

Danubius Hotels Nyrt today announced its 2013 first quarter preliminary, unaudited results and its consolidated management flash report. This report also contains Condensed Consolidated Interim Financial Statements for the period ended 31 March 2013 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 2012 continued in Q1 2013

HIGHLIGHTS

Danubius Hotels Group	HUF million			EUR million ¹		
	Q1 2013	Q1 2012	Ch%	Q1 2013	Q1 2012	Ch %
Net sales revenues	8,629	8,289	4	29.1	27.9	4
EBITDA	(670)	(721)	(7)	(2.3)	(2.4)	(7)
Operating profit /(loss)	(1,846)	(1,869)	(1)	(6.2)	(6.3)	(1)
Financial results	(977)	723	n.a.	(3.3)	2.4	n.a.
Profit /(loss) before tax	(2,821)	(1,146)	146	(9.5)	(3.9)	147
Operating cash flow	(464)	(859)	(72)	(0.8)	(2.9)	(72)
CAPEX	1,254	392	220	4.2	1.3	220
HUF/EUR average rate	296.4	297.0	(0)			

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.

² The numbers in this schedule are extracted from the financial statements in appendices 1 to 5.

- In the first three months of 2013 total net sales **revenues** were HUF 8.6 billion, up by 4% compared to the last year, thanks to improvement in most geographical segments. In EUR terms the Group's revenue also increased by 4% due to similar average foreign exchange rates in both periods. Group **occupancy** in Q1 2013 was 48.4% compared to 46.0% in Q1 2012.
- Thanks to the pickup in revenue **EBITDA** improved HUF 51 million comparing Q1 2013 to Q1 2012.
- **Segmental (geographical)** performance in Q1 2013 was the following:
 - **Hungarian** segment's revenue increased by 4% to HUF 4.6 billion as the occupancy of hotels improved slightly from 42.5% to 44.5%. The operating loss of Q1 decreased from HUF 1,486 million to HUF 1,430 million.
 - **Czech** hotels showed a revenue decrease of 2%, while operational profit of HUF 34 million achieved last year turned into a loss of HUF 118 million in Q1 2013 because less rooms were available due to construction works performed during the quarter.
 - **Slovakian** segment's operating revenue increased by 9%, thanks to occupancy increased to 53.3% in Q1 2013 from 48.0% in Q1 2012. Operational loss was HUF 268 million in Q1 2013 compared to HUF 377 million in Q1 2012.
 - The total revenue of the **Romanian** segment grew by 13% to HUF 317 million decreasing last year's Q1 operating loss of HUF 39 million to HUF 27 million.
- The **Financial** result in Q1 2013 was a loss of HUF 977 million compared to a gain of HUF 723 million in Q1 2012 mainly due to unrealised FX differences. In Q1 2013 HUF 769 million FX (mostly unrealised) loss was recognised on monetary assets and liabilities, while in Q1 2012 the recognised FX gain was HUF 1,029 million. Interest expenses decreased to HUF 215 million in Q1 2013 from HUF 315 million in Q1 2012, mainly also due to lower outstanding debt and interest rate changes.
- **Loss before tax** in Q1 2013 was HUF 2.8 billion, compared to HUF 1.1 billion in Q1 2012.
- **Net cash used in operating activities** in Q1 2013 was HUF 0.5 billion compared to HUF 0.9 billion in Q1 2012, due to improved results and favourable working capital changes.
- During Q1 2013 **capital expenditure** and investments amounted to HUF 1.3 billion compared to HUF 0.4 billion in Q1 2012, due to considerable current investments in Czech Republic and Romania.
- Average Group **headcount** in Q1 2013 was 4,160 and did not change significantly compared to Q1 2012.

FINANCIAL OVERVIEW**Hungarian Segment**

HUNGARY	HUF million			EUR million		
	Q1 2013	Q1 2012	Ch%	Q1 2013	Q1 2012	Ch%
Net sales revenues	4,574	4,403	4	15.4	14.8	4
EBITDA	(963)	(1,016)	(5)	(3.2)	(3.4)	(5)
Operating profit /(loss)	(1,430)	(1,486)	(4)	(4.8)	(5.0)	(4)
Financial results	(926)	712	n.a.	(3.1)	2.4	n.a.
Profit/(Loss) before tax	(2,354)	(774)	204	(7.9)	(2.6)	205
CAPEX	207	292	(29)	0.7	1.0	(29)

Total sales revenue and other operating income of Q1 2013 increased by 4% to HUF 4.6 billion, most of which increase was realised on room department's revenue.

Room revenue of Hungarian hotels improved by 8% to HUF 2.2 billion due to the combined result of an occupancy increase to 44.5% from 42.5% and 5% higher average room rate achieved (ARR) in both HUF and EUR terms, which is a very positive change following the price decreases of the past years. The number of guest-nights during the first three months of 2013 increased to 292,304 from 280,233 out of which domestic guest-nights represented 19% compared to Q1 2012 level of 20%. We continued to realise the highest increase in guests from Russia (16%) while German guest-nights decreased by 7%. Room department profit for Q1 2013 increased by HUF 89 million or 6% compared to Q1 2012.

Food and beverage revenue of hotels and restaurants for the first three months of 2013 was HUF 1.3 billion, only a slight increase compared to last year's figure despite the increase in occupancy due to lower average check realised in connection with the changed guest mix arriving to Hungary after the collapse of MALÉV, the National Hungarian Airline, and the introduction of All Inclusive operation in Danubius Health Spa Resort Bük in November 2012. F&B departmental profit declined by HUF 69 million compared to last year's first three months as a result of an increase in food cost, due to inflation and the above quantity increase. Gundel's total revenue in Q1 2013 remained at same level as last year, however its total operational expenses increased by HUF 9 million resulting in operational loss of HUF 74 million compared to Q1 2012 loss of HUF 66 million.

Spa revenue was HUF 335 million in Q1 2013, up by 4% compared to Q1 2012, mainly due to higher average check achieved. Spa department profit increased marginally.

Due to the combined effect of inflation on materials and utility prices and the pick-up in occupancy, raw material expenses in the first three months increased by 8% to HUF 1.3 billion. Within this energy cost was HUF 664 million, up by 23 million due to energy price increases. The value of services used in Q1 2013 increased by 3% to HUF 1.2 billion mainly because of an increase in commissions and maintenance expenses. Personnel expenses of hotel operation in Q1 2013 were HUF 2.4 billion, up by 1%, reflecting annual salary increases.

Interest expenses decreased to HUF 177 million from HUF 255 million in the first three months mainly due to lower average 3 months EURIBOR rates during the period combined with lower average outstanding debt balance. Primarily as the result of weaker HUF at 31 March 2013 compared to the year-end EUR rate, a HUF 747 million foreign exchange loss (mostly unrealised loss on EUR loans) was recognised in the profit and loss in Q1 2013, compared to a gain of HUF 971 million in Q1 2012.

Capital expenditures were HUF 207 million in Q1 2013, including spending on Family Friendly reconstruction works in Bük and Hilton Budapest safety system compared to HUF 292 million spent in Q1 2012. Mainly as a result of the changes in the financial results, the loss before tax of the Hungarian segment increased to HUF 2.4 billion in Q1 2013, compared to HUF 774 million in Q1 2012.

Czech Segment

CZECH REPUBLIC	HUF million		Ch%
	Q1 2013	Q1 2012	
Total revenue and income	1,759	1,793	(2)
EBITDA	169	309	(45)
Operating profit / (loss)	(118)	34	n.a.
Financial results	(32)	42	n.a.
Profit / (Loss) before tax	(150)	76	n.a.
CAPEX	674	54	1,157
HUF/CZK average rate	11.6	11.8	(2)
CZK/EUR average rate	25.6	25.1	2

Total sales revenue and other operating income decreased by 2% to HUF 1,759 million in Q1 2013 compared to Q1 2012. The decrease is mainly due to current reconstruction works causing a temporary decrease in the number of available rooms. This negative effect was compensated by an increase of average room rates (ARR) achieved in the first quarter compared to Q1 2012.

Marienbad hotels' occupancy remained the highest within the group, being 68.1% in the first three months of the year, and 68.4% last year. As the result of the reconstruction works the number of rooms sold in Q1 2013 decreased to 40,931 from 44,451 in the similar period of the last year. The ARR achieved increased to CZK 1,939 from CZK 1,670. The average length of stay was 9.7 days in Q1 2013, a considerable improvement compared to 8.9 days last year. The number of guest nights was 69,486 in Q1 2013 compared to 74,387 in Q1 2012. The drop in German (-31%) and domestic guests (-31%) was partly compensated by increasing number of guests arriving from Russia (18%) and the former Soviet Union markets.

The amount of material expenses and services used in Q1 2013 was HUF 900 million, up by 8%, mainly reflecting inflation and high amount of repair and maintenance expenses recorded during Q1 2013. Total personnel expenses in Q1 2013 were HUF 541 million, same level as last year.

The operational performance of Czech hotels turned into a loss of HUF 118 million in Q1 2013 compared to a profit of HUF 34 million in Q1 2012.

Due to the combined effect of the decrease in EURIBOR and the decrease in the average amount of outstanding bank loans, interest expense for Q1 2013 was HUF 9 million, compared to HUF 15 million in Q1 2012. As the result of the weakening of CZK against EUR in Q1 2013 a HUF 23 million foreign exchange loss was recognised in profit and loss on monetary assets and liabilities denominated in EUR, compared to a gain of HUF 57 million in Q1 2012.

Capital expenditure in Q1 2013 amounted to HUF 674 million reflecting mainly project Tatra, comprising the renovation of the historical building of Hotel Imperial (formerly called Tatra), panoramic lifts in Hotel Hvezda, lobby bar in Hotel Skalnik, 42 car parking places and an underground corridor between the facilities. The project is expected to be completed by May 2013.

Overall, the loss before tax of Czech operations for Q1 2013 was HUF 150 million compared to a profit of HUF 76 million in Q1 2012.

Slovakian Segment

SLOVAKIA	HUF million		Ch%
	Q1 2013	Q1 2012	
Total revenue and income	1,979	1,811	9
EBITDA	91	(30)	n.a.
Operating profit /(loss)	(268)	(377)	(29)
Financial results	(23)	(37)	(38)
Profit /(loss) before tax	(291)	(414)	(30)
CAPEX	59	45	33
HUF/EUR average rate	296.4	297.0	(0)

Total sales revenue and other operating income in Q1 2013 grew by 9% to HUF 2.0 billion. The occupancy of Piestany hotels in the first three months of the year was 53.3%, a notable increase compared to last year level of 48.0% and a continuation of the increasing trend started last year. The average room rate was EUR 37.9 showing a slight decrease from last year's EUR 38.9. The number of rooms sold increased to 61,619 from 56,038 in the first quarter, while the number of guestnights in Q1 2013 was 100,898 compared to 92,077 in Q1 2012. There was a significant 13% increase in the domestic market, representing 42% of total demand and guestnights also increased from almost all other locations including Russia (+46%) and Israel (+59%).

The amount of material expenses and services used in Q1 2013 was HUF 0.8 billion, up by only 3% in spite of the increase of the turnover. Most expenses were kept at their last year level, except for maintenance expenses which increased 41% compared to Q1 2012. Personnel expenses for Q1 2013 were HUF 0.9 billion, similar to last year which, excluding the effect of the volume increase, reflects headcount reduction measures introduced last year.

Interest expenses for Q1 2013 decreased by 33% in HUF terms mainly due to a decrease in the average outstanding bank loan amount.

Capital expenditures during the first three months of 2013 were kept to a minimum level similarly to last year and were HUF 59 million.

Overall, the loss before tax of Slovakian operations for Q1 2013 decreased to HUF 291 million, compared to HUF 414 million in Q1 2012.

Romanian Segment

ROMANIA	HUF million		Ch%
	Q1 2013	Q1 2012	
Total revenue and income	317	281	13
EBITDA	36	15	140
Operating profit /(loss)	(27)	(39)	(31)
Financial results	4	5	(20)
Profit /(loss) before tax	(23)	(34)	(32)
CAPEX	314	1	25,192
HUF/RON average rate	67.6	68.2	(1)
RON/EUR average rate	4.4	4.4	1

Total sales revenue and other operating income for Q1 2013 increased by 13% in HUF terms compared to the first three months of the last year. In Q1 2013 the occupancy increased by 11% to 43.0% compared to 38.7% in the last year and the average room rate (ARR) increased by 9% to RON 127 from RON 117. Room departmental profitability in RON terms improved by 21% in the first quarter. The number of guests during the first three months of 2013 increased to 11,514 from 10,544 primarily due to the increasing number of leisure tourists.

Total material expenses and services used in Q1 2013 was HUF 167 million, up by 7% compared to last year mainly driven by inflation and turnover increase. As the increase of expenses was lower than the increase of revenue, the operating loss on the first quarter was down by 31% compared to the previous year.

Capital expenditure during the first three months of 2013 was HUF 314 million compared to HUF 1 million in Q1 2012. Capital expenditure in the last two quarters reflects the reconstruction of Hotel Bradet as a four star superior category hotel. The project is realised in two stages. The first phase will be finished in Q2 2013 and the second is to be concluded by spring of 2014.

The loss before tax decreased to HUF 23 million in Q1 2013 from HUF 34 million in Q1 2012.

Consolidated Balance Sheet

Total consolidated asset value amounted to HUF 87.1 billion as of 31 March 2013, a 1% increase compared to the year end of 2012. Cash and cash equivalents and Trade Receivables decreased by 15% and 2% respectively compared to 31 December 2012 mainly due to seasonal changes in working capital. Trade receivables increased by 4% compared to 31 March 2012 as a consequence of higher sales revenue realised near the end of the quarter than a year before, the effect of which was partially compensated by the success of our cash collection campaign.

The amount of property, plant and equipment was HUF 77.5 billion at the end of March 2013. Compared to the year end of 2012 the amount increased by 2% due to the combined effect of HUF 1.3 billion purchase of PPE, the HUF 1.2 billion amortisation and approx. HUF 1.2 billion increase due to foreign exchange rate fluctuations (mainly HUF/EUR). Total liabilities at the end of Q1 2013 were HUF 35.6 billion, a 9% increase compared to 31 December 2012 due to seasonal effects, ongoing reconstruction works and changes in the amount of bank loans. The Group had EUR 71.1 million long-term loans, including short-term portion, as of 31 March 2013, while it had EUR 68.8 million at the end of year 2012. Due to the weakening of the period-end forint rate, bank loans in HUF terms increased more over the three months period.

The value of shareholders' equity decreased by 3% compared to 31 December 2012 being the combined effect of the loss after tax of HUF 2.8 billion and the HUF 1.0 billion increase of translation reserve.

Cash flow

Net cash used in operating activities in the first three months of 2013 was HUF 0.5 billion, a significant improvement compared to the HUF 0.9 billion used Q1 2012, due to better operational performance and the improving result of working capital changes. Capital expenditure in Q1 2013 was HUF 1.2 billion, a material increase compared to HUF 0.4 billion in Q1 2012 due to considerable spending on reconstruction works in Czech Republic and Romania to increase the quality of our products and services.

During the first three months of 2013 EUR 3 million loan has been drawn down for corporate financing purposes, and EUR 0.6 million repayment of borrowings has taken place. Overall bank loans (current and non-current) have increased from HUF 22.0 billion to HUF 24.0 billion over the last three months, which was also impacted by euro rate fluctuations.

Seasonality of operations

The Group's main operation is subject to seasonal fluctuations following natural patterns of the hotel industry. In particular, leisure guests have an increased turnover around the summer months and conference tourism is concentrated in the spring and autumn months.

For the 12 months ended 31 March 2013, the revenue was HUF 46.8 billion (12 months ended 31 March 2012: HUF 44.8 billion) and operating profit was HUF 1.8 billion (during the previous 12 months period: HUF 0.9 billion).

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

31 December 2012		31 March 2013	31 March 2012	Change %
	Assets			
2,885	Cash and cash equivalents	2,438	3,602	(32)
1,493	Trade receivables	1,466	1,414	4
491	Inventory	490	496	(1)
65	Assets classified as held for sale	63	69	(9)
5	Current income tax receivables	7	89	(92)
1,328	Other receivables current assets	1,678	1,314	28
6,267	Total current assets	6,142	6,984	(12)
76,077	Property, plant and equipment	77,454	77,795	-
3,154	Intangible assets	3,104	3,140	(1)
39	Other non-current assets	30	22	36
413	Deferred tax assets	404	458	(12)
79,683	Total non-current assets	80,992	81,415	(1)
85,950	Total assets	87,134	88,399	(1)
	Liabilities and Shareholders' Equity			
3,165	Trade accounts payable	2,259	1,777	27
715	Advance payments from guests	1,387	1,027	35
126	Current income tax payables	118	-	n.a.
3,898	Other payables and accruals, including derivatives	4,941	4,218	17
6,565	Interest-bearing loans and borrowings	7,457	6,998	7
79	Provisions	93	184	(49)
14,548	Total current liabilities	16,255	14,204	14
15,415	Interest-bearing loans and borrowings	16,622	20,519	(19)
1,309	Deferred tax liabilities	1,327	1,170	13
1,353	Provisions	1,384	1,155	20
18,077	Total non-current liabilities	19,333	22,844	(15)
32,625	Total liabilities	35,588	37,048	(4)
	Shareholders' Equity			
8,285	Share capital	8,285	8,285	-
7,435	Capital reserve	7,435	7,435	-
(1,162)	Treasury shares	(1,162)	(1,162)	-
8,852	Translation reserve	9,801	9,505	3
(56)	Hedge reserve	(45)	(81)	(44)
27,175	Retained earnings	24,382	24,673	(1)
50,529	Attributable to equity holders of the parent	48,696	48,655	-
2,796	Non-controlling interests	2,850	2,696	6
53,325	Total shareholders' equity	51,546	51,351	-
85,950	Total liabilities and shareholders' equity	87,134	88,399	(1)

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

	Q1 2013	Q1 2012	Ch %
Room revenue	3,944	3,679	7
Food and beverage revenue	2,622	2,582	2
Spa revenue	1,365	1,353	1
Other departmental revenue	424	414	2
Revenue from wineries	8	10	(20)
Revenue from security services	146	199	(27)
Other income	120	52	131
Total operating revenue and other income	8,629	8,289	4
Cost of goods purchased for resale	95	91	4
Raw material costs	2,357	2,257	4
Services used	2,185	2,119	3
Material expenses and services used	4,637	4,467	4
Wages and salaries	2,937	2,852	3
Other personnel expenses	251	281	(11)
Taxes and contributions	894	898	-
Personnel expenses	4,082	4,031	1
Depreciation and amortisation	1,176	1,148	2
Other expenses	584	514	14
Changes in inventories of finished goods and work in progress	-	1	n.a.
Own work performed and capitalised	(4)	(3)	33
Total operating expenses	10,475	10,158	3
Profit/(loss) from operations	(1,846)	(1,869)	(1)
Interest income	7	9	(22)
Interest expense	(215)	(314)	(32)
Foreign currency gain /(loss)	(769)	1,028	n.a.
Net finance result	(977)	723	n.a.
Share of profit of equity accounted investees	2	-	n.a.
Profit/(loss) before tax	(2,821)	(1,146)	146
Current tax expense	0	-	n.a.
Deferred tax expense / (benefit)	12	20	(40)
Profit/(loss) for the period	(2,833)	(1,166)	143
Attributable to:			
Owners of the Company	(2,793)	(1,121)	149
Non-controlling interest	(40)	(45)	(11)
Basic and diluted earnings per share (HUF per share):	(353)	(142)	149

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

	Q1 2013	Q1 2012	Ch %
Profit/(loss) for the period	(2,833)	(1,166)	143
Other comprehensive income			
Foreign currency translation differences for foreign operations	1,042	(1,160)	n.a.
Changes in fair values of hedge derivatives	12	(10)	n.a.
Total other comprehensive income	1,054	(1,170)	n.a.
Total comprehensive income for the period	(1,779)	(2,336)	(24)
Attributable to:			
Owners of the Company	(1,833)	(2,190)	(16)
Non-controlling interest	54	(146)	n.a.
Total comprehensive income for the period	(1,779)	(2,336)	(24)

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

For the three months ended 31 March 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	-	-	-	(1,121)	-	-	(1,121)	(45)	(1,166)
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	(1,059)	-	(1,059)	(101)	(1,160)
Changes in fair values of hedge derivatives	-	-	-	-	-	(10)	(10)	-	(10)
Total other comprehensive income	-	-	-	-	(1,059)	(10)	(1,069)	(101)	(1,170)
Total comprehensive income for the period	-	-	-	(1,121)	(1,059)	(10)	(2,190)	(146)	(2,336)
Transactions with owners, recorded directly in equity									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(5)	(5)
Total transactions with owners	-	-	-	-	-	-	-	(5)	(5)
31 March 2012	8,285	7,435	(1,162)	24,673	9,505	(81)	48,655	2,696	51,351

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

For the three months ended 31 March 2013

	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 2012	8,285	7,435	(1,162)	27,175	8,852	(56)	50,529	2,796	53,325
Total comprehensive income for the period									
Profit /(loss) for the period	-	-	-	(2,793)	-	-	(2,793)	(40)	(2,833)
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	949	-	949	93	1,042
Changes in fair values of hedge derivatives	-	-	-	-	-	11	11	1	12
Total other comprehensive income	-	-	-	-	949	11	960	94	1,054
Total comprehensive income for the period	-	-	-	(2,793)	949	11	(1,833)	54	(1,779)
Transactions with owners, recorded directly in equity									
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-
31 March 2013	8,285	7,435	(1,162)	24,382	9,801	(45)	48,696	2,850	51,546

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

	Q1 2013	Q1 2012	Ch %
Profit /(loss) from operations	(1,846)	(1,869)	(1)
Depreciation and amortisation	1,176	1,148	2
<i>Changes in working capital</i>			
<i>Increase / (decrease) of provisions</i>	45	(20)	n.a.
<i>(Increase)/ decrease of accounts receivable and current assets</i>	(433)	(34)	1,174
<i>(Increase)/ decrease of inventory</i>	1	38	(97)
<i>Increase / (decrease) of accounts payable and other current liabilities</i>	794	237	235
Interest paid	(191)	(343)	(44)
Income tax paid	(10)	(16)	(38)
Net cash provided by (used in) operating activities	(464)	(859)	(46)
Purchase of property, plant and equipment and intangibles	(1,254)	(392)	220
Interest received	29	7	314
Net cash used in investing activities	(1,225)	(385)	218
Receipt of long-term bank loans	913	739	24
Repayment of long-term bank loans	(197)	(194)	2
Net cash provided by financing activities	716	545	31
Net increase (decrease) in cash held	(973)	(699)	39
Cash and cash equivalent at the beginning of the financial period, net ¹	1,162	2,111	(45)
Effect of exchange rate fluctuations on cash held	30	(47)	n.a.
Cash and cash equivalents at the end of the period, net¹	219	1,365	(84)

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				
	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013
CP Holdings and its investments ²	78.03%	78.95%	79.07%	80.33%	80.33%
<i>Of which:</i>					
<i>CP Holdings Ltd.</i>	37.94%	37.94%	37.94%	38.85%	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	8.78%	8.78%	8.78%	7.52%	7.51%
Domestic financial investors	5.50%	4.60%	4.43%	4.55%	4.45%
Individuals	3.17%	3.15%	3.20%	3.08%	3.19%
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**

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

We continue to experience a positive trend in all of our markets, however the effects of the economic crisis are also visible and due to the significantly increased hotel capacity in the CEE region tourism business is still challenging, therefore we continue to watch the positive trends with a cautious optimism.

According to data provided by the Hungarian Central Statistical Office the number of guestnights increased in the Hungarian market by 6.7% comparing the first three months of 2013 to the similar period of the previous year. Within that, increase of domestic guestnights was only 1.2% while guestnights from foreign countries increased by 12.1%. What was an even more important change in the market for Danubius is that guestnights provided by hotels increased by 10.9%. The Széchenyi card performed 38.6% stronger in the first three months of 2013, than the total turnover of the card and its main predecessor, the holiday vouchers in the first three months of 2012.

According to data provided by the Czech Statistical Office, the number of guestnights in the Czech market increased 2.5% compared to first three months of the previous year. Within that the number of domestic guestnights increased 0.8% while guestnights from foreign countries increased 4.2%. The highest number of guests arrives traditionally from Germany (276,000, an increase of 2.7%) and the second largest from Russia (170,000, +13.7%). From the top-ten countries, increase was also remarkable from Austria (+11%), the Netherlands (+12.3%) and Italy (+9.7%)

According to data provided by the Slovakian Statistical Office, the Slovakian tourism market increased by 9% comparing the first two months of the year to the similar period of 2012.

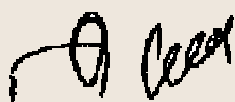
Our goals and strategy did not change in this period. In our Hungarian hotels, we continue measures during 2013 to recover the lost turnover of previous years. Improvement is expected especially in Budapest, where business and meeting tourism decreased most significantly partly owing to the demise of Malév, which goal has been achieved partly in the first quarter. Radisson Blu Béke Hotel is celebrating its 100th while Danubius Hotel Flamenco its 30th anniversary this year on the occasion of which several events are organised. The "Danubius Goes Green" concept is being widely introduced, in the course of which several rooms see special refurbishment. In our spa and wellness hotels, we expect more domestic demand, due mainly to the weaker forint and new government incentives offered by the Széchenyi card, which is the most popular form of cafeteria payments in Hungary (it had a share of 28.4% in Q1 2013). Due to the increase of living standards and personal wealth in the former Soviet Union and Arabic countries, the number of guests from these countries is expected to increase further in 2013, which has a positive effect mostly on the Hévíz hotels.

Our further goals for 2013 include to moderate dependence on the key partners and instead of participating at fairs and exhibitions to increase direct connections and direct bookings of markets of decisive importance, to develop brand management and family friendly concept, to standardise the forecasting process, to streamline the rate system of the spa market and to increase the efficiency of the central reservation system. As a part of updating our online communication, greater emphasis is to be put on our social media strategy and a new company home page was launched in April, which in line with today's expectations has also a version optimised for mobile communication devices.

In addition to the risks involved in the Hotel industry, we are most significantly affected by the fluctuation of foreign exchange rates. In particular, the Hungarian forint against the Euro which started the year at a much stronger position than last year, but weakened significantly in March and ended the period at a weaker position than the year-end or the 31 March 2012 rate. The period average did not differ significantly from the average of last year's similar period. Weaker average exchange rate results higher revenues in HUF terms, however a weaker rate at the end of the period also causes unrealised foreign exchange losses recognised on loans denominated in Euros.

APPENDIX IX DECLARATION

Danubius Hotels Nyrt. hereby declares that the unaudited Condensed Consolidated Interim 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

Member of the Board of Directors



János Tóbiás

Member of the Board of Directors