

Danubius Hotels Nyrt today announced its 2012 fourth quarter preliminary, unaudited results. This report contains Condensed Consolidated Interim Financial Statements for the period ended 31 December 2012 as prepared by the management in accordance with International Accounting Standard 34 on Interim Financial Reporting (IAS 34) as adopted by the European Union.

Improved performance in Q1-Q3 maintained in Q4 2012

HIGHLIGHTS

Danubius Hotels Group	HUF million			EUR million ¹			HUF million			EUR million ¹		
	Q4 2012	Q4 2011	Ch%	Q4 2012	Q4 2011	Ch %	FY 2012	FY 2011	Ch%	FY 2012	FY 2011	Ch %
Net sales revenues	10,655	10,738	(1)	37.6	35.0	8	46,417	43,952	6	160.4	157.4	2
EBITDA	235	186	26	1.0	0.2	452	6,382	4,902	30	22.1	17.6	26
Operating profit /(loss)	(925)	(1,059)	(13)	(3.1)	(4.0)	(21)	1,806	490	269	6.2	1.8	256
Financial results	(586)	(1,259)	(53)	(2.0)	(4.3)	(54)	160	(2,829)	n.a.	0.6	(10.1)	n.a.
Profit /(loss) before tax	(1,515)	(2,318)	(35)	(5.2)	(8.3)	(38)	1,971	(2,339)	n.a.	6.8	(8.4)	n.a.
Operating cash flow	1,441	1,206	19	5.1	4.0	28	6,156	4,577	34	21.3	16.4	30
CAPEX	1,277	901	42	4.4	2.9	55	2,791	4,255	(34)	9.6	15.2	(37)
HUF/EUR average rate	283.1	303.6	(7)				289.4	279.2	4			

¹ The presentation currency of the Group is HUF. The EUR amounts are provided as a convenience translation using average f/x rates of the respective periods.

- In 2012 total net sales **revenues** were HUF 46.4 billion, up by 6% compared with the last year, thanks to improvement in all geographical segments. In EUR terms there was only a slight increase in group revenues due to the fluctuation in foreign exchange rates. Group **occupancy** in 2012 was 62.7% compared to 60.7% in 2011.
- Thanks to the pickup in revenue and cost cuts in the past, **EBITDA** improved considerably. The increase was HUF 1.5 billion comparing 2012 to 2011.
- **Segmental (geographical)** performance in 2012 was the following:
 - **Hungarian** segment's revenue increased by 3% to HUF 26.0 billion as the occupancy of hotels improved from 58.3% to 60.4% and HUF/EUR rate changed favourably. The operating profit increased by HUF 592 million to HUF 64 million.
 - **Czech** hotels showed a substantial revenue increase of 12%, contributing the highest profit since acquisition. Most of the increase is attributable to higher average room rate achieved. Operational profit was HUF 986 million, a remarkable improvement compared to HUF 622 million in 2011.
 - **Slovakian** segment's operating revenue increased by 7%, thanks to occupancy increasing from 60.5% to 64.3% and the forint weakening against the Euro. Operational profit was HUF 362 million in 2012 compared to HUF 134 million in 2011.
 - The total revenue of the **Romanian** segment grew by 11% to HUF 1,790 million increasing operating profit to HUF 395 million from HUF 260 million achieved last year.
- The **Financial** result in 2012 was a gain of HUF 160 million compared to a loss of HUF 2,829 million in 2011 mainly due to unrealised FX differences. In 2012 HUF 1,107 million FX (mostly unrealised) gain was recognised on monetary assets and liabilities, while in 2011 recognised FX loss was HUF 1,885 million. Interest expenses did not change significantly, as a combined result of foreign exchange rate fluctuations, interest rate changes and a decrease in average loan liabilities.
- **Profit before tax** in 2012 was HUF 1,971 million, compared to a loss of HUF 2,339 million in 2011.
- **Net cash provided by operating activities** in 2012 was HUF 6.2 billion compared to HUF 4.6 billion in 2011, due to improved results and favourable working capital changes.
- During 2012 **capital expenditure** and investments amounted to HUF 2.8 billion compared to HUF 4.3 billion in 2011, when there was considerable investment in spa facilities in Slovakia, Czech Republic and Romania.
- Since Danubius is committed to increase efficiency as a key factor of current and especially future success, average Group **headcount** in 2012 further decreased by 3% to 4,361 from 4,488 in 2011.

FINANCIAL OVERVIEW**Hungarian Segment**

HUNGARY	HUF million			EUR million			HUF million			EUR million		
	Q4 2012	Q4 2011	Ch%	Q4 2012	Q4 2011	Ch%	FY 2012	FY 2011	Ch %	FY 2012	FY 2011	Ch %
Net sales revenues	6,338	6,277	1	22.4	20.5	9	26,017	25,322	3	89.9	90.7	(1)
EBITDA	84	(175)	n.a.	0.3	(0.8)	n.a.	1,927	1,414	36	6.7	5.1	31
Operating profit /(loss)	(386)	(661)	(42)	(1.3)	(2.4)	(44)	64	(528)	n.a.	0.2	(1.9)	n.a.
Financial results	(543)	(1,197)	(55)	(1.9)	(4.1)	(55)	286	(2,593)	n.a.	1.0	(9.3)	n.a.
Profit/(Loss) before tax	(933)	(1,858)	(50)	(3.2)	(6.5)	(51)	355	(3,121)	n.a.	1.2	(11.2)	n.a.
CAPEX	426	369	15	1.5	1.2	21	940	1,239	(24)	3.2	4.4	(27)

Total sales revenue and other operating income of 2012 increased by 3% to HUF 26.0 billion. This is a good result especially when the Group realised 3% of its H1 2011 revenue on European Union Presidency in Hungary.

Room revenue of Hungarian hotels improved by 6.3% to HUF 13.7 billion due to the combined result of an occupancy increase from 58.3% to 60.4% and higher average room rate achieved (ARR) in HUF terms. However, as HUF depreciated 3.7% against EUR during the period, our net EUR prices continued to erode slightly due to considerable oversupply of room capacity in Budapest and tightening competition. There was a significant loss of turnover in segments providing higher average prices and other revenues (flexible rate and conference guests), and this loss was compensated mainly by spa/wellness and leisure guests. A positive sign was the increase of the direct business segment, which we appreciate greatly in the current depressed economic environment. The average length of stay was 2.8 days in 2012, which is similar to last year's figure. The number of guest-nights in 2012 increased to 1,822,215 from 1,741,526 out of which domestic guest-nights represented 18% compared to 2011 level of 21%. We realised the highest increase in guests from Russia (31%), Brazil (125%) and Germany (8%). The number of Japanese guests increased by 24%, following a considerable decline last year. Room departmental profit for 2012 increased 6% compared to 2011.

Food and beverage revenue of hotels and restaurants for 2012 was HUF 7.6 billion, which was similar to last year's level, as the positive result of the pick-up in occupancy was offset by less banqueting and conferences. The latter was partially due to VAT increase from 25% to 27% and different guests arriving to Budapest after the collapse of MALÉV, the National Hungarian Airline, and the rise of budget airlines. F&B departmental profit declined as a result of an increase in food cost, due to inflation and quantity increase. This was partly compensated by lower payroll expenses, which confirms the efficiency increase of our employees and deserves our special recognition. Gundel's revenue in 2012 decreased by HUF 63 million (5%) and total operational expenses decreased by HUF 70 million resulting in operational loss decreased to HUF 95 million compared HUF 102 million in 2011.

Spa revenue was HUF 1,368 million in 2012, up by 8% compared to 2011, mainly due to higher average treatment prices achieved. As costs were controlled, the profit of the spa department increased by HUF 75 million (21%).

Due to the combined effect of inflation of raw material prices and the pick-up in occupancy, raw material expenses increased by 8% to HUF 5.6 billion in our hotels. Within this energy cost was HUF 2.4 billion, up by 9% due to energy price increase and a prolonged hot summer. The value of services used in 2012 increased by 5% to HUF 5.6 billion. Within this the amount spent on maintenance work at the hotels increased by 18% to HUF 683 million. Personnel expenses of hotel operation in 2012 were HUF 9.8 billion, down by 3%, reflecting our headcount reduction measures introduced last year, while current year figure also includes the wage increase of lower paid employees negatively affected by the 2012 changes of personal income tax.

Interest expenses increased to HUF 810 million in 2012 from HUF 781 million mainly due to weaker average HUF against the EUR. Primarily as the result of stronger HUF at 2012 year-end compared to the 2011 year-end EUR rate, a HUF 1,072 million foreign exchange gain (mostly unrealised gain on non-current EUR loans) was recognised in the profit and loss in 2012, compared to a loss of HUF 1,838 million in 2011.

Capital expenditures were HUF 940 million in 2012, including spending on budgeted renewals and Hilton Budapest safety systems compared to HUF 1,239 million spent in 2011. Overall the profit before tax of Hungarian segment was HUF 0.4 billion in 2012, compared to a loss of HUF 3.1 billion in 2011.

Czech Segment

CZECH REPUBLIC	HUF million			HUF million		
	Q4	Q4	Ch%	FY	FY	Ch%
	2012	2011		2012	2011	
Total revenue and income	1,948	1,951	(0)	8,955	7,986	12
EBITDA	43	176	(76)	2,072	1,554	33
Operating profit	(216)	(168)	29	986	622	59
Financial results	(12)	(63)	(81)	(6)	(102)	(94)
Profit before tax	(228)	(231)	(1)	980	520	88
CAPEX	459	405	13	1,123	1,617	(31)
HUF/CZK average rate	11.3	12.0	(6)	11.5	11.4	1
CZK/EUR average rate	25.2	25.3	(0)	25.1	24.6	2

Total sales revenue and other operating income increased by 12% to HUF 9 billion in 2012 compared to 2011. Only 1.4% of the total increase was due to the weakening of the forint against Czech crown. Out of total revenue pick-up room revenue increased by 12%, while F&B and Spa revenue increased by 16% and 12% respectively. Marienbad hotels' occupancy is the highest within the group, being 77.0% in 2012 compared to 78.8% last year. The change in occupancy is however affected by the different operational period of the hotels and the number of rooms sold increased slightly to 218,663 from 216,674. However, most of the increase was the result of the average room rate (ARR) increasing to CZK 1,918 from CZK 1,791 compared to the previous year. The average length of stay was 9.9 days in 2012, a considerable improvement compared to 9.4 days last year. The number of guest nights was 361,074 in 2012 compared to 362,120 in 2011. The drop in German (-16%) and domestic guests (-22%) was almost compensated by increasing number of guests arriving from the former Soviet Union (+23%) markets.

The amount of material expenses and services used in 2012 was HUF 3.8 billion, up by 4.9%, explained by the translational effect of 1.4% and the effect of inflation. Within this energy costs increased by 9% to HUF 763 million, while maintenance expenses decreased by 1% to HUF 594 million. Total personnel expenses in 2012 were HUF 2,415 million, up by 7.1% which is, excluding the 1.4% translational effect, in line with the salary increase.

The operational performance of Czech hotels improved significantly and generated a profit of HUF 986 million in 2012 compared to HUF 622 million in 2011 a remarkable improvement compared previous years. Together with previous years' outstanding performance these results reinforce our chosen business and development strategy.

Due to the combined effect of the fluctuation of interest rates, weaker HUF and the decrease in the average amount of outstanding bank loans, interest expense for 2012 was HUF 47 million, compared to HUF 51 million in 2011. As the result of the strengthening of CZK against EUR in 2012 a HUF 38 million foreign exchange gain was recognised in profit and loss on monetary assets and liabilities denominated in EUR, compared to a loss of HUF 51 million in 2011.

Capital expenditure in 2012 amounted to HUF 1,123 million, down by 31%, since the comparative figure includes significant spending on Maria and Vltava spa facilities.

Overall, the profit before tax of Czech operations for 2012 was HUF 980 million compared to HUF 520 million in 2011.

Slovakian Segment

SLOVAKIA	HUF million			HUF million		
	Q4	Q4	Ch%	FY	FY	Ch%
	2012	2011		2012	2011	
Total revenue and income	2,048	2,180	(6)	9,655	9,026	7
EBITDA	89	184	(52)	1,749	1,440	21
Operating profit /(loss)	(255)	(169)	51	362	134	170
Financial results	(26)	(1)	2,500	(124)	(138)	(10)
Profit /(loss) before tax	(281)	(170)	65	238	(4)	n.a.
CAPEX	231	56	311	485	947	(49)
HUF/EUR average rate	283.1	303.6	(7)	289.4	279.2	4

Total sales revenue and other operating income in 2012 grew by 7% to HUF 9.7 billion, partly due to the 3.7% weaker forint against euro and partly due to an improvement in occupancy. Piestany hotels had an average occupancy in the year of 64.3%, which is 3.8% above last year's level of 60.5%. The average room rate (ARR) did not change remaining at EUR 43.9. The number of rooms sold increased from 286,820 to 296,057 in 2012, while the number of guestnights in 2012 was 480,671 compared to 469,633 in 2011, the average length of stay in 2012 was 10.8 days compared to 10.1 days last year. The 1% decline of domestic market, representing 41% of total demand and the 15% decrease of guestnights from the Czech Republic was more than compensated by more guest arrivals mainly from Russia (+35%) and Israel (+17%).

The amount of material expenses and services used in 2012 was HUF 3.6 billion, up by only 3.0%, in spite of the 3.7% weaker forint against euro. Due to strict cost management, operational costs in EUR terms decreased significantly, and energy costs decreased by 5%. Personnel expenses for 2012 were HUF 3.6 billion, up by 4.9% which, excluding the 3.7% translational effect and the increase in the turnover, reflects headcount reduction measures introduced last year.

Interest expenses for 2012 were 13% lower in HUF terms mainly due to a decrease in the average outstanding bank loan amount.

Capital expenditures during 2012 were kept to a minimum level and were HUF 485 million compared to HUF 947 million in 2011 which included significant spending on Balneotherapy spa facilities.

Overall, the profit before tax of Slovakian operations for 2012 increased to HUF 238 million, compared to a loss of HUF 4 million in 2011.

Romanian Segment

ROMANIA	HUF million			HUF million		
	Q4 2012	Q4 2011	Ch%	FY 2012	FY 2011	Ch%
Total revenue and income	321	330	(3)	1,790	1,618	11
EBITDA	20	(3)	n.a.	635	491	29
Operating profit /(loss)	(67)	(63)	6	395	260	52
Financial results	(5)	3	n.a.	4	4	0
Profit /(loss) before tax	(72)	(60)	20	399	264	51
CAPEX	161	72	124	243	452	(46)
HUF/RON average rate	62.5	70.0	(11)	65.0	65.8	(1)
RON/EUR average rate	4.5	4.3	4	4.5	4.2	5

Total sales revenue and other operating income for 2012 increased by 11% in HUF terms compared to the last year. Most of this increase is due to the impressive 10% increase of the average room rate (ARR) from RON 121 to RON 133 while occupancy also increased to 58.4% from 57.7%. Room departmental profitability in HUF terms improved by 11%. The number of guests increased to 46,195 from 43,957 primarily due to the increasing number of leisure tourists.

Total material expenses and services used in 2012 was HUF 685 million, up by 4% compared to last year. Within this, energy cost was HUF 207 million, up by 13% compared to 2011 due to the higher energy requirements of new spa facilities. Personnel expenses increased 9% compared to the last year.

The loan to finance the refurbishment that took place 6-7 years ago will be paid back fully within 12 months. Due to lower amount of average outstanding borrowings interest expenses amounted to HUF 5 million, compared to HUF 9 million in 2011.

Capital expenditure during the year was HUF 243 million compared to HUF 452 million in 2011, the majority of which represented the final phase of new spa area. Capital expenditure for Q4 2012 increased as a result of initiating the reconstruction works of Hotel Bradet which will continue in the following years.

As the result of the above, the profit before tax increased to HUF 399 million from HUF 264 million in 2011.

Consolidated Balance Sheet

Total consolidated asset value amounted to HUF 86.0 billion as of 31 December 2012, a 5% decrease compared to 2011. Cash and cash equivalents decreased by 17% compared to 31 December 2011 as large amount of debts were paid back of the outstanding bank loans. Trade receivables decreased by 8% to HUF 1.5 billion from HUF 1.6 billion, as a consequence of the success of our cash collection campaign. The amount of inventory further decreased by 8% at the end of 2012 compared to 2011.

The amount of property, plant and equipment was HUF 76.1 billion at 31 December 2012. Compared to the year end of 2011 this amount decreased by 5% due to the combined effect of HUF 2.8 billion purchase of PPE, the HUF 4.6 billion depreciation and approx. HUF 2.1 billion decrease due to foreign exchange rate fluctuations. Total liabilities at the end of 2012 were HUF 32.6 billion, an 11% decrease compared to 31 December 2011. The Group had EUR 68.8 million long-term loans (including the short-term portion of the long-term loans), as of 31 December 2012, while it was EUR 83.3 million at the end of year 2011. Due to the strengthening of the year-end forint rates, bank loans in HUF terms decreased even more over the year.

The value of shareholders' equity decreased by 1% compared to 31 December 2011 being the combined effect of the profit after tax of HUF 1.5 billion and the HUF 1.8 billion decrease of translation reserve and non-controlling interest.

Cash flow

Net cash generated by operating activities in 2012 was HUF 6.2 billion, an impressive improvement compared to the HUF 4.6 billion generated 2011, due to better operational performance and the improving result of working capital changes. Capital expenditure in 2012 was HUF 2.8 billion, a 34% decrease compared to 2011, since comparative figures include considerable spending on spa facilities in Slovakia, Czech Republic and Romania to increase the quality of our products and services.

During 2012, EUR 2.5 million loan has been drawn down for corporate financing purposes, and EUR 17 million repayment of borrowings has taken place. Overall bank loans (current and non-current) have decreased to HUF 21,963 million from HUF 27,451 million over the year, which was also affected by euro rate fluctuations.

**APPENDIX I - Unaudited
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(HUF million)**

	31 Dec 2012	31 Dec 2011	Change %
Assets			
Cash and cash equivalents	2,885	3,469	(17)
Trade receivables	1,493	1,618	(8)
Inventory	491	534	(8)
Assets held for sale	65	70	(7)
Current income tax receivables	5	74	(93)
Other receivables current assets	1,328	1,116	19
Total current assets	6,267	6,881	(9)
Property, plant and equipment	76,077	79,952	(5)
Intangible assets	3,154	3,190	(1)
Other non-current assets	39	19	105
Deferred tax assets	413	459	(10)
Total non-current assets	79,683	83,620	(5)
Total assets	85,950	90,501	(5)
Liabilities and Shareholders' Equity			
Trade accounts payable	3,165	2,375	33
Advance payments from guests	715	799	(11)
Current income tax payables	126	-	n.a.
Other payables and accruals	3,898	3,658	7
Interest-bearing loans and borrowings	6,565	6,586	-
Provisions	79	163	(52)
Total current liabilities	14,548	13,581	7
Interest-bearing loans and borrowings	15,415	20,865	(26)
Deferred tax liabilities	1,309	1,167	12
Provisions	1,353	1,196	13
Total non-current liabilities	18,077	23,228	(22)
Total liabilities	32,625	36,809	(11)
Shareholders' Equity			
Share capital	8,285	8,285	-
Capital reserve	7,435	7,435	-
Treasury shares	(1,162)	(1,162)	-
Translation reserve	8,852	10,564	(16)
Hedge reserve	(56)	(71)	(21)
Retained earnings	27,175	25,794	5
Attributable to equity holders of the parent	50,529	50,845	(1)
Non-controlling interests	2,796	2,847	(2)
Total shareholders' equity	53,325	53,692	(1)
Total liabilities and shareholders' equity	85,950	90,501	(5)

**APPENDIX II - Unaudited
CONSOLIDATED STATEMENT OF INCOME
(HUF million)**

	Q4 2012	Q4 2011	Ch %	FY 2012	FY 2011	Ch %
Room revenue	5,033	5,025	-	23,004	21,368	8
Food and beverage revenue	3,289	3,362	(2)	13,621	13,160	4
Spa revenue	1,423	1,438	(1)	6,477	5,926	9
Other departmental revenue	466	500	(7)	2,111	2,084	1
Revenue from wineries	14	68	(79)	54	161	(66)
Revenue from security services	155	194	(20)	667	806	(17)
Other income	275	151	82	483	447	8
Total operating revenue and other income	10,655	10,738	(1)	46,417	43,952	6
Cost of goods purchased for resale	103	116	(11)	455	444	2
Raw material costs	2,641	2,554	3	10,110	9,414	7
Services used	2,719	2,614	4	9,913	9,779	1
Material expenses and services used	5,463	5,284	3	20,478	19,637	4
Wages and salaries	2,769	2,856	(3)	11,835	11,600	2
Other personnel expenses	466	623	(25)	1,286	1,458	(12)
Taxes and contributions	884	973	(9)	3,667	3,650	-
Personnel expenses	4,119	4,452	(7)	16,788	16,708	-
Depreciation and amortisation	1,160	1,245	(7)	4,576	4,412	4
Other expenses	845	780	8	2,787	2,611	7
Changes in inventories of finished goods and work in progress	-	45	n.a.	3	119	(97)
Work performed by the entity and capitalised	(7)	(9)	(22)	(21)	(25)	(16)
Total operating expenses	11,580	11,797	(2)	44,611	43,462	3
Profit/(loss) from operations	(925)	(1,059)	(13)	1,806	490	269
Interest income	12	17	(29)	40	41	(2)
Interest expense	(153)	(219)	(30)	(987)	(985)	-
Foreign currency gain /(loss)	(445)	(1,057)	(58)	1,107	(1,885)	n.a.
Financial Income	(586)	(1,259)	(53)	160	(2,829)	n.a.
Share of profit of associates	(4)	0	n.a.	5	-	n.a.
Profit/(loss) before tax	(1,515)	(2,318)	(35)	1,971	(2,339)	n.a.
Current tax expense	(19)	51	n.a.	292	100	192
Deferred tax expense / (benefit)	112	(165)	n.a.	227	(83)	n.a.
Profit/(loss) for the period	(1,608)	(2,204)	(27)	1,452	(2,356)	n.a.
Attributable to:						
Owners of the Company	(1,554)	(2,175)	(29)	1,381	(2,387)	n.a.
Non-controlling interest	(54)	(29)	86	71	31	129
Basic and diluted earnings per share (HUF per share):	(196)	(275)	(29)	175	(302)	n.a.

**APPENDIX III – Unaudited
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(HUF million)**

	Q4	Q4	Ch	FY	FY	Ch
	2012	2011	%	2012	2011	%
Profit/(loss) for the year	(1,608)	(2,204)	(27)	1,452	(2,356)	n.a.
Other comprehensive income						
Foreign currency translation differences for foreign operations	934	1,410	(34)	(1,815)	3,045	n.a.
Changes of fair values of hedge derivatives	18	(71)	n.a.	8	(71)	n.a.
Total other comprehensive income	952	1,339	(29)	(1,807)	2,974	n.a.
Total comprehensive income for the period	(656)	(865)	(24)	(355)	618	n.a.
Attributable to:						
Owners of the Company	(660)	(967)	(32)	(316)	289	n.a.
Non-controlling interest	4	102	(96)	(39)	329	n.a.
Total comprehensive income for the period	(656)	(865)	(24)	(355)	618	n.a.

**APPENDIX IV – Unaudited
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(HUF million)**

For the year ended 31 December 2011

	Attributable to equity holders of the Company						Total	Non- controlling Interest	Total Equity
	Share Capital	Capital Reserve	Treasury Shares	Retained Earnings	Translation Reserve	Hedge Reserve			
31 December 2010	8,285	7,435	(1,162)	28,203	7,817	-	50,578	2,518	53,096
Total comprehensive income for the period									
Loss for the period	-	-	-	(2,387)	-	-	(2,387)	31	(2,356)
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	2,747	-	2,747	298	3,045
Changes in fair values of hedge derivatives	-	-	-	-	-	(71)	(71)	-	(71)
Total other comprehensive income	-	-	-	-	2,747	(71)	2,676	298	2,974
Total comprehensive income for the period	-	-	-	(2,387)	2,747	(71)	289	329	618
Transactions with owners, recorded directly in equity									
Dividends to non-controlling interests	-	-	-	(22)	-	-	(22)	-	(22)
Total transactions with owners	-	-	-	(22)	-	-	(22)	-	(22)
31 December 2011	8,285	7,435	(1,162)	25,794	10,564	(71)	50,845	2,847	53,692

**APPENDIX IV – Unaudited
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(HUF million)**

For the year ended 31 December 2012

	Attributable to equity holders of the Company						Total	Non- controlling Interest	Total Equity
	Share Capital	Capital Reserve	Treasury Shares	Retained Earnings	Translation Reserve	Hedge Reserve			
31 December 2011	8,285	7,435	(1,162)	25,794	10,564	(71)	50,845	2,847	53,692
Total comprehensive income for the period									
Profit /(loss) for the period	-	-	-	1,381	-	-	1,381	71	1,452
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	(1,712)	-	(1,712)	(103)	(1,815)
Changes in fair values of hedge derivatives	-	-	-	-	-	15	15	(7)	8
Total other comprehensive income	-	-	-	-	(1,712)	15	(1,697)	(110)	(1,807)
Total comprehensive income for the period	-	-	-	1,381	(1,712)	15	(316)	(39)	(355)
Transactions with owners, recorded directly in equity									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(12)	(12)
Total transactions with owners	-	-	-	-	-	-	-	(12)	(12)
31 December 2012	8,285	7,435	(1,162)	27,175	8,852	(56)	50,529	2,796	53,325

**APPENDIX V - Unaudited
CONSOLIDATED STATEMENT OF CASH FLOWS
(HUF million)**

	Q4 2012	Q4 2011	Ch %	FY 2012	FY 2011	Ch %
Profit/(loss) from operations	(925)	(1,059)	(13)	1,806	490	269
Depreciation and amortisation	1,161	1,245	(7)	4,576	4,412	4
Change of provisions	109	192	(43)	73	145	(50)
<i>Changes in working capital</i>						
<i>(Increase)/decrease of accounts receivable and current assets</i>	1,428	1,498	(5)	(401)	(124)	223
<i>(Increase)/decrease of inventory</i>	(8)	23	n.a.	43	86	(50)
<i>(Decrease)/increase of accounts payable and other current liabilities</i>	(80)	(402)	(80)	1,163	903	29
Interest paid	(159)	(163)	(2)	(1,032)	(936)	10
Income tax paid	(85)	(128)	(34)	(72)	(399)	(82)
Net cash provided by/(used in) operating activities	1,441	1,206	19	6,156	4,577	34
Purchase of property, plant and equipment and intangibles	(1,277)	(901)	42	(2,791)	(4,255)	(34)
Interest received	5	19	(74)	27	31	(13)
Net cash used in investing activities	(1,272)	(882)	44	(2,764)	(4,224)	(35)
Receipt of long-term bank loans	19	109	(83)	728	1,774	(59)
Repayment of long-term bank loans	(2,100)	(1,667)	26	(4,958)	(4,162)	19
Net cash provided/(used) by financing activities	(2,081)	(1,558)	34	(4,230)	(2,388)	77
Net increase (decrease) in cash held	(1,912)	(1,234)	55	(838)	(2,035)	(59)
Cash at the beginning of the financial year, net ¹	3,006	3,164	(5)	2,111	3,965	(47)
Effect of exchange rate fluctuations on cash held	68	181	(62)	(111)	181	n.a.
Cash and cash equivalents at the end of the period, net¹	1,162	2,111	(45)	1,162	2,111	(45)

¹ Represents the amount of cash and cash equivalents less the amount of bank overdrafts

APPENDIX VI**SUBSEQUENT EVENTS**

There has not been any matter or circumstance occurring subsequent to the end of the reporting period that has significantly affected, or may significantly affect, the operations of the Group, the result of those operations or the state of affairs of the Group in future periods.

APPENDIX VII**SHAREHOLDER STRUCTURES AND CHANGES IN ORGANISATION**

In the current period there were no significant organisational changes within the Group.

Shareholder ¹	Period end of				
	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
CP Holdings and its investments ²	78.03%	78.03%	78.95%	79.07%	80.33%
<i>Of which:</i>					
<i>CP Holdings Ltd.</i>	37.94%	37.94%	37.94%	37.94%	38.85%
<i>Interaq Zrt.</i>	31.45%	31.45%	31.45%	31.45%	31.45%
<i>Israel Tractors</i>	6.12%	6.12%	6.12%	6.12%	6.12%
Foreign financial investors	8.96%	8.78%	8.78%	8.78%	7.52%
Domestic financial investors	5.35%	5.50%	4.60%	4.43%	4.55%
Domestic individuals	3.14%	3.17%	3.15%	3.20%	3.08%
Treasury shares	4.52%	4.52%	4.52%	4.52%	4.52%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

¹ The table shows shareholders separately if their shareholding reaches or exceeds 5%, according to the Book of Shares.

² The 80.33% ownership of CP Holdings and its investments results an 84.14% combined direct interest in Danubius Hotels Nyrt. and includes the shares held by Sir Bernard Schreier, the Chairman of CP Holdings.

APPENDIX VIII**CONSOLIDATED MANAGEMENT REPORT**

(This consolidated management report does not analyse the performance of the Group, which is available in the above sections of this document.)

The year 2012 proved to be almost similarly challenging to the previous one although the number of guests coming to our main regions, Hungary, the Czech Republic, Slovakia and Romania increased compared to 2011, which provides the background for some cautious optimism.

According to data provided by the Hungarian Central Statistical Office the number of guest-nights increased in the Hungarian market by 4.8% comparing 2012 to the previous year. Within that, domestic guest-nights increased only 1.0% while guest-nights from foreign countries increased by 8.5%. Guest-nights recorded by Hotels increased by 7.9%, and within that 4-stars hotels increased the most, 17.1%. This is important, because the presence of Danubius Group is the strongest in the 4-stars segment. The new Széchenyi card generated low turnover in the beginning of the year, but its use increased gradually throughout the year.

According to data provided by the Czech Statistical Office for 2012, the number of guests increased by 5.8%. Within that the number of foreign guests increased by 6.8%, while the number of domestic guests increased by 4.7%. The number of guest-nights increased 3.5% of which 5.8% was the increase of the foreign and 1.1% was the increase in domestic guest-nights. The average length of stay was 2.9 days throughout the year. Regionally, the highest increase in the number of guests was reported in Plzensky (+9.8%) and Jihocesky (+9.6%) regions. A decrease was registered only in the Jihomoravsky region (-0.7%). From the guest-nights point of view 6 out of 14 regions registered a decrease.

According to data provided by the Slovakian Statistical Office, the number of guests in the Slovakian market was 2.9 million in the first nine months of 2012 which is an increase of 5.4% within which domestic guests increased by 6.2% and foreign guests increased by 4.1%. The number of guest-nights increased by 2.7% from which the foreign guest nights rose by 1.3% while the domestic increased by 3.6%.

According to data provided by the Romanian Statistical Office, the number of guests in the Romanian market was 19.1 million in 2012 which was an increase of 6.6% compared to the previous year.

Our goals and strategy did not change in this period. This is a special year in the history of Danubius which celebrates its 40th anniversary in 2012. This theme materialized in many ways from special 40th anniversary packages to continuous presence on our events organised throughout the period. We also offered special packages to encourage the use of the new "Széchenyi Card" or the "holiday cheques". The latter cannot be obtained since 1.1.2012, and expired by the end of 2012.

In addition to the risks involved in the Hotel industry, we are significantly affected by the fluctuation of foreign exchange rates. In particular, the Hungarian forint against the Euro which started this year at a very weak forint position and strengthened significantly during the year with a significant jump just before year-end that did not reach the level of the previous year. Since the year-end rate was better than last year-end this caused unrealised foreign exchange gains on loans denominated in Euros. However, the annual average forint rate was significantly weaker than in the last year, which results higher revenues realised in HUF terms.

Our outlook did not change significantly. Our overall revenues have not changed dramatically as a result of MALÉV's demise. Although we have experienced a decrease in the MICE segment, increased turnover mainly from Russia and Germany compensated for that with increased number of guests. We expect further increases from Israel and former Soviet Union countries.

APPENDIX IX DECLARATION

Danubius Hotels Nyrt. hereby declares that the unaudited Condensed Consolidated Financial Statements presented in this report, prepared in accordance with IAS 34 as adopted by the EU, follow the same accounting standards, policies, procedures and estimations of and therefore can be compared with previous year-end and interim Consolidated Financial Statements. The Consolidated Interim Financial Statements give a true and fair view on the assets, liabilities, financial position, net income and loss for the period of the Issuer Company and the consolidated subsidiaries. In addition, this report also gives true and fair view on the position, development, performance and risks of the Issuer Company and the consolidated subsidiaries. The Consolidated Interim Financial Statements do not conceal any fact or information that would be substantial in the judgement of the issuer's position. As issuer, Danubius Hotels Nyrt. assumes liability for the contents of the reports. Danubius Hotels Nyrt. declares that it is liable as issuer for the reimbursement of losses caused by the omission and/or the misleading contents of regular and extraordinary announcements.



Dr. Imre Deák



János Tóbiás

Member of the Board of Directors

Member of the Board of Directors