236,961**	**593,137,879**
Current assets				
Inventories		1,597,235	1,696,136	1,943,367
Trade and other receivables	[13]	9,663,642	8,855,363	10,055,949
Financial instruments available for sale	[05]	4,001,633	3,366,870	–
Other financial assets	[14]	31,020	42,093	27,026
Cash and short-term deposits		12,663,575	10,793,875	10,274,177
		27,957,106	24,754,336	22,300,519
TOTAL ASSETS		**618,627,626**	**606,991,297**	**615,438,398**
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Issued capital		54,000,000	54,000,000	54,000,000
Capital reserves		71,387,604	70,921,626	71,065,681
Retained earnings		(37,758,800)	(34,950,425)	(35,258,088)
Treasury shares		(301,387)	(301,387)	(301,387)
Other reserves		1,320,375	2,629,978	1,695,244
		88,647,793	92,299,793	91,201,450
Minority interests		(3,073,753)	(3,949,489)	(3,027,613)
Total equity		**85,574,040**	**88,350,304**	**88,173,838**
Non-current liabilities				
Interest-bearing loans and borrowings	[12]	401,328,890	392,804,699	413,729,112
Convertible bonds	[12]	15,161,551	–	–
Provisions		3,470,777	3,457,155	3,501,244
Other payables	[13]	1,507,020	9,497,605	1,252,984
Deferred tax liabilities		13,778,137	14,017,512	13,036,822
		435,246,374	**419,776,971**	**431,520,163**
Current liabilities				
Trade and other payables	[13]	19,429,473	14,621,701	22,741,930
Interest-bearing loans and borrowings	[12]	75,175,296	81,154,377	70,058,474
Derivative financial instruments	[14]	1,971,684	1,591,624	1,272,080
Income tax payable		76,058	199,590	49,771
Provisions		1,154,701	1,296,730	1,622,143
		97,807,212	**98,864,022**	**95,744,398**
TOTAL EQUITY AND LIABILITIES		**618,627,626**	**606,991,297**	**615,438,398**

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January to 30 September 2011 – unaudited

in EUR	Note	1–9/11	7–9/11	1–9/10	7–9/10
Cash receipts from operating activities					
From the operation of hotels and rent received		79,846,723	29,504,705	72,322,262	27,525,363
From real estate development projects		1,543,685	684,664	1,901,246	473,015
Interest received		165,559	126,571	106,960	41,225
		81,555,968	30,315,939	74,330,468	28,039,602
Cash payments for operating activities					
For real estate development projects		(1,632,093)	(1,016,377)	(623,948)	(146,683)
For materials and services received		(36,045,239)	(13,837,972)	(34,741,208)	(11,290,017)
For personnel and related expenses		(22,500,295)	(7,448,214)	(21,679,560)	(7,344,575)
For other expenses		(7,890,540)	(2,484,280)	(5,600,276)	(2,327,336)
Income tax paid		45,782	86,696	(193,913)	(39,948)
		(68,022,384)	(24,700,148)	(62,838,904)	(21,148,561)
Net cash flows from operating activities		**13,533,584**	**5,615,792**	**11,491,563**	**6,891,041**
Cash flows from investing activities					
Proceeds from the disposal of property, plant and equipment		11,791	11,791	980,148	10,547
Purchase of property, plant and equipment	[10]	(11,834,251)	(4,051,497)	(16,618,386)	(4,430,356)
Purchase of investment properties		(14,063,824)	(3,888,606)	(3,351,079)	(1,183,108)
Acquisition of software		(34,846)	(27,726)	(3,340)	(304)
Payouts from granted loans		(4,627,628)	(2,658,464)	(3,264,870)	244,675
Income/payments for other financial assets		71,828	345	(642,101)	(221,209)
Acquisition of shares in associated companies		8,389	8,389	(410,562)	(60,000)
		(30,468,540)	**(10,605,768)**	**(23,310,190)**	**(5,639,754)**
Cash flows from the sale of business entities					
Proceeds from the sale of disposal groups and properties	[05]	5,801,756	2,677,333	7,000,356	250,356
Cash and cash equivalents of disposal groups	[05]	(646,415)	–	–	–
Purchase price payments for business entities sold/ purchased in prior periods		292,528	8,366	(95,705)	–
Net cash flows from/used in financing activities		**5,447,869**	**2,685,699**	**6,904,651**	**250,356**
Cash flows from financing activities					
Cash received from capital measures		–	–	25,557,162	(169,817)
Cash received from the issue of convertible bonds		15,587,467	–	–	–
Payments received from minority interests		43,351	43,351	–	–
Proceeds from loans and borrowings	[12]	34,254,956	10,606,457	9,091,936	1,252,033
Repayment of loans and borrowings	[12]	(21,146,458)	(2,400,636)	(18,975,168)	(4,347,831)
Interest and other finance costs paid		(14,403,246)	(5,078,456)	(12,704,117)	(4,415,540)
Proceeds/payments from financial instruments available for sale	[05]	(1,087,371)	(354,046)	–	–
Income/payments for derivative financial instruments		–	–	(4,787)	(2,748)
Net cash flows from/used in financing activities		**13,248,700**	**2,816,671**	**2,965,025**	**(7,683,904)**
Net change in cash and cash equivalents		1,761,613	512,394	(1,948,951)	(6,182,261)
Net foreign exchange difference		108,088	(19,231)	289,687	37,148
Cash and short-term deposits at the start of the period		10,793,875	10,752,450	11,933,442	13,431,438
Cash and cash equivalents at the end of the period		**12,663,575**	**11,245,612**	**10,274,177**	**7,286,324**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 September 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**	**(34,950,425)**	**(301,387)**	**2,629,978**	**92,299,793**	**(3,949,489)**	**88,350,304**
Issue of convertible bond	–	465,978	–	–	–	465,978	–	465,978
Payment received from minority interests	–	–	–	–	–	–	43,351	43,351
Profit for the period	–	–	(2,808,375)	–	–	(2,808,375)	(3,684)	(2,812,059)
Other income/expense	–	–	–	–	(1,309,603)	(1,309,604)	836,069	(473,535)
Total income and expenses for the period	–	–	(2,808,375)	–	(1,309,603)	(4,117,979)	832,385	(3,285,593)
At 30 September 2011	**54,000,000**	**71,387,604**	**(37,758,800)**	**(301,387)**	**1,320,375**	**88,647,793**	**(3,073,753)**	**85,574,040**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 31 September 2010 – unaudited

in EUR	Issued capital	Capital reserves	Retained earnings	Treasury shares	Other reserves	Total	Minority interests	Total equity
At 1 January 2010	**39,599,999**	**59,627,010**	**(40,204,719)**	**(301,387)**	**3,380,802**	**62,101,706**	**(1,949,100)**	**60,152,606**
Capital increase	14,400,001	14,400,001	–	–	–	28,800,002	–	28,800,002
Capital procurement costs	–	(3,948,440)	–	–	–	(3,948,440)	–	(3,948,440)
(Deferred) taxes related to capital procurement costs	–	987,110	–	–	–	987,110	–	987,110
Profit for the period	–	–	4,946,631	–	–	4,946,631	(178,831)	4,767,800
Other income/expense	–	–	–	–	(1,685,558)	(1,685,558)	(899,682)	(2,585,240)
Total income and expenses for the period	–	–	4,946,631	–	(1,685,558)	3,261,073	(1,078,513)	2,182,560
At 30 September 2010	**54,000,000**	**71,065,681**	**(35,258,088)**	**(301,387)**	**1,695,244**	**91,201,450**	**(3,027,613)**	**88,173,838**

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 30 September 2011 were released for publication by the Company's management on 29 November 2011. The main activities of the Company are described in Note [04] "Business segments".

[02] Basis for preparation

The interim consolidated financial statements for the period ended 30 September 2011 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 2010.

The interim financial statements as of 30 September 2011 were not audited and were not reviewed by an independent financial auditor.

The accounting and valuation methods applied in preparing the interim consolidated financial statements as of 30 September 2011 have remained unchanged from the consolidated financial statements as of 31 December 2010.

With respect to the changes effective under IFRS as of 1 January 2011 and their effects, please refer to the details stated in the consolidated annual financial statements as of 31 December 2010.

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

[03] Seasonal fluctuations in results

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

[04] Business segments – overview

for the period from 1 January to 30 September 2011 – unaudited

	Hotels & Resorts		Development & Asset Management		Total in EUR	
in EUR	**2011**	2010	**2011**	2010	**2011**	2010
External sales	76,816,383	69,627,297	4,208,128	5,589,905	81,024,511	75,217,202
Segment results	13,083,493	15,828,955	(504,309)	3,480,535	12,579,184	19,309,490
Investments						
• In property, plant and equipment including intangible assets	9,304,682	8,515,004	13,903,030	4,859,002	23,207,713	13,374,007
• In financial assets	3,268	–	9,526,168	9,427,386	9,529,436	9,427,386
Depreciation						
• Ordinary depreciation	(13,320,380)	(13,529,345)	(613,935)	(627,666)	(13,934,315)	(14,157,011)
• Impairments	(10,924)	(359,460)	(307,853)	(5,000)	(318,776)	(364,460)
• Reversal of impairment write-downs	8,660,737	15,907,676	427,918	2,492,440	9,088,655	18,400,116
Net cash flows from operating activities	16,218,487	11,592,360	(2,684,903)	(100,797)	13,533,584	11,491,563
Segment assets	471,509,671	473,087,698	147,117,955	142,350,700	618,627,626	615,438,398
Segment liabilities (gross)	(444,485,821)	(464,779,248)	(88,567,765)	(62,485,312)	(533,053,586)	(527,264,561)
Intragroup financing	60,723,253	57,264,814	(60,723,253)	(57,264,814)	–	–
Segment liabilities (net)	(383,762,568)	(407,514,434)	(149,291,018)	(119,750,126)	(533,053,586)	(527,264,561)
Average payroll	1,532	1,571	61	83	1,593	1,654

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

for the period from 1 January to 30 September 2011 – unaudited

	Luxury		Up-Market		Others	
in EUR	**2011**	2010	**2011**	2010	**2011**	2010
Revenues	13,321,535	11,812,276	59,242,696	53,293,760	4,063,972	4,452,532
Expenses for materials	(5,970,345)	(5,702,440)	(23,773,212)	(21,450,233)	(1,123,322)	(1,172,426)
Personnel expenses	(3,818,753)	(3,572,214)	(13,972,089)	(13,347,637)	(1,028,691)	(1,093,463)
Gross operating profit	3,532,436	2,537,622	21,497,395	18,495,890	1,911,959	2,186,643
Hotel employees	*274*	*267*	*1,111*	*1,131*	*132*	*162*
Rooms available						
Total	661	661	3,986	3,986	370	370
thereof available	661	658	3,967	3,893	369	357
Joint venture share	(202)	(202)	(1,237)	(1,210)	–	–
Time allocation	–	–	(53)	(26)	–	–
Rooms available Group	**459**	**456**	**2,678**	**2,656**	**369**	**357**
Rooms sold	307	296	1,600	1,539	280	278
Average room occupancy	**67%**	**65%**	**60%**	**58%**	**76%**	**78%**
Management fee	(720,327)	(593,236)	(3,127,368)	(2,777,672)	(297,801)	(317,113)
Lease/rent	–	–	(1,710,332)	(1,718,582)	(60,686)	(87,115)
Exchange adjustments	(231,838)	63,162	(4,260)	426,721	(25,569)	(113,208)
Property costs	(286,349)	(271,614)	(333,357)	(401,691)	(62,958)	(86,664)
Net operating profit	**2,293,922**	**1,735,934**	**16,322,078**	**14,024,666**	**1,464,945**	**1,582,543**
Other income after GOP	–	–	55,928	(2,358)	132,253	71,086
Other costs after GOP	(272,519)	(203,532)	(1,831,217)	(2,741,423)	(188,330)	(133,294)
Pre-opening costs	–	–	–	(207,061)	–	–
Depreciation	(2,729,826)	(2,709,518)	(8,683,205)	(8,912,147)	(1,905,407)	(1,906,973)
Impairments	–	–	–	(359,460)	(10,924)	–
Reversal of impairment write-downs	1,583,317	926,446	3,228,668	9,693,078	3,848,752	3,063,115
Contribution to operating profit	**874,894**	**(250,671)**	**9,092,251**	**11,495,295**	**3,341,290**	**2,676,478**
Total for hotels in operation: Subtotal I					**13,308,435**	**13,921,103**
thereof effects from write-downs					*(4,668,625)*	*(205,459)*
thereof effects from foreign exchange differences					*(261,668)*	*376,675*
Total for hotels in operation: Subtotal II					**18,238,728**	**13,749,887**
Less expenses for hotels under construction/in design phase					(224,942)	1,907,852
Segment contribution to operating profit					**13,083,493**	**15,828,955**

	Luxury		Up-Market		Others	
in EUR	**2011**	2010	**2011**	2010	**2011**	2010
thereof in						
• Czech Republic	5,813,329	5,174,784	16,802,659	15,174,545	–	–
• Poland	7,508,206	6,637,493	14,867,432	13,548,119	2,478,769	2,973,550
• France	–	–	13,387,256	12,548,881	–	–
• Romania	–	–	1,631,994	1,639,167	–	–
• Germany	–	–	9,647,982	8,990,000	–	–
• Russia	–	–	2,961,300	1,390,690	1,717,456	1,550,069
	13,321,535	**11,812,276**	**59,298,624**	**53,291,402**	**4,196,225**	**4,523,618**
thereof GOP in						
• Czech Republic	602,052	170,473	6,158,000	5,513,051	–	–
• Poland	2,930,385	2,367,149	6,570,266	5,676,509	1,131,943	1,378,686
• France	–	–	4,239,894	4,064,401	–	–
• Romania	–	–	476,270	418,849	–	–
• Germany	–	–	2,914,262	2,744,278	–	–
• Russia	–	–	1,138,703	78,802	780,016	807,957
	3,532,436	**2,537,622**	**21,497,395**	**18,495,890**	**1,911,959**	**2,186,643**
thereof operating result in						
• Czech Republic	331,617	(451,296)	4,392,142	2,679,509	–	–
• Poland	543,277	200,625	2,118,554	4,970,738	296,040	444,230
• France	–	–	1,674,390	1,449,099	–	–
• Romania	–	–	197,174	479,078	–	–
• Germany	–	–	374,723	2,879,868	–	–
• Russia	–	–	335,269	(962,998)	3,045,250	2,232,248
	874,894	**(250,671)**	**9,092,251**	**11,495,295**	**3,341,290**	**2,676,478**

Segment cash flow Hotels & Resorts

for the period from 1 January to 30 September 2011 – unaudited

	Luxury		Up-Market		Others	
in EUR	**2011**	2010	**2011**	2010	**2011**	2010
Cash receipts	13,267,888	11,496,940	59,584,233	52,061,811	4,206,646	4,597,836
Interest received	17,145	18,329	14,712	(1,743)	–	–
Expenses for materials	(5,967,265)	(5,868,552)	(28,165,364)	(25,342,629)	(882,778)	(1,540,017)
Personnel expenses	(3,936,847)	(3,695,494)	(14,383,778)	(13,689,142)	(1,139,253)	(1,204,880)
Cash paid for other expenses	(709,423)	(360,021)	(5,278,777)	(4,008,213)	(124,094)	(187,456)
Income tax paid	–	–	37,015	(230,303)	10,604	–
	2,671,499	**1,591,202**	**11,808,041**	**8,789,780**	**2,071,125**	**1,665,483**
thereof in						
• Czech Republic	115,812	(125,176)	4,005,307	3,133,215	–	–
• Poland	2,555,686	1,716,378	2,691,267	1,899,518	1,039,903	861,553
• France	–	–	2,309,496	2,533,819	–	–
• Romania	–	–	94,147	31,131	–	–
• Germany	–	–	2,165,256	1,931,621	–	–
• Russia	–	–	542,568	(739,523)	1,031,223	803,930
• Others	–	–	–	–	–	–
	2,671,499	**1,591,202**	**11,808,041**	**8,789,780**	**2,071,125**	**1,665,483**

	2011	2010
Total for hotels in operation	**16,550,665**	**12,046,465**
Less expenses for hotels under construction/in design phase	(332,178)	(454,105)
Segment cash flow from operating activities	**16,218,487**	**11,592,360**

Segment results Development & Asset Management – year-on-year comparison

for the period from 1 January to 30 September 2011 – unaudited

	Asset Management		Development		Others	
in EUR	**2011**	2010	**2011**	2010	**2011**	2010
Revenues	1,734,869	2,068,740	2,068,984	2.601,439	404,276	919,726
Changes in real estate projects under development	–	–	–	(1,341,454)	–	–
Sale of properties	–	–	2,619,883	3,269,976	–	–
Other income	–	–	–	476,497	–	–
Expenses for materials	(357,480)	(594,098)	(381,886)	(294,310)	(341,640)	(865,452)
Project development expenses	–	–	(1,292,564)	(104,068)	–	–
Personnel expenses	–	(1,620)	(2,914,817)	(3,245,856)	–	–
Depreciation	(531,708)	(417,296)	(60,134)	(175,006)	(22,093)	(35,363)
Impairments	(120,000)	(5,000)	(187,853)	–	–	–
Reversal of impairment write-downs	325,588	1,720,602	102,330	772,135	–	(297)
Other operating expenses	(116,189)	(55,945)	(1,329,730)	(1,183,643)	(104,147)	(29,170)
Segment operating result	935,081	2,715,383	(1,375,787)	775,709	(63,604)	(10,557)
thereof in						
• Czech Republic	–	–	(31,942)	(11,864)	–	–
• Poland	197,955	535,199	(109,940)	1,076,372	(63,604)	(10,557)
• Germany	154,889	1,778,285	(13,210)	(15701)	–	–
• France	–	–	(107,035)	375,447	–	–
• Austria	–	–	(842,679)	(886,612)	–	–
• Hungary	582,237	401,900	(107,488)	(159,034)	–	–
• Others	–	–	(163,494)	397,102	–	–
	935,081	**2,715,383**	**(1,375,787)**	**775,709**	**(63,604)**	**(10,557)**

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

for the period from 1 January to 30 September 2011 – unaudited

	Asset Management		Development		Others	
in EUR	**2011**	2010	**2011**	2010	**2011**	2010
Cash receipts from rent	1,681,266	2,104,829	638,311	1,004,739	468,380	1,056,107
Cash receipts from development	–	–	1,543,685	1,901,246	–	–
Interest received	2,954	3,925	121,263	86,447	9,484	2
Cash paid for development	(8,042)	(35,832)	(1,521,754)	(356,615)	–	–
Expenses for materials	(327,614)	(621,990)	(360,995)	(357,939)	(341,223)	(1,007,890)
Personnel expenses	(352)	(1,300)	(2,842,871)	(2,912,237)	–	–
Cash paid for other expenses	(201,637)	(10,006)	(1,444,099)	(960,719)	(100,786)	(30,354)
Income tax paid	58	(539)	(934)	37,331	–	–
Segment cash flow from operating activities	**1,146,634**	**1,439,087**	**(3,867,393)**	**(1,557,748)**	**35,855**	**17,864**
Cash receipts from the sale of properties	–	–	5,801,756	7,000,356	–	–
Cash flow before investments and financing	**1,146,634**	**1,439,087**	**1,934,363**	**5,442,608**	**35,855**	**17,864**
thereof in						
• Czech Republic	–	–	(66,279)	(21,668)	–	–
• Poland	208,680	790,306	140,557	1,571,236	35,855	17,864
• Germany	159,639	102,610	(24,988)	(15,416)	–	–
• Austria	–	–	(3,467,956)	(3,507,280)	–	–
• France	–	–	(289,265)	185,931	–	–
• Hungary	786,357	582,002	(120,497)	(180,284)	–	–
• Others	(8,042)	(35,832)	(38,964)	409,734	–	–
	1,146,634	**1,439,087**	**(3,867,393)**	**(1,557,748)**	**35,855**	**17,864**

[05] Sale of shares

As documented in the notarial deed dated 31 March 2011, 12.5% of Europa Hawk S.a.r.l., sole owner of the companies Melica Sp.o.o. (owner of the Sobieski property) and Hotel Jan Sobieski II Sp.z.o.o. (operator of Sobieski Hotel), was sold.

The purchase price was EUR 2.2 million and was received on 3 April 2011. The company, which was previously consolidated using the equity method, was deconsolidated; the remaining 12.5% share was transferred to the item “Financial instruments available for sale”.

The remaining 12.5% was sold on 28 July 2011 for a further EUR 3 million. Of the purchase price, EUR 0.3 million were placed in an escrow account until the final settlement of the purchase price.

In February 2011, the Company’s stake in Golf Amber Baltic Sp.z.o.o. was sold for PLN 0.5 million, and the remaining 10% held by the Company in Prozna Properties Sp.z.o.o., the majority of which was disposed of in 2010, was also sold.

All sales and the associated deconsolidations had the following effect on the interim financial statements:

	Sobieski	Golf	Prozna	Total
Property, plant and equipment	(8,604,832)	(118,296)	–	(8,723,128)
Investment properties	(3,021,854)	–	–	(3,021,854)
Loans from Warimpex	(945,399)	–	–	(945,399)
Deferred tax assets	(78,646)	–	–	(78,646)
Inventories, other current receivables	(287,679)	(68,106)	–	(355,786)
Transfer of the remaining 12.5% of Sobieski (AfL)	–	–	–	–
Financial instruments available for sale	–	–	(446,862)	(446,862)
Cash and cash equivalents	(639,586)	(6,829)	–	(646,415)
	(13,577,996)	(193,231)	(446,862)	(14,218,089)
Non-current loans	9,186,958	–	–	9,186,958
Current loans	346,124	–	–	346,124
Personnel-related and other long-term provisions	118,802	–	–	118,802
Deferred tax liabilities	699,027	–	–	699,027
Other current payables and provisions	325,335	141,167	–	466,502
	10,676,246	141,167	–	10,817,413
Carrying amount of the proportionate net assets of the sold companies	(2,901,750)	(52,064)	(446,862)	(3,400,676)
Agreed (net) purchase price for the shares	5,154,288	74,424	850,000	6,078,712
Costs associated with the sales	–	–	(58,153)	(58,153)
Net income from property sales	2,252,538	22,359	344,985	2,619,883

Cash flow
Cash receipts and cash outflows from sold shares during the reporting period were as follows:

	Sobieski	Golf	Prozna	Total
Agreed payments from the sale of shares and properties	5,154,288	74,424	791,847	6,020,559
Net cash of the companies sold	(639,586)	(6,829)	–	(646,415)
Less open purchase price claims at 30/9/2011	(218,803)	–	–	(218,803)
	4,295,900	67,595	791,847	5,155,341

Financial instruments available for sale changed as follows in the reporting period:

	At 1/1/2011	Additions	Tranfers	Disposals	Applied interest	± Fair value	At 30/9/2011
Roundabout Sp.z.o.o.	10,188	–	–	8,389	–	(5,746)	12,832
Palais Hansen Immobilienentwicklung GmbH	2,909,820	1,078,982	–	–	–	–	3,988,802
Prozna Properties Sp.z.o.o.	446,862	–	–	–	(446,862)	–	–
	3,366,870	1,078,982	–	8,389	(446,862)	(5,746)	4,001,633

[06] Personnel expenses, average payroll

The Company had an average of 1,593 employees in the reporting period (prior reporting period: 1,654).

in EUR	1 January to 30 September **2011**	2010
Wages and salaries	(16,930,277)	(16,709,237)
Social security costs	(3,761,465)	(3,650,574)
Other payroll-related taxes and contributions	(608,934)	(569,096)
Voluntary employee benefits	(35,261)	(122,698)
Expenses for posted employees	(942,709)	(900,298)
Changes in accrual for compensated absences	695	(32,911)
Payments for termination and post-employment benefits	(180,185)	(57,132)
	(22,458,137)	(22,041,948)
Changes in pensions and other long-term employee benefits	(78,635)	(65,868)
	(22,536,772)	(22,107,816)

[07] Other expenses

in EUR	1 January to 30 September **2011**	2010
Pre-opening costs	–	(207,061)
Legal fees	(632,559)	(562,344)
General administration	(1,172,201)	(1,313,668)
Advertisement and marketing	(269,600)	(398,375)
Non-recoverable VAT	(300,593)	(256,873)
Lease payments for andel's Krakow and other rents	(1,771,018)	(1,805,697)
Supervisory Board members' fees	(95,000)	(95,000)
Property costs *)	(1,942,743)	(2,130,456)
Others	(653,498)	(195,419)
	(6,837,212)	(6,964,894)

*) A provision formed in the previous year for property taxes for the andel's hotel in Berlin was released in the amount of EUR 310 thousand (proportionate to the Company's stake in the hotel) because the final tax assessments were lower.

[08] Financial result

in EUR	1 January to 30 September 2011	2010
Financial revenue		
Interest income from cash management	178,341	73,477
Interest on loans made to joint ventures	1,742,512	1,947,995
Interest from financial instruments available for sale	20,458	–
Interest on loans made to associated companies	–	61,474
Interest income from derivative financial transactions	–	183,315
Price gains on the PLN-denominated bonds	1,764,336	–
Fair value adjustment of derivative financial instruments	1,022,400	–
	4,728,048	2,266,261
Finance costs		
Interest on short-term borrowings, project loans and other loans	(14,258,291)	(13,360,590)
Interest on other non-current liabilities	(412,020)	(814,199)
Interest on bonds	(558,709)	–
Interest on loans relating to joint ventures	(546,523)	(776,923)
Interest on loans from minority shareholders	(71,659)	(66,831)
	(15,847,202)	(15,018,543)
Fair value adjustment of derivative financial instruments	(1,317,536)	(62,003)
Interest cost for provisions for pensions and other long-term employee benefits	(55,336)	(82,882)
Foreign currency losses on interest-bearing loans denominated in CHF	(645,858)	(2,637,607)
Finance costs (including costs for the issue of convertible bonds)	(2,215,736)	(427,995)
	(20,081,668)	(18,229,030)

[09] Income tax paid

A reconciliation between tax expense and the Group's applicable tax rate (current corporate income tax rate in Austria) of 25% for the reporting period (2010: 25%) is as follows:

in EUR	1 January to 30 September 2011	2010
Profit before tax	**(2,774,436)**	**3,346,721**
Accounting profit before income tax *25% (prior year: 25%)	693,609	(836,680)
± Other foreign tax rates	(430,182)	49,692
± Tax-free profits from the participation exemption (§ 10 KStG)	672,220	–
± Permanent differences	(188,542)	23,298
± Impairment of deferred tax assets	(425,887)	1,639,792
± Income from first-time recognition of deferred tax assets	–	39,835
± Effects of changes in equity	18,239	53,062
± Effects of exchange rate fluctuations	(377,080)	452,079
	(37,623)	1,421,079

[10] 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	at 30/9/2011	30/9/2010
Net carrying amounts at 1 January	461,928,351	457,740,434
Additions	9,584,359	9,524,977
Reclassification of investment properties	495,000	146,818
Sobieski consolidation disposal	(8,723,128)	–
Disposals	–	(662,802)
Depreciation	(13,231,487)	(13,619,560)
Impairments	(318,776)	(364,460)
Reversal of impairments	8,705,219	16,679,513
Exchange adjustment	(490,401)	(2,232,747)
Net carrying amounts at 30 September	457,949,137	467,212,173
Thereof property under construction	*37,922,246*	*41,730,290*

“Investments” and the cash flow from “Purchase of property, plant and equipment” pertain primarily to the Airport City St. Petersburg project and the Louvre project.

[11] Investment properties

The item “Investment properties” comprises land and rights equivalent to land as well as buildings including plant under construction (plant under construction was recognized under “Property, plant and equipment” in the prior period).

in EUR	at 30/9/2011	30/9/2010
Net carrying amounts at 1 January	55,021,114	42,885,519
Additions	13,588,508	3,845,690
Transfers of property, plant and equipment	(495,000)	(146,818)
Sobieski consolidation disposal	(3,021,854)	–
Depreciation	(531,708)	(417,296)
Impairments	–	–
Reversal of impairments	325,588	1,720,602
Exchange adjustment	–	1,054
Net carrying amounts at 30 September	64,886,648	47,888,752
Thereof property under construction	*55,946,464*	*38,497,136*
Result from “Investment properties”:		
Rental income and charged expenses	1,750,935	2,094,020
Direct expenses	(357,480)	(594,098)
	1,393,456	1,499,922

“Investments” and the cash flow from “Purchase of investment properties” pertain primarily to the Airport City St. Petersburg project.

[12] Financial liabilities

A PLN-denominated convertible bond was issued in the amount of PLN 66.25 million in the reporting period. The denomination is PLN 250,000. The convertible bond has a term of three years and comes due for redemption on 6 May 2014. Coupon dates are 6 November and 6 May of each year.

The following loans relate to the individual projects as follows:

	At 30/9/2010	At 1/1/2011	New borrowings	Repayment of loans	Changes in scope of consolidation	Other changes	At 30/9/2011
a) Project-related loans secured by mortgages							
Subsidiaries (full consolidation)							
for andel's hotel Łódź	50,712,500	50,000,000	–	–	–	154,663	50,154,663
for Diplomat Hotel	30,684,973	29,065,368	–	(661,731)	–	28,150	28,431,787
for angelo hotel Ekaterinburg	37,292,972	37,312,100	–	–	–	588,717	37,900,817
for angelo Airporthotel Bucharest	11,207,300	11,000,000	–	–	–	190,025	11,190,025
for Palace Hotel	13,524,500	13,524,500	–	(345,500)	–	–	13,179,000
for Chopin Hotel	10,877,762	10,694,351	–	(351,570)	–	3,293	10,346,074
for angelo hotel Prague	11,403,600	11,251,598	–	(468,970)	–	–	10,782,628
for Erzsebet office building	11,760,569	11,638,441	–	(171,357)	–	–	11,467,085
for Amber Baltic Hotel	6,952,501	7,387,866	–	(641,513)	–	190,627	6,936,980
for Savoy Hotel	6,010,825	5,276,245	–	(441,288)	–	–	4,834,956
for Le Palais Hotel	6,463,657	6,465,657	–	(113,760)	–	3,000	6,354,897
for Warsaw gas pipeline	138,062	130,095	–	(42,241)	–	(9,733)	78,120
for Warsaw gas heating plant	232,927	–	–	–	–	–	–
for Dvořák spa hotel	19,321,278	19,155,710	–	(300,000)	–	2,760	18,861,231
	216,583,425	212,901,931	–	(3,537,930)	–	1,151,502	210,518,264
Joint ventures (proportionate consolidation)							
for InterContinental 50%	29,085,078	28,797,847	–	(912,231)	–	–	27,885,616
for Dream Castle Hotel 50%	17,480,661	17,338,565	–	(430,872)	–	–	16,907,693
for andel's hotel Berlin 50%	34,717,550	33,725,000	–	(73,978)	–	–	33,651,022
for Magic Circus Hotel Paris 50%	9,706,875	9,656,875	–	(225,000)	–	1,875	9,433,750
for Leuchtenbergring project 49.5%	15,680,893	15,680,851	–	–	–	–	15,680,851
for Sobieski hotel and office building 25%	7,954,030	8,001,413	–	(64,725)	(7,936,689)	–	–
for Parkur Tower office building 50%	5,233,465	5,172,876	–	(164,259)	–	–	5,008,616
for angelo hotel Katowice 50%	10,229,320	10,157,823	–	(44,506)	–	–	10,113,316
for Airport City St. Petersburg 50%[1)]	–	4,825,177	20,293,809	(4,825,177)	–	–	20,293,809
for the Louvre subgroup 50%	–	1,596,794	–	–	–	34,748	1,631,542
for angelo hotel Plzeň 50%	6,390,568	6,297,381	–	(100,000)	–	74,390	6,271,770
	353,061,864	354,152,532	20,293,809	(10,378,679)	(7,936,689)	1,262,515	357,396,248
b) Other loans and facilities							
Short-term borrowing facilities	43,463,640	49,721,571	1,716,049	(11,656,865)	–	–	39,780,755
Long-term borrowing facilities	30,466,110	20,976,915	–	1,742,222	–	455,231	23,174,368
Current loans	247,336	253,137	6,900,000	(253,137)	–	–	6,900,000
Non-current loans from joint ventures	43,449,520	35,690,602	4,762,195	(250,000)	(945,399)	(2,683,122)	36,574,276
Lease purchase options and loans	8,893,737	9,049,924	5,000	(350,000)	–	–	8,704,924
Non-interest-bearing loans	2,450,995	2,450,995	–	–	(650,995)	–	1,800,000
Non-current loans from minority interests	1,754,384	1,663,401	577,904	–	–	(67,691)	2,173,614
	130,725,722	119,806,545	13,961,147	(10,767,779)	(1,596,394)	(2,295,582)	119,107,937
Bonds	–	–	16,833,156	–	–	(1,671,605)	15,161,551
Total financial liabilities	483,787,587	473,959,076	51,088,112	(21,146,458)	(9,533,083)	(2,704,672)	491,665,736

[13] Current receivables and liabilities

	30/9/2011	at 31/12/2010	30/9/2010
Trade and other receivables			
Trade receivables	4,846,622	5,098,273	6,840,095
Receivables from tax authorities	1,727,885	729,446	735,811
Extended purchase price receivables relating to the sale of subsidiaries	728,655	814,172	122,500
Advance payments made	266,699	224,322	338,377
Other receivables and assets	1,173,782	924,409	1,069,435
Receivables due from associated companies	1,234	3,890	4,644
Receivables due from joint ventures	326,954	232,854	144,084
Receivables due from related parties	–	750	631
Deferred expenses	591,811	827,247	800,371
	9,663,642	**8,855,363**	**10,055,949**
Trade and other payables – current			
Trade payables	5,061,337	7,846,234	7,781,237
Interest-bearing construction invoices from the completion of the andel's Łódź	7,536,503	–	8,239,071
Trade payables due to joint ventures	523,902	687,881	654,636
Trade payables due to related parties *)	2,316,621	1,571,463	1,611,586
Purchase price obligations	237,500	237,500	237,500
Other payables including accruals for compensated absences	2,808,175	3,438,086	3,544,315
Advance payments received	945,435	840,537	673,584
	19,429,473	**14,621,701**	**22,741,930**
Trade and other payables – non-current			
Purchase price obligation for andel's hotel Łódź (reclassified as current)	–	8,149,039	–
Purchase price adjustment for andel's hotel Berlin	774,564	774,564	638,387
Security deposits received	725,154	560,583	597,305
Other	7,301	13,418	17,291
	1,507,019	**9,497,604**	**1,252,984**

*) The payables due to related parties include directors' bonuses accrued for 2010 in the amount of EUR 260 thousand that have not yet been paid out.

[14] Derivative financial instruments

14a) Interest rate collars in connection with finance loans

As of 30 September 2011, 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:

	30/9/2011	30/9/2010
Project loan Chopin Hotel, Krakow		
Notional amount at 30 September (underlying: 3-month Euribor)	10,346,074	10,877,762
Fair value at 30 September	(643,620)	(746,480)
Project loan angelo hotel, Prague		
Notional amount at 30 September (underlying: 3-month Euribor)	10,782,628	11,403,600
Fair value at 30 September	31,020	27,026
Project loan Sobieski Hotel, Warsaw (adjusted for the Group's share)		
Notional amount at 30 September (underlying: 3-month Euribor)	sold	7,954,030
Fair value at 30 September	–	–

Other derivative financial instruments

14b) Back stock option

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 twenty-four 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.

The volatility used to determine the fair value of the option is primarily derived from the historical volatility.

This option (IFRS 2) was open with the following parameters on the reporting date:

Share price (underlying)	EUR 1.222	
Execution price	EUR 2.00	
Risk-free interest rate	0.3%	
Expected volatility	45.0%	
Option term	14/5/2012	
Earliest possible execution date	15/5/2010	
Expected dividend payment	None	
Value as of 30 September 2011 (reported under the derivative financial instruments)		(21,600)
The value at the time of conclusion was		(705,600)
Intrinsic value of the debts on 30 September 2011		1,296,000

14c) Cross currency swap

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.

Fair value at 30 September 2011	(1,306,463)

[15] Transactions with related parties

The total amount of compensation due to the directors for the reporting period amounted to EUR 0.526 million (prior period: EUR 0.491 million). Vienna International AG assessed management fees totalling EUR 2.195 million (prior period: EUR 2 million).

[16] Events after the balance sheet date

Several sales are under negotiation. The sale of a development stake is in its final stages of negotiation and is expected to be completed in the coming days.

[17] 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 2010.

A shareholder lodged an objection at the Annual General Meeting of Warimpex Finanz- und Beteiligungs AG and filed a lawsuit to contest resolutions.

Vienna, 29 November 2011

Franz Jurkowitsch
Chairman of the Management Board

Georg Folian
Deputy Chairman of the Management Board

Christian Fojtl
Member of the Management Board

Alexander Jurkowitsch
Member of the Management Board

SELECTED WARIMPEX GROUP PROPERTIES

1) 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)

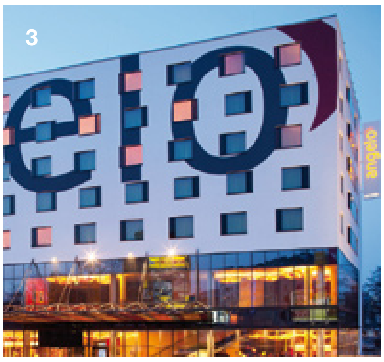
3) angelo hotel**, Katowice**
PL-40-086 Katowice, ul. Sokolska 24
203 rooms (opened in March 2010)

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)



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Financial calendar

29 Nov 2011	Publication of the results for the third quarter of 2011
3 Apr 2012	Publication of the Annual Report for 2011
8 May 2012	Annual General Meeting
24 May 2012	Publication of the results for the first quarter of 2012
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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