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# Warimpex Finanz- und Beteiligungs AG: Warimpex achieves positive result in 2012

Vienna/Warsaw (pta006/25.04.2013/08:00) - * Sales revenues up by 13 per cent to EUR 73.6 million, hotel revenues up by 6 per cent to EUR 62.4 million
* Comprehensive income for the period of EUR 12.5 million (plus 95 per cent)
* Segment EBITDA rose from minus EUR 627,000 to plus EUR 8.7 million thanks to the successful sale of the 50 per cent stake in the InterContinental
* Development focus: second construction phase at Airport City St. Petersburg, conversion of Budapest office building, strengthening of the angelo and andel's brands

Vienna/Warsaw, 25 April 2013 - The preliminary figures for 2012 announced by Warimpex Finanz- und Beteiligungs AG in the middle of March have now been confirmed with the publication of the audited figures. The financial year was positive for the company. Consolidated revenues rose by 13 per cent to EUR 73.6 million. This encouraging trend and the sale of the 50 per cent stake in the InterContinental hotel building in Warsaw made a major contribution to the positive result for the period of EUR 9.7 million, which represented an improvement of 34 per cent compared with the previous year. The comprehensive income for the financial year rose by 95 per cent to EUR 12.5 million.

Markets developing positively
The markets on which Warimpex is active also developed encouragingly. The two completed office towers at Airport City St. Petersburg were fully let out to subsidiaries of Gazprom. Only the shell of the third tower has been finished. However, a letter of intent has already signed with a renowned company for this tower, so plans are in place to finish the building in the near future. Likewise in Russia, Warimpex concluded an agreement with Sberbank at the beginning of 2013 for the refinancing of a loan for the angelo hotel and the Liner Hotel at Ekaterinburg international airport, thereby successfully converting short-term liabilities into long-term liabilities.

The Prague hotel market is also undergoing a slow but positive recovery in terms of occupancy and room rates. In Poland, the European football championships had a pleasing impact on business at the InterContintental in Warsaw. The five-star hotel enjoyed the best year in its history in 2012.

A look at the segments (including all joint ventures on a proportionate basis)
With all joint ventures recognized on a proportionate basis, revenues from hotel operation rose by a significant 9 per cent in annual comparison to EUR 112.5 million, while the average number of rooms increased by 2 per cent to 3,637. The net operating profit (NOP) also rose by 9 per cent to EUR 28.7 million. Sales revenues from the Development & Asset Management segment increased by 73 per cent to EUR 12.8 million. This improvement was primarily due to development revenue in connection with the completion of the Le Palais office property in Warsaw.

The sale of the InterContinental hotel had a clear impact on EBITDA for the Development & Asset Management segment (when including all joint ventures on a proportionate basis), which came in at plus EUR 8.7 million compared with minus EUR 627,000 in 2011. In the result from joint ventures, the sale of this stake made a major contribution to the Company's success in 2012.

The consolidated financial statements
Consolidated revenues rose by 13 per cent from EUR 64.9 million to EUR 73.6 million. Thanks to the overall good performance of the fully consolidated hotels, the cash flow from operating activities grew by 99 per cent to EUR 16.3 million. EBITDA, one of the most important performance indicators for real estate companies because it is not distorted by industry-specific valuation methods,

was down by 14 per cent to EUR 10.8 million. This can be attributed to lower gains from the sale of fully consolidated project companies - the income from the sale of the stake in the InterContinental hotel is not recognized here, but increased the result from joint ventures. Even though property prices are increasingly stabilizing on the real estate markets in Eastern Europe and impairment charges from previous years of EUR 8.9 million were reversed during the reporting period (2011: EUR 12.9 million), impairment charges totalling EUR 1.3 million and scheduled write-downs of EUR 10.9 million caused EBIT to fall from EUR 9.7 million to EUR 7.4 million.

Outlook

The successful sale of the InterContinental hotel in Warsaw clearly shows that the transaction markets are recovering, and this positive trend is continuing. Warimpex started off the 2013 financial year by initiating the sale of its share in the angelo hotel in Munich and an adjacent development property. In Warsaw, a preliminary agreement was signed for the sale of the buyback option for the Le Palais office building project to the IVG Warsaw fund. This transaction is expected to close in the summer of 2013. In the first quarter of 2013, Warimpex also placed a bond and a convertible bond on the Polish capital market.The issue proceeds of roughly EUR 21.8 million are earmarked for the completion of existing and the development of new projects and for the refinancing of existing obligations.

The numbers for 2012 at a glance (as of 31 December 2012)

| Key figures in thousands of EUR | 2012 | Change | 2011 |
|---|---|---|---|
| Total revenues | 73,609 | 13% | 64,925 |
| Income from the sale of properties | 212 | -93% | 3,018 |
| EBITDA | 10,787 | -14% | 12,492 |
| EBIT | 7,414 | -23% | 9,662 |
| Result from joint ventures | 18,433 | 48% | 12,436 |
| Profit for the year | 9,665 | 34% | 7,24 |
| Comprehensive income for the period | 12,47 | 95% | 6,381 |
| Net cash flow from operating activities | 16,324 | 99% | 8,209 |
| Segment information | | | |
| (including joint ventures on a proportionate basis): | | | |
| Revenues from the Hotels & Resorts segment | 112,481 | 9% | 103,443 |
| NOP of the Hotels & Resorts segment | 28,657 | 9% | 26,226 |
| Revenues from the Development & Asset Management segment | 12,756 | 73% | 7,388 |

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|---|---|---|---|
| EBITDA of the Development & Asset Management segment | 8,709 | - | -627 |

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