REPORT ON THE FIRST THREE QUARTERS OF **2014**

warimpex

KEY FIGURES OF THE WARIMPEX GROUP

in EUR '000		1–9/2014	Change	1–9/2013 adjusted
Hotels revenues		47,446	-10%	52,581
Investment Properties revenues		7,381	21%	6,110
Development & Services revenues		1,078	-38%	1,739
Total revenues		*55,905*	*-7%*	*60,429*
Expenses directly attributable to the revenues		-34,541	-16%	-41,182
Gross income from revenues		*21,364*	*11%*	*19,248*
Gains on property disposals		6	-99%	1.586
EBITDA		13,636	7%	12,803
EBIT		4,524	-46%	8,429
Earnings from joint ventures		1,139	68%	680
Profit or loss for the period		-10,906	38%	-7,917
Cash flow from operating activities		14,184	105%	6,929
Total assets		498,601	-1%	501,828
Total equity		79,713	7%	74,218
Average number of shares in the financial year	(in units)	54,000,000	–	54,000,000
Earnings per share	in EUR	-0.15	50%	-0.10
Number of hotels		18	-3	21
Number of rooms (adjusted for proportionate share of ownership)		3,166	-257	3,423
Number of office and commercial properties		5	–	5
Segment information (including joint ventures on a proportionate basis):				
Total revenues		90,225	-3%	93,368
Hotels revenues		80,924	-5%	84,968
Net operating profit (NOP) – Hotels		25,119	2%	24,556
Investment Properties revenues		7,944	19%	6,660
EBITDA of Investment Properties		4,539	86%	2,435
Revenues – Development & Services		1,358	-22%	1,740
Gains on property disposals		6	-99%	1,634
EBITDA of Development & Services		-3,262	67%	-1,951

		30/6/2014	Change	31/12/2013
Gross asset value (GAV)	in EUR million	496.1	-2%	508.0
Triple net asset value (NNNAV)	in EUR million	163.5	-3%	169.4
NNNAV per share	in EUR	3.0	-3%	3.1
End-of-period share price	in EUR	1.43	-24%	1.88

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FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

First of all, I would like to address an event that took place after the reporting period. The contract for the sale of the two office towers “Jupiter 1 and 2” at AIRPORTCITY St. Petersburg was recently concluded successfully. The buyer is one of the largest private Russian pension funds. The volume of the transaction is EUR 70 million. This outcome shows that successful business is possible with good projects, even in view of the difficult economic situation there.

In the third quarter of 2014, which is the subject of this report, we saw a consistent continuation of the first half of the year overall. On one hand, we posted positive operating development with good hotel performance. On the other hand, a weak Russian rouble led to foreign exchange losses – but this did not affect cash – as well as lower property valuations in Russia.

Our focus remains on AIRPORTCITY St. Petersburg, where we are now working on closing the transaction for the two office towers, which is still subject to the standard requirements for such transactions. At the same time, we are planning the further expansion of AIRPORTCITY. The performance of our Russian hotels was satisfactory all told, but the average room rate in the angelo hotel Ekaterinburg fell by around 20 per cent in the first three quarters on account of the weak rouble. At Crowne Plaza St. Petersburg, however, operating profit was maintained at the previous year’s level even in euros. Overall, the rouble has declined in value by around 40 per cent compared to the euro since the start of the year. In addition, the absence of Russian and Ukrainian guests is certainly an issue in the overall European hotel industry at the moment – this is particularly true for the five-star segment. From this perspective, our strategic exit from the luxury hotel industry in Prague was also the right step. In Karlovy Vary, there has been a steep decline in Russian and Ukrainian guests.

Our other core markets like Poland and Germany are a stable support for our business. Occupancy and room rates largely remained constant. Although revenues from the Hotels segment fell by 10 per cent – 5 per cent when all joint ventures are included on a proportionate basis – compared to the same period of the previous year to EUR 47.4 million, this is primarily attributable to the sale of hotels and a concomitant reduction in the number of rooms. The strong performance of our existing hotels is reflected particularly in the net operating profit per available room in the segment report for the first nine months, which increased by 4 per cent. EBITDA climbed by 7 per cent to EUR 13.6 million. Cash flow from operating activities was also more than doubled from EUR 6.9 million to EUR 14.2 million. Due to lower income from the sale of property and a neutral result on remeasurement, EBIT fell from EUR 8.4 million to EUR 4.5 million. With an improvement in the financial result compared to the first three quarters of 2013 to EUR -16.2 million, there was a loss for the period of EUR -10.9 million.

In the Development segment, we are focusing on projects that were already let out before completion, as is the case for the “Zeppelin” office tower at AIRPORTCITY St. Petersburg and in Budapest. We are thus revitalising the Erzsébet office complex in Budapest, where we have concluded one of the largest rental agreements on the Hungarian office market in recent years with the long-term lease to the Hungarian subsidiary of a major French insurer in the first half of 2014. In addition, we are working on two office projects in Krakow and want to get them ready for construction by the end of 2015.

We are currently experiencing a good environment for new developments as well as property sales, and we intend to use this in moderation. It is important here that the market has adequate confidence in our projects – as most recently in St. Petersburg – and that our portfolio is diversified between existing properties and development projects. So we will continue to advance ongoing projects to market maturity and at the same time focus on stability and steadily increasing cash flows at our hotels.

Franz Jurkowitsch

BUSINESS HIGHLIGHTS

- 2/2014 AIRPORTCITY St. Petersburg: term sheet signed for the sale of two office towers
- 2/2014 PLN 9.0 million (roughly EUR 2.15 million) in bonds placed in Poland
- 3/2014 New tenant for Erzsébet Office in Budapest
- 4/2014 EUR 2.0 million in bonds placed
- 5/2014 Florian Petrowsky appointed as new member of the Warimpex Management Board
- 5/2014 AIRPORTCITY St. Petersburg: full leasing of Zeppelin Tower
- 6/2014 Warimpex sells Hotel Savoy in Prague
- 6/2014 EUR 5.0 million in convertible bonds placed
- 11/2014 AIRPORTCITY St. Petersburg: Signing for the sale of two office towers

INVESTOR RELATIONS

The crisis in Ukraine and the sluggish economic development in Europe are also casting a shadow over the share price. After closing 2013 at EUR 1.88 or PLN 7.99, the share price declined considerably in the first three quarters of 2014. The closing price as at 30 September 2014 was EUR 1.06 or PLN 4.17.

Since our IPO, we have maintained an open and proactive communication policy with our investors. Warimpex participated in investor conferences and road shows in Zürs, Warsaw, Frankfurt and Stockholm in 2014.

	ISIN	Conversion price	Amount outstanding
Bond 3/16	PLWRMFB00016	–	PLN 63,065,000
Convertible bond 3/16	AT0000A100Y0	PLN 7.06	PLN 26,500,000
Convertible bond 10/16	AT0000A139E0	PLN 7.65	PLN 16,500,000
Bond 10/17	AT0000A139F7	–	PLN 8,500,000
Bond 2/18	PLWRMFB00024	–	PLN 9,000,000
Bond 10/15	–	–	EUR 2,000,000
Convertible bond 6/17	AT0000A139E0	EUR 1.80	EUR 5,000,000

MANAGEMENT REPORT OF THE GROUP

for the period from 1 January to 30 September 2014

ECONOMIC ENVIRONMENT

In October 2014 (World Economic Outlook Update), the International Monetary Fund (IMF) updated its economic forecast for 2014 as follows compared with July 2014. The Eurozone economy is expected to grow by 0.8 per cent in 2014 (forecast from July 2014: 1.1 per cent) and by 1.3 per cent in 2015 (1.5 per cent). The forecast for Russia was already lowered significantly in July to 0.2 per cent for 2014. For 2015, the forecast of 2.3 per cent was reduced to 1.0 per cent in July, then again to 0.5 per cent in October. The economy in emerging and developing Europe[1] is now expected to expand by 2.7 per cent in 2014 (2.8 per cent). The IMF growth projection for 2015 is unchanged at 2.9 per cent.

MARKETS

POLAND

Existing portfolio: 6 hotels, 1 office property

Warimpex has been the 50 per cent leaseholder of the five-star InterContinental Hotel in Warsaw since the end of December 2012. Warimpex and UBM developed the hotel together, and each most recently held 50 per cent of the hotel with its 414 rooms. Warimpex and UBM sold the hotel at the end of December 2012. A lease was concluded between the purchaser and a subsidiary of Warimpex and UBM, under which it will lease the hotel back at a fixed rate and continue to run the establishment under the InterContinental brand until 2027. In Krakow, Warimpex has owned the three-star Chopin Hotel since 2006 and has operated the four-star-plus andel's hotel since 2007 (as the owner until 2009 and as the leaseholder since then). In Łódź, Warimpex opened a further andel's hotel in June 2009, and 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 went from 80 per cent to 79 per cent in the first nine months of the year, and the average room rate in euros rose slightly. The andel's hotel in Łódź achieved an occupancy rate of 58 per cent (1–9 2013: 55 per cent), and the average room rate in euros fell by around 4 per cent. The occupancy rate at the Chopin Hotel in Krakow declined from 70 per cent to 67 per cent, and the average room rate in euros remained the same. Occupancy at the andel's hotel in Krakow was 76 per cent (1–9 2013: 76 per cent), and the average room rate was down slightly. The occupancy rate at the Amber Baltic beachfront resort came in at 56 per cent (1–9 2013: 51 per cent), and the average room rate went up by around 10 per cent. Due to its location on the Baltic coast, occupancy rates at this hotel are subject to stronger seasonal fluctuations, and cannot be compared with those of city hotels.

In addition to the hotels listed above, Warimpex owns 50 per cent of the Parkur Tower office building in Warsaw, roughly 90 per cent of which is rented.

Under development: 2 office buildings

Warimpex is the owner of a development property next to the Chopin Hotel, which is to be the location of an office building with around 19,000 square metres of space. Planning for this project is underway.

In addition, an office building owned by Warimpex in Krakow is to be demolished and replaced by a new office building with around 15,000 square metres of space. Planning for this project is underway.

Warimpex owns a development property in Białystok. The sale of this development project is planned when the market conditions are right.

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

CZECH REPUBLIC

Existing portfolio: 4 hotels

In the Czech Republic, Warimpex owns the Diplomat Hotel (Prague) and the angelo hotels in Prague and Plzeň (50 per cent). Warimpex also consolidates the Dvorak spa hotel in Karlovy Vary according to the rules defined by IFRS. The five-star Palace Hotel (124 rooms) and Le Palais Hotel (72 rooms) in Prague were sold in July and in December 2013. The Hotel Savoy (61 rooms) in Prague was sold at the end of June 2014.

In the reporting period, the two hotels in Prague, Diplomat and angelo, achieved occupancy rates of 71 per cent and 75 per cent respectively (1–9 2013: 75 per cent and 73 per cent). The average room rate at both hotels increased slightly. At the Dvorak spa hotel in Karlovy Vary, the occupancy rate fell to 62 per cent (1–9 2013: 77 per cent). The average room rate increased. There is a very high proportion of Russian and Ukrainian guests in Karlovy Vary, so the severe devaluation of the rouble affected travel behaviour. Occupancy at the angelo hotel in Plzeň improved from 60 per cent to 66 per cent, and the average room rate also rose.

HUNGARY

Existing portfolio: 3 office properties

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

The Dioszegi office building has roughly 800 square metres of lettable space, 100 per cent of which is occupied. The Sajka office building with around 600 square metres of lettable space was partially rented out in the reporting period and is fully rented again as of November 2014. In March, Warimpex gained the leading Hungarian insurance company Groupama Garancia Insurance Private Co. Ltd. – a Hungarian subsidiary of the international Groupama Group – as a new long-term tenant for 12,250 square metres of space in the Erzsébet office building in Budapest. The successful conclusion of the contract by Warimpex represents one of the largest rental agreements on the Hungarian office market in recent years. Groupama is expected to move into the newly renovated building “A” in mid-2015.

ROMANIA

Existing portfolio: 1 hotel

The angelo Airporthotel in Bucharest, which Warimpex acquired in 2007 and expanded by 69 rooms in 2008 along with adapting it into an angelo hotel, saw an occupancy rate of 56 per cent (1–9 2013: 43 per cent). The average room rate in euros was down by around 13 per cent.

GERMANY

Existing portfolio: 1 hotel

In Germany, Warimpex held 50 per cent of the andel’s hotel in Berlin during the reporting period. Occupancy at the andel’s was 72 per cent (1–9 2013: 70 per cent). The average room rate improved slightly.

Under development: commercial space and conference centre

A piece of land adjacent to the andel’s in Berlin was purchased in 2009 for the development of a conference centre and commercial space. Planning for this project is underway.

FRANCE

Existing portfolio: 2 hotels

In Paris, Warimpex and its partner UBM are the joint leaseholders (finance lease) of the four-star hotels Dream Castle and Magic Circus at Disneyland® Resort Paris, each of which has around 400 rooms. The occupancy rates at the hotels were 78 per cent and 73 per cent respectively (1–9 2013: 77 per cent and 72 per cent). The average room rate was increased slightly at both hotels.

AUSTRIA

Existing portfolio: 1 hotel

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

RUSSIA

Existing portfolio: 3 hotels, 1 office building

In Russia, Warimpex holds 60 per cent of the Liner Hotel and of the angelo hotel at Koltsovo airport in Ekaterinburg. The angelo hotel Ekaterinburg, which has a direct link to the new terminals, was opened in 2009. In St. Petersburg, Warimpex holds 55 per cent of AIRPORTCITY St. Petersburg. In the first phase of the project, a four-star Crowne Plaza hotel (InterContinental Hotel Group) and office buildings with 16,800 square metres of lettable space were opened at the end of December 2011. AIRPORTCITY St. Petersburg is being developed by the project company ZAO AVIELEN A.G. together with CA Immo and UBM and is directly next to Pulkovo 2 international airport in St. Petersburg. 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.

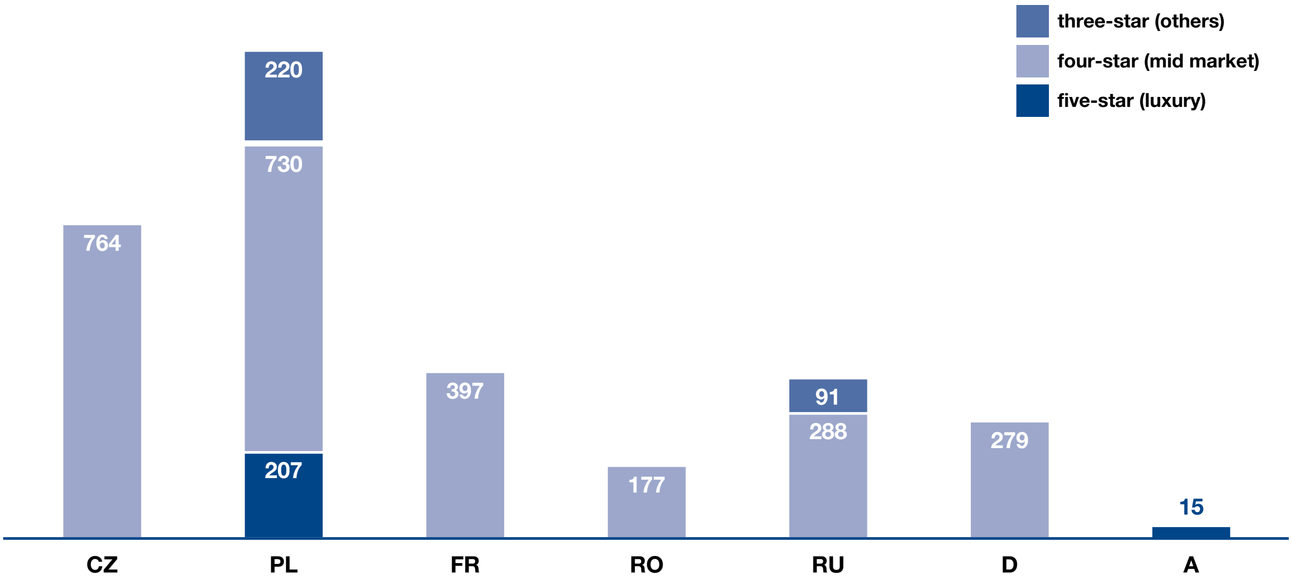
The Liner Hotel enjoyed a satisfactory occupancy rate of 65 per cent; occupancy at the more expensive angelo hotel increased from 54 per cent to 66 per cent, although the average room rate in euros was down by roughly 20 per cent on account of the weak rouble. The Crowne Plaza achieved an occupancy rate of 76 per cent (1–9 2013: 79 per cent), and the average room rate in euros did not change. An occupancy rate of 100 per cent was achieved for the two completed office buildings in St. Petersburg (Jupiter 1 and 2).

Under development: 1 office building

Another office building, called Zeppelin, that will have 16,000 square metres of lettable space is also under construction at AIRPORTCITY. This office tower is scheduled for completion in mid-2015. The office tower is already fully rented.

Hotel portfolio (number of rooms adjusted for proportionate share of ownership) as at 30 September 2014

The year-on-year decrease in the number of rooms by 257, from 3,423 to 3,166, is attributable to the sale of the Palace, Le Palais and Savoy hotels in Prague.



ASSETS, FINANCIAL POSITION AND EARNINGS SITUATION

For information on changes in the scope of consolidation and the resulting retrospective adjustment of the comparative periods, please refer to section 5.2. of the consolidated interim financial statements.

Development of revenues

Operating activities in the Hotels segment continued to develop positively in the first nine months of 2014, but revenues at the Dvorak hotel in Karlovy Vary fell by around 20 per cent. The share of Russian and Ukrainian guests in Karlovy Vary is very high. Due to the sale of hotel properties revenues declined by roughly 10 per cent to EUR 47.4 million.

Revenues from leasing office space increased from EUR 6.1 million to EUR 7.4 million. Revenues in the Development & Services segment fell by 38 per cent to EUR 1.1 million as a result of the completion and sale of the Le Palais office building in Warsaw in the previous year.

Consolidated revenues declined by 7 per cent, from EUR 60.4 million to EUR 55.9 million, due mainly to the sale of hotels.

Expenses directly attributable to revenues were reduced by 16 per cent to EUR 34.5 million, which meant that despite the lower revenues figure gross income from revenues went up by 11 per cent to EUR 21.4 million.

Earnings situation

Gains on property disposals

In the comparative period of the previous year, a stake was sold in the angelo hotel in Munich (including an adjacent development property). This transaction generated a profit contribution of approximately EUR 1.6 million. In the first nine months of 2014, the Hotel Savoy was sold for its carrying amount.

The changes to the existing portfolio in the comparative period of the previous year relate to the settlement of leasehold improvements for the Le Palais office building in Warsaw.

EBITDA – EBIT

Earnings before interest, taxes, depreciation and amortisation and gains/losses on remeasurement (investment properties) (= EBITDA) increased by 7 per cent from EUR 12.8 million to EUR 13.6 million, primarily because of lower expenses. EBIT declined from EUR 8.4 million to EUR 4.5 million. This is mainly attributable to lower income from the sale of project companies and properties (EUR -1.6 million) and a neutral, non-cash result on remeasurement; in the previous year, there were reversals of impairment amounting to EUR 5.3 million.

Financial result

Finance income (including earnings from joint ventures) went from EUR -18.0 million to EUR -16.2 million. Financing expenses declined from EUR 16.8 million in the first nine months of 2013 to EUR 15.8 million.

Losses from joint ventures went from EUR 0.7 million to EUR 1.1 million.

Profit or loss for the period

The total loss for the period for the Warimpex Group went from EUR -7.9 million in the previous year to EUR -10.9 million. This change is mainly due to decreased earnings from the sale of properties, a neutral result on impairment and foreign exchange losses

Segment reporting

The Warimpex Group has defined the segments Hotels, Investment Properties and Development & Services. The joint ventures that are recognised at equity in the consolidated financial statements are included in the segment report using the proportionate consolidation method. The Hotels segment is comparable with the hotels and/or hotel rooms held by the Group as consolidated entities in the reporting year with the joint ventures recognised on a proportionate basis. The Investment Properties segment includes rental income from office properties. The Development & Services segment contains services in the area of development, activities of the parent company and profits from the sale of real estate.

Hotels segment*

in EUR '000	**1–9/2014**	1–9/2013 adjusted
Revenues for the Group	80,924	84,968
Average number of hotel rooms for the Group**	3,482	3,548
GOP for the Group	31,905	32,496
NOP for the Group	25,119	24,556

* Including all joint ventures on a proportionate basis

** See Hotels segment reporting package in the consolidated financial statements

In the reporting period, the average number of available rooms declined by 2 per cent to 3,482 due to the sale of hotels, with revenues from hotel operations declining by 5 per cent to EUR 80.9 million.

Key figures that are typical for the sector are used to manage the hotels. These include GOP (gross operating profit, calculated according to the Uniform System of Accounts for the Lodging Industry) and NOP (net operating profit, which corresponds to the GOP less specific costs of ownership after GOP such as management fees, insurance, land tax, etc.). In spite of the lower revenues (-5 per cent), GOP fell less rapidly than revenues (-2 per cent) and NOP increased as a result of the sale of less profitable hotels. NOP per room therefore rose by 4 per cent to EUR 7,214.

Investment Properties segment*

in EUR '000	**1–9/2014**	1–9/2013 adjusted
Revenues for the Group	7,944	6,660
Segment EBITDA	4,539	2,435

* Including all joint ventures on a proportionate basis

Revenues in the Investment Properties segment rose by 19 per cent in the reporting period, primarily due to the full leasing of the Jupiter office towers at AIRPORTCITY St. Petersburg.

Development & Services segment*

in EUR '000	**1–9/2014**	1–9/2013 adjusted
Revenues for the Group	1,358	1,740
Gains or losses from the disposal of properties	6	1,634
Segment EBITDA	-3,262	-1,951

* Including all joint ventures on a proportionate basis

The results in this segment depend heavily on property sales and are subject to significant fluctuation in year-on-year terms and during the year. In the comparative period of 2013, a stake was sold in the angelo hotel in Munich. No material sales income was recognised in the period under review despite the sale of the Hotel Savoy in Prague.

EVENTS AFTER THE REPORTING DATE

ZAO AVIELEN A.G. – a joint venture between the Austrian real estate developer Warimpex (55 per cent), CA Immo Group (35 per cent) and UBM (10 per cent) – successfully concluded contract negotiations for the sale of two office towers at AIRPORTCITY St. Petersburg on 19 November. The buyer is a subsidiary of the private Russian pension fund BLAGOSOSTOYANIE managed by the TRINFICO Investment Group. The investment volume amounts to EUR 70 million. The deal had already been announced and a corresponding term sheet signed in February 2014. The closing of the transaction is still subject to compliance with the standard Russian requirements for such real estate transactions and is expected in the next few weeks.

OUTLOOK

The Jupiter Towers at AIRPORTCITY St. Petersburg were classified as held for short-term sale. The closing of the transaction is planned in the next few weeks.

The following development projects are currently under construction:

• AIRPORTCITY St. Petersburg, business park and an additional 16,000 square metres of office space
• Erzsébet office tower II, Budapest, 8,000 square metres of office spacee

We will continue to concentrate on increasing our hotels' earnings figures and advancing ongoing development projects to market maturity. In doing so, we will maintain sufficient diversification in our portfolio in terms of property holdings and development projects. We also anticipate great potential for new developments and property sales, which we intend to leverage in moderation.

Vienna, 28 November 2014

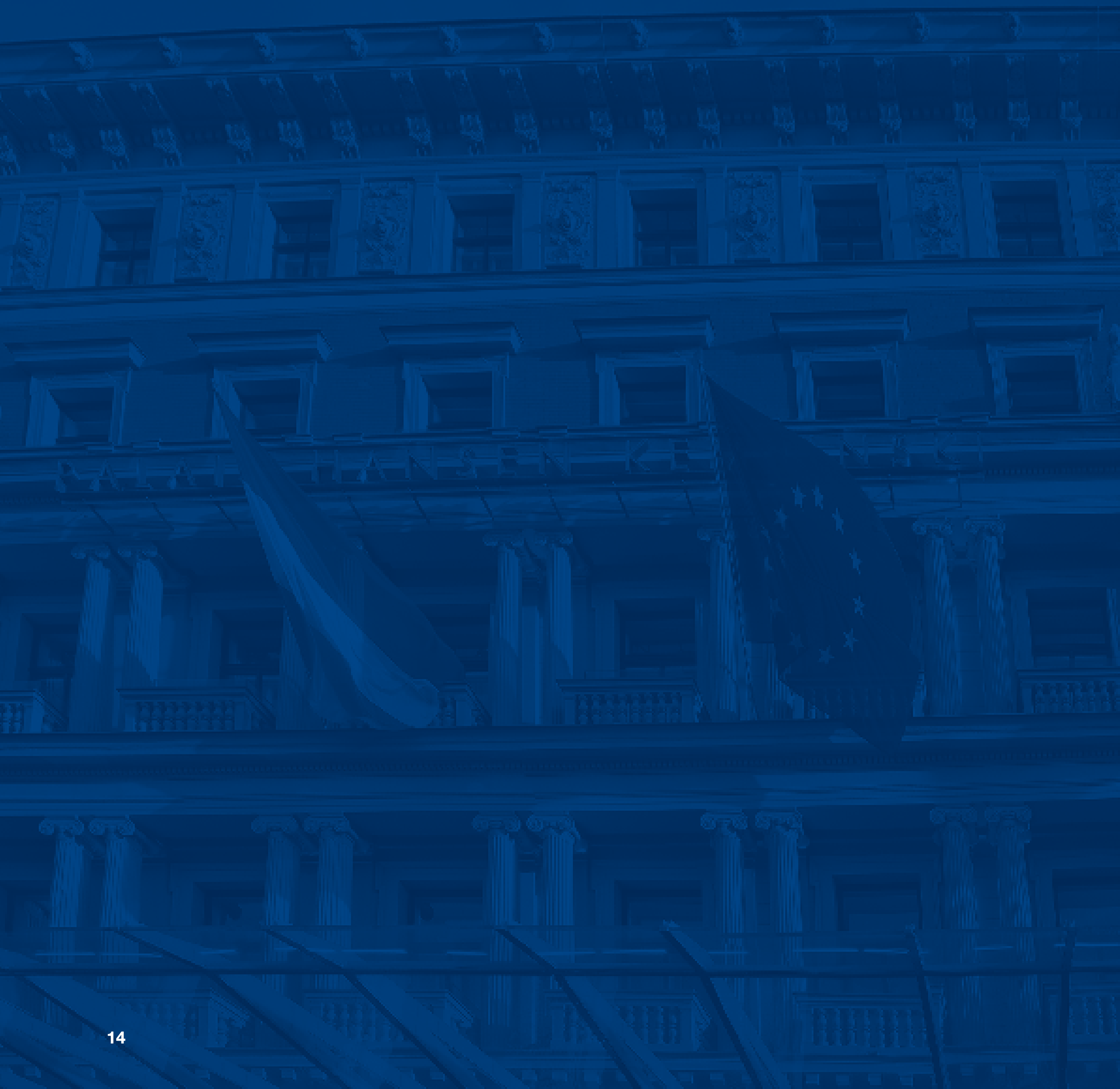
Franz Jurkowitsch
Chairman of the Management Board

Georg Folian
Deputy Chairman of the Management Board

Alexander Jurkowitsch
Member of the Management Board

Florian Petrowsky
Member of the Management Board

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT **30 SEPTEMBER 2014**



CONDENSED CONSOLIDATED INCOME STATEMENT

for the period from 1 January to 30 September 2014 – unaudited

in EUR	Note	1–9/2014	7–9/2014	1–9/2013 adjusted	7–9/2013 adjusted
Hotels revenues		47,445,606	16,469,002	52,580,677	18,418,517
Investment Properties revenues		7,381,331	2,454,913	6,109,914	1,970,085
Development and Services revenues		1,077,743	275,589	1,738,699	351,032
Revenues		**55,904,681**	**19,199,505**	**60,429,290**	**20,739,633**
Expenses from the operation of hotels		(31,110,958)	(10,279,969)	(36,286,904)	(12,682,365)
Expenses from operation of investment properties		(2,387,662)	(763,802)	(2,578,244)	(640,669)
Expenses directly attributable to development and services		(1,042,132)	(233,929)	(2,316,404)	(154,668)
Expenses directly attributable to the revenues	5.1.	**(34,540,752)**	**(11,277,700)**	**(41,181,553)**	**(13,477,702)**
Gross income from revenues		**21,363,928**	**7,921,805**	**19,247,737**	**7,261,931**
Income from the sale of properties		7,588,295	–	22,511,100	20,843,400
Disposal of carrying amounts and costs related to sales		(7,581,798)	(29,276)	(20,925,212)	(20,843,400)
Gains or losses from the disposal of properties	5.2.	**6,497**	**(29,276)**	**1,585,888**	**–**
Changes in unfinished real estate development projects		–	–	801,491	(306,800)
Other operating income		430,039	134,647	119,367	25,103
Other operating income		**430,039**	**134,647**	**920,859**	**(281,697)**
Administrative expenses	5.3.	**(8,164,112)**	**(2,062,908)**	**(8,951,356)**	**(2,457,098)**
Results of operating activities before financial result, taxes, depreciation and amortisation (EBITDA)		**13,636,353**	**5,964,268**	**12,803,127**	**4,523,136**
Scheduled depreciation and amortisation on property, plant and equipment and intangible assets		(9,480,969)	(3,353,139)	(8,641,376)	(2,470,281)
Impairments		(336,788)	12,708	(5,014)	(120,604)
Reversals of impairment		725,616	379,763	5,288,543	629,209
Gains/losses on remeasurement of assets (IFRS 5)		2,130,000	3,000,000	(1,016,415)	440,075
Gains/losses on remeasurement of investment property		(2,149,726)	(82,144)	–	–
Depreciation, amortisation and remeasurement	5.4.	**(9,111,867)**	**(42,812)**	**(4,374,262)**	**(1,521,601)**
Earnings before interest and taxes (EBIT)		**4,524,486**	**5,921,456**	**8,428,865**	**3,001,535**
Finance income	5.5.	2,442,095	933,707	120,970	90,953
Financing expenses	5.6.	(15,774,344)	(4,597,527)	(16,796,165)	(4,678,871)
Exchange rate changes	5.7.	(4,023,191)	(3,153,009)	(2,000,723)	(1,662,076)
Losses from joint ventures (at equity) after taxes		1,138,984	703,157	679,684	754,236
Financial result		**(16,216,456)**	**(6,113,672)**	**(17,996,234)**	**(5,495,759)**
Earnings before taxes		**(11,691,970)**	**(192,216)**	**(9,567,369)**	**(2,494,224)**
Income taxes		(157,446)	(12,090)	(76,886)	(2,721)
Deferred income taxes		943,898	(514,253)	1,727,378	2,597,041
Taxes		**786,453**	**(526,343)**	**1,650,492**	**2,594,320**
Profit or loss for the period		**(10,905,518)**	**(718,559)**	**(7,916,877)**	**100,097**
Profit or loss for the period attributable to:					
- Equity holders of the parent		(7,888,863)	(205,020)	(5,359,994)	19,325
- Non-controlling interests		(3,016,654)	(513,539)	(2,556,883)	80,772
		(10,905,518)	**(718,559)**	**(7,916,877)**	**100,097**
Earnings per share:					
Basic loss for the period attributable to ordinary equity holders of the parent		(0.15)	(0.00)	(0.10)	0.00
Diluted loss for the period attributable to ordinary equity holders of the parent		(0.15)	(0.00)	(0.10)	0.00

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 September 2014 – unaudited

in EUR	Note	1–9/2014	7–9/2014	1–9/2013 adjusted	7–9/2013 adjusted
Profit or loss for the period		**(10,905,518)**	**(718,559)**	**(7,916,877)**	**100,096**
Foreign exchange translation		(398,618)	(127,331)	(802,519)	(49,650)
Measurement of cash flow hedges		–	–	646,525	569,227
Other comprehensive income from joint ventures (at equity)		749,628	(361)	–	–
Gains or losses from financial assets available for sale		(101,029)	(101,029)	–	–
Revaluation reserve allocation		1,561,451	1,561,451	–	–
(Deferred) taxes in other comprehensive income	5.8.	(403,124)	(231,995)	(131,164)	(112,143)
Other comprehensive income (reclassified in profit and loss in subsequent periods)		**1,408,308**	**1,100,734**	**(287,158)**	**407,434**
Other comprehensive income		**1,408,308**	**1,100,734**	**(287,158)**	**407,434**
Total comprehensive income for the period		**(9,497,210)**	**382,175**	**(8,204,035)**	**507,531**
Total comprehensive income for the period attributable to:					
- Equity holders of the parent		(6,460,821)	(158,099)	(5,444,523)	483,889
- Non-controlling interests		(3,036,388)	540,274	(2,759,512)	23,642
		(9,497,210)	382,175	(8,204,035)	507,531

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2014 – unaudited

in EUR	Note	30/9/2014	31/12/2013	30/9/2013 adjusted	1/1/2013 adjusted
ASSETS					
Property, plant and equipment	6.1.	268,510,981	281,817,062	292,269,445	301,098,642
Investment property	6.2.	80,852,915	73,050,000	116,504,398	115,132,993
Goodwill	6.3.	921,266	921,266	921,266	921,266
Other intangible assets		5,078	51,120	115,637	123,556
Net investment in joint ventures (at equity)	6.3.	37,401,259	36,817,967	36,141,686	32,197,638
Other financial assets		10,536,497	11,140,781	14,418,620	11,077,694
Deferred tax assets		36,562	26,745	3,790,852	4,026,294
Non-current assets		**398,264,559**	**403,824,941**	**464,161,904**	**464,578,082**
Inventories		842,440	1,031,669	4,573,637	2,269,859
Trade and other receivables	6.4.	10,094,483	10,431,724	9,524,128	11,098,275
Securities available for sale	6.5.	7,023,589	8,607,000	8,512,854	7,279,433
Other financial assets		–	241,126	4	2
Cash and cash equivalents	6.6.	12,375,768	6,521,254	6,497,485	8,166,831
Non-current assets (disposal groups) held for sale	6.7.	70,000,000	75,370,942	8,558,135	24,838,793
Current assets		**100,336,280**	**102,203,715**	**37,666,242**	**53,653,193**
TOTAL ASSETS		**498,600,838**	**506,028,655**	**501,828,146**	**518,231,276**
EQUITY AND LIABILITIES					
Share capital		54,000,000	54,000,000	54,000,000	54,000,000
Capital reserves		17,550,336	17,050,636	17,050,636	17,131,207
Retained earnings		8,617,936	16,506,800	8,150,401	13,510,396
Treasury shares		(301,387)	(301,387)	(301,387)	(301,387)
Other reserves		4,322,777	2,894,736	3,382,579	3,467,108
Equity attributable to equity holders of the parent		**84,189,663**	**90,150,785**	**82,282,230**	**87,807,324**
Non-controlling interests		(4,476,242)	(1,439,854)	(8,064,105)	(5,304,593)
Equity		**79,713,421**	**88,710,931**	**74,218,126**	**82,502,731**
Convertible bonds	6.8.	12,977,226	8,028,095	4,956,486	15,396,167
Other bonds	6.8.	20,929,583	17,119,545	14,455,465	–
Other financial liabilities	6.8.	277,627,229	287,962,927	297,754,049	264,873,419
Derivative financial instruments	6.9.	594,115	2,828,115	1,335,523	–
Other liabilities		8,741,896	7,415,011	9,647,963	5,895,187
Provisions		1,955,286	1,891,289	4,639,211	4,431,127
Deferred tax liabilities		12,141,956	12,672,913	10,336,739	12,168,395
Deferred income		1,615,758	2,019,698	–	–
Non-current liabilities		**336,583,049**	**339,937,592**	**343,125,436**	**302,764,295**
Convertible bonds	6.8.	–	2,980,156	6,162,983	–
Other financial liabilities	6.8.	62,490,195	51,366,583	42,989,492	88,826,071
Derivative financial instruments		–	549,595	830,530	1,280,393
Trade and other payables	6.10.	18,684,240	16,358,276	25,075,178	27,851,091
Provisions		507,155	704,836	763,428	1,214,476
Income tax liabilities		84,193	63,063	83,730	143,457
Deferred income		538,586	538,586	2,692,930	–
Liabilities directly associated with the assets held for sale		–	4,819,037	5,886,312	13,648,761
Current liabilities		**82,304,369**	**77,380,133**	**84,484,584**	**132,964,249**
Liabilities		**418,887,417**	**417,317,725**	**427,610,020**	**435,728,544**
TOTAL EQUITY AND LIABILITIES		**498,600,838**	**506,028,655**	**501,828,146**	**518,231,276**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 January to 30 September 2014 – unaudited

in EUR	Note	**1–9/2014**	**7–9/2014**	1–9/2013 adjusted	7–9/2013 adjusted
Cash receipts					
from hotel operations and rent received		59,449,545	23,045,216	61,328,130	20,201,217
from real estate development projects		910,652	52,200	723,002	178,642
from interest income		72,059	41,609	108,716	69,041
Cash receipts from operating activities		**60,432,256**	**23,139,025**	**62,159,848**	**20,448,899**
Cash payments					
for real estate development projects		(3,555,484)	(3,046,405)	(3,065,035)	(417,645)
for materials and services received		(21,530,985)	(5,541,972)	(28,436,463)	(9,281,009)
for related personnel expenses		(14,337,412)	(4,711,916)	(16,807,335)	(5,825,939)
for other administrative expenses		(6,691,195)	(2,330,401)	(6,763,218)	(2,087,066)
for income taxes		(133,154)	(282)	(158,368)	(43,412)
Cash payments for operating activities		**(46,248,229)**	**(15,630,975)**	**(55,230,419)**	**(17,655,071)**
Net cash flows from operating activities		**14,184,026**	**7,508,050**	**6,929,429**	**2,793,829**
Cash receipts from					
the sale of disposal groups and property less outflow		2,721,289	(29,276)	11,444,723	5,880,523
of cash and cash equivalents from					
disposal groups sold		(66,659)	–	–	–
disposal proceeds from purchase price receivables relating					
to disposals in prior periods		3,483,062	750,000	1,972,793	–
dividends from available-for-sale securities		345,850	247,036	–	–
other financial assets		241,127	–	–	–
returns on joint ventures		1,305,319	31,827	–	–
Cash receipts from investing activities		**8,029,988**	**999,587**	**13,417,516**	**5,880,523**
Cash payments for					
investments in property, plant and equipment		(1,617,627)	(634,286)	(7,056,450)	(3,841,436)
investments in investment property		(5,703,229)	(3,821,115)	(219,089)	(172,864)
the purchase of available-for-sale securities		(114)	10	(1,233,421)	602,767
the purchase of data processing programs		–	–	(50,413)	(10,058)
other financial assets		296,728	27,272	(966,693)	(266,693)
joint ventures		–	–	(3,593,912)	(3,017,344)
Payments made for investing activities		**(7,024,242)**	**(4,428,119)**	**(13,119,978)**	**(6,705,628)**
Net cash flows from investing activities		**1,005,746**	**(3,428,532)**	**297,537**	**(825,105)**
Cash receipts from the issue of (convertible) bonds		9,164,606	–	19,705,368	–
Payments made for the redemption of convertible bonds		(2,976,545)	–	(9,622,221)	(195,978)
Payments received from loans and borrowing		20,368,942	18,926,530	108,656,169	71,214,038
Payments made for the repayment of loans and borrowing		(21,836,852)	(13,521,581)	(114,329,108)	(69,928,547)
Paid interest and financing costs (for loans and borrowing)		(10,992,723)	(2,378,212)	(13,745,690)	(4,561,496)
Paid interest and financing costs (for bonds and convertible bonds)		(2,365,765)	(989,950)	–	–
Payments received and made for derivatives		(562,735)	–	597,762	(540,000)
Net cash flows from/used in financing activities		**(9,201,072)**	**2,036,787**	**(8,737,720)**	**(4,011,983)**
Net change in cash and cash equivalents		**5,988,700**	**6,116,304**	**(1,510,753)**	**(2,043,259)**
Foreign exchange rate changes in cash and cash equivalents		(230,516)	4,743	(237,411)	16,324
Cash and cash equivalents at 1 January		6,617,583	6,254,720	8,390,943	8,669,714
Cash and cash equivalents at the end of the period		**12,375,768**	**12,375,768**	**6,642,779**	**6,642,779**
Cash and cash equivalents at the end of the period consist of:					
Cash and cash equivalents of the Group	6.6.	12,375,768	12,375,768	6,497,485	6,497,485
Cash and cash equivalents of a disposal group					
classified as held for sale		–	–	145,294	145,294
		12,375,768	**12,375,768**	**6,642,779**	**6,642,779**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 30 September 2014 – unaudited

	auf die Anteilseigner des Mutterunternehmens entfallendes Eigenkapital						Non-	
	Share	Capital	Retained	Treasury	Other		controlling	Total
in EUR	capital	reserves	earnings	shares	reserves	Total	interests	equity
As at 1 January 2013	**54,000,000**	**17,131,207**	**17,229,025**	**(301,387)**	**3,467,108**	**91,525,953**	**(663,977)**	**90,861,977**
Changes in accounting policies	–	–	(3,718,629)	–	–	(3,718,629)	**(4,640,617)**	(8,359,246)
As at 1 January 2013, adjusted	**54,000,000**	**17,131,207**	**13,510,396**	**(301,387)**	**3,467,108**	**87,807,324**	**(5,304,594)**	**82,502,731**
Equity from convertible bond	–	(80,571)	–	–	–	**(80,571)**	–	**(80,571)**
Total comprehensive income for the period	–	–	(5,359,994)	–	(84,529)	**(5,444,523)**	(2,759,512)	**(8,204,035)**
thereof comprehensive income								
for the period	–	–	*(5,359,994)*	–	–	***(5,359,994)***	*(2,556,883)*	***(7,916,877)***
thereof other comprehensive income	–	–	–	–	*(84,529)*	***(84,529)***	*(202,629)*	***(287,158)***
As at 30 September 2013	**54,000,000**	**17,050,636**	**8,150,401**	**(301,387)**	**3,382,579**	**82,282,230**	**(8,064,105)**	**74,218,125**
As at 1 January 2014	**54,000,000**	**17,050,636**	**19,845,550**	**(301,387)**	**2,894,736**	**93,489,535**	**(1,110,316)**	**92,379,219**
Changes in accounting policies	–	–	(3,338,751)	–	–	**(3,338,751)**	(329,538)	**(3,668,289)**
As at 1 January 2014, adjusted	**54,000,000**	**17,050,636**	**16,506,800**	**(301,387)**	**2,894,736**	**90,150,785**	**(1,439,854)**	**88,710,931**
Equity from convertible bond	–	499,700	–	–	–	**499,700**	–	499,700
Total comprehensive income for the period	–	–	(7,888,863)	–	1,428,042	**(6,460,821)**	(3,036,388)	**(9,497,210)**
thereof comprehensive income								
for the period	–	–	*(7,888,863)*	–	–	***(7,888,863)***	*(3,016,654)*	***(10,905,517)***
thereof other comprehensive income	–	–	–	–	*1,428,042*	***1,428,042***	*(19,734)*	***1,408,307***
As at 30 September 2014	**54,000,000**	**17,550,336**	**8,617,936**	**(301,387)**	**4,322,777**	**84,189,663**	**(4,476,242)**	**79,713,421**

CONDENSED CONSOLIDATED SEGMENT INFORMATION (in EUR '000)

for the period from 1 January to 30 September 2014 – unaudited

Some of the figures for 2013 were adjusted.

	Hotels		Investment Properties	
	2014	2013	**2014**	2013
SEGMENT OVERVIEW PROFIT OR LOSS FOR THE PERIOD				
External revenues	80,924	84,968	7,944	6,660
Intragroup services	-	–	–	–
Expenses directly attributable to the revenues	(55,807)	(60,348)	(2,697)	(2,824)
Gross income from revenues	**25,117**	**24,620**	**5,247**	**3,836**
Gains or losses from the disposal of properties	–	–	–	–
Changes in real estate projects under development	–	–	–	–
Other operating income	–	–	–	–
Expenses for development projects	–	–	–	–
Personnel expenses	(905)	(791)	–	–
Other administrative expenses	(4,360)	(4,347)	(675)	(1,366)
Intragroup services	(557)	(807)	(33)	(34)
Segment EBITDA	**19,294**	**18,675**	**4,539**	**2,435**
Scheduled depreciation and amortisation	(13,327)	(12,342)	–	–
Impairments	(324)	(1,016)	2,130	–
Reversals of impairment	1,013	5,487	–	–
Measurement gains	–	–	–	–
Measurement losses	–	–	(230)	–
Segment EBIT	**6,656**	**10,803**	**6,439**	**2,435**
Finance income	21	69	33	72
Financing expenses	(9,939)	(10,968)	(1,333)	(1,213)
Changes in foreign exchange rates	(3,852)	(2,811)	–	–
Earnings from joint ventures	–	–	–	–
Income taxes	(1)	(7)	–	–
Deferred income taxes	509	2,504	146	(874)
Segment overview – profit or loss for the period	**(6,606)**	**(409)**	**5,285**	**421**

	Hotels		Investment Properties	
	30/9/2014	31/12/2013	**30/9/2014**	31/12/2013
SEGMENT OVERVIEW – STATEMENT OF FINANCIAL POSITION				
Segment overview – assets	384,396	394,906	90,754	87,323
Segment overview – equity	29,496	27,831	49,486	45,558
Segment overview – liabilities	354,900	367,075	41,269	41,765

	Development & Services		Segment total 1 January – 30 September		Reconciliation		Group total 1 January – 30 September	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	1,358	1,740	**90,225**	93,368	**(34,320)**	(32,939)	**55,905**	60,429
	591	841	**591**	841	**(591)**	(841)	**–**	–
	(1,167)	(2,316)	**(59,671)**	(65,489)	**25,130**	24,307	**(34,541)**	(41,182)
	781	**265**	**31,145**	**28,720**	**(9,781)**	**(9,473)**	**21,364**	**19,248**
	6	1,634	**6**	1,634	**–**	(48)	**6**	1,586
	–	801	**–**	801	**–**	–	**–**	801
	430	119	**430**	119	**0**	–	**430**	119
	(81)	(88)	**(81)**	(88)	**1**	15	**(80)**	(73)
	(2,531)	(2,959)	**(3,437)**	(3,750)	**188**	93	**(3,248)**	(3,657)
	(1,868)	(1,724)	**(6,903)**	(7,438)	**2,068**	2,216	**(4,835)**	(5,222)
	–	–	**(591)**	(841)	**591**	841	**–**	–
	(3,262)	**(1,951)**	**20,570**	19,159	**(6,934)**	(6,356)	**13,636**	**12,803**
	(113)	(73)	**(13,440)**	(12,416)	**3,960**	3,774	**(9,481)**	(8,641)
	(13)	(5)	**1,793**	(1,021)	**–**	–	**1,793**	(1,021)
	–	125	**1,013**	5,612	**(287)**	(323)	**726**	5,289
	–	–	**–**	–	**–**	–	**–**	–
	(2,104)	–	**(2,333)**	–	**184**	–	**(2,150)**	–
	(5,492)	**(1,904)**	**7,602**	11,334	**(3,078)**	(2,905)	**4,524**	**8,429**
	2,393	29	**2,448**	171	**(6)**	(50)	**2,442**	121
	(6,949)	(7,155)	**(18,220)**	(19,336)	**2,445**	2,540	**(15,774)**	(16,796)
	(171)	810	**(4,023)**	(2,001)	**–**	–	**(4,023)**	(2,001)
	502	362	**502**	362	**637**	318	**1,139**	680
	(157)	(70)	**(157)**	(77)	**–**	–	**(157)**	(77)
	288	–	**943**	1,631	**1**	97	**944**	1,727
	(9,585)	**(7,929)**	**(10,906)**	**(7,917)**	**–**	**–**	**(10,906)**	**(7,917)**

	Development & Services		Segment total		Reconciliation		Group total	
	30/9/2014	31/12/2013	**30/9/2014**	31/12/2013	**30/9/2014**	31/12/2013	**30/9/2014**	31/12/2013
	112,562	112,293	**587,712**	594,522	**(89,111)**	(92,693)	**498,601**	501,828
	14,313	27,644	**93,295**	101,034	**(13,582)**	(26,816)	**79,713**	74,218
	98,249	84,648	**494,417**	493,488	**(75,530)**	(65,878)	**418,887**	427,610

CONDENSED CONSOLIDATED SEGMENT INFORMATION (in EUR '000)

for the period from 1 January to 30 September 2014 – unaudited

Some of the figures for 2013 were adjusted.

	Segment total 1 January – 30 September		Reconciliation 1 January – 30 September		Group sub-total 1 January – 30 September	
	2014	2013	**2014**	2013	**2014**	2013
HOTELS SEGMENT EBIT OVERVIEW						
Revenues – Hotels	**80,712**	84,816	**(33,478)**	(32,387)	**47,234**	52,429
Cost of materials	**(30,504)**	(32,193)	**14,350**	13,651	**(16,154)**	(18,541)
Personnel expenses	**(18,303)**	(20,127)	**7,452**	7,528	**(10,852)**	(12,599)
Gross operating profit (GOP)	**31,905**	**32,496**	**(11,676)**	**(11,207)**	**20,228**	**21,288**
Income after GOP	**212**	152	**–**	–	**212**	152
Management fees	**(4,424)**	(4,676)	**1,872**	1,850	**(2,552)**	(2,826)
Exchange rate differences	**185**	(62)	**27**	(57)	**212**	(119)
Property costs	**(2,759)**	(3,354)	**993**	1,153	**(1,765)**	(2,201)
Net operating profit (NOP)	**25,119**	**24,556**	**(8,785)**	**(8,262)**	**16,335**	**16,294**
Other costs after NOP	**(1,303)**	(3,225)	**(228)**	2,227	**(1,531)**	(997)
Leases/rent	**(3,965)**	(1,849)	**2,332**	13	**(1,633)**	(1,836)
Scheduled depreciation and amortisation on fixed assets	**(13,327)**	(12,342)	**3,955**	3,774	**(9,372)**	(8,568)
Impairment of fixed assets	**(324)**	–	**–**	–	**(324)**	–
Other impairments	**–**	(1,016)	**–**	–	**–**	(1,016)
Reversals of impairment	**1,013**	5,487	**(287)**	(323)	**726**	5,164
Contribution to the operating result for the Hotels segment	**7,213**	**11,610**	**(3,013)**	**(2,570)**	**4,200**	**9,040**
Less intragroup services	**(557)**	(807)	**557**	807	**–**	–
Segment EBIT	**6,656**	**10,803**	**(2,456)**	**(1,763)**	**4,200**	**9,040**
Key operating figures in the Hotels segment						
Employees	**1,479**	1,603	**(357)**	(378)	**1,121**	1,225
Total rooms	**3,486**	3,680	**(1,051)**	(1,051)	**2,435**	2,629
Rooms available	**3,482**	3,548	**(1,055)**	(1,047)	**2,427**	2,501
Rooms sold	**2,342**	2,355	**(748)**	(746)	**1,594**	1,609
Occupancy	**67%**	66%	**-2%**	-2%	**66%**	64%
REVPAR (in EUR)	**54**	54	**(11)**	(11)	**43**	43
Composition of NOP (geographic):						
• Czech Republic	**5,068**	5,574	**(186)**	(104)	**4,882**	5,470
• Poland	**9,208**	9,004	**(3,140)**	(3,112)	**6,068**	5,893
• Romania	**508**	407	**–**	–	**508**	407
• Russia	**4,876**	4,524	**–**	–	**4,876**	4,524
• Germany	**2,307**	2,263	**(2,307)**	(2,263)	**–**	–
• France	**3,152**	2,783	**(3,152)**	(2,783)	**–**	–

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the period from 1 January to 30 September 2014 – unaudited

[01] Corporate information

Warimpex Finanz- und Beteiligungs AG (the "Company" or "Warimpex") is registered with the Commercial Court of Vienna under the registration number FN 78485w and has its registered address at Floridsdorfer Hauptstraße 1, 1210 Vienna, Austria.

The condensed consolidated interim financial statements of Warimpex Finanz- und Beteiligungs AG as at 30 September 2014 were released for publication by the Management Board of Warimpex Finanz- und Beteiligungs AG on 27 November 2014.

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

The condensed consolidated interim financial statements as at 30 September 2014 were prepared in accordance with IAS 34. They do not contain all the information and notes included in the annual financial statements and should therefore be read in conjunction with the consolidated annual financial statements as at 31 December 2013.

The condensed consolidated interim financial statements as at 30 September 2014 were not audited or reviewed by a financial auditor.

The IFRS consolidation package entered into effect on 1 January 2014. It includes new versions of IAS 27 and 28, the removal of IAS 31 and the new IFRS 10, 11 and 12. The main changes (discontinuation of pro rata consolidation for joint ventures) were already anticipated by Warimpex in the previous years' financial statements. In addition, the application of IFRS 10 results in a change in the companies included in the consolidated financial statements.

Other than this, the main accounting policies applied in preparing the consolidated interim financial statements as at 30 September 2014 were the same as those applied in the consolidated annual financial statements as at 31 December 2013.

By their very nature, consolidated interim financial statements are based on estimates to a greater extent than consolidated annual financial statements. In addition to the principal estimation uncertainties identified in the consolidated annual financial statements, the interim financial statements are affected by estimation uncertainties resulting from the timing of asset impairments or reversals.

[03] Seasonal fluctuations in earnings

Owing to seasonal fluctuations in the tourism industry, in particular city tourism, the contributions to earnings in the Hotel segment are generally higher in the second half of the year than in the first half of the year. No discernible pattern can be identified with regard to contributions to earnings from the sale of property and equity holdings or from business combinations.

[04] Segment information

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

Transactions between the segments include recharging intragroup services and development project services. The segment information includes information on the income and results as well as specific information on the assets and liabilities of the Group business segment for the period from 1 January to 30 September 2014 and as at 30 September 2014.

[05] Notes to the consolidated income statement

5.1. Expenses directly attributable to revenues

	1 January to 30 September	
	2014	2013 adjusted
Composition of direct expenses from Hotels:		
Cost of materials and purchased services	(19,075,837)	(21,818,258)
Personnel expenses	(10,491,488)	(12,379,110)
Other expenses	(1,543,633)	(2,089,536)
	(31,110,958)	**(36,286,904)**
Composition of direct expenses from Investment Properties:		
Cost of materials and purchased services	(1,282,598)	(1,455,741)
Personnel expenses	(541,812)	(517,974)
Other expenses	(563,252)	(604,529)
	(2,387,662)	**(2,578,244)**
Composition of direct expenses from Development and Services:		
Cost of materials and purchased services	(370,782)	(527,748)
Personnel expenses	–	(392,606)
Other services rendered	(671,349)	(1,396,050)
	(1,042,132)	**(2,316,404)**

5.2. Gain or loss from the disposal of properties/changes in the scope of consolidation

The operating company of the Hotel Savoy in Prague was sold to an investor in the financial year. The gain from the disposal of properties includes this transaction and a purchase price adjustment from the previous year.

In addition, the scope of consolidation changed as a result of the application of IFRS 10. Because one investee previously recognised using the equity method is controlled by Warimpex according to the definitions in IFRS 10, this company is now fully consolidated in the consolidated financial statements. The financial year immediately preceding the first-time application was adjusted retrospectively.

The effects of this on the condensed consolidated interim financial statements in 2013 are shown below.

Effects on the condensed consolidated income statement:

	1–9/2013 old	Adjustment IFRS 10	1–9/2013 new
Hotels revenues	45,365,187	7,215,490	52,580,677
Investment Properties revenues	1,254,701	4,855,213	6,109,914
Development and Services revenues	1,738,699	–	1,738,699
Revenues	**48,358,587**	**12,070,703**	**60,429,290**
Expenses from the operation of hotels	(29,944,957)	(6,341,947)	(36,286,904)
Expenses from operation of investment properties	(433,554)	(2,144,690)	(2,578,244)
Expenses directly attributable to development and services	(2,316,404)	–	(2,316,404)
Expenses directly attributable to revenues	**(32,694,915)**	**(8,486,637)**	**(41,181,553)**
Gross income from revenues	**15,663,671**	**3,584,066**	**19,247,737**
Income from the sale of properties	22,511,100	–	22,511,100
Disposal of carrying amounts and costs related to sales	(20,925,212)	–	(20,925,212)
Gains or losses from the disposal of properties	**1,585,888**	**–**	**1,585,888**
Changes in unfinished real estate development projects	801,491	–	801,491
Other operating income	119,367	–	119,367
Other operating income	**920,859**	**–**	**920,859**
Administrative expenses	**(7,540,882)**	**(1,410,474)**	**(8,951,356)**
EBITDA	**10,629,536**	**2,173,591**	**12,803,127**
Scheduled depreciation and amortisation on property, plant and equipment and intangible assets	(7,193,494)	(1,447,882)	(8,641,376)
Impairment of property, plant and equipment	(1,021,429)	–	(1,021,429)
Reversals of impairment on property, plant and equipment	5,288,543	–	5,288,543
Depreciation, amortisation and remeasurement	**(2,926,380)**	**(1,447,882)**	**(4,374,262)**
Earnings before interest and taxes (EBIT)	**7,703,156**	**725,709**	**8,428,865**
Finance income	69,497	51,473	120,970
Financing expenses	(13,231,568)	(3,564,598)	(16,796,165)
Exchange rate changes	(2,000,723)	–	(2,000,723)
Losses from joint ventures (at equity) after taxes	560,760	118,925	679,684
Financial result	**(14,602,034)**	**(3,394,199)**	**(17,996,234)**
Earnings before taxes	**(6,898,878)**	**(2,668,490)**	**(9,567,369)**
Income taxes	(76,886)	–	(76,886)
Deferred income taxes	2,514,420	(787,042)	1,727,378
Taxes	**2,437,533**	**(787,042)**	**1,650,492**
Profit or loss for the period	**(4,461,345)**	**(3,455,532)**	**(7,916,877)**
Profit or loss for the period attributable to:			
- Equity holders of the parent	(4,593,262)	(766,732)	(5,359,994)
- Non-controlling interests	131,917	(2,688,800)	(2,556,883)
	(4,461,345)	**(3,455,532)**	**(7,916,877)**
Other comprehensive income	**(287,158)**	**–**	**(287,158)**
Total comprehensive income for the period	**(4,748,503)**	**(3,455,532)**	**(8,204,035)**

Effects on the condensed consolidated statement of cash flows:

	1–9/2013 old	Adjustment IFRS 10	1–9/2013 new
Cash receipts			
from hotel operations and rent received	48,026,337	13,301,793	61,328,130
from real estate development projects	723,002	–	723,002
from interest income	57,243	51,473	108,716
Cash receipts from operating activities	**48,806,582**	**13,353,266**	**62,159,848**
Cash payments			
for real estate development projects	(3,065,035)	–	(3,065,035)
for materials and services received	(19,630,173)	(8,806,290)	(28,436,463)
for related personnel expenses	(14,631,112)	(2,176,223)	(16,807,335)
for other administrative expenses	(10,154,565)	3,391,347	(6,763,218)
for income taxes	(158,368)	–	(158,368)
Cash payments for operating activities	**(47,639,253)**	**(7,591,165)**	**(55,230,419)**
Net cash flows from operating activities	**1,167,329**	**5,762,101**	**6,929,429**
Cash receipts from			
the sale of disposal groups and property	11,444,723	–	11,444,723
disposal proceeds from purchase price receivables relating to disposals in prior periods	1,972,793	–	1,972,793
Cash receipts from investing activities	**13,417,516**	**–**	**13,417,516**
Cash payments for			
the purchase of property, plant and equipment	(5,584,200)	(1,472,249)	(7,056,450)
the purchase of investment property	(219,089)	–	(219,089)
the purchase of available-for-sale securities	(1,233,421)	–	(1,233,421)
the purchase of data processing programs	(50,413)	–	(50,413)
other financial assets	(966,693)	–	(966,693)
joint ventures	(2,108,912)	(1,485,000)	(3,593,912)
Payments made for investing activities	**(10,162,729)**	**(2,957,249)**	**(13,119,978)**
Net cash flows from investing activities	**3,254,787**	**(2,957,249)**	**297,537**
Cash receipts from the issue of (convertible) bonds	19,705,368	–	19,705,368
Payments for the early redemption of convertible bonds	(9,622,221)	–	(9,622,221)
Payments received from loans and borrowing	50,024,479	58,631,690	108,656,169
Payments made for the repayment of loans and borrowing	(56,005,255)	(58,323,854)	(114,329,108)
Paid interest and financing costs (for loans and borrowing)	(11,714,545)	(2,031,146)	(13,745,690)
Paid interest and financing costs (for bonds and convertible bonds)	–	–	–
Payments received and made for derivatives	597,762	–	597,762
Net cash flows from/used in financing activities	**(7,014,411)**	**(1,723,309)**	**(8,737,721)**
Net change in cash and cash equivalents	**(2,592,296)**	**1,081,542**	**(1,510,754)**
Foreign exchange rate changes in cash and cash equivalents	(126,467)	(110,943)	(237,411)
Cash and cash equivalents at 1 January	7,369,080	1,021,863	8,390,943
Cash and cash equivalents at the end of the period	**4,650,318**	**1,992,463**	**6,642,780**
Cash and cash equivalents at the end of the period consist of:			
Cash and cash equivalents of the Group	4,505,023	1,992,463	6,497,485
Cash and cash equivalents of a disposal group classified as held for sale	145,294	–	145,294
	4,650,318	**1,992,463**	**6,642,780**

5.3. Administrative expenses

	1 January to 30 September	
	2014	2013 adjusted
Composition:		
Other personnel expenses	(3,248,437)	(3,656,902)
Other administrative expenses	(4,915,674)	(5,294,454)
	(8,164,112)	**(8,951,356)**

Information on the individual items under “Administrative expenses” is provided in sections 5.3.1. and 5.3.2.

5.3.1. Other personnel expenses

	1 January to 30 September	
	2014	2013 adjusted
Composition:		
Wages and salaries	(11,098,494)	(12,580,933)
Social security contributions	(1,674,634)	(2,082,798)
Other payroll-related costs	(392,999)	(464,573)
Voluntary personnel expenses	(6,597)	(4,899)
Expenses related to posted employees	(1,004,015)	(1,120,529)
Changes in provisions and expenses related to termination gratuities and pensions	(42,729)	(135,327)
Changes in accrual for compensated absences	(28,739)	(23,640)
Changes in social capital	(33,530)	(533,894)
	(14,281,738)	(16,946,593)
Less personnel expenses directly attributable to revenues	11,033,301	13,289,690
Other personnel expenses	**(3,248,437)**	**(3,656,902)**

In the first three quarters of 2014, the Group employed an average of 1,188 people (comparative period of the previous year: 1,305 people).

5.3.2. Sonstiger Verwaltungsaufwand

	1 January to 30 September	
	2014	2013 adjusted
Composition:		
Legal consulting fees	(326,369)	(557,398)
Administration costs	(1,597,007)	(1,570,456)
Advertising	(243,160)	(167,671)
Non-deductible input taxes	(606,313)	(326,674)
Lease expenses andel’s Krakow and other rent	(1,632,960)	(1,835,876)
Property costs	(1,844,007)	(2,283,165)
Other administrative expenses	(861,486)	(1,269,144)
	(7,111,300)	(8,010,384)
Less administrative expenses directly attributable to revenues	2,195,626	2,715,930
Other administrative expenses	**(4,915,674)**	**(5,294,454)**

5.4. Depreciation, amortisation and remeasurement

	1 January to 30 September	
	2014	2013 adjusted
Composition:		
Scheduled depreciation	(9,480,969)	(8,641,376)
Impairment of property, plant and equipment	(336,788)	(5,014)
Gains/losses on remeasurement (assets recognised according to IFRS 5)	2,130,000	(1,016,415)
Reversals of impairment on property, plant and equipment	725,616	5,288,543
Measurement losses (investment property)	(2,149,726)	–
	(9,111,867)	**(4,374,262)**

In the reporting period, gains/losses on the remeasurement of assets recognised according to IFRS 5 relate to the office towers Jupiter 1 and 2 at AIRPORTCITY St. Petersburg (see also the comments in sections 6.7. and 8.3.). The measurement losses relate mainly to development projects in Russia.

5.5. Finanzertrag

	1 January to 30 September	
	2014	2013 adjusted
Composition:		
Interest income from cash management	82,059	109,470
Other	–	11,501
Unrealised gains on derivative financial instruments	2,360,036	–
	2,442,095	**120,970**

The unrealised gains on derivative financial instruments result from the measurement of embedded derivatives in connection with convertible bonds issued.

5.6. Financing expenses

	1 January to 30 September	
	2014	2013 adjusted
Composition:		
Interest on bank overdrafts, project loans and other loans	(10,223,155)	(10,316,829)
Interest on bonds and convertible bonds	(2,384,687)	(1,723,316)
Interest on loans from non-controlling interests	(1,947,503)	(2,638,116)
Other finance expense	(725,227)	(1,179,743)
Unrealised losses on derivative financial instruments	(142,608)	(394,422)
Realised losses on derivative financial instruments	(13,140)	(540,000)
Other	(338,023)	(3,739)
	(15,774,344)	**(16,796,165)**

The interest expenses for loans from non-controlling interests do not have an effect on liquidity and therefore do not result in cash outflow for the Group

5.7. Foreign currency translation in finance income

	1 January to 30 September 2014	2013 adjusted
Composition:		
From (convertible) bonds in PLN	239,711	568,944
From loans in CHF	(557,756)	360,837
From loans in CZK	(27,517)	–
From EUR financing in the subsidiaries	(3,677,628)	(2,930,505)
	(4,023,191)	**(2,000,723)**

Foreign exchange rate losses/gains from CHF loans relate to unrealised results from the measurement of CHF loans at the balance sheet date for which the foreign currency risk has not been hedged.

Foreign exchange rate gains/losses from financing subsidiaries in EUR result from debt financing denominated in EUR at subsidiaries whose functional currency is the local currency. It relates to unrealised losses from currency translation.

5.8. Income taxes in other comprehensive income

	1 January to 30 September 2014	2013 adjusted
Composition:		
Foreign exchange differences	57,668	(9,684)
Measurement of cash flow hedges	–	(121,480)
Sonstiges Ergebnis aus Joint Ventures (at equity)	(187,407)	–
Ergebnis aus zur Veräußerung verfügbaren finanziellen Vermögenswerten	25,257	–
Revaluation reserve allocation	(298,642)	–
Taxes in other comprehensive income (reclassified to profit or loss in subsequent periods)	**(403,124)**	**(131,164)**
Total income taxes in other comprehensive income	**(403,124)**	**(131,164)**

[06] Notes on the statement of financial position

6.1. Property, plant and equipment

Property, plant and equipment includes land and equivalent rights, buildings including buildings on third-party land, operating equipment, hotel inventories and technical equipment.

	2014	2013 adjusted
Change:		
Carrying amounts at 1 January	239,272,521	256,568,642
Changes in accounting policies	42,544,540	44,530,000
Carrying amounts at 1 January, adjusted	281,817,062	301,098,642
Additions	2,004,668	6,337,037
Disposals	–	(23,511)
IAS 16 revaluation	1,561,451	–
Reclassification to investment property	(3,403,185)	–
Reclassification in accordance with IFRS 5	–	(8,031,230)
Scheduled depreciation and amortisation	(9,434,586)	(8,583,056)
Impairment expenses	(336,788)	(5,014)
Reversals of impairment	725,616	5,288,543
Effects of currency translation	(4,423,257)	(3,811,967)
Carrying amounts as at 30 September	**268,510,981**	**292,269,445**

6.2. Investment property

	2014	2013 adjusted
Change:		
Carrying amounts at 1 January	18,823,000	16,032,993
Changes in accounting policies	54,227,000	99,100,000
Carrying amounts at 1 January, adjusted	73,050,000	115,132,993
Advance payments made (see section 8.1.)	770,000	–
Investments	3,963,314	1,371,405
Capitalised borrowing costs	1,828,824	–
Reclassification of property, plant and equipment	3,403,185	–
Net gains/losses on remeasurement	(2,149,726)	–
Effects of currency translation	(12,682)	–
Carrying amounts as at 30 September	**80,852,915**	**116,504,398**

6.3. Net investment in joint ventures (at equity)

	2014	2013 adjusted
Change:		
Carrying amounts at 1 January	98,002,756	86,037,098
Changes in accounting policies	(61,184,789)	(53,839,460)
Carrying amounts at 1 January, adjusted	36,817,967	32,197,638
Granting (+)/repayment (-) of loans	(1,305,319)	3,593,912
Utilisation of provisions in relation to joint ventures	–	(329,548)
Interest income from loans granted	501,923	361,571
Earnings allocation from profit/loss for the period	637,060	318,114
Earnings allocation from other comprehensive income	749,628	–
Carrying amounts as at 30 September	**37,401,259**	**36,141,687**

The earnings allocation from other comprehensive income relates to the allocation of a revaluation reserve.

6.4. Trade and other receivables (current)

	30/9/2014	31/12/2013 adjusted
Composition:		
Trade receivables	3,252,565	3,842,121
Receivables from tax authorities	625,763	809,418
Receivables from sales	–	2,733,062
Advance payments made	4,583,408	1,080,797
Other current receivables and assets	1,181,890	1,253,451
Receivables due from joint ventures	30	38,197
Receivables due from related parties	5,362	–
Deferred income	445,465	674,678
	10,094,483	**10,431,724**

The advance payments made mostly relate to the expansion of AIRPORTCITY St. Petersburg.

6.5 Securities available for sale

The disposals of available-for-sale securities relate to repayments to the capital reserves of Palais Hansen Immobilienentwicklung GmbH amounting to EUR 1.5 million. These repayments were offset against loans previously received from the company.

6.6. Cash and cash equivalents

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

	30/9/2014	30/9/2013 adjusted
Composition:		
Cash on hand	194,008	166,738
Bank balances	12,181,759	6,093,352
Other	–	237,395
	12,375,768	**6,497,485**

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

As of the end of the reporting period, this item consists entirely of office properties held for sale (Jupiter 1 and 2 at AIRPORTCITY St. Petersburg). The measurement is made at fair value according to the provisions of IFRS 5 in conjunction with IAS 40.

The purchase agreement for the sale of these office properties was signed in November 2014 (see section 8.3.). The agreed purchase price was around EUR 70 million, which equates to the fair value recognised.

6.8. Financial liabilities

Financial liabilities comprise the following interest-bearing liabilities for the purpose of Group financing, mainly convertible bonds, bonds and loans from financial institutions or companies.

The change in and composition of financial liabilities can be broken down as follows:

	Project loans	Borrowing	Bonds, convertible bonds	Loans from minorities & others	Total
Change 2013, adjusted:					
As at 1 January	246,235,905	31,872,973	15,396,167	68,805,531	362,310,576
Borrowing / accumulated interest	108,008,464	647,705	19,705,368	180,540	128,542,077
Repayment	(109,941,578)	(4,468,127)	(9,233,185)	(1,471,091)	(125,113,981)
Exchange rate and other changes	(65,904)	–	(293,417)	939,124	579,803
As at 30 September	**244,236,887**	**28,052,551**	**25,574,934**	**68,454,103**	**366,318,475**
thereof current (due < 1 year)	*14,224,756*	*26,876,656*	*6,162,983*	*1,888,081*	*49,152,475*
thereof non-current (due > 1 year)	*230,012,131*	*1,175,895*	*19,411,951*	*66,566,023*	*317,166,000*
Change 2014:					
As at 1 January, adjusted	241,762,954	22,777,590	28,127,796	74,788,966	367,457,306
Borrowing / accumulated interest	18,812,129	699,715	9,443,829	3,415,360	32,371,033
Repayment	(16,947,080)	(3,177,054)	(2,976,545)	(2,800,516)	(25,901,195)
Exchange rate and other changes	761,265	0	(688,271)	24,095	97,089
As at 30 September	**244,389,268**	**20,300,251**	**33,906,809**	**75,427,905**	**374,024,233**
thereof current (due < 1 year)	*20,119,445*	*19,457,184*	–	*22,913,566*	*62,490,195*
thereof non-current (due > 1 year)	*224,269,824*	*843,067*	*33,906,809*	*52,514,339*	*311,534,038*

In February 2014, the Management Board, with the approval of the Supervisory Board, resolved a bond issue programme in several tranches. The programme has a term of two years and a nominal volume of up to EUR 50 million (approximately PLN 200 million).

The first bond tranche under the bond issue programme was placed successfully in Poland in February 2014. The nominal value of the issue was approximately PLN 9 million (roughly EUR 2.16 million) and the interest rate was 6M WIBOR + 6 per cent p.a. with semi-annual payments. The term was four years. Warimpex has a call option after three years.

In addition, a bond with a nominal amount of EUR 2 million was issued in April 2014. It has an interest rate of 6.9 per cent with semi-annual payments. The term is set at 1.5 years, with a call option for Warimpex.

In May 2014, the convertible bonds issued in May 2011 with a three-year term were repaid.

In June 2014, a convertible bond with a nominal value of EUR 5 million was placed. It has an interest rate of 4 per cent with semi-annual payments. The exercise price is EUR 1.80 per share. The term is three years.

6.9. Derivative financial instruments

The reduction in non-current derivative financial liabilities is the result of changes in fair value.

6.10. Trade and other payables (current)

	30/9/2014	31/12/2013 adjusted
Composition:		
Trade payables	4,609,004	4,066,967
Construction liabilities and retention money	1,916,703	1,683,548
Trade payables due to joint ventures	454,072	502,223
Liabilities to related parties	3,883,493	4,754,048
Other liabilities	4,348,915	4,020,043
Security deposits received	223,567	233,161
Advance payments received	3,248,485	1,098,286
	18,684,240	**16,358,276**

The advance payments received relate to the leasing of the Zeppelin office tower in St. Petersburg.

[07] Disclosures on financial instruments and fair value

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

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

Measurement category as per IAS 39	Assets – categories	IFRS 13 level	Carrying amount 30/9/2014	Fair value 30/9/2014	Carrying amount 31/12/2013 adjusted	Fair value 31/12/2013 adjusted
LaR	Other financial assets		10,270,621	10,270,621	10,874,905	10,874,905
	Non-financial non-current assets		387,993,938		392,950,036	
	Total non-current assets		398,264,559		403,824,941	
LaR	Receivables		4,504,395	4,504,395	8,107,957	8,107,957
LaR	Cash and cash equivalents		12,375,768	12,375,768	6,521,254	6,521,254
AfS	Securities available for sale	3	7,023,589	7,023,589	8,607,000	8,607,000
	Non-financial current assets		76,432,528		78,967,504	
	Total current assets (including IFRS 5)		100,336,280		102,203,715	
	Total assets		**498,600,839**		**506,028,655**	

Measurement category as per IAS 39	Equity and liabilities – categories	IFRS 13 level	Carrying amount 30/9/2014	Fair value 30/9/2014	Carrying amount 31/12/2013 adjusted	Fair value 31/12/2013 adjusted
FL	Fixed-rate convertible bonds	3	(14,960,177)	(15,775,400)	(8,028,095)	(8,781,045)
FL	Variable-rate bonds	3	(18,946,632)	(19,354,736)	(17,119,545)	(17,331,816)
FL	Fixed-rate loans	3	(205,093,592)	(223,898,042)	(215,373,513)	(229,474,654)
FL	Variable-rate loans	3	(72,533,637)	(72,838,570)	(72,589,414)	(74,024,955)
FL	Other non-current liabilities		(8,741,896)	(8,741,896)	(7,415,011)	(7,415,011)
FVTPL	Derivative financial instruments – conversion rights	3	(353,433)	(353,433)	(2,730,042)	(2,730,042)
FVTPL	Non-current derivative financial instruments – interest rate swaps	3	(240,682)	(240,682)	(98,073)	(98,073)
FL	Provisions for pensions		(284,903)	(284,903)	(261,660)	(261,660)
	Non-financial non-current liabilities		(15,428,097)		(16,322,239)	
	Total non-current liabilities		(336,583,049)		(339,937,592)	
FL	Fixed-rate convertible bonds	3	–	–	(2,980,156)	(2,986,928)
FL	Liabilities		(13,338,863)	(13,338,863)	(13,240,248)	(10,777,586)
FL	Fixed-rate loans	3	(37,488,404)	(38,217,501)	(17,750,595)	(17,008,222)
FL	Variable-rate loans	3	(25,001,790)	(25,162,938)	(33,615,988)	(33,447,758)
FVTPL	Derivative financial instruments	3	–	–	(549,595)	(549,595)
	Non-financial current liabilities		(6,475,311)		(9,243,551)	
	Total current liabilities (including IFRS 5)		(82,304,369)		(77,380,133)	
	Total liabilities		**(418,887,417)**		**(417,317,725)**	

Note:
LaR = Loans and Receivables
AfS = Available for Sale
FVTPL = at Fair Value Through Profit and Loss
FL = Financial Liabilities at amortised costs
Hedge = Derivative financial instruments with hedging relationships

The method of fair value measurement is the same as at 31 December 2013.

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

The change in recurring fair value measurement of financial instruments can be broken down as follows:

	2014
Change:	
Carrying amounts at 1 January	5,229,290
Additions	114
Disposals	(1,482,496)
Gains/losses on remeasurement in profit or loss	2,783,595
Gains/losses on remeasurement in other comprehensive income	(101,029)
Carrying amounts as at 30 September	**6,429,474**

Gains/losses on remeasurement mainly relate to unrealised gains or losses, which are included in the income statement under "Financial result", and unrealised changes in the value of AfS shares recognised in other comprehensive income.

7.3. Measurement method and input parameters (recurring fair value measurement)

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

Level	Categories	Measurement method	Key input parameters
3	Securities available for sale	Income-based	Payment flows
3	Non-current derivative financial instruments – conversion rights	Income-based	Volatility, share prices
3	Non-current derivative financial instruments – interest rate swaps	Income-based	Yield curve

There were no changes to the measurement technique during the financial year.

The following table provides quantitative information about the significant, unobservable input parameters used in the fair value measurement.

Level	Categories	Measurement method	Key input parameters
3	Securities available for sale	Cash flows	n.a.
3	Non-current derivative financial instruments – conversion rights	Volatility	45%
3	Non-current derivative financial instruments – interest rate swaps	Yield curve	n.a.

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

The following table provides quantitative information about the significant, unobservable input parameters used in the fair value measurement. The accumulated discounted forecast cash flows correspond to the fair values.

Level	Input parameter	Change in the assumption	Change in the result before taxes (in EUR '000)
3	*Securities available for sale:*		
	Cash flows (available-for-sale securities)	+ 5%	528
	Cash flows (available-for-sale securities)	- 5%	(528)
3	*Non-current derivative financial instruments – conversion rights:*		
	Volatility Warimpex share price in PLN	+ 5 percentage points	(268)
	Volatility Warimpex share price in PLN	- 5 percentage points	188
3	*Non-current derivative financial instruments – interest rate swaps*		
	Yield curve	+ 0.5 percentage points	91

[08] Other disclosures

8.1. Commitments for the purchase of real estate

In connection with the leasing of office tower A of the Erzsebet offices, a preliminary agreement was made with the future tenant regarding the purchase of two office properties in Budapest. The Group made an advance payment of EUR 650,000 (included in advance payments in section 6.2.). The actual acquisition of the property is scheduled for summer 2015 once the renovations are completed and the tenant has moved in.

8.2. Related party transactions

8.2.1.Transactions with Management Board members

	2014	2013
Management Board compensation 1 January – 30 September	542,342	630,030

8.2.2. Transactions with Vienna International Hotelmanagement AG (VI)

	2014	2013
Transactions of Group companies (fully consolidated) with VI:		
Management fee charged 1 January – 30 September	(2,192,632)	(2,466,330)
Other purchased services in hotel operations 1 January – 30 September	(1,364,178)	(1,340,181)

8.2.3. Transactions with joint ventures (JV)

	2014	2013
Income from transactions with joint ventures 1 January – 30 September	516,923	369,071
Trade payables due to joint ventures as at 30 September	(5,079,042)	(4,197,721)

8.3. Events after the reporting date

Im November 2014 wurde der Kaufvertrag über den Verkauf der Bürotürme Jupiter 1 und 2 in der AIRPORTCITY St. Petersburg unterzeichnet. Das Closing der Transaktion steht unter dem Vorbehalt der in Russland üblichen Voraussetzungen. Der vereinbarte Kaufpreis beträgt rd. EUR 70 Mio., welcher dem bilanzierten beizulegenden Zeitwert entspricht (vgl. Punkt 6.7.). Im Berichtszeitraum ergibt sich daraus ein Bewertungsgewinn in Höhe von EUR 2,1 Mio. (vgl. Punkt 5.4.). Darüber hinaus werden weitere Transaktionskosten bei Closing fällig.

Vienna, 28 November 2014

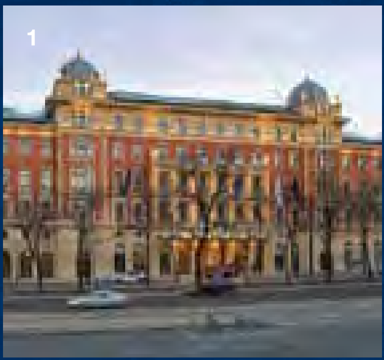
Franz Jurkowitsch
Chairman of the Management Board

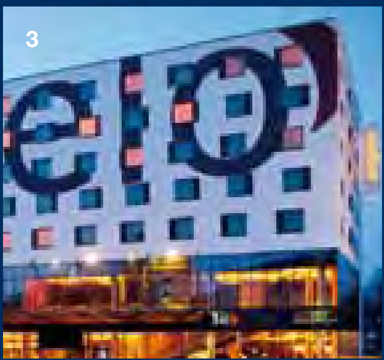
Georg Folian
Deputy Chairman of the Management Board

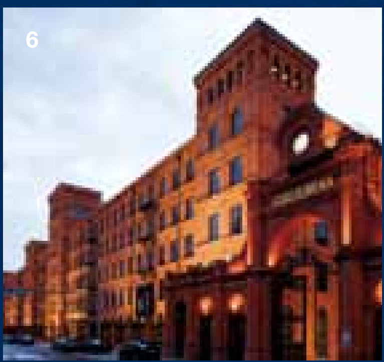
Alexander Jurkowitsch
Member of the Management Board

Florian Petrowsky
Member of the Management Board

SELECTED WARIMPEX GROUP PROPERTIES







1) Palais Hansen Kempinski***, Vienna**
A-1010 Vienna, Schottenring 24
152 rooms (opened in 2013)

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

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

4) angelo Hotel**, Prague**
CZ-150 00 Prague 5, Radlická 1g
168 rooms (opened in June 2006)

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

28 November 2014	Publication of the results for the first three quarters of 2014
29 April 2015	Publication of the 2014 Annual Report
28 May 2015	Publication of the results for the first quarter of 2015
8 June 2015	Annual General Meeting
27 August 2015	Publication of the results for the first half of 2015
30 November 2015	Publication of the results for the first three quarters of 2015

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Photos: Warimpex