

Warimpex posts plus again after three quarters

- **Result for the period turns to a positive EUR 6.6 million (1–9 2015: EUR -31.6 million)**
- **Increase in revenues from the letting of office properties due to completions in St. Petersburg and Budapest, slight decrease in hotel revenues due to disposals**
- **Financial result improves from EUR -18.7 million to EUR -6.3 million**
- **Developments in Łódź, Krakow, St. Petersburg, and Budapest proceeding as planned**

Vienna/Warsaw, 30 November 2016 – With the conclusion of the third quarter of 2016, Warimpex Finanz- und Beteiligungs AG can look back on nine encouraging and eventful months. Business operations developed well, as is reflected in the profit for the reporting period. There are also a number of development projects in the pipeline that are proceeding as expected, and Warimpex completed multiple successful transactions.

Hotel operations were stable in the first three quarters of 2016, and the establishments delivered satisfactory performance. Revenues from hotels contracted by 5 per cent to EUR 39.6 million in the first nine months of the year due to a decline in the number of rooms following the sale of hotels in Ekaterinburg in the prior year. By contrast, revenues from the rental of office properties increased from EUR 2.9 million to EUR 6.2 million due to the completion and letting of the Zeppelin office tower in St. Petersburg and of the Erzsébet office building in Budapest. Total revenues grew by 1 per cent to EUR 46.8 million. The gross income from revenues also improved by 14 per cent to EUR 20.5 million.

EBITDA retreated from EUR 16.3 million to EUR 11.1 million. This can be attributed to the fact that gains from the disposal of properties were recognised in the prior-year period. EBIT improved from EUR -13.0 million to EUR 14.6 million. The financial result went from EUR -18.7 million to EUR -6.3 million. All in all, this led to a profit of EUR 6.6 million for the period, a marked improvement over the comparison period (1–9 2015: loss of EUR 31.6 million).

Developments in Łódź, Krakow, St. Petersburg, and Budapest proceeding as planned

A construction permit was issued in April for Warimpex's office project near the andel's hotel in Łódź with roughly 26,000 square metres of space. In July, the construction permit was issued for the project in Krakow, where an office building owned by Warimpex will be demolished to make way for a new building with around 12,000 square metres of space. Warimpex is working on a second project in Krakow, as well, where plans are currently being drawn up for an office building with around 26,000 square metres of space next to the Chopin Hotel. Construction of a multifunctional building with around 450 parking spaces and roughly 6,000 square metres of office and archive space is progressing at AIRPORTCITY St. Petersburg. A pre-lease was already signed in May, and the building is expected to be completed in the middle of 2017. A hotel with around 170 rooms and 60 apartments is being developed in Budapest.



Transactions closed successfully

In terms of transactions, Warimpex sold its 50% stake in the Parkur Tower office building in Warsaw to its joint venture partner in June. After the reporting period, Warimpex also announced the sale of the Diozegi office building and the four-star angelo by Vienna House hotel in Prague. Warimpex is still active on the Prague hotel property market with the Diplomat Hotel. A bond maturing in March 2017 was redeemed early after the reporting date with the liquidity generated by this transaction.

Outlook

The trend seen to date this year will likely continue in the fourth quarter, enabling Warimpex to close the current financial year positively. The declared goal for the coming months is to move forward with the ongoing development projects in Poland, Russia, and Hungary. Warimpex will also continue to focus on improving the earnings of its hotels and on improving its financing conditions and repaying or refinancing expensive lines of credit.

The numbers for the first three quarters of 2016 at a glance (as at 30 September 2016)

in EUR '000	1-9/2016	Change	1-9/2015
Hotels revenues	39,550	-5%	41,627
Investment Properties revenues	6,224	117%	2,863
Development and Services revenues	984	-39%	1,616
<i>Total revenues</i>	<i>46,758</i>	<i>1%</i>	<i>46,105</i>
Expenses directly attributable to revenues	-26,233	-7%	-28,145
<i>Gross income from revenues</i>	<i>20,525</i>	<i>14%</i>	<i>17,960</i>
Gains or losses from the disposal of properties	147	-94%	2,551
EBITDA	11,109	-32%	16,268
Depreciation, amortisation, and remeasurement	3,465	-	-29,287
EBIT	14,574	-	-13,019
Earnings from joint ventures	1,064	-91%	11,586
Profit or loss for the period	6,603	-	-31,626
Net cash flow from operating activities	11,824	25%	9,436
Segment information (including joint ventures on a proportionate basis):			
Hotels revenues	61,698	-18%	75,170
Hotels net operating profit (NOP)	19,956	-15%	23,522
NOP per hotel room	7,161	2%	7,035
Investment Properties revenues	6,591	93%	3,417
Investment Properties EBITDA	4,976	110%	2,372
Development and Services revenues	1,403	-28%	1,949
Gains or losses from the disposal of properties	523	-96%	12,825
Development and Services EBITDA	-4,049	-	13,421
Average number of hotel rooms for the Group including all joint ventures on a proportionate basis	2,787	-17%	3,344
	30.06.2016	Change	31.12.2015
Gross asset value (GAV) in EUR millions	344.4	1%	340.8
NNNAV per share in EUR	1.9	-	1.8