warimpex

WARIMPEX

Report on the First Quarter of 2015

WARIMPEX GROUP

Key Figures

in EUR '000	**1–3/2015**	Change	1–3/2014
			adjusted
Hotels revenues	10,069	-21%	12,745
Investment Properties revenues	371	-84%	2,344
Development & Services revenues	527	41%	153
Total revenues	*10,966*	*-29%*	*15,463*
Expenses directly attributable to the revenues	-8,533	–	-10,869
Gross profit on sales	*2,433*	*-47%*	*4,594*
Income from the sale of properties	-1,376	–	–
EBITDA	1,629	-16%	1,938
EBIT	-529	-1%	-524
Earnings from joint ventures	-158	–	-964
Profit or loss for the period	-5,337	–	-8,828
Total comprehensive income for the period	-3,672	–	-9,142
Net cash flow from operating activities	2,014	-28%	2,808
Equity and liabilities	456,079	-7%	492,535
Equity	54,004	-32%	79,569
Share capital	54,000	–	54,000
Equity ratio	12%	-4 pp	16%
Average number of shares in the financial year	54,000,000	–	54,000,000
Earnings per share in EUR	-0.12	-25%	-0.16
Number of hotels	18	-1	19
Number of rooms (adjusted for proportionate share of ownership)	3,169	-58	3,227
Number of office and commercial properties	4	-1	5
Segment information (including joint ventures on a proportionate basis):			
Hotels revenues	19,383	-10%	21,521
Hotels net operating profit (NOP)	3,712	-19%	4,606
NOP per available room	1,094	-17%	1,323
Investment Properties revenues	559	-78%	2,524
Investment Properties EBITDA	266	-80%	1,343
Development & Services revenues	660	44%	458
Gains or losses from the disposal of properties	-1,376	–	–
Development & Services EBITDA	-893	–	2,502

	31/12/2014[1]	Change	31/12/2013
			adjusted
Gross asset value (GAV) in EUR millions	498.0	-2%	508.0
Triple net asset value (NNNAV) in EUR millions	160.1	-6%	169.4
NNNAV per share in EUR	3.0	–	3.1
End-of-period share price in EUR	0.705	-62%	1.88

[1] As no external valuation of the portfolio was completed as at 31 March 2015 or 31 March 2013, the latest available values are shown.

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Highlights

Operational highlights

3/2015

AIRPORTCITY St. Petersburg:

Successful closing of the sale of two office towers

Investor Relations

After closing 2014 at EUR 0.705 and PLN 3.13, the share price rose in the first quarter of 2015. The closing price at 31 March 2015 was EUR 0.915 and PLN 3.83.

Since our IPO, we have maintained an open and proactive communication policy with our investors. Warimpex participated in investor conferences in Zürs, Frankfurt, London, and Warsaw in 2015.

OTHER SECURITIES OF WARIMPEX FINANZ- UND BETEILIGUNGS AG AS AT 31 MARCH 2015

	ISIN	Conversion price	Outstanding amount
Bond 03/16	PLWRMFB00016	–	PLN 63,065,000
Convertible bond 03/16	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 1,500,000
Bond 02/18	PLWRMFB00024	–	PLN 3,000,000
Convertible bond 06/17	AT0000A18Q78	EUR 1.80	EUR 5,000,000

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

With the sale of both Jupiter towers at AIRPORTCITY St. Petersburg, which closed at the beginning of March, the first quarter of 2015 began on a high note in general. This shows that transactions are possible in this market even in difficult times. Nevertheless, the crisis in Russia and the depreciation of the rouble compared with the first quarter of the previous year continued to have a substantial impact on our business. Our hotel operations, especially the hotels that cater to Russian clientele, were again negatively affected by this trend.

Our Russian hotels in Ekaterinburg and St. Petersburg suffered substantial decreases in occupancy and room rates. The Dvorak spa hotel in Karlovy Vary, which generally has a large share of Russian and Ukrainian guests, saw revenues decline by a substantial 35 per cent as many guests stayed home. Overall, revenues at hotels that cater to Russian clientele declined by some 44 per cent in euro terms compared with the previous year, while revenues at hotels that are not focused on Russian clientele posted a gain of just under 3 per cent. The latter also saw a 12 per cent rise in NOP per available room, with the main drivers here being Poland and Berlin. However, these positive developments were not enough to offset the downtrend in Russia and Karlovy Vary, and revenues from hotels fell by 21 per cent overall to EUR 10.1 million. Consolidated revenues contracted by 29 per cent to EUR 11 million. EBITDA declined by 16 per cent, falling from EUR 1.9 million to EUR 1.6 million, while EBIT remained stable in year-on-year comparison at EUR -0.5 million. Finance income including earnings from joint ventures went from EUR -8 million to EUR -3.9 million, primarily due to the increase in the rouble exchange rate since the beginning of the year. All in all, this led to a loss for the period of EUR -5.3 million, a 40 per cent improvement over the previous year due to exchange rate changes.

In general, it is important to note that the first quarter is usually the weakest of the year in the hotel industry, so the figures are not indicative of the performance for the remainder of the year.

The situation in the Development segment was more encouraging with two projects now nearing completion. The revitalisation of 12,250 square metres of space in the Erzsébet office tower in Budapest has entered the final phase, and the tenant is scheduled to move in around the middle of the year. The construction of the Zeppelin office building at AIRPORTCITY St. Petersburg, which has 16,000 square metres of space and which has already been let out, is also proceeding according to plan. Work here is to be completed by the middle of 2015, as well. We are also working on the development of a parking garage at this site and expect to be finished this year. An office building in Krakow is at an early but very concrete stage of development, and in Berlin, the planning for the development of commercial and conference space on the remaining part of the site next to the andel's hotel is progressing well. As previously announced, we are working with our joint venture partner on the sale of the andel's in Berlin and expect the deal to close in the third quarter.

After the reporting date, we were able to significantly reduce the current financing costs for the andel's hotel in the Polish city of Łódź as part of a lease financing transaction with a Polish leasing bank. This corresponds with the general shift in our strategy towards local banking partners. At the same time, we won a bidding process for the purchase of a piece of land near the andel's hotel in Łódź.

Our goal for the 2015 financial year is to continue and complete the running development projects according to schedule, and to initiate a further transaction in addition to the planned sale of the andel's hotel in Berlin. We are also working continuously to strengthen our financial base, to improve our financing conditions – as we were recently able to achieve in Łódź – and to boost the earnings from our hotel assets.

Franz Jurkowitsch

MANAGEMENT REPORT OF THE GROUP FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2015

Markets

POLAND

Existing portfolio: 6 hotels, 1 office property

Warimpex has been 50 per cent leaseholder of the five-star InterContinental in Warsaw since 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 brand InterContinental 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 owner until 2009, and as leaseholder since then). In Łódź, Warimpex opened a further andel's hotel in June 2009; in March 2010, the first angelo hotel in Poland (a joint venture with UBM) opened in Katowice. In Międzyzdroje on the Baltic coast, Warimpex owns the Amber Baltic spa resort hotel.

Occupancy at the InterContinental hotel changed from 77 per cent to 76 per cent while the average room rate in euros rose. The andel's hotel in Łódź achieved occupancy of 58 per cent (1–3 2014: 62 per cent), and the average room rate in euros also rose slightly. Occupancy at the Chopin Hotel in Krakow rose from 32 per cent to 50 per cent, but the average room rate in euros decreased marginally. At the andel's hotel in Krakow, occupancy came in at 62 per cent (1–3 2014: 59 per cent), and the average room rate rose slightly. Room occupancy at the Amber Baltic beachfront resort came in at 29 per cent (1–3 2014: 28 per cent), and the average room rate remained stable. Due to its location on the Baltic coast, occupancy rates at this hotel are subject to 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 let out.

Under development: 2 office buildings

Warimpex is the owner of a development property next to the Chopin Hotel in Krakow, on which an office building with around 21,000 square metres of space is to be built. Planning for this project is under way.

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 under way.

Warimpex owns a development property in Białystok.

CZECH REPUBLIC

Existing portfolio: 4 hotels

In the Czech Republic, Warimpex owns the Diplomat Hotel in Prague and the angelo hotels in Prague and Plzeň (50 per cent). Warimpex also consolidates the Dvořák spa hotel in Karlovy Vary according to the provisions of IFRS. The Savoy Hotel (61 rooms) in Prague was sold at the end of June 2014.

In the reporting period, the Diplomat Hotel and the angelo hotel in Prague achieved occupancy rates of 48 and 52 per cent (1–3 2014: 51 and 51 per cent), respectively; the average room rates decreased slightly at both establishments. Occupancy at the Dvořák spa hotel in Karlovy Vary declined to 46 per cent (1–3 2014: 68 per cent). The average room rate fell by around 25 per cent. The share of Russian and Ukrainian guests is very high in Karlovy Vary, and the strong depreciation of the rouble has impacted travel by this customer segment. Occupancy at the angelo hotel in Plzeň improved from 54 to 57 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 and was nearly fully occupied at the reporting date. The Sajka office building (around 600 square metres of lettable space) was partially occupied during the reporting period, and the majority of the space was let out again as at November 2014.

In the previous financial year, Warimpex signed a long-term lease with the leading Hungarian insurance company Groupama Garancia Insurance Private Co. Ltd. – a Hungarian branch of the international Groupama Group – for 12,250 square metres of space (of the 14,500 square metres in total) in the Erzsébet office building in Budapest. This is one of the largest leases that Warimpex has concluded on the Hungarian office market in recent years. Groupama is to move into the newly renovated building A in the middle of 2015. Tenants are being sought for the remaining space.

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 increase from 46 to 53 per cent. The average room rate in euros was up slightly.

GERMANY

Existing portfolio: 1 hotel
Warimpex held 50 per cent of the andel's hotel in Berlin during the reporting period. Occupancy at the andel's hotel was 69 per cent (1–3 2014: 58 per cent). The average room rate did not change.

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 under way.

FRANCE

Existing portfolio: 2 hotels
In Paris, Warimpex and its partner UBM are the joint leaseholders (finance leasing) of the four-star Dream Castle Hotel and the four-star Magic Circus at Disneyland® Resort Paris, each of which have about 400 rooms. Occupancy at the hotels came to 54 and 41 per cent (1–3 2014: 60 and 52 per cent). The average room rate increased 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
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 the third quarter of 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 an office building with 16,800 square metres of lettable space were opened at the end of December 2011. AIRPORTCITY St. Petersburg is being developed by OAO AVIELEN A.G. together with CA Immo and UBM and is directly next to Pulkovo 2 international airport in St. Petersburg. AIRPORTCITY is the first premium-class business centre in the region and is a key infrastructure project in the growing economic centre of St. Petersburg.

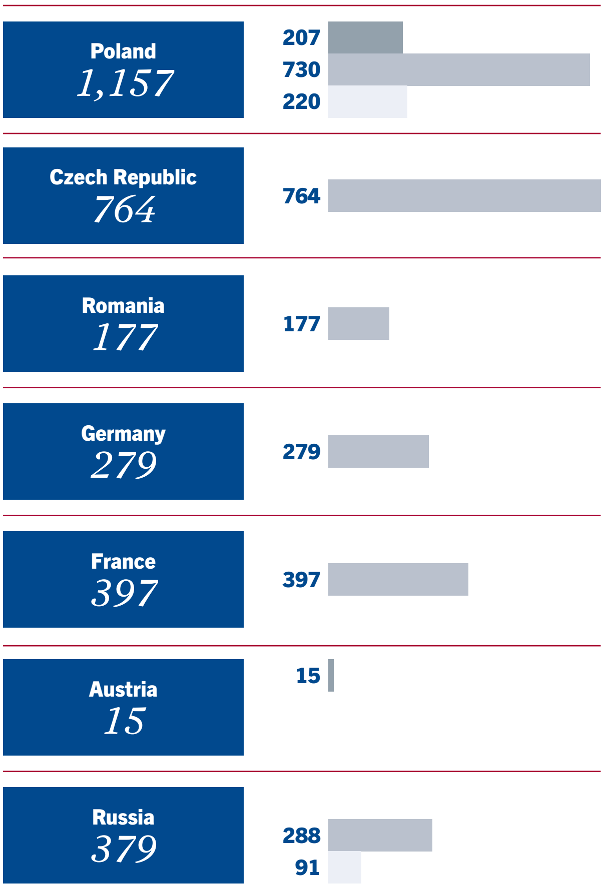
The contract for the sale of the Jupiter 1 and Jupiter 2 office towers at AIRPORTCITY St. Petersburg was signed in November 2014, and the deal closed in February 2015.

Occupancy at the Liner Hotel declined from 54 to 46 per cent, and the average room rate in euros fell by roughly 25 per cent. At the more expensive angelo hotel, occupancy decreased from 56 to 39 per cent, and the average room rate in euros was some 30 per cent lower due to the weakness of the rouble. The Crowne Plaza achieved occupancy of 55 per cent (1–3 2014: 79 per cent) while the average room rate in euros fell slightly.

Under development: 1 office building
Another office building with 16,000 square metres of lettable space called Zeppelin is currently under construction at AIRPORTCITY. It is planned to finish this office tower in mid 2015. The office tower is already fully let out.

HOTEL PORTFOLIO
(NUMBER OF ROOMS ADJUSTED FOR PROPORTIONATE SHARE OF OWNERSHIP) AS AT 31 MARCH 2015

Five stars (luxury)
Four stars (mid market)
Three stars (others)



The reduction in the number of rooms by 58 in annual comparison from 3,227 to 3,169 can be attributed to the sale of the Savoy Hotel in Prague.

Assets, Financial Position, and Earnings Situation

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

Please see section 3.2.2. in the notes to the consolidated financial statements as at 31 December 2014 for information about the adjustment of the figures for the comparison period.

Development of revenues

Hotel operations continued to be impacted by the Russia crisis and the depreciation of the rouble in the first quarter of 2015. The decrease in revenues was caused primarily by in part substantial revenue contractions at the Dvorak (Karlovy Vary), Liner (Ekaterinburg), angelo Ekaterinburg, and Crowne Plaza (St. Petersburg) hotels. The Dvorak spa hotel in Karlovy Vary suffered a revenue slide of roughly 35 per cent due to a lack of bookings by Russian guests. Hotels that cater to Russian clientele saw their revenues decline by some 44 per cent in euro terms compared with the previous year.

Revenues from the letting of office properties (Investment Properties revenues) contracted as a result of the sale of the two Jupiter office towers in St. Petersburg.

Consolidated revenues fell by 29 per cent from EUR 15.5 million to EUR 11.0 million. Roughly 92 per cent of the revenues were generated by Hotel operations, some 3 per cent by the letting of office properties, and roughly 5 per cent by the Development & Services segment.

Expenses directly attributable to revenues declined from EUR 10.9 million to EUR 8.5 million.

Earnings situation

Gains on property disposals

The deal for the sale of both Jupiter office towers in St. Petersburg closed during the quarter. The loss from the disposal of properties can be attributed to the transaction costs.

EBITDA – EBIT

Earnings before interest, taxes, depreciation, and amortisation and gains/losses on the remeasurement of investment properties (EBITDA) declined by 16 per cent from EUR 1.9 million to EUR 1.6 million. EBIT came in at EUR -0.5 million, the same level as last year.

Financial result

Finance income (including earnings from joint ventures) went from EUR -8.0 million to EUR -3.9 million.

Losses from joint ventures went from EUR -1.0 million to EUR -0.2 million.

Profit or loss for the period

The total loss for the period for the Warimpex Group improved from EUR -8.8 million in the previous year to EUR -5.3 million. This is mainly due to changes in foreign exchange rates.

Segment reporting

The Warimpex Group has defined the business segments of: Hotels, Investment Properties, and Development & Services. The joint ventures that are recognised using the equity method 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 period (with the joint ventures recognised on a proportionate basis). The Investment Properties segment contains the rental revenue from office properties. The Development & Services segment covers development services, activities of the Group parent, and profit contributions from the sale of properties.

Hotels segment*

in EUR '000	**1–3/2015**	1–3/2014 adjusted
Revenues for the Group	19,383	21,521
Average number of hotel rooms for the Group**	3,394	3,482
GOP for the Group	5,333	6,394
NOP for the Group	3,712	4,606
NOP/available rooms in EUR	1,094	1,323

* Including all joint ventures on a proportionate basis
** See the disclosures pertaining to the Hotels segment in the consolidated financial statements

In the reporting period, the average number of available rooms falling under Group ownership remained went down to 3,394 while revenues from hotel operations declined by 10 per cent to EUR 19.4 million. This was due to the weak performance of the hotels that cater to Russian clientele.

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.).

Investment Properties segment*

in EUR '000	**1–3/2015**	1–3/2014 adjusted
Revenues for the Group	559	2,524
Segment EBITDA	266	1,343

* Including all joint ventures on a proportionate basis

The revenues and EBITDA of the Investment Properties segment fell due to the sale of the two Jupiter office towers at AIRPORTCITY, St. Petersburg.

Development & Services segment*

in EUR '000	**1–3/2015**	1–3/2014 adjusted
Revenues for the Group	660	458
Gains or losses from the disposal of properties	-1,376	–
Segment EBITDA	-492	-893

* Including all joint ventures on a proportionate basis

The results in this segment depend heavily on the sale of real estate holdings (share deals) and properties (asset deals) and are subject to significant year-on-year fluctuation. The loss from the disposal of properties can be attributed to the transaction costs.

Events after the Reporting Date

Please see section 8.3. of the notes to the interim consolidated financial statements for information about key events after the reporting date.

Outlook

A letter of intent for the sale of a property recognised using the equity method to an international investor was signed in April 2015. The deal is expected to close in the middle of 2015.

The following development projects are currently nearing completion:

_**AIRPORTCITY, St. Petersburg**
business park and an additional 15,000 square metres of office space

_**Erzsébet office tower A, Budapest**
Budapest, 8,000 square metres of office space

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 see great potential for new developments and property sales, which we intend to leverage in a prudent manner.

Vienna, 28 May 2015

Franz Jurkowitsch
Chairman
of the Management Board

Georg Folian
Vice-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 31 MARCH 2015

angelo hotel
Katowice****
Katowice, PL

Condensed Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2015 – UNAUDITED

in EUR '000	Note	**1–3/2015**	1–3/2014 adjusted
Hotels revenues		10,069	12,745
Investment Properties revenues		371	2,344
Development & Services revenues		527	374
Revenues		**10,966**	**15,463**
Expenses from the operation of hotels		(8,014)	(9,837)
Expenses from the operation of investment properties		(165)	(793)
Expenses directly attributable to Development & Services		(355)	(239)
Expenses directly attributable to the revenues	5.1.	**(8,533)**	**(10,869)**
Gross income from revenues		**2,433**	**4,594**
Income from the sale of properties		65,483	–
Disposal of carrying amounts and costs related to sales		(66,859)	–
Gains or losses from the disposal of properties	5.2.	**(1,376)**	–
Other operating income	5.3.	**3,065**	**296**
Administrative expenses	5.4.	**(1,927)**	**(2,310)**
Other expenses	5.5.	**(567)**	**(642)**
Results of operating activities before financial result, taxes, depreciation, and amortisation (EBITDA)		**1,629**	**1,938**
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets		(2,573)	(2,806)
Reversals of impairment		415	344
Depreciation, amortisation, and remeasurement		**(2,158)**	**(2,462)**
Earnings before interest and taxes (EBIT)		**(529)**	**(524)**
Finance income	5.6.	1,137	1,307
Financing expenses	5.7.	(5,971)	(5,222)
Exchange rate changes	5.8.	1,099	(3,116)
Result from joint ventures (equity method) after taxes		(158)	(964)
Financial result		**(3,893)**	**(7,994)**
Earnings before taxes		**(4,422)**	**(8,518)**
Income taxes		(6)	(18)
Deferred income taxes		(908)	(292)
Taxes		**(915)**	**(310)**
Profit or loss for the period		**(5,337)**	**(8,828)**
Profit or loss for the period attributable to:			
- Equity holders of the parent		(6,316)	(8,768)
- Non-controlling interests		979	(60)
		(5,337)	**(8,828)**
Earnings per share:			
Basic loss for the period attributable to ordinary equity holders of the parent		**-0.12**	**-0.16**
Diluted loss for the period attributable to ordinary equity holders of the parent		**-0.12**	**-0.16**

Condensed Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2015 – UNAUDITED

in EUR '000	Note	**1–3/2015**	1–3/2014
			adjusted
Profit or loss for the period		**(5,337)**	**(8,828)**
Foreign currency translation		2,484	(357)
Other comprehensive income from joint ventures (equity method)		7	–
Gains or losses from available-for-sale financial assets		(1,238)	–
(Deferred) taxes in other comprehensive income	5.9.	411	42
Other comprehensive income (reclassified in profit or loss in subsequent periods)		**1,664**	**(314)**
Total comprehensive income for the period		**(3,672)**	**(9,142)**
Total comprehensive income for the period attributable to:			
- Equity holders of the parent		(5,616)	(6,636)
- Non-controlling interests		1,944	(2,506)
		(3,672)	**(9,142)**

Condensed Consolidated Statement of Financial Position

AS AT 31 MARCH 2015 – UNAUDITED

in EUR '000	Note	31/3/15	31/12/14	31/3/14 adjusted
ASSETS				
Property, plant, and equipment	6.1.	252,871	249,118	276,002
Investment property	6.2.	103,715	87,751	74,258
Goodwill		921	921	921
Other intangible assets		41	41	38
Net investments in joint ventures (equity method)	6.3.	35,860	36,222	35,823
Financial assets, available for sale		6,728	6,468	–
Other financial assets	6.4.	22,406	8,704	10,871
Deferred tax assets		37	22	(818)
Non-current assets		**422,580**	**389,247**	**397,095**
Inventories		755	759	890
Trade and other receivables	6.5.	14,148	21,098	6,498
Securities, available for sale	6.6.	6,054	7,052	7,164
Cash and cash equivalents	6.7.	12,542	9,765	5,579
Non-current assets (disposal groups), held for sale		–	65,483	75,308
Current assets		**33,499**	**104,157**	**95,440**
TOTAL ASSETS		**456,079**	**493,404**	**492,535**
EQUITY AND LIABILITIES				
Share capital		54,000	54,000	54,000
Capital reserves		4,661	4,661	17,051
Retained earnings		2,419	8,734	10,160
Treasury shares		(301)	(301)	(301)
Other reserves		5,748	5,049	2,605
Equity attributable to equity holders of the parent		**66,527**	**72,143**	**83,515**
Non-controlling interests		(12,523)	(14,467)	(3,946)
Equity		**54,004**	**57,676**	**79,569**
Convertible bonds	6.8.	7,735	13,051	8,088
Other bonds	6.8.	13,601	18,953	18,861
Other financial liabilities	6.8.	267,240	298,393	295,757
Derivative financial instruments		357	385	1,582
Other liabilities		7,663	7,316	7,125
Provisions		2,220	2,220	1,891
Deferred tax liabilities		11,161	10,649	12,078
Deferred income	6.9.	4,645	1,481	1,885
Non-current liabilities		**314,620**	**352,447**	**347,267**
Convertible bonds	6.8.	5,966	–	3,092
Bonds	6.8.	15,222	5,215	–
Other financial liabilities	6.8.	42,619	41,740	39,974
Derivative financial instruments		160	17	567
Trade and other payables	6.10.	21,902	35,265	15,883
Provisions		799	431	792
Income tax liabilities		74	73	81
Deferred income	6.9.	712	539	539
Liabilities directly associated with the assets classified as held for sale		–	–	4,772
Current liabilities		**87,455**	**83,280**	**65,699**
Liabilities		**402,075**	**435,727**	**412,966**
TOTAL EQUITY AND LIABILITIES		**456,079**	**493,404**	**492,535**

Condensed Consolidated Statement of Cash Flows

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2015 – UNAUDITED

in EUR '000	1–3/2015	1–3/2014 adjusted
Cash receipts		
from hotel operations and rent received	13,377	16,746
from real estate development projects	167	529
from interest income	139	21
Cash receipts from operating activities	**13,683**	**17,296**
Cash payments		
for real estate development projects	(716)	(320)
for materials and services received	(4,310)	(7,243)
for related personnel expenses	(4,123)	(4,562)
for other administrative expenses	(2,531)	(2,366)
for income taxes	12	3
Cash payments for operating activities	**(11,669)**	**(14,488)**
Net cash flows from operating activities	**2,014**	**2,808**
Cash receipts from		
the sale of property	41,459	–
disposal proceeds from purchase price receivables relating to disposals in prior periods	–	2,622
other financial assets	–	511
returns on joint ventures	212	32
Cash receipts from investing activities	**41,671**	**3,164**
Cash payments for		
investments in property, plant, and equipment	(529)	(639)
investments in investment property	(5,387)	(860)
the purchase of software	(1)	–
other financial assets	(377)	–
Payments made for investing activities	**(6,294)**	**(1,499)**
Net cash flows from investing activities	**35,377**	**1,665**
Cash received from the issue of bonds	12,333	2,165
Payments made for the redemption of bonds	(8,532)	–
Cash received from from loans and borrowings	9,048	644
Payments made for the repayment of loans and borrowings	(43,621)	(4,432)
Paid interest (for loans and borrowings)	(3,465)	(2,683)
Paid interest (for bonds and convertible bonds)	(1,024)	(945)
Paid financing costs	(32)	–
Net cash flows from/used in financing activities	**(35,291)**	**(5,252)**
Net change in cash and cash equivalents	**2,101**	**(778)**
Foreign exchange rate changes in cash and cash equivalents	19	(303)
Foreign exchange rate changes in other comprehensive income	658	77
Cash and cash equivalents at 1 January	9,765	6,618
Cash and cash equivalents at 31 March	**12,542**	**5,614**
Cash and cash equivalents at the end of the period consist of:		
Cash and cash equivalents of the Group	12,542	5,579
Cash and cash equivalents of a disposal group classified as held for sale	–	34
	12,542	**5,614**

Condensed Consolidated Statement of Changes in Equity

AS AT 31 MARCH 2015 – UNAUDITED

in EUR '000	Equity attributable to shareholders of the parent							
	Share capital	Capital reserves	Retained earnings	Treasury shares	Other reserves	**TOTAL**	**Non-controlling interests**	**Total equity**
As at 1 January 2014	**54,000**	**17,051**	**19,842**	**(301)**	**2,895**	**93,486**	**(1,110)**	**92,376**
Changes in accounting policies		–	(3,336)	–	–	**(3,336)**	(330)	**(3,665)**
As at 1 January 2014, adjusted	**54,000**	**17,051**	**16,507**	**(301)**	**2,895**	**90,151**	**(1,440)**	**88,711**
Total comprehensive income for the period	–	–	(6,347)	–	(290)	**(6,636)**	(2,506)	**(9,142)**
thereof comprehensive income for the period	*–*	*–*	*(6,347)*	*–*	*–*	***(6,347)***	*(2,481)*	***(8,828)***
thereof other comprehensive income	*–*	*–*	*–*	*–*	*(290)*	***(290)***	*(25)*	***(314)***
As at 31 March 2014, adjusted	**54,000**	**17,051**	**10,160**	**(301)**	**2,605**	**83,515**	**(3,946)**	**79,569**
As at 1 January 2015	**54,000**	**4,661**	**8,734**	**(301)**	**5,049**	**72,143**	**(14,467)**	**57,676**
Total comprehensive income for the period	–	–	(6,316)	–	700	**(5,616)**	1,944	**(3,672)**
thereof comprehensive income for the period	*–*	*–*	*(6,316)*	*–*	*–*	***(6,316)***	*979*	***(5,337)***
thereof other comprehensive income	*–*	*–*	*0*	*–*	*700*	***700***	*965*	***1,664***
As at 31 March 2015	**54,000**	**4,661**	**2,419**	**(301)**	**5,748**	**66,527**	**(12,523)**	**54,004**

Condensed Consolidated Segment Information

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2015 – UNAUDITED

SOME OF THE FIGURES FOR 2014 WERE ADJUSTED.

	Hotels		Investment Properties	
in EUR '000	**2015**	2014	**2015**	2014
SEGMENT OVERVIEW – PROFIT OR LOSS FOR THE PERIOD				
External revenues	19,430	21,572	559	2,524
Intragroup services	–	–	–	–
Expenses directly attributable to the revenues	(15,719)	(17,103)	(276)	(873)
Gross income from revenues	**3,712**	**4,469**	**283**	**1,650**
Gains or losses from the disposal of properties	–	–	–	–
Other operating income	–	137	–	–
Expenses for development projects	–	–	–	–
Personnel expenses	(333)	(281)	–	–
Other expenses	(1,524)	(1,866)	(17)	(295)
Intragroup services	(110)	(127)	–	(12)
Segment EBITDA	**1,744**	**2,331**	**266**	**1,343**
Scheduled depreciation and amortisation	(3,121)	(4,062)	–	–
Impairments	–	–	–	–
Reversals of impairment	523	444	–	–
Segment EBIT	**(854)**	**(1,287)**	**266**	**1,343**
Finance income	70	3	–	12
Financing expenses	(3,370)	(3,416)	(102)	(768)
Changes in foreign exchange rates	5,087	(3,203)	–	–
Earnings from joint ventures	–	–	–	–
Income taxes	(3)	(2)	–	–
Deferred income taxes	(442)	264	89	(587)
Segment overview – profit or loss for the period	**488**	**(7,642)**	**253**	–

Development & Services		Segment total 1 January–31 March		Reconciliation		Group total 1 January–31 March	
2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
660	458	**20,649**	24,553	**(9,683)**	(9,090)	**10,966**	15,463
110	139	**110**	139	**(110)**	(139)	**–**	–
(392)	(277)	**(16,387)**	(18,253)	**7,853**	7,385	**(8,533)**	(10,869)
378	**320**	**4,372**	**6,439**	**(1,939)**	**(1,845)**	**2,433**	**4,594**
(1,376)	–	**(1,376)**	–	**–**	–	**(1,376)**	–
3,065	160	**3,065**	296	**–**	–	**3,065**	296
(20)	(18)	**(20)**	(18)	**1**	1	**(20)**	(17)
(948)	(746)	**(1,281)**	(1,027)	**78**	38	**(1,203)**	(989)
(606)	(610)	**(2,148)**	(2,772)	**877**	826	**(1,271)**	(1,946)
–	–	**(110)**	(139)	**110**	139	**–**	–
492	**(893)**	**2,502**	**2,780**	**(873)**	**(842)**	**1,629**	**1,938**
(11)	(31)	**(3,132)**	(4,093)	**559**	1,287	**(2,573)**	(2,806)
–	–	**–**	–	**–**	–	**–**	–
–	–	**523**	444	**(107)**	(100)	**415**	344
481	**(924)**	**(107)**	**(869)**	**(422)**	**345**	**(529)**	**(524)**
1,069	1,294	**1,139**	1,310	**(2)**	(2)	**1,137**	1,307
(3,195)	(1,786)	**(6,667)**	(5,970)	**696**	748	**(5,971)**	(5,222)
(3,988)	87	**1,099**	(3,116)	**–**	–	**1,099**	(3,116)
34	139	**34**	139	**(191)**	(1,102)	**(158)**	(964)
(4)	(15)	**(6)**	(18)	**–**	–	**(6)**	(18)
(474)	19	**(828)**	(304)	**(81)**	12	**(908)**	(292)
(6,078)	**(1,186)**	**(5,337)**	**(8,828)**	**–**	–	**(5,337)**	**(8,828)**

in EUR '000	Segment total 1 January–31 March 2015	2014	Reconciliation 1 January–31 March 2015	2014	Group subtotal 1 January–31 March 2015	2014
SEGMENT OVERVIEW – STATEMENT OF FINANCIAL POSITION						
Revenues from hotels	**19,383**	21,521	**(9,362)**	(8,827)	**10,022**	12,694
Expenses for materials	**(8,150)**	(9,235)	**4,123**	4,123	**(4,027)**	(5,112)
Personnel expenses	**(5,900)**	(5,891)	**2,839**	2,419	**(3,061)**	(3,472)
Gross operating profit (GOP)	**5,333**	**6,394**	**(2,399)**	**(2,284)**	**2,934**	**4,110**
Income after GOP	**47**	51	**–**	–	**47**	51
Management fee	**(879)**	(988)	**878**	387	**(1)**	(601)
Exchange adjustments	**43**	(93)	**(43)**	(11)	**–**	(104)
Property costs	**(832)**	(759)	**(93)**	348	**(925)**	(411)
Net operating profit (NOP)	**3,712**	**4,606**	**(1,657)**	**(1,561)**	**2,055**	**3,045**
Other costs after NOP	**(520)**	(837)	**63**	103	**(458)**	(734)
Lease/rent	**(1,337)**	(1,310)	**806**	709	**(530)**	(601)
Scheduled depreciation and amortisation on fixed assets	**(3,121)**	(4,062)	**558**	1,286	**(2,563)**	(2,776)
Reversals of impairment	**523**	444	**(107)**	(100)	**415**	344
Contribution to the operating profit of the Hotels segment	**(743)**	**(1,160)**	**(338)**	**438**	**(1,081)**	**(722)**
less intragroup services	**(110)**	(127)	**110**	127	**–**	–
Segment EBIT	**(854)**	**(1,287)**	**(227)**	**565**	**(1,081)**	**(722)**
Key operating figures for the Hotels segment						
Hotel employees	**1,370**	1,465	**(363)**	(360)	**1,006**	1,105
Rooms (absolute)	**3,425**	3,484	**(1,051)**	(1,051)	**2,374**	2,433
Available rooms	**3,394**	3,482	**(1,055)**	(1,055)	**2,339**	2,427
Rooms sold	**1,806**	1,867	**(638)**	(640)	**1,168**	1,228
Occupancy	**53%**	55 %	**-3 %**	-3 %	**50%**	51%
RevPAR (in EUR)	**39.10**	40.23	**(11.99)**	(7.01)	**27.10**	33.22
Composition of NOP (geographical):						
• Czech Republic	**594**	891	**(43)**	(43)	**551**	849
• Poland	**2,146**	1,913	**(1,033)**	(953)	**1,113**	960
• Romania	**157**	103	**–**	–	**157**	103
• Russia	**234**	1,133	**–**	–	**234**	1,133
• Germany	**651**	540	**(651)**	(540)	**–**	–
• France	**(70)**	25	**70**	(25)	**–**	–

Notes to the Condensed Consolidated Interim Financial Statements

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2015 – 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. The Company's registered address is Floridsdorfer Hauptstrasse 1, A-1210 Vienna, Austria.

The condensed consolidated interim financial statements of Warimpex Finanz- und Beteiligungs AG as at 31 March 2015 were released for publication by the Management Board of Warimpex Finanz- und Beteiligungs AG on 27 May 2015.

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

The consolidated interim financial statements for the period ended 31 March 2015 were 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 at 31 December 2014.

The interim financial statements as at 31 March 2015 were not audited or reviewed by an independent financial auditor.

The accounting and measurement methods applied in preparing the interim consolidated financial statements as at 31 March 2015 have remained unchanged from the consolidated financial statements as at 31 December 2014.

The adjustment of the figures as at 31 March 2014 and for the first quarter of 2014 was due to the full consolidation of a subsidiary that we previously recognised using the equity method. For more information, please see section 3.2.2. in the consolidated financial statements as at 31 December 2014.

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, 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 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 properties, subsidiaries, or business combinations.

[04] Segment information

The operations of Warimpex Group are divided into three business segments: Hotels, Investment Properties, and Development & Services. The individual segments are identified on the basis of their different products and 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 as appropriate in accordance with IFRS 8.12.

Transactions between business segments contain the recharging of intragroup services and project development services at arm's length terms. The segment information includes information on the income and results as well as specific information on the assets and liabilities of the Group's business segments for the period from 1 January to 31 March 2015 and as at 31 March 2015.

[05] Notes to the consolidated income statement

5.1. Expenses directly attributable to revenues

	1 January to 31 March 2015	2014 adjusted
Composition of direct Hotels expenses:		
Expenses for materials and services rendered	(4,682)	(5,814)
Personnel expenses	(2,914)	(3,374)
Other administrative expenses	(418)	(648)
	(8,014)	**(9,837)**

	1 January to 31 March 2015	2014 adjusted
Composition of direct Investment Properties expenses:		
Expenses for materials and services rendered	(151)	(392)
Personnel expenses	(9)	(217)
Other administrative expenses	(4)	(185)
	(165)	**(793)**

	1 January to 31 March 2015	2014 adjusted
Composition of direct Development & Services expenses:		
Expenses for materials and services rendered	(252)	(224)
Other services	(103)	(14)
	(355)	**(239)**

5.2. Gains or losses from the disposal of properties

The deal for the sale of both Jupiter office towers in St. Petersburg closed during the reporting period. The selling price was equivalent to the carrying amount. The gains or losses from the disposal of properties are the result of the transaction costs.

5.3. Other operating income

The other comprehensive income consists primarily of foreign exchange translation gains from operations.

5.4. Administrative expenses

	1 January to 31 March 2015	2014 adjusted
Composition:		
Other personnel expenses	(1,203)	(989)
Other administrative expenses	(724)	(1,320)
	(1,927)	**(2,310)**

The individual components of the administrative expenses are explained in sections 5.4.1. and 5.4.2.

5.4.1. Other personnel expenses

	1 January to 31 March 2015	2014 adjusted
Composition:		
Wages and salaries	(3,214)	(3,674)
Social security costs	(498)	(536)
Other payroll-related taxes and contributions	(112)	(117)
Voluntary employee benefits	(2)	(4)
Expenses for posted employees	(279)	(232)
Changes in provisions and expenses related to pensions and severance payments	(17)	(10)
Changes in accrual for compensated absences	(5)	(7)
	(4,126)	**(4,580)**
Less personnel expenses directly attributable to revenues	2,923	3,591
Other personnel expenses	**(1,203)**	**(989)**

The Company had an average of 1,070 employees in the first quarter (1–3 2014: 1,172).

5.4.2. Other administrative expenses

	1 January to 31 March 2015	2014 adjusted
Composition:		
Legal fees	(79)	(117)
Administrative costs	(371)	(881)
Other administrative expenses	(274)	(322)
	(724)	**(1,320)**

5.5. Other expenses

	1 January to 31 March 2015	2014 adjusted
Composition:		
Property costs	(412)	(572)
Lease expenses	(530)	(601)
Non-deductible input taxes	(60)	(85)
Advertising	(73)	(100)
Sundry other expenses	(17)	(131)
	(1,092)	**(1,490)**
Less administrative expenses directly attributable to revenues	525	847
Other administrative expenses	**(567)**	**(642)**

5.6. Financial revenue

	1 January to 31 March 2015	2014 adjusted
Composition:		
Dividend income	998	–
Interest income from cash management	139	21
Unrealised gains on derivative financial instruments	–	1,286
	1,137	**1,307**

5.7. Financing expenses

	1 January to 31 March 2015	2014 adjusted
Composition:		
Interest on short-term borrowings, project loans, and other loans	(3,226)	(3,549)
Interest on bonds	(438)	(417)
Interest on convertible bonds	(488)	(336)
Interest on loans from minority shareholders	(599)	(585)
Other financing expenses	(1,107)	(262)
Interest – related parties	(5)	–
Unrealised losses on derivative financial instruments	(108)	(73)
	(5,971)	**(5,222)**

5.8. Foreign exchange rate changes in the financial result

	1 January to 31 March 2015	2014 adjusted
Composition:		
From (convertible) bonds in PLN	(1,197)	188
From loans in CHF	(3,667)	(166)
From EUR financing in subsidiaries	6,004	(3,138)
Other financing-related foreign exchange rate changes	(41)	–
	1,099	**(3,116)**

The exchange rate gains and losses from CHF loans pertain to unrealised losses from the valuation of CHF loans on the reporting date for which the currency risk is not hedged.

The foreign exchange translation gains and losses from EUR financing at subsidiaries pertain to bank loans and loans from non-controlling interests in subsidiaries where the functional currency is the local currency and the financing is denominated in euros. The largest share can be attributed to subsidiaries in Russia.

5.9. Income taxes in other comprehensive income

	1 January to 31 March 2015	2014 adjusted
The income taxes in other comprehensive income consist of:		
Foreign currency translation	116	42
Other comprehensive income from joint ventures (equity method)	(2)	–
Gains or losses from available-for-sale financial assets	297	–
Taxes on other comprehensive income (to be reclassified in profit or loss in subsequent periods)	411	42
Total income taxes in other comprehensive income	**411**	**42**

[06] Notes to the statement of financial position

6.1. Property, plant, and equipment

Property, plant, and equipment includes properties, rights equivalent to land, buildings including buildings on leasehold land, equipment and furnishings, hotel inventories, and technical plant.

	2015	2014 adjusted
Development:		
Carrying amounts at 1 January	249,118	239,273
Changes in accounting policies	–	42,542
Carrying amounts at 1 January, adjusted	249,118	281,815
Additions	522	339
Scheduled depreciation and amortisation	(2,571)	(2,840)
Reversals of impairment	415	394
Exchange adjustment	5,387	(3,706)
Carrying amounts as at 31 March	**252,871**	**276,002**

6.2. Investment properties

	2015	2014 adjusted
Development:		
Carrying amounts at 1 January	87,751	18,823
Changes in accounting policies	–	54,227
Carrying amounts at 1 January, adjusted	87,751	73,050
Advance payments made (see section 8.1.)	–	650
Additions	9,324	571
Capitalised borrowing costs	525	–
Exchange adjustment	6,116	(13)
Carrying amounts as at 31 March	**103,715**	**74,258**

6.3. Net investments in joint ventures (equity method)

	2015	2014 adjusted
Development:		
Carrying amounts at 1 January	36,222	98,003
Changes in accounting policies	–	(61,185)
Carrying amounts at 1 January, adjusted	36,222	36,818
Granting (+)/repayment (-) of loans	(212)	(32)
Interest income from loans granted	34	139
Earnings allocation from profit/loss for the period	(191)	(1,102)
Earnings allocation from other comprehensive income	7	–
Carrying amounts as at 31 March	**35,860**	**35,823**

6.4. Other financial assets

	31/3/2015	31/12/2014
Composition:		
Receivable from purchase price financing	13,325	–
Loans and other non-current receivables	3,619	3,619
Deposits with banks pledged as collateral	4,950	4,573
Pension reimbursement insurance rights	323	323
Other non-current financial assets	189	189
	22,406	**8,704**

6.5. Trade and other receivables (current)

	31/3/2015	31/12/2014
Composition:		
Trade receivables	1,835	2,321
Receivables from tax authorities	504	345
Receivables relating to the sale of subsidiaries	3,590	10,187
Advance payments made	4,600	5,631
Other current receivables and assets	2,258	1,239
Receivables due from joint ventures	140	142
Deferred expenses	1,221	1,233
	14,148	**21,098**

6.6. Securities, available for sale

The reduction in the available-for-sale securities is due to dividends.

6.7. Cash and cash equivalents

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

	31/3/2015	31/3/2014 adjusted
Composition:		
Cash on hand	139	101
Bank balances	12,402	5,478
	12,542	**5,579**

6.8. Financial liabilities

Financial liabilities contain interest-bearing liabilities – primarily convertible bonds, bonds, and loans from financial institutions or companies – that serve to cover the Group's financing needs.

	Project loans	Borrowing	Bonds, convertible bonds	Loans from minorities and others	Total
Changes in 2014, adjusted:					
As at 1 January	241,763	22,778	46,987	68,207	379,734
Borrowing/accumulated interest	–	–	–	702	702
Repayment	(3,332)	(1,036)	–	(14)	(4,382)
Exchange rate and other changes	959	–	(16,946)	5,705	(10,283)
As at 31 March	**239,389**	**21,742**	**30,041**	**74,599**	**365,771**
thereof current (due < 1 year)	*25,740*	*10,939*	*3,092*	*3,295*	*43,065*
thereof non-current (due > 1 year)	*213,649*	*10,803*	*26,949*	*71,304*	*322,706*
Changes in 2015:					
As at 1 January	243,251	20,849	37,219	76,033	377,352
Borrowing/accumulated interest	5,374	–	12,363	4,991	22,728
Repayment	(42,403)	(488)	(8,532)	(1,727)	(53,150)
Exchange rate and other changes	827	–	1,474	3,152	5,453
As at 31 March	**207,048**	**20,362**	**42,524**	**82,449**	**352,383**
thereof current (due < 1 year)	*14,771*	*19,707*	*21,188*	*8,141*	*63,807*
thereof non-current (due > 1 year)	*192,277*	*655*	*21,336*	*74,308*	*288,575*

Two bonds were issued by Group project companies in March 2015.

One bond was floated with a nominal value of PLN 24.45 million (roughly EUR 6 million) and an issue price of PLN 23.8 million (roughly EUR 5.8 million). The term is three years and the coupon is 8%. The other bond was issued with a nominal value of PLN 27.7 million (roughly EUR 6.8 million) and has a term of two years. The interest is paid quarterly and consists of the three-month WIBOR plus 4.5%.

Bonds with a value of roughly EUR 8.5 million were redeemed in connection with these issues.

The repayment of project loans pertains primarily to the repayment of the proportionate project loan for the Jupiter 1 and Jupiter 2 office towers that were sold in St. Petersburg.

6.9. Deferred income

The increase in deferred income is the result of agreed advance rent payments, which will be capitalised over a period of 20 years.

6.10. Trade and other payables (current)

	31/3/2015	31/12/2014
Composition:		
Trade liabilities	8,789	5,557
Trade liabilities due to joint ventures	341	340
Trade liabilities due to related parties	5,706	5,350
Other liabilities	3,041	12,172
Security deposits received	198	199
Advance payments received	3,828	11,646
	21,902	**35,265**

The decrease in other liabilities and advance payments received primarily relates to the sale of the Jupiter office towers in St. Petersburg.

[07] Information about financial instruments measured at 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		IFRS 13 level	Carrying amountt **31/3/15**	Fair value **31/3/15**	Carrying amount 31/12/14	Fair value 31/12/14
Assets – categories						
LaR	Other financial assets		22,083	22,083	8,381	8,381
AfS	Financial assets, available for sale		6,728	6,728	6,468	6,468
	Non-financial non-current assets		393,768		374,397	
	Total non-current assets		422,580		389,247	
LaR	Receivables		6,782	6,782	13,889	13,889
LaR	Cash and cash equivalents		12,542	12,542	9,765	9,765
AfS	Securities, available for sale	3	6,054	6,054	7,052	7,052
	Non-financial current assets		8,121		73,451	
	Total current assets (including IFRS 5)		33,499		104,157	
	Total assets		**456,079**		**493,404**	
Liabilities – Classes						
FL	Fixed-rate convertible bonds	3	(13,566)	(14,013)	(13,051)	(13,803)
FL	Variable-rate bonds	3	(7,770)	(7,777)	(18,953)	(19,166)
FL	Fixed-rate loans	3	(185,380)	(197,005)	(217,756)	(227,932)
FL	Variable-rate loans	3	(81,859)	(82,409)	(80,637)	(80,690)
FL	Other non-current liabilities		(7,663)	(7,663)	(7,316)	(7,316)
FVTPL	Derivative financial instruments – conversion rights	3	(123)	(123)	(148)	(148)
FVTPL	Derivative financial instruments – interest rate swaps	3	(234)	(234)	(237)	(237)
	Non-financial non-current liabilities		(18,025)		(14,350)	
	Total non-current liabilities		(314,620)		(352,447)	
FL	Fixed-rate convertible bonds	3	(5,966)	(6,333)	(5,215)	(5,215)
FL	Variable-rate bonds		(15,222)	(15,314)	–	–
FL	Liabilities	3	(16,314)	(16,314)	(13,855)	(13,855)
FL	Fixed-rate loans	3	(21,086)	(21,464)	(19,662)	(20,102)
FL	Variable-rate loans	3	(21,533)	(21,502)	(22,078)	(22,014)
IFRS 5	Derivative financial instruments	3	(160)	(160)	(17)	(17)
	Non-financial current liabilities		(7,173)		(22,453)	
	Total current liabilities (including IFRS 5)		(87,455)		(83,280)	
	Total liabilities		**(402,075)**		**(435,727)**	

		31/3/15	31/12/14
Summary of carrying amounts by category for financial assets and liabilities:			
LaR	loans and receivables	41,407	32,035
AfS	available for sale	12,783	13,520
FL	financial liabilities at amortised cost	(376,360)	(398,522)
FVTPL	at fair value through profit or loss	(517)	(402)

The method of fair value measurement is the same as at 31 December 2014.

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

The financial instruments that are subject to recurring fair value measurement can be broken down as follows:

	2015	2014
Changes in assets:		
Carrying amounts at 1 January	13,520	8,607
Additions	–	–
Disposals	–	(1,443)
Gains/losses on remeasurement in profit or loss	–	–
Gains/losses on remeasurement in other comprehensive income	(738)	–
Carrying amounts as at 31 March	**12,783**	**7,164**

	2015	2014
Changes in liabilities:		
Carrying amounts at 1 January	(402)	(3,378)
Additions	–	–
Disposals	–	–
Gains/losses on remeasurement in profit or loss	(115)	1,228
Gains/losses on remeasurement in other comprehensive income	–	–
Carrying amounts as at 31 March	**(517)**	**(2,149)**

7.3. Measurement methods and inputs (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	Classes	Measurement method	Material inputs
3	Securities, available for sale	Income-based	Capitalisation rate, cash flows
3	Non-current derivative financial instruments – conversion right	Income-based	Volatility, share prices

No changes were made to the measurement methods in the reporting period.

The following is quantitative information about material, unobservable inputs that were used in the measurement of fair value.

Level	Classes	Material inputs	Quantitative information **2015**	2014
3	Securities, available for sale	Capitalisation interest rate	4.25%	4.25%
3	Non-current derivative financial instruments – conversion right	Volatility	50%	30%

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

The following is quantitative information about material, unobservable inputs that were used in the measurement of fair value. The cumulated, discounted expected payment flows correspond to the fair values.

Level	Input	Change of assumption	Change in the result before taxes **2015**	2014
3	Available-for-sale securities:			
	Cash flows (available-for-sale securities)	+ 5%	526	595
	Cash flows (available-for-sale securities)	- 5%	(526)	(595)
3	Non-current derivative financial instruments – conversion right:			
	Volatility of Warimpex share price in PLN	+ 10 percentage points	(184)	(270)
	Volatility of Warimpex share price in PLN	- 10 percentage points	145	266

[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 actual acquisition of the properties is scheduled for summer 2015 once the renovations are completed and the tenant has moved into office tower A.

8.2. Related party transactions

8.2.1. Transactions with Management Board members

	2015	2014
Management Board compensation 1 January–31 March	206	175
Liabilities	(5,290)	(1,564)

8.2.2. Transactions with Vienna International Hotelmanagement AG (VI)

	2015	2014
Transactions between Group companies (fully consolidated) and Vienna International AG:		
Management fee charged 1 January–31 March	(397)	(516)
Other purchased services in hotel operations 1 January–31 March	(431)	(440)

8.2.3. Transactions with joint ventures

	2015	2014
Income from transactions with joint ventures 1 January–31 March	39	144
Payables due to joint ventures as at 31 March	(4,587)	(4,263)

8.3. Events after the reporting date

In April 2014, a short-term operating credit facility with an outstanding amount of roughly EUR 7.9 million was extended to 1 July 2017.

Warimpex secured the right to purchase a piece of land in Łódź by winning a bidding process.

Shortly before the publication of the interim financial statements, a sale-and-lease-back agreement was concluded for the andel's hotel in Łódź with a refinancing volume of roughly EUR 47.7 million. This transaction is expected to result in interest and liquidity benefits for the Group.

Vienna, 28 May 2015

Franz Jurkowitsch
Chairman
of the Management Board

Georg Folian
Vice-Chairman
of the Management Board

Alexander Jurkowitsch
Member
of the Management Board

Florian Petrowsky
Member
of the Management Board

Financial Calendar

2015

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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