REPORT FOR THE FIRST QUARTER **2008**

warimpex

Key figures of the Warimpex Group

EUR '000	**Q1/2008**	**Change**	Q1/2007
Revenues from Hotels & Resorts segment	16,851	42 %	11,884
Revenues from Development & Asset Management segment	1,389	– 47 %	2,637
Total revenues	18,240	26 %	14,522
Gains from the sale of project companies	9,219	323 %	2,177
EBITDA	12,769	218 %	4,017
EBIT	9,815	430 %	1,853
Profit for the period	1,042	874 %	107
Net cash flows from operating activities	(1,252)	–	390
Equity and liabilities	561,677	37 %	409,669
Equity	183,380	24 %	147,683
Number of shares in the period	36,000,000	6 %	34,000,000
Earnings per share in EUR	0.03	–	0.00
Number of hotels	16	4	12
Number of rooms (adjusted for proportionate share of ownership)	2,489	627	1,862
Number of office and commercial properties	7	–	7
Number of hotel development projects	16	6	10
Ø employees in the Group	1,378	33 %	1,040
	31/12/2007	Change	31/12/2006
Gross Asset Value (GAV) in EURm	614.8	29 %	477.5
Triple Net Asset Value (NNNAV) in EURm	387.4	50 %	258.0
NNNAV per share in EUR	10.8	26 %	8.6

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear shareholders,

Warimpex is not a “typical” real estate development company; our comparability with other exchange-listed property developers is limited. Although we hold properties just like other companies in the sector, our corporate activities focus chiefly on the development of hotel projects. In our case, therefore, the development business continues even when property values are stagnating. Furthermore, our hotel operations also enable us to generate continuous stable cash flows, which in turn allow us to make annual dividend payments.

However, Warimpex is not, of course, immune to market developments. While the office property markets in Eastern Europe continue to be characterised by brisk demand, low vacancy rates and high rents, the hotel segment is currently witnessing extremely varied developments.

In Prague especially we are observing slight declines in the five- and four-star segments. One of the main reasons for this is the lower frequency of incoming tourists from the Anglo-American area, who are feeling the effects of the strong euro. Our two design brands Angelo and Andel’s nevertheless continue to show a very positive development; this is especially gratifying, not only because it is reflected in high yields, but above all because these brands are self-developed and our concepts have proven successful.

In Poland, where domestic tourism traditionally accounts for a higher share, the market situation continues to be good, and in France, too, we are seeing rising yields from our hotels. The conference tourism segment remained strong in all our markets, which we see as an indication of the health of the economy in these countries.

In the first quarter of 2008 we again maintained our fast pace of growth and sold a further 10% of the Airport City St. Petersburg project, which is currently under development. After bringing the CA Immo New Europe Fund on board at the end of 2007, we also succeeded in convincing our partner UBM – already responsible for the technical planning of the project – to participate as a co-investor as well. In April 2008 we were able to sell a property in Karlovy Vary for a collector’s price.

We are especially proud of having acquired our second airport project, in Ekaterinburg, as this demonstrates that our major airport project in St. Petersburg and our airport hotel in Bucharest have gained us important credentials for other similar projects. A prerequisite of the deal in Ekaterinburg was the acquisition of an existing hotel, which will be redeveloped; in return we were granted permission to develop an additional new Angelo design hotel directly on the airport premises with a direct link to one of the new passenger terminals.

Our joint venture with Louvre Hotels for the development of a chain of budget hotels is now entering the implementation phase. Following intensive preparations in 2007 the first hotel sites for the project were acquired in the period under report.

Apart from these budget hotels we are currently working on 14 development projects, with three hotels – two new builds and a redevelopment – due for completion and opening before the end of 2008.

In the first three months of 2008, then, we have already created a good basis for the year, a fact that is reflected in the excellent development of our key profit indicators as well as in the growth of our portfolio.

When I say “we”, I am primarily referring to the numerous staff who work on our projects and in our hotels. I would like to take this opportunity to pay tribute to them, because it is thanks to all their efforts that we are able to implement our targeted growth strategy.

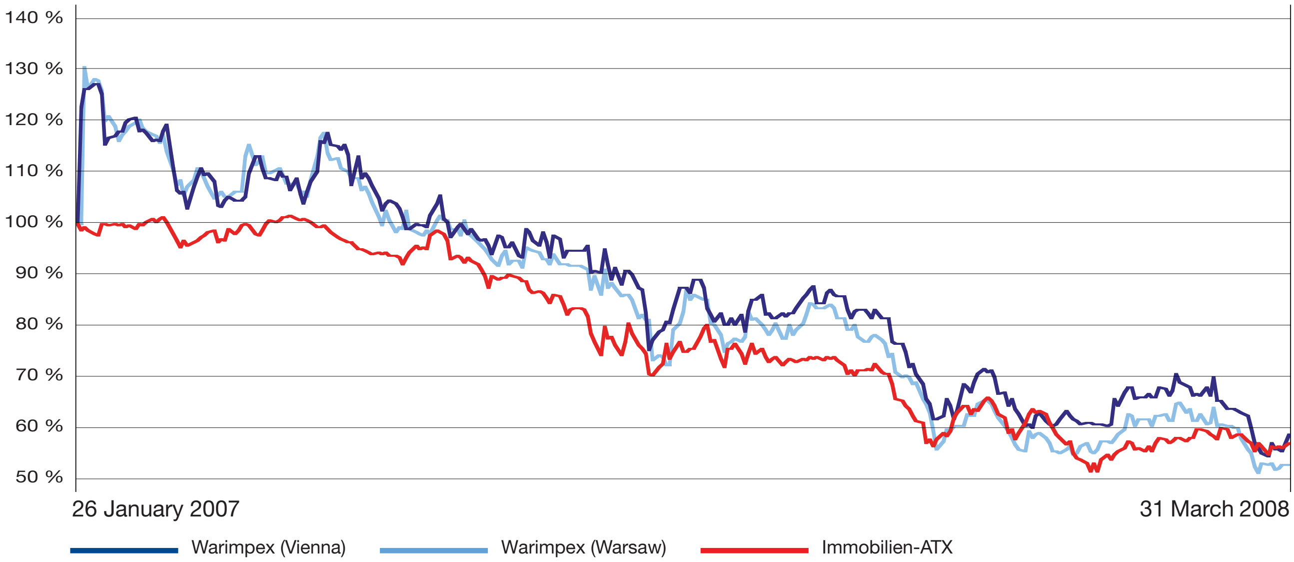
Franz Jurkowitsch

Investor relations

The shares of Warimpex Finanz- und Beteiligungs AG have been listed at the Vienna and Warsaw stock exchanges since 26 January 2007 and 29 January 2007, respectively.

Following the pleasing development observed until the middle of 2007, the Warimpex share – like all other real estate stocks and the Austrian benchmark index IATX – took a downturn in the wake of the turbulence on the financial markets triggered by the US mortgage crisis. In the first quarter of 2008 a stable base started to become apparent and the Warimpex share price stabilised. After EUR 6.64 at year end the share was trading at EUR 6.50 as at 31 March 2008.

Share price performance



Key share data	
ISIN	AT0000827209
Number of shares	36,000,000
Ticker symbols	Stock Exchanges WXF I Reuters WXFB.VI
Issue price	EUR 11.00 I PLN 42.83
High	EUR 14.00 I PLN 56.00
Low	EUR 6.00 I PLN 22.01
Price as of 31 March 2008	EUR 6.50 I PLN 22.64
Warimpex is included in the following indices:	
Vienna	ATX Prime, Immobilien-ATX
Warsaw	Market Main 250, Real estate developers
Research reports:	
UniCredit CA-IB, 28/04/2008	Buy, target price EUR 10.20
Sal Oppenheim, 28/04/2008	Strong buy, target price EUR 10.00
RCB, 09/05/2008	Hold, target price EUR 7.60
100-day trading average	in Vienna approx. 30,000 shares
	in Warsaw approx. 9,000 shares

GROUP MANAGEMENT REPORT
for the period 1 January to 31 March 2008

Economic environment

The growth market of hotel real estate in Eastern Europe
In the early eighties, Warimpex was one of the first international groups to start developing hotels in the Czech Republic, Hungary and Poland. With more than 25 years of experience in these markets and local offices in Warsaw, Prague, St. Petersburg and Budapest, Warimpex is today able to identify market opportunities quickly and efficiently. The company plans to continue leveraging this competitive advantage in order to constantly expand its portfolio.

For the euro area the International Monetary Fund (IMF) forecasts economic growth of 1.4 % for 2008 and 1.2 % for 2009. Growth of 4.4 % in 2008 and 4.3 % in 2009 is expected in the CEE region, with individual countries such as e.g. Russia, Romania and Poland predicted to achieve significantly higher rates still. Here Warimpex sees great potential and a need to make up ground in the hotel sector, especially in the secondary cities.

Markets

Poland
Existing portfolio: 6 hotels, 2 office properties
Warimpex holds a 50% interest in the five-star Hotel InterContinental and a 25% interest in the four-star Hotel Sobieski in Warsaw.

In Krakow Warimpex owns the three-star Hotel Chopin and the self-developed Andel's Hotel, which opened in May 2007. Renovation work on 83 rooms at the Hotel Chopin was completed at the beginning of 2008, and the remaining 137 rooms and the lobby are to be refurbished by the beginning of 2009. In Miêdzyzdroje on the Polish Baltic coast Warimpex owns the Amber Baltic Spa Resort Hotel, a hotel ship and a 27-hole golf course.

The occupancy rate at the well-established Hotel InterContinental in Warsaw declined slightly to 74% in the first quarter of 2008 (previous year: 80%), though the average room rate was increased by approx. EUR 10. The occupancy rate at the Hotel Sobieski was also somewhat lower (Q1 2008: 61%, Q1 2007: 68%), though here too the average room rate rose by approx. 10%. The occupancy rate at the Hotel Chopin remained constant at 57%. The Andel's Hotel in Krakow was able to establish itself in the market just a few months after its opening in June last year and achieved an occupancy rate of 42% in the reporting period.

The occupancy rate at the Amber Baltic beachfront resort rose to 31% (2007: 28%). Due to its position on the Baltic coast, occupancy rates at this hotel – in contrast to those of the city hotels – are subject to strong seasonal fluctuations.

In addition to the hotels listed above, Warimpex owns shares in the Sobieski and Parkur Tower office buildings in Warsaw through joint ventures. The Parkur Tower office building near Warsaw Airport, which was jointly developed by Warimpex and UBM and boasts some 8,500 sqm of lettable floor space, was fully let in the period under report.

Under development: 4 hotels, 2 budget hotels, 1 shopping centre
Two hotels of the design brands Andel's and Angelo are under construction in Łódź and Katowice. The Andel's Hotel in Łódź is already due to open at the beginning of next year, with the Hotel Angelo in Katowice to follow in the fourth quarter of 2009.

An office building in Krakow is to be converted into a two- to three-star hotel in the next two years. This property will probably be developed further as a budget hotel as part of the joint venture with Louvre Hotels.

Construction work is due to begin on the five-star luxury hotel Le Palais in Warsaw in the middle of this year, provided the necessary building permits are granted in time. The building is one of the few in Warsaw whose historic fabric has been preserved, and the process of obtaining building permission from the Office for the Preservation of Historic Monuments in Warsaw is proving difficult.

In Białystok, Warimpex has commenced development of a budget hotel as well as a shopping centre with approx. 19,000 sqm of lettable retail space and 11,000 sqm of lettable office space.

Warimpex plans to build a design hotel of the Angelo or Andel's brand on a piece of land in Poznan for which the Group already possesses the necessary building permits.

Czech Republic

Existing portfolio: 6 hotels

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

In the four-star hotel segment the Group owns the Dvorák health resort in Karlovy Vary, as well as the Hotel Diplomat and the Hotel Angelo in Prague.

While occupancy rates and yields in the smaller five-star market remained constant in comparison to the same period of the previous year, occupancy rates and yields for four-star hotels in Prague declined for the first time in the reporting period.

In the period under review, the occupancy rates at the Group's two four-star hotels in Prague were 51% and 46% respectively (previous year: 46% and 58%), while occupancy rates of between 37% and 58% were achieved in the five-star segment (previous year: between 39% and 60%).

At the Hotel Dvořák in Karlovy Vary the occupancy rate in the reporting period was 86% (previous year: 89%); furthermore, the average room rate at this establishment was raised by more than 10%.

Under development: 1 hotel

Construction work on a 147-room Hotel Angelo in Pilsen is currently under way, with the hotel scheduled to open in the third quarter.

Hungary

Existing portfolio: 5 office properties

In Budapest Warimpex owns the Pauler, Cetelem, Erzsebet, Dioszegi and Sajka office buildings, which together have a total net floor space of around 21,000 sqm. The Hungarian office market continued to develop well over the past few months.

Under development: 1 budget hotel, 1 office property

Warimpex is currently planning the modernisation and redevelopment of the two towers of the Erzsebet office complex. One of the towers is to be converted into a budget hotel, while the other will continue to be let long term as office space following refurbishment.

Romania

Existing portfolio/Under development: 1 hotel

The Airport Hotel Angelo Bucharest, which Warimpex acquired last year, is currently being refurbished and partially converted. 70 additional rooms that are being built out of former office space are due to open at the end of the second quarter of 2008. The hotel's occupancy rate in the first quarter of 2008 was already very promising at 48%.

Germany

Under development: 3 hotels

The end of May 2008 will see the opening of the Warimpex Group's first hotel in Germany, the Hotel Angelo in Munich. Plans for the second phase of this project foresee the construction of city archives and a second hotel on the site.

An Andel's Hotel with more than 550 rooms and suites – the biggest of this brand to date – is under construction in Berlin, with opening scheduled for the beginning of next year

France

Existing portfolio: 2 hotels

In Paris, Warimpex and its long-term partner UBM are the joint leaseholders of the 400-room four-star Hotel Dream Castle. At 66%, the hotel's occupancy rate showed an extremely gratifying trend in the reporting period (previous year: 56%), and the average room rate was increased by more than 20%.

At the beginning of December 2007 Warimpex and UBM jointly acquired the lease on the neighbouring Hotel Holiday Inn at the Disneyland® Resort Paris, taking a share of 50% each. At 54%, the occupancy rate is still well below that of the Hotel Dream Castle, though both occupancy and room rates are expected to rise over the year as a whole.

Austria

Under development: 1 hotel incl. apartments

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

Russia

Under development: 2 hotels and airport office park

The Airport City development is currently under construction in St. Petersburg, the first phase of which comprises a four-star hotel plus a 40,000 sqm office building. Warimpex is the majority owner of the project with a stake of 50%, while St. Petersburg Airport holds a further 15% and the CA Immo New Europe Fund 25%; in March of this year UBM also bought into this major development with a share of 10%.

Warimpex is also developing another airport project in Ekaterinburg. In the reporting period the Group acquired a 60% interest in an existing hotel on the premises of Koltsovo Airport, thus fulfilling the prerequisite for development of an a second airport hotel on the site. A new Hotel Angelo is planned to coincide with the expansion of the airport and will boast a direct link to the new terminals. Construction work is slated to start before the end of the third quarter 2008.

Budget hotels

Under development: 2 hotels

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

The first joint hotel is to be opened in Budapest in 2010. A suitable, centrally located site for this project was acquired in the first quarter, as was another piece of land in Zielona Gora, Poland.

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

From autumn 2007 onwards, as a result of the financial crisis, there was a general decline in the price of land. Since land prices play a decisive role in the development of budget hotels, acquisitions of land were partially deferred awaiting further developments.

Main business activities in the 1st quarter 2008

• Acquisition of a further 50% stake in Andel's Hotel Krakow

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

• Acquisition of an airport hotel and a hotel development project at Ekaterinburg Airport

At the beginning of March Warimpex acquired a 60% stake in an existing airport hotel and a hotel development project that is likewise located on the premises of Koltsovo Airport in Ekaterinburg. The Hotel Liner, which has been operating for over 20 years, will be refurbished and further developed as a three-star establishment. As part of the airport expansion project Warimpex will also build an additional 210-room hotel under its established Angelo brand, which will boast a direct link to the new terminals. Construction work is scheduled to start in the third quarter of 2008, with the opening due to follow as early as June 2009.

• Sale of 10% stake in Airport City St. Petersburg project development company

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

• Start of construction work on Hotel Angelo in Katowice

At the end of the first quarter of 2008 building work commenced on a further Hotel Angelo in Katowice. The 197-room hotel is scheduled for opening at the end of 2009. Three Angelo Hotels and two Andel's Hotels are thus currently under construction, with the Hotel Angelo in Munich – Warimpex' first establishment in Germany – already scheduled to open at the end of May 2008. At the Airport Hotel Angelo in Bucharest former office space is currently being converted into 70 additional rooms, which will be opened in the third quarter of 2008.

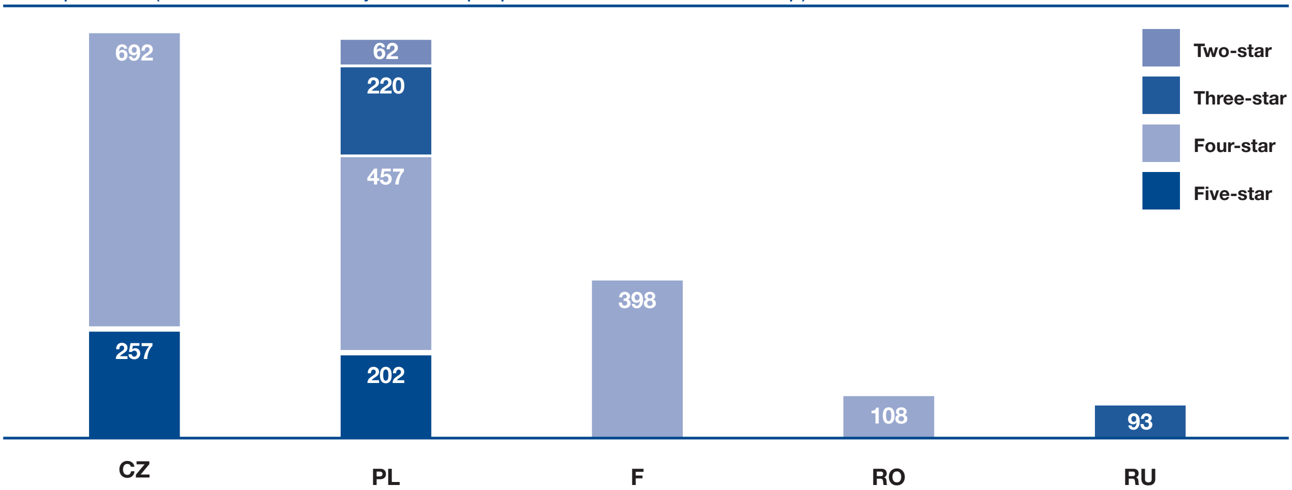
• Acquisition of first pieces of land under the joint venture with Louvre Hotels

After evaluating first joint projects and making initial investment decisions in the financial year 2007, the joint venture has now acquired two plots of land in Budapest, Hungary, and Zielona Gora, Poland, in the first quarter of 2008. The site in Budapest is earmarked for a three-star Campanile brand hotel with around 280 rooms, which is due to open in 2010 as the first of some 80 planned budget hotels.

• Sale of the Villa Margareta in Karlovy Vary

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

Hotel portfolio (number of rooms adjusted for proportionate share of ownership) at 31 March 2008



In the first three months of 2008, the number of available hotel rooms (adjusted for the proportionate share of ownership) rose by 172, from 2,317 to 2,489 as at the reporting date of 31 March 2008. This is attributable to the acquisition of the additional shares in the Andel's Hotel in Krakow and the acquisition of the Hotel Liner in Ekaterinburg.

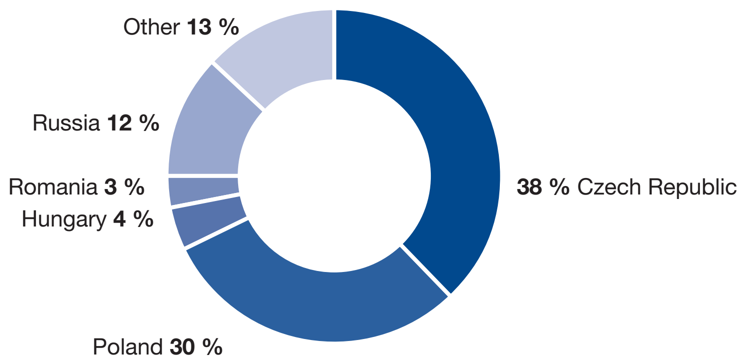
A total of 16 development projects are currently under implementation. Seven properties are currently under construction, of which five hotels with a total of 1,200 rooms (774 when adjusted for the proportionate share of ownership) are due to open within the next twelve months.

Business development

As at the end of March 2008 the Warimpex Group portfolio comprised a total of 23 properties, 16 of which were hotels and seven office properties, plus numerous pieces of land and development projects in eight countries in Central and notably Eastern Europe. The focus of the portfolio is primarily on Hungary, the Czech Republic, Slovakia, Poland and Russia. Preparations are currently under way for further expansion into the new market of Romania as well as for market entry in Ukraine.

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

Real estate assets by country (share of GAV)



Gross Asset Value (GAV) at 31 December 2007

The lion's share of 38% of the Warimpex Group's real estate assets (Gross Asset Value) are located in the Czech Republic, followed by 30% in Poland. The progress made with the Airport City development project in St. Petersburg led to an increase in the Russian share in the portfolio to 12%.

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

Assets, financial position and earnings situation

Due to the effect of seasonality the first quarter is usually the weakest of the year in the hotel trade and not representative of the overall trend for the year as a whole. As a rule, the second and third quarters are the strongest in terms of revenues.

Development of revenues

In the first three months of the financial year 2008, Warimpex was able to boost Group revenues by 26% from EUR 14.5m to EUR 18.2m. Compared to the first quarter of 2007, revenues from hotel operations rose from EUR 11.9m to EUR 16.9m, representing an increase of 42%. Following one-off effects in the first quarter of 2007, revenues from the letting of office properties and property development activities declined by 47% to EUR 1.4m.

Earnings situation

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

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

EBITDA – EBIT

Earnings before interest, taxes, depreciation and amortisation (EBITDA) surged by 218% from EUR 4.0m to EUR 17.8m, while the operating result (EBIT) also showed a period-on-period increase from EUR 1.9m to EUR 9.8m. This increase of EUR 8.0m is primarily attributable to higher gains from the sale of properties and real estate development projects, as explained above.

Financial result

The financial result changed from EUR –2.4m to EUR –9.5m. This difference of EUR 7.1m is primarily due to a value adjustment of EUR 5.9m relating to current financial assets in the first quarter of 2008.

Profit for the period

The profit for the period – primarily due to the higher gains from the sale of disposal groups – increased from EUR 0.1m to EUR 1.0m in the first quarter of 2008.

Cash flow

The net cash flow from operating activities declined from EUR 0.4m in the comparable period of 2007 to EUR –1.3m, which is primarily attributable to lower cash receipts from real estate project development activities.

Real estate assets

As at 31 March 2008, the real estate portfolio of the Warimpex Group comprised sixteen hotels with a total of 3,471 rooms (2,489 rooms when adjusted for the proportionate share of ownership), plus seven office properties with a total lettable floor area of some 36,000 sqm (27,000 sqm when adjusted for the proportionate share of ownership).

16 real estate projects are currently under construction or at an advanced stage of development.

In accordance with the regulations laid down in IAS 40.12 pertaining to owner-managed hotels, Warimpex carries its hotel properties at cost less depreciation and amortisation, and increases in the value of the remainder of the real estate portfolio are not realised annually and recognised in income. To allow comparison with other real estate companies that report unrealised profits, Warimpex reports the Triple Net Asset Value (NNNAV) in its Group management report.

All existing real estate and development projects are valuated twice annually, at 30 June and 31 December, by the international independent real estate appraiser CB Richard Ellis (CBRE).

Outlook

Warimpex is currently working on a total of 16 development projects which underpin the growth strategy of the Warimpex Group in the countries of Central and Eastern Europe. The following hotel openings are planned in the next twelve months:

• Angelo, Munich, 149 rooms	(opening 27 May 2008)
• Airport Hotel Angelo, Bucharest	addition of 70 rooms (opening June 2008)
• Angelo, Pilsen, 147 rooms	(opening scheduled for October 2008)
• Andel's, Łódź, 278 rooms	(opening scheduled for 1st quarter 2009)
• Andel's, Berlin, 556 rooms	(opening scheduled for 1st quarter 2009)

In addition, the following two development projects are currently under construction:

• Airport City, St. Petersburg, business park with international hotel	(opening scheduled for 4th quarter 2009)
• Hotel Angelo, Katowice	(opening scheduled for end of 2009)

The following projects are at an advanced stage of development:

- Angelo, Ekaterinburg
- Andel's or Angelo, Poznan
- Le Palais, Warsaw
- Multi-development, Krakow
- Hotel, Munich
- Palais Hansen, Vienna
- Shopping centre, Białystok

- Campanile, Budapest
- Campanile, Zielona Gora

Ongoing expansion

For the four- and three-star-plus hotels – the Andel's and Angelo brands – further expansion opportunities are primarily being evaluated in the region's secondary metropolitan areas, while the further development of the Le Palais luxury brand is to be focussed especially on the capital cities.

Vienna, 23 May 2008

Franz Jurkowitsch
Chairman of the Management Board

Georg Folian
Deputy Chairman of the Management Board

Christian Fojtl
Member of the Management Board

Alexander Jurkowitsch
Member of the Management Board

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED **31 MARCH 2008**

CONSOLIDATED INCOME STATEMENT

for the period from 1 January to 31 March 2008 – *unaudited*

In EUR	Note	1 January to 31 March 2008	2007
Revenues			
Revenues – Hotels & Resorts segment		16,851,221	11,884,152
Revenues – Development & Asset Management segment		1,389,329	2,637,409
		18,240,550	**14,521,561**
Gains from the sale of subsidiaries			
Revenues from the sale of real estate		12,000,000	7,366,489
Carrying amounts, loans and borrowings assumed by the purchaser		(2,781,327)	(5,189,067)
	[05]	**9,218,673**	**2,177,422**
Other income and expenses			
Changes in real estate projects under development or construction		(49,667)	(666,724)
Other income		132,765	30,462
		83,098	**(636,261)**
Expenses for materials and services received		(9,273,035)	(6,018,557)
Expenses for project development		(226,756)	(170,467)
Personnel expenses	[08]	(6,302,128)	(4,402,779)
Depreciation and amortisation expense		(2,954,120)	(2,164,404)
Other expenses	[09]	(1,897,835)	(1,453,486)
Negative goodwill recognised in income	[06]	2,926,450	–
		(17,727,424)	(14,209,692)
Operating profit		**9,814,897**	**1,853,029**
Finance revenue	[10]	734,575	606,059
Finance costs	[10]	(10,213,260)	(3,034,113)
Profit before tax		**336,211**	**(575,025)**
Current income tax expense	[11]	(35,064)	(20,575)
Deferred taxes	[11]	740,867	703,011
Profit for the period		**1,042,014**	**107,411**
Attributable to:			
- Equity holders of the parent		968,331	67,477
- Minority interests		73,683	39,934
		1,042,014	107,411
Earnings per share: undiluted, for the profit of the year attributable to ordinary equity holders of the parent		0.03	0.00

CONSOLIDATED BALANCE SHEET

for the period ended 31 March 2008

	Note	31/3/2008 unaudited	At 31/12/2007 audited	31/3/2007 unaudited
ASSETS				
Non-current assets				
Property, plant and equipment	[12]	417,201,858	375,060,075	289,491,711
Investment properties	[13]	17,662,946	17,679,162	17,467,194
Goodwill		8,589,030	7,409,809	7,400,765
Acquired computer software		234,587	204,778	225,992
Investment in associates		8,391,503	8,229,836	–
Available-for-sale investments		–	–	39,209
Other financial assets		48,383,654	39,113,292	26,488,009
Deferred tax assets		3,919,918	4,208,795	3,155,106
		504,383,496	451,905,747	344,267,987
Current assets				
Inventories		2,316,769	2,200,984	2,729,212
Trade and other receivables		29,902,912	14,856,584	13,128,223
Available-for-sale investments		–	10,155,000	–
Other financial assets	[16]	338,018	557,436	373,678
Cash and short-term deposits		20,100,533	23,993,377	40,858,222
		52,658,232	51,763,381	57,089,334
Assets of a disposal group classified as held for sale	[07]	4,635,761	4,690,604	8,311,906
		57,293,993	56,453,984	65,401,240
TOTAL ASSETS		**561,677,489**	**508,359,731**	**409,669,227**

CONSOLIDATED BALANCE SHEET

for the period ended 31 March 2008

	Note	31/3/2008 unaudited	At 31/12/2007 audited	31/3/2007 unaudited
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Issued capital		36,000,000	36,000,000	36,000,000
Capital reserves		55,576,939	55,576,939	54,556,321
Retained earnings		80,623,349	79,655,019	51,249,018
Other reserves		5,752,975	5,808,226	5,529,262
		177,953,263	177,040,184	147,334,602
Minority interests		5,426,250	267,837	348,834
Total equity		**183,379,513**	**177,308,021**	**147,683,436**
Non-current liabilities				
Interest-bearing loans and borrowings	[14]	225,456,546	208,623,172	164,781,810
Provisions		3,326,466	3,370,029	3,485,792
Other liabilities		786,133	813,691	625,254
Deferred tax liability		21,999,324	19,074,381	17,264,569
		251,568,469	**231,881,273**	**186,157,425**
Current liabilities				
Trade and other payables		30,971,838	22,947,844	17,861,008
Interest-bearing loans and borrowings	[14]	90,259,374	70,302,533	49,972,435
Derivative financial instruments	[16]	–	–	765
Income tax payable		692,249	719,425	169,026
Provisions		736,658	1,033,507	1,432,484
		122,660,119	**95,003,310**	**69,435,717**
Liabilities directly associated with assets classified as held for sale	[07]	4,069,388	4,167,127	6,392,649
		126,729,507	**99,170,436**	**75,828,366**
TOTAL EQUITY AND LIABILITIES		**561,677,489**	**508,359,731**	**409,669,227**

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January to 31 March 2008 – *unaudited*

		1 January to 31 March	
In EUR	Note	**2008**	2007
Cash receipts from operating activities			
From the operation of hotels and rent received		17,538,663	14,789,105
From real estate development projects		496,803	1,620,399
Interest received		332,095	228,918
		18,367,562	16,638,422
Cash payments for operating activities			
For real estate development projects		(516,793)	(255,421)
For materials and services received		(8,796,576)	(8,236,070)
For personnel and related expenses		(5,985,017)	(4,527,061)
For other expenses		(4,094,122)	(3,151,872)
Income tax paid		(226,643)	(78,376)
		(19,619,152)	(16,248,801)
Net cash flows from operating activities		**(1,251,590)**	**389,620**
Cash flows from investing activities			
Relating to property, plant and equipment:			
Proceeds from the sale of property, plant and equipment		15,269	2,999
Purchase of property, plant and equipment	[12]	(17,840,491)	(9,889,631)
		(17,825,222)	(9,886,632)
Relating to investment properties:			
Proceeds from the sale of investment properties		–	–
Purchase of investment properties		(99,066)	(67,076)
		(99,066)	(67,076)
Relating to available-for-sale investments:			
Proceeds from the sale of available-for-sale investments	[10]	4,206,000	535,939
Purchase of available-for-sale investments		–	–
		4,206,000	535,939
Purchase of computer software		(44,788)	(5,114)
Relating to other financial assets:			
Loans granted		(1,907,837)	(194,824)
Other		5,684	(48,694)
Payments for associated companies		(161,667)	–
		(2,063,819)	(243,518)
		(15,826,895)	**(9,666,402)**

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January to 31 March 2008 – *unaudited*

In EUR	Note	1 January to 31 March **2008**	 2007
Cash flows from business combinations, other changes in the scope of consolidation and the acquisition of minority interests			
Proceeds from the sale of disposal groups		–	215,000
Net cash of the companies sold		(853,481)	(80,459)
	[05]	(853,481)	134,541
Payments made for business combinations	[06]	(13,287,902)	–
Cash acquired from business combinations		978,965	–
		(12,308,937)	–
Payments for business combinations effected in previous periods		(736,642)	(15,888,989)
		(13,899,060)	(15,754,448)
Net cash flows used in/from investing activities and changes in the scope of consolidation		**(29,725,955)**	**(25,420,850)**
Cash flows from financing activities			
Cash receipts from capital measures		–	66,000,000
Payments made for capital measures		–	(4,335,362)
Cash receipts from/payments to minority interests		132,803	330
Proceeds from loans and borrowings	[14]	31,167,047	6,624,376
Repayment of loans and borrowings	[14]	(1,114,310)	(16,987,963)
Interest and other finance cost paid		(3,605,910)	(2,878,991)
Net cash flows from/used in financing activities		**26,579,630**	**48,422,390**
Net change in cash and cash equivalents		(4,397,915)	23,391,160
Net foreign exchange difference		412,570	(87,951)
Cash and cash equivalents at 1 January		24,135,200	17,649,563
Cash and cash equivalents at end of period		**20,149,854**	**40,952,771**
Cash and cash equivalents at end of period break down as follows:			
Cash and cash equivalents of the Group		20,100,533	40,858,222
Cash and cash equivalents of a disposal group classified as held for sale		49,321	94,550
		20,149,854	**40,952,772**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 31 March 2008 – *unaudited*

In EUR	Issued capital	Capital reserve	Retained earnings	Other reserves	TOTAL	Minority interests	Total equity
At 1 January 2008	**36,000,000**	**55,576,939**	**79,655,018**	**5,808,226**	**177,040,183**	**267,838**	**177,308,021**
Foreign currency translation	–	–	–	92,368	92,368	3,465	95,832
(Deferred) tax effects of foreign currency translation	–	–	–	(2,338)	(2,338)	–	(2,338)
Net gains/losses from hedging	–	–	–	(179,359)	(179,359)	(969)	(180,329)
(Deferred) tax effects from hedging	–	–	–	34,078	34,078	184	34,262
Total income and expenses for the period recognised directly in equity	**–**	**–**	**–**	**(55,251)**	**(55,251)**	**2,679**	**(52,572)**
Changes in the scope of consolidation	–	–	–	–	–	5,082,049	5,082,049
Profit for the period	–	–	968,331	–	968,331	73,683	1,042,014
Total income and expenses for the period	**–**	**–**	**968,331**	**(55,251)**	**913,080**	**5,158,411**	**6,071,491**
At 31 March 2008	**36,000,000**	**55,576,939**	**80,623,349**	**5,752,975**	**177,953,263**	**5,426,250**	**183,379,513**
At 1 January 2007	**30,000,000**	**–**	**51,181,541**	**5,565,543**	**86,747,084**	**280,651**	**87,027,735**
Foreign currency translation	–	–	–	(92,625)	(92,625)	27,757	(64,868)
(Deferred) tax effects of foreign currency translation	–	–	–	1,087	1,087	162	1,249
Fair value gains of available-for-sale investments	–	–	–	83,571	83,571	–	83,571
(Deferred) tax effects of fair value gains	–	–	–	(28,314)	(28,314)	–	(28,314)
Total income and expenses for the period recognised directly in equity	**–**	**–**	**–**	**(36,281)**	**(36,281)**	**27,919**	**(8,362)**
Profit for the period	–	–	67,477	–	67,477	39,934	107,411
Total income and expenses for the period	**–**	**–**	**67,477**	**(36,281)**	**31,196**	**67,853**	**99,049**
Other changes in minority interests		–	–	–	330	330	
Capital increase	6,000,000	54,556,321	–	–	60,556,321	–	60,556,321
At 31 March 2007	**36,000,000**	**54,556,321**	**51,249,018**	**5,529,262**	**147,334,602**	**348,834**	**147,683,436**

Notes to the interim consolidated financial statements

[01] Corporate information

Warimpex Finanz- und Beteiligungs AG (the "Company') is registered with the Commercial Court of Vienna under registration number FN 78485 w. Its registered address is Floridsdorfer Hauptstrasse 1, A-1210 Vienna (formerly Porzellangasse 4, A-1090 Vienna), Austria.

The interim financial statements of Warimpex Finanz- und Beteiligungs AG for the period ended 31 March 2008 were authorised for release by the directors on 23 May 2008. The main activities of the Company are described in Note [4] "Segment information".

[02] Basis of preparation

The interim consolidated financial statements for the period ended 31 March 2008 have been prepared in accordance with IAS 34. Interim financial statements do not contain all information and notes included in annual financial statements; they should therefore be read in conjunction with the consolidated financial statements as of 31 December 2007.
The accounting and valuation methods applied in preparing the interim consolidated financial statements as of 31 March 2008 have remained unchanged from the consolidated financial statements as of 31 December 2007.
With respect to the changes effective under IFRS as of 1 January 2008 and their effects, please refer to the details stated in the consolidated annual financial statements as of 31 December 2007.
By their very nature, interim consolidated financial statements are based on estimates to a greater extent than annual consolidated financial statements. In addition to the principal estimation uncertainties identified in the consolidated annual statements (goodwill as well as the valuation of land and buildings for first-time consolidation purposes), the interim financial statements are affected by estimation uncertainties resulting from the timing of asset impairments or write-ups.

[03] Seasonal fluctuations in results

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

[04] Business segments – overview for the period from 1 January to 31 March 2008 – unaudited

	Hotels & Resorts		Development & Asset Management		Total in EUR	
in EUR	**2008**	2007	**2008**	2007	**2008**	2007
External sales	16,851,221	11,884,152	1,389,329	2,637,409	18,240,550	14,521,561
Segment results	(318,827)	161,866	10,133,724	1,691,163	9,814,897	1,853,029
Investments						
• In tangible fixed assets and software	15,433,157	7,622,971	4,662,128	810,551	20,095,285	8,433,523
• iIn financial assets	–	799	2,469,217	402,535	2,469,217	403,334
Depreciation						
• Ordinary depreciation	(2,728,856)	(2,051,451)	(225,265)	(112,953)	(2,954,120)	(2,164,404)
Net cash flows from operating activities	1,902,926	1,552,216	(3,154,516)	(1,162,595)	(1,251,590)	389,621
Segment assets	430,227,320	292,561,675	131,450,169	117,107,552	561,677,489	409,669,227
Segment liabilities (gross)	(317,833,780)	(243,908,339)	(60,464,196)	(18,077,452)	(378,297,976)	(261,985,791)
Intragroup financing	39,524,333	32,482,633	(39,524,333)	(32,482,633)	–	–
Segment liabilities (net)	(278,309,447)	(211,425,706)	(99,988,530)	(50,560,085)	(378,297,976)	(261,985,791)
Average payroll	1,318	989	61	51	1,379	1,040

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

for the period from 1 January to 31 March 2008 – unaudited

	Luxury		Up-Market		Others	
in EUR	**2008**	2007	**2008**	2007	**2008**	2008
Sales revenues	4,842,040	3,609,725	10,804,730	7,663,134	1,204,452	611,293
Expenses for materials and services	(2,144,647)	(2,071,547)	(5,255,225)	(3,810,589)	(309,202)	(226,961)
Personnel expenses	(1,530,680)	(758,396)	(2,980,568)	(1,255,481)	(288,309)	(167,306)
Gross operating profit	**1,166,713**	**779,782**	**2,568,937**	**2,597,065**	**606,941**	**217,026**
Hotel employees	365	283	806	581	104	85
Rooms available						
Total	661	620	2,372	1,708	339	195
Joint venture share	(202)	(295)	(718)	(519)	–	–
Time allocation	–	–	–	–	(102)	–
Rooms available Group	459	325	1,654	1,189	237	195
Rooms sold	277	187	870	659	145	124
Average room occupancy rate	60%	58%	53%	55%	61%	64%
Management fee	(241,198)	(131,849)	(518,143)	(453,913)	(60,180)	(31,744)
Property costs	(128,955)	(115,180)	(329,349)	(145,207)	(34,837)	(84,253)
Net operating profit	796,560	532,752	1,721,445	1,997,945	511,923	101,030
Other costs after GOP (net)	(114,749)	(84,589)	(356,926)	(313,861)	(21,298)	(12,354)
Retail	–	384,528	–	(221,450)	22,238	–
Depreciation	(962,610)	(748,102)	(1,564,848)	(1,148,772)	(196,780)	(154,577)
Contribution to operating profit	(280,799)	(299,939)	(200,329)	535,312	316,084	(65,902)
thereof in						
• Czech Republic	(304,705)	(418,762)	169,271	753,344	–	–
• Poland	23,906	118,823	(130,348)	17,178	(51,848)	(65,902)
• France	–	–	(129,221)	(235,211)	–	–
• Romania	–	–	(110,031)	–	–	–
• Others	–	–	–	–	367,932	–
	(280,799)	(299,939)	(200,329)	535,312	316,084	(65,902)
Total for hotels in operation					**(165,044)**	**169,471**
Less expenses for hotels under construction/in planning phase					(153,782)	(7,605)
Segment contribution to operating profit					**(318,827)**	**161,866**

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

for the period from 1 January to 31 March 2008 – unaudited

	Luxury		Up-Market		Others	
in EUR	**2008**	2007	**2008**	2007	**2008**	2008
Cash receipts	4,192,601	4,024,813	10,881,566	8,434,159	1,253,523	653,427
Interest received	20,460	14,132	11,210	10,582	–	1,088
Cash paid for materials and services	(1,389,339)	(1,648,427)	(5,972,639)	(5,575,388)	(474,728)	(330,843)
Cash paid for personnel expenses	(1,163,832)	(1,246,635)	(3,078,482)	(2,073,584)	(296,201)	(192,230)
Cash paid for other expenses	(270,802)	(110,995)	(1,422,419)	(203,469)	(50,359)	(66,255)
Income tax paid	–	–	(83,991)	1,183	–	–
	1,389,088	**1,032,888**	**335,244**	**593,482**	**432,236**	**65,187**
thereof in						
• Czech Republic	508,974	431,012	(50,908)	647,887	–	–
• Poland	880,114	601,876	317,475	(11,604)	432,236	65,187
• France	–	–	(180,393)	(42,802)	–	–
• Romania	–	–	249,071	–	–	–
• Others	–	–	–	–	–	–
	1,389,088	1,032,888	335,244	593,482	432,236	65,187

Total for hotels in operation	**2,156,567**	**1,691,557**
Less cash payments made for hotels under construction/in planning phase	(253,641)	(139,341)
Segment cash flow from operating activities	**1,902,926**	**1,552,216**

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

for the period from 1 January to 31 March 2008 – unaudited

	Asset Management		Development		Others	
in EUR	**2008**	2007	**2008**	2007	**2008**	2008
Sales revenues	744,067	499,430	372,056	1,966,689	273,206	171,290
Changes in real estate projects under development	–	–	(49,667)	(666,724)	–	–
Sale of subsidiaries &						
negative goodwill recognised in income	–	–	12,166,555	2,177,422	–	–
Other income	–	13,241	117,496	13,845	–	0
Expenses for materials	(413,802)	(203,486)	(45,595)	(88,586)	(200,854)	(156,674)
Project development expenses	–	–	(159,913)	(128,302)	–	–
Personnel expenses	(5,846)	(9,887)	(1,362,085)	(941,524)	(3,443)	–
Depreciation	(106,255)	(71,263)	(101,145)	(30,483)	(17,865)	(11,207)
Other operating expenses	(116,323)	(138,476)	(943,727)	(695,180)	(13,137)	(8,963)
Segment operating results	**101,841**	**89,560**	**9,993,975**	**1,607,157**	**37,908**	**(5,554)**
thereof in						
• Czech Republic	–	(29,347)	4,093	(24,780)	–	–
• Poland	(143,361)	25,029	(87,412)	(86,740)	37,908	(5,554)
• Germany	–	–	(1,110)	3,097	–	–
• France	–	–	115,247	(10,834)	–	–
• Austria	–	–	10,126,094	1,377,705	–	–
• Hungary	245,202	93,878	(156,861)	350,560	–	–
• Others	–	–	(6,076)	(1,851)	–	–
	101,841	**89,560**	**9,993,975**	**1,607,157**	**37,908**	**(5,554)**

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

for the period from 1 January to 31 March 2008 – unaudited

	Asset Management		Development		Others	
in EUR	**2008**	2007	**2008**	2007	**2008**	2008
Cash receipts from rent	776,866	552,867	132,015	905,010	301,583	219,732
Cash receipts from development	–	–	496,803	1,620,399	–	–
Interest received	(2,332)	3,056	280,472	197,100	36	47
Cash paid for development	–	(100,894)	(290,063)	(13,330)	(2,028)	–
Cash paid for materials and services	(731,673)	(286,307)	(548)	(228,088)	(226,450)	(167,017)
Cash paid for personnel expenses	(5,889)	(106,606)	(1,424,676)	(908,006)	(3,443)	–
Cash paid for other expenses	(122,275)	(7,984)	(2,176,301)	(2,754,954)	(13,902)	(8,061)
Income tax paid	(10,503)	(1,262)	(132,211)	(78,297)	–	–
Segment cash flow from operating activities	**(95,806)**	**52,870**	**(3,114,508)**	**(1,260,167)**	**55,798**	**44,701**
Cash flows from the sale of disposal groups	–	–	–	215,000	–	–
Cash flow before investment and financing activities	**(95,806)**	**52,870**	**(3,114,508)**	**(1,045,167)**	**55,798**	**44,701**
thereof in						
• Czech Republic	–	264,987	(31,379)	(27,591)	–	–
• Poland	(326,497)	(61,139)	(240,419)	(232,268)	57,825	44,701
• Germany	–	–	8,265	5,111	–	–
• Austria	–	–	(2,503,109)	(1,742,562)	–	–
• France	–	–	(160,448)	(7,494)	–	–
• Hungary	230,691	(150,978)	(189,750)	766,648	–	–
• Others	–	–	2,333	(22,010)	(2,028)	–
	(95,806)	**52,870**	**(3,114,508)**	**(1,260,167)**	**55,798**	**44,701**

[05] Sale of further 10% of the shares in “Avielen OAO St. Petersburg”

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

	EUR
Property under construction	(10,947,933)
Non-current financial assets	(35,934)
Cash and cash equivalents	(853,481)
	(11,837,349)
Minority interests	85,728
Third-party loans	82,903
Loans extended by Warimpex	8,822,462
Deferred tax liabilities	16,410
Other current payables	48,519
	9,056,022
Book value of the company assets sold	(2,781,327)
Agreed purchase price for the shares	12,000,000
Net sales proceeds for the shares	**9,218,673**

Cash flow

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

Proceeds from the sale of the company shares	12,000,000
shown in “Other receivables” in the reporting period	(12,000,000)
• Gross proceeds from the sale of disposal groups	–
• Net cash of the companies sold	(853,481)

[06] Business combinations IFRS 3

Under the share purchase agreement dated 10 January 2008 the Warimpex Group acquired a further 50% of the shares of "UBX Krakow Sp.z.o.o.", making the Company the 100% owner of "Andel's Hotel Krakow". The acquisition price amounted to EUR 4.5 million. Loans in the amount of EUR 4.4 million were assumed by the Company. Furthermore, under a share purchase agreement dated 6 March 2008 the Company purchased 60% of the shares in "Reitano Holdings Limited", which owns 100% of the existing "Hotel Liner" and a hotel development project at Ekaterinburg Airport, Russia. The purchase price of the shares amounts to USD 12,748,000.00 and will fall due in several tranches. For this reason, the final purchase price to be paid by the end of the year is subject to change depending on the development of the US$/EUR exchange rate.

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

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

in EUR	Andel's Hotel Krakow	Hotel Liner Ekaterinburg	Thermoenergia
Property, plant & equipment, software	21,130,167	14,085,087	625,509
Non-current financial assets	–	615,241	–
Other current receivables	172,944	360,453	46,342
Cash and cash equivalents	765,764	201,274	11,928
	22,068,875	15,262,055	683,779
Minority interests	–	(5,167,107)	(367)
Third-party loans	(10,235,834)	–	(307,396)
Loans extended by Warimpex	2,216,113	–	(222,687)
Deferred tax liabilities	(1,836,832)	(2,164,799)	–
Other current payables	(357,254)	(206,736)	(62,489)
	(10,213,807)	(7,538,642)	(592,940)
Fair value of net assets	11,855,069	7,723,413	90,839
Goodwill	–	1,179,221	–
Negative goodwill directly recognised in income	(2,926,450)	–	–
Total cost of business combination	8,928,618	8,902,634	90,839
Purchase price obligation unpaid	–	(4,577,465)	(56,725)
Cash payments made in the reporting period	8,928,618	4,325,169	34,115

[07] Subsidiaries classified as held for sale

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

in EUR	At 1/1/2008	±Change 1-3/08	At 30/3/2008
Investment properties	4,445,643	31,345	4,476,988
Current receivables	103,138	6,314	109,452
Cash and cash equivalents	141,822	(92,501)	49,321
	4,690,604	(54,843)	4,635,761
Project loans	3,727,898	(123,644)	3,604,254
Deferred tax liabilities	326,303	(1,391)	324,912
Current payables	112,926	27,297	140,223
	4,167,127	(97,739)	4,069,388
Net assets of the disposal group	523,477	42,896	566,373

[08] Personnel expenses, average payroll

In the first quarter of 2008 the Company employed an average staff of 1,379 (comparable period of the previous year: 1,040).

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

The 43% increase in personnel expenses from EUR 4,402,779.00 in the first quarter of the previous year to EUR 6,302,128.00 in the reporting period is partly due to the higher number of employees and partly to exchange rate appreciation, in particular of the Czech crown.

[09] Other expenses

	1 January to 31 March	
in EUR	**2008**	2007
Pre-opening costs	(30,000)	–
Legal fees	(453,811)	(466,409)
General administrative costs	(507,650)	(391,899)
Advertisement and marketing	(171,025)	(25,866)
Non-recoverable VAT	(144,990)	(75,561)
Property costs	(533,572)	(284,882)
Other	(56,787)	(208,870)
	(1,897,835)	(1,453,486)

[10] Financial result

	1 January to 31 March	
in EUR	**2008**	2007
Financial revenue		
Interest income from cash management	282,937	228,918
Interest on loans made to joint ventures	401,128	207,710
Derivative financial instruments	50,509	169,431
	734,575	606,059
Finance costs		
Interest on short-term borrowings, project loans and other loans	(3,437,556)	(2,711,357)
Interest on loans relating to joint ventures	(169,022)	(196,085)
	(3,606,578)	(2,907,442)
Derivative financial instruments	(97,430)	19,414
Foreign currency losses on interest-bearing loans denominated in CHF	(513,578)	–
Other finance costs	(46,674)	(34,517)
Losses on the sale of available-for-sale investments	(5,949,000)	(111,568)
	(10,213,260)	(3,034,113)

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

[11] Income taxes

A reconciliation of tax expense and the product of accounting profit multiplied by the Group's domestic tax rate of 25% for the first quarter of 2008 (2006: 25%) is as follows:

	1 January to 31 March	
in EUR	**2008**	2007
Accounting profit before income tax	336,211	(575,025)
Accounting profit before income tax *25% (previous year 25%)	(84,053)	143,756
± Other foreign tax rates	(370,475)	(17,884)
± Tax free profits from the participation exemption (Sec. 10, Austrian CIT Act)	2,838,392	510,605
± Permanent differences	37,535	(209,968)
± Valuation allowance on deferred tax assets	(2,663,354)	(28,537)
± Income from first-time recognition of deferred tax assets	197,984	247,551
± Permanent differences relating to (negative) goodwill	731,613	–
± Effects of exchange rate fluctuations	18,161	36,911
	705,803	682,436

[12] Property, plant and equipment

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

	At	
	31/3/2008	31/3/2007
Net carrying amount at 1 January	375,060,075	288,327,053
Changes in the scope of consolidation	24,885,414	(5,078,943)
Investments	19,947,929	8,354,069
Depreciation	(2,807,991)	(2,056,242)
Exchange adjustments	116,431	(54,226)
Net carrying amount at 31 March	**417,201,858**	**289,491,711**
Capitalised interest contained in additions	*(171,777)*	*(9,136)*

Cash flows from investments relate to the following projects:	**31/3/2008**	31/3/2007
Development progress on "Airport City St. Petersburg"	(3,248,810)	(2,078,927)
Expansion of "Airport Hotel Angelo Bucharest"	(1,253,815)	–
Expansion of "Hotel Chopin"	(573,117)	–
Acquisition of neighbouring property at "Parkur Tower"	(422,072)	–
Construction progress on "Andel's Hotel Berlin"	(4,975,114)	–
Construction progress on "Hotel Angelo Plzen"	(769,599)	(46,669)
Construction progress on "Andel's Hotel Lodz"	(3,214,873)	–
Construction progress on "Hotel Angelo Munich"	(1,548,117)	–
Completion of "UBX 2 – Prague" office building (sold on 30 March 2007)	–	(1,995,133)
Completion of "Andel's Hotel Krakow"	–	(4,103,595)
	(16,005,517)	(8,224,324)
Other developments and current investment related to hotels	(1,834,974)	(1,665,307)
	(17,840,491)	**(9,889,631)**

[13] Investment properties

Investment properties comprise land and buildings and are stated at historical cost less accumulated depreciation, which is calculated on a straight-line basis over the estimated useful lives of the assets, and accumulated impairment in value.

	At	
	31/3/2008	31/3/2007
Net carrying amount at 1 January	17,679,162	25,338,478
Transfers according to IFRS 5	–	(7,859,724)
Additions	102,567	74,339
Depreciation	(120,090)	(84,656)
Exchange adjustment	1,307	(1,243)
Net carrying amount at 31 March	**17,662,946**	**17,467,194**
Result from "Investment properties":		
Rental income and charged expenses	433,621	499,430
Direct expenses	(259,627)	(203,486)
	173,994	295,944

[14] Analysis of financial liabilities

	Short-term	Long-term	Total
Loans at 1 January 2008	70,302,533	208,623,172	278,925,706
Changes in the scope of consolidation	472,410	5,559,299	6,031,709
New borrowings	20,230,459	10,936,588	31,167,047
Repayment of loans	(753,061)	(247,144)	(1,000,205)
Exchange adjustments	7,033	584,631	591,664
Loans at 31 March 2008	**90,259,374**	**225,456,546**	**315,715,920**
For comparison: loans at 31 March 2007	*49,972,435*	*164,781,810*	*214,754,245*
Loans relating to available-for-sale investments:			
Loans at 1 January 2008	3,718,359	–	3,718,359
Repayment of loans	(114,105)	–	(114,105)
Loans at 31 March 2008	**3,604,254**	**–**	**3,604,254**
For comparison: loans at 31 March 2007	*6,280,784*	–	*6,280,784*

New borrowings in terms of current financial liabilities mainly relate to bridgeover finance for Holding Wien. New borrowings in terms of long-term project loans relate to scheduled loan amounts paid out for the "Andel's Lodz" and "Andel's Berlin" projects, the conversion of the "Airport Hotel Angelo Bucharest" and the refinancing of the "Hotel Sobieski" in line with the Group's proportionate share.

Repayments of loans relate to the scheduled quarterly debt service for project loans.

[15] Receivables and liabilities (current)

		At	
	31/3/2008	31/12/2007	31/3/2007
Trade and other receivables			
Trade receivables	8,316,284	7,221,902	3,317,661
Receivables for taxes	6,815,513	4,649,558	4,386,736
Extended purchase price receivables relating to the sale of subsidiaries	12,000,000	–	2,843,226
Advance payments made	531,492	372,838	805,906
Other current receivables and other current assets	636,554	977,754	498,659
Receivables due from joint ventures	562,394	636,291	216,578
Receivables due from related parties	19,534	22,187	12,473
Deferred expenses	1,021,142	976,056	1,046,983
	29,902,912	**14,856,584**	**13,128,223**
Trade and other payables			
Trade payables	9,071,971	7,910,444	6,728,400
Trade payables due to joint ventures	758,258	758,150	756,599
Purchase price obligations from business combinations	–	736,642	–
Trade payables due to related parties	2,403,349	2,649,715	2,251,757
Purchase price obligations	13,904,934	6,670,445	3,257,488
Other payables including accruals for compensated absences	3,777,720	3,342,782	3,904,372
Advance payments received	1,055,606	879,667	962,391
	30,971,838	**22,947,844**	**17,861,008**

[16] Derivative financial instruments

As of 31 March 2008 there are derivative financial instruments (interest rate collars) relating to the Group's financial liabilities. The main terms and parameters of these collars are as follows:

	31/3/2008	31/3/2007
Project loan Hotel Le Palais, Prague		
Notional amount at 31 March (underlying: 3-month Euribor)	7,173,885	7,597,819
Fair value at 31 March	–	–
Project loan Hotel Chopin, Krakow		
Notional amount at 31 March (underlying: 3-month Euribor)	12,187,624	12,830,678
Fair value at 31 March	131,926	69,459
Project loan Hotel InterContinental Warsaw		
(amount of the Group's proportionate share)		
Notional amount at 31 March (underlying: 3-month Euribor)	expired	20,071,989
Fair value at 31 March	expired	66,323
Project loan Hotel Sobieski, Warsaw		
(amount of the Group's proportionate share)		
Notional amount at 31 March (underlying: 3-month Euribor)	8,483,944	7,124,559
Fair value at 31 March	69,396	26,572

Other derivative financial instruments

As of the end of the reporting period the Group is party to the following derivative financial instruments. Since there are no hedges for the exposures resulting from these financial instruments, the Group is exposed to interest rate risk and foreign currency risk for the whole term of the contracts.

			Fair value **31/3/2008**	31/3/2007
Knock-out cap	Maturity date			
	30/6/2009 buy cap	15,000,000 3-M EURIBOR 4 %	104,002	141,311
	14/4/2008 buy cap	5,000.000 3-M EURIBOR 2 %	32,694	70,013

In 2004 the Company purchased an interest rate cap based on the 3-month EURIBOR for a notional amount of EUR 15 million. If the 3-month EURIBOR exceeds 4%, the Company receives the excess payment. The knock-out rate is 6%.

			Fair value **31/3/2008**	31/3/2007
FX options	Maturity date			
	10/4/2008 >=1.45	EUR/CHF 5 million/strike 1.525	–	(765)

Subject to the condition that the CHF exchange rate falls to or below 1.45 by 14 April 2008, the Company is obliged to purchase the CHF equivalent of EUR 5 million for a fixed rate of 1.525. The option premium received by the Company for selling this option was granted in the form of an interest rate cap on the 3-month EURIBOR, the strike price of which is 2%. The option expired on 14 April 2008.

Negative fair values from derivative financial instruments are presented within "Derivative financial instruments" in the interim consolidated financial statements, positive fair values are presented within "Other financial assets".

[17] Transactions with related parties

The total amount of compensation due to the directors for the reporting period amounted to EUR 0.23 million (prev. year: 0.22m). The management fee charged by Vienna International AG amounted to EUR 0.67 million (prev. year: EUR 0.57m).

[18] Events after the balance sheet date

At the beginning of April a plot of land was sold in the Czech Republic. The proceeds for the Company amount to EUR 4 million.

[19] Other commitments, litigation and contingencies

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

Vienna, 23 May 2008

Franz Jurkowitsch
Chairman of the Management Board

Georg Folian
Deputy Chairman of the Management Board

Christian Fojtl
Member of the Management Board

Alexander Jurkowitsch
Member of the Management Board

Selected Warimpex Group properties

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

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

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

4) Angelo Airporthotel**, Bucharest**
RO-075100, Bucharest – Otopeni
283 Caleo Bucurestilor
108 rooms
(opened in 2001, acquired in July 2007)

5) Andel's Hotel**, Berlin**
D-10407 Berlin,
Landsberger Allee 106
556 rooms
(opening scheduled for 1st quarter 2009)

6) Andel's Hotel**, Łódź**
PL-91 065 Łódź, Ogrodowa 17
278 rooms
(opening scheduled for 1st quarter 2009)

7) Angelo Airporthotel**,**
Ekaterinburg-Koltsovo
RU-Airport Ekaterinburg-Koltsovo
210 rooms
(opening scheduled for 4th quarter 2009)

8) Hotel Palace***, Prag**
CZ-111 21 Prague 1
124 rooms (opened in 1989)

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Financial calendar

29 May 2008	Annual General Meeting
3 June 2008	Ex-dividend date
6 June 2008	Dividend payment date
28 August 2008	Publication of results for the 1st half of 2008
27 November 2008	Publication of results for the 3rd quarter of 2008

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