DANUBIUS HOTELS GROUP

Danubius Hotels Nyrt today announced its 2015 third quarter preliminary, unaudited results and its consolidated management flash report. This report also contains Condensed Consolidated Interim Financial Statements for the period ended 30 September 2015 as prepared by the management in accordance with International Accounting Standard 34 on Interim Financial Reporting (IAS 34) as adopted by the European Union.

Ownership changes

On 15 June 2015, CP Holdings Ltd. submitted a joint voluntary public purchase offer for the Danubius shares to the National Bank of Hungary (NBH) for approval. On 9 July 2015, the NBH approved this offer and the offer period lasted from 13 July 2015 to 11 August 2015. The offer price was HUF 8,000 for all Danubius Ordinary Shares. The offer was widely accepted and resulted in the increase of the combined influence from 84.14% to 98.20%. CP Holdings exercised its squeeze-out right (which eliminated the remaining minority shareholders) and delisted Danubius Hotels Nyrt from the Budapest Stock Exchange. An extraordinary general meeting of the shareholders has been convened for 19 November 2015 to complete the company's transformation to private company (Zrt).

Q1-Q3 2015 EBITDA improved against Q1-Q3 2014.

HIGHLIGHTS

	HUF million			EUR million [1]			HUF million			EUR million [1]		
Danubius Hotels Group	**Q3 2015**	**Q3 2014**	Ch%	**Q3 2015**	**Q3 2014**	Ch%	**Q1-Q3 2015**	**Q1-Q3 2014**	Ch%	**Q1-Q3 2015**	**Q1-Q3 2014**	Ch%
Net sales revenues	18,097	16,630	9	58.2	53.4	9	42,152	40,340	4	136.5	130.7	4
EBIDTA	6,211	5,311	17	20.1	17.1	17	9,332	8,257	13	30.2	26.8	13
Operating profit / (loss)	4,921	4,037	22	15.9	13.1	22	5,498	4,584	20	17.8	14.9	20
Financial results	(108)	(312)	65	(0.3)	(1.0)	65	(446)	(1,396)	68	(1.4)	(4.5)	68
Profit /(loss) before tax	4,813	3,727	29	15.6	12.1	29	5,054	3,194	58	16.4	10.3	58
Operating cash flow	3,993	3,265	22	12.9	10.5	22	6,691	6,077	10	21.7	19.7	10
CAPEX	733	544	35	2.3	1.7	38	3,340	4,360	(23)	10.8	14.1	(23)
HUF/EUR average rate	311.9	312.3	(0)				308.9	308.7	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 nine months of 2015 total net sales **revenues** were HUF 42.2 billion, up by 4% compared to Q1-Q3 2014, as the decrease suffered in the Czech Republic was more than compensated by the other segments, mainly Hungary, and Romania. In EUR terms the Group's revenue also increased by 4% compared to the same period of the previous year. Group **occupancy** in Q1-Q3 2015 was 71.8% compared to 67.4% in Q1-Q3 2014.
- In Q1-Q3 2015 **operating profit** of the group increased to HUF 5.50 billion from HUF 4.58 billion in Q1-Q3 2014.
- **Segmental (geographical)** performance in Q1-Q3 2015 was as follows:
  - **Hungarian** segment's revenue is HUF 24.2 billion compared to HUF 22.2 billion in Q1-Q3 2014. The room revenues increase was due to the occupancy of hotels improving to 71.4% from 65.2% strengthened by the slightly increasing EUR average room rate. The operating profit of HUF 1.51 billion increased to HUF 2.83 billion Q1-Q3 2015.
  - **Czech** hotels' revenue fell by 11% mainly in connection with the 10% decrease of the average room rates as the loss of Russian guests was only partly replaced by domestic and German guests. Operating profit decreased to HUF 1.09 billion from HUF 1.81 billion in Q1-Q3 2014.
  - **Slovakian** segment's operating revenue increased by 4% in connection with the ongoing reconstruction of balneotherapy in the comparative period last year. Operating profit of HUF 946 million in Q1-Q3 2014 increased to HUF 998 million in Q1-Q3 2015.
  - The total revenue of the **Romanian** segment grew by 22% to HUF 2.08 billion as Hotel Bradet was under reconstruction in the first five months of the last year.
- The **Financial** result in Q1-Q3 2015 was a loss of HUF 446 million compared to a loss of HUF 1.4 billion in Q1-Q3 2014 mainly due to the unrealised FX differences. In Q1-Q3 2015 HUF 41 million (mostly unrealised) FX gain was

recognised on monetary assets and liabilities, compared to an FX loss of HUF 807 million in Q1-Q3 2014. Interest expenses decreased to HUF 493 million in Q1-Q3 2015 from HUF 641 million in Q1-Q3 2014.

- Due to the pickup in revenue and some operational efficiency gains, **EBITDA** improved by HUF 1.08 billion or 13% comparing Q1-Q3 2015 to Q1-Q3 2014.
- **Operating cash flow** in Q1-Q3 2015 was HUF 6,691 million compared to HUF 6,077 million in Q1-Q3 2014.
- During Q1-Q3 2015 **capital expenditure** amounted to HUF 3,340 million which is a decrease of 23% compared with the same period of the previous year.
- Average Group **headcount** during Q1-Q3 2015 decreased to 4,293 from 4,398 in Q1-Q3 2014.

FINANCIAL OVERVIEW

Hungarian Segment

	HUF million			EUR million [1]			HUF million			EUR million [1]		
HUNGARY	Q3 2015	Q3 2014	Ch%	Q3 2015	Q3 2014	Ch%	Q1-Q3 2015	Q1-Q3 2014	Ch%	Q1-Q3 2015	Q1-Q3 2014	Ch%
Net sales revenues	10,376	8,985	15	33.3	28.8	16	24,241	22,243	9	78.5	72.1	9
EBITDA	3,082	2,271	36	9.9	7.3	36	4,299	2,922	47	13.9	9.5	47
Operating profit /(loss)	2,579	1,793	44	8.3	5.7	44	2,832	1,511	87	9.2	4.9	87
Financial results	(82)	(262)	69	(0.3)	(0.8)	69	(349)	(1,260)	72	(1.1)	(4.1)	72
Profit /(Loss) before tax	2,497	1,533	63	8.0	4.9	63	2,485	257	867	8.0	0.8	866
CAPEX	346	345	0	1.1	1.1	1	2,555	1,056	142	8.3	3.4	142

[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.*

Total net revenues of Q1-Q3 2015 increased by 9% compared to Q1-Q3 2014. Room revenues and F&B revenues increased while spa revenues suffered a decrease.

Room revenue of Hungarian hotels was HUF 13.4 billion compared to HUF 12.2 billion in Q1-Q3 2014, due to the effect of increasing occupancy (to 71.4% from 65.2%) slightly offset by a decrease in the number of rooms available as a result of renting out Hotel Lövér from 1 August 2014. Average room rates in HUF terms increased by 3.6% as a combined result of a 0.1% weakening in the average HUF/EUR rates and 3.5% increase in the EUR average room rates. The number of rooms sold increased by 6.1% in Q1-Q3 2015. In Q1-Q3 2015 both Russian and Ukrainian guest nights decreased significantly (-27% and -21% compared to the same period of the previous year) due to the negative effects of the continuing crisis and the extraordinary weakening of the Ruble. Meanwhile the turnover from other countries increased, therefore the total sum of guest nights increased by 9% compared to Q1-Q3 2014. Room department profit for Q1-Q3 2015 increased by HUF 922 million or 9.7%.

Food and beverage revenue of hotels was HUF 6.6 billion in Q1-Q3 2015, which is a 8% growth driven by both the improving occupancy and increase in average prices. F&B departmental profit improved by HUF 316 million compared to Q1-Q3 2014. Gundel's F&B revenue increased by 11% in Q1-Q3 2015 compared to Q1-Q3 2014 due to improving revenues of Gundel Restaurant, and banqueting business compared to the same period of the previous year. Total revenue of Gundel also increased in spite of the other revenue recorded in connection with selling the Mád vinery in the comparative period.

Spa revenue was HUF 1.1 billion in Q1-Q3 2015 down by 9% compared to a very strong Q1-Q3 2014 therefore Spa department profit also decreased by HUF 65 million, mainly due to the significant decrease of Russian spa guests

Material expenses increased by 3% driven by the increase in rooms sold. The value of services used in Q1-Q3 2015 increased by 6% to HUF 4.8 billion because of inflation increases of various expenses and the increase in rooms sold. Personnel expenses of hotel operation in Q1-Q3 2015 were HUF 7.9 billion, practically the same as in Q1-Q3 2014.

The HUF 22 million operation loss of Gundel for Q1-Q3 2014 (which included the HUF 37 million one off gain of the Mád vinery sale recorded in that period) was turned into a profit of HUF 61 million in Q1-Q3 2015. Interest expenses decreased by 24% compared to the same period of last year due to lower average loan balance and lower average interest rates. Primarily as the result of stronger HUF/EUR rate at 30 September 2015 compared to 31 December 2014, a HUF 30 million foreign exchange gain (mostly unrealised gain on EUR loans) was recognised for Q1-Q3 2015, compared to a foreign exchange loss of HUF 802 million in Q1-Q3 2014.

Capital expenditures were HUF 2,555 million in Q1-Q3 2015 compared to HUF 1,056 million in the comparative period, reflecting the renovation of the lobby and executive floor of Hilton Budapest and of the rooms of Danubius Health Spa Resort (hereinafter: DHSR) Margitsziget and DHSR Aqua.

The Hungarian segment realised a profit before tax of HUF 2.5 billion in Q1-Q3 2015, compared to a profit of HUF 0.3 billion in Q1-Q3 2014, the improvement is the result of the lack of significant unrealised foreign exchange losses in Q1-Q3 2015, and the improvements in operating profit. Meanwhile, operating profit of HUF 1.5 billion in Q1-Q3 2014 increased to HUF 2.8 billion in Q1-Q3 2015. Operating result reflects more appropriately the real performance improvement of the hotels than the profit/loss before tax due to fluctuations of the non-realised foreign exchange losses and gains.

Czech Segment

	HUF million			EUR million [1]			HUF million			EUR million [1]		
CZECH REPUBLIC	Q3 2015	Q3 2014	Ch%	Q3 2015	Q3 2014	Ch%	Q1-Q3 2015	Q1-Q3 2014	Ch%	Q1-Q3 2015	Q1-Q3 2014	Ch%
Net sales revenues	2,780	3,018	(8)	8.9	9.7	(8)	6,989	7,857	(11)	22.6	25.5	(11)
EBITDA	1,004	1,223	(18)	3.2	3.9	(18)	1,972	2,729	(28)	6.4	8.8	(28)
Operating profit /(loss)	715	913	(22)	2.3	2.9	(22)	1,091	1,805	(40)	3.5	5.8	(40)
Financial results	(13)	(22)	41	(0.0)	(0.1)	41	(34)	(57)	40	(0.1)	(0.2)	40
Profit /(Loss) before tax	702	891	(21)	2.3	2.9	(21)	1,057	1,748	(40)	3.4	5.7	(40)
CAPEX	147	95	54	0.5	0.3	55	301	362	(17)	1.0	1.2	(17)
HUF/CZK average rate	11.5	11.3	2				11.3	11.2	1			
CZK/EUR average rate	27.1	27.6	(2)				27.4	27.5	(1)			

[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.*

Total net revenue decreased by 11% to HUF 7 billion in Q1-Q3 2015 due to the significant decrease in average room rate (ARR) both in HUF and CZK terms caused by the lower demand of Russian & Ukrainian segments.

The average occupancy of the hotels was 76% during Q1-Q3 2015 which is a slight increase of 0.1% compared to Q1-Q3 2014, but due to the shorter average opening period, rooms sold decreased by 4.3% in Q1-Q3 2015 compared to Q1-Q3 2014. The number of guests from Russia, Ukraine and Kazakhstan decreased as a result of ongoing events, however the number of domestic guests increased significantly, partially in connection with a recovery in the number of guests funded by the national health-insurance. Any escalation of the conflict further increases the risks of decreasing guest numbers in respect of the above-mentioned countries.

The amount of material expenses and services used in Q1-Q3 2015 was HUF 2.8 billion, down by 2%. Total personnel expenses in Q1-Q3 2015 were HUF 1.9 billion, literally the same as in Q1-Q3 2014. Depreciation charge was lower by 5% compared to Q1-Q3 2014.

The operating profit of Czech hotels was HUF 1.1 billion in Q1-Q3 2015 compared to the profit of HUF 1.8 billion in Q1-Q3 2014 as a consequence of the above changes.

Interest expense was HUF 36 million in Q1-Q3 2015, compared to HUF 49 million in Q1-Q3 2014. HUF 1 million mostly unrealised foreign exchange loss was recognised in profit and loss on monetary assets and liabilities denominated in EUR, compared to a loss of HUF 13 million in Q1-Q3 2014.

Capital expenditure in Q1-Q3 2015 amounted to HUF 301 million, a 17% drop compared to HUF 362 million in Q1-Q3 2014.

Overall, the profit before tax of Czech operations for Q1-Q3 2015 was HUF 1.1 billion compared to the profit of HUF 1.7 billion in Q1-Q3 2014.

Slovakian Segment

	HUF million			EUR million [1]			HUF million			EUR million [1]		
SLOVAKIA	Q3 2015	Q3 2014	Ch %	Q3 2015	Q3 2014	Ch %	Q1-Q3 2015	Q1-Q3 2014	Ch%	Q1-Q3 2015	Q1-Q3 2014	Ch%
Net sales revenues	3,849	3,637	6	12.3	11.6	6	8,843	8,531	4	28.6	27.6	4
EBITDA	1,473	1,287	14	4.7	4.1	15	2,156	2,009	7	7.0	6.5	7
Operating profit /(loss)	1,086	910	19	3.5	2.9	20	998	946	5	3.2	3.1	5
Financial results	(12)	(8)	(50)	(0.0)	(0.0)	(50)	(40)	(51)	22	(0.1)	(0.2)	22
Profit /(Loss) before	1,074	902	19	3.4	2.9	19	958	895	7	3.1	2.9	7
CAPEX	217	57	279	0.7	0.2	279	439	1,949	(77)	1.4	6.3	(77)
HUF/EUR average	311.9	312.3	(0.1)				308.9	308.7	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.*

Net revenue increased by 4% in Q1-Q3 2015 to HUF 8.8 billion. Room departmental revenues increased by 7.6% due to the beneficial effects of the increasing occupancy and the increasing average rates, while revenues of the other departments did not change significantly. The average room rate (ARR) was EUR 49.5 showing 4.16% increase from the previous period's EUR 47.5. Coupled with a 0.08% weakening of the average HUF/EUR exchange rate the ARR increased by 4.24% in HUF terms. The occupancy of the hotels was 72.2% in Q1-Q3 2015 compared to 71.2% in Q1-Q3 2014, which is a 1.4% increase, furthermore the number of rooms available increased by 1.6% due to different opening periods and also the impact of the renovation works in the first months of 2014.

The amount of material expenses and services used in Q1-Q3 2015 was HUF 3.1 billion, up by 5% in line with the growth of rooms sold compared to the same period of the previous year. Personnel expenses for Q1-Q3 2015 were down by 2% because of the lower average staff number compared to Q1-Q3 2014.

Capital expenditures during Q1-Q3 2015 were down to HUF 439 million from the HUF 1,949 million reflecting the balneotherapy reconstruction works in the first months of 2014.

As the result of the mentioned factors, the Slovakian segment recognised a profit before tax of HUF 958 million for Q1-Q3 2015 compared to a profit before tax of HUF 895 million in Q1-Q3 2014.

Romanian Segment

	HUF million			EUR million [1]			HUF million			EUR million [1]		
ROMANIA	Q3 2015	Q3 2014	Ch%	Q3 2015	Q3 2014	Ch%	Q1-Q3 2015	Q1-Q3 2014	Ch%	Q1-Q3 2015	Q1-Q3 2014	Ch%
Net sales revenues	1,092	990	10	3.5	3.2	10	2,079	1,709	22	6.7	5.5	22
EBITDA	652	530	23	2.1	1.7	23	905	597	52	2.9	1.9	51
Operating profit /(loss)	541	421	29	1.7	1.3	29	577	322	79	1.9	1.0	79
Financial results	(1)	(20)	95	(0.0)	(0.1)	95	(23)	(28)	18	(0.1)	(0.1)	18
Profit /(Loss) before tax	540	401	35	1.7	1.3	35	554	294	88	1.8	1.0	88
CAPEX	22	46	(52)	0.1	0.1	(52)	45	992	(96)	0.1	3.2	(96)
HUF/RON average rate	70.4	70.7	(0)				69.6	69.4	0			
RON/EUR average rate	4.4	4.4	0				4.4	4.4	(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.*

Total net revenue for Q1-Q3 2015 increased by 22% in HUF terms compared to Q1-Q3 2014. The 21% increase of room revenues mainly derives from the combined effect of 6.6% increase of average room rate to RON 174 from RON 163, mainly because renovated four star superior rooms in Hotel Bradet were sold at significantly higher price than its former two stars rooms, the 13.3% increase in the number of rooms sold, and the 0.2% increase of HUF/RON average fx rate.

In Q1-Q3 2015 the occupancy (65.9%) was above the previous period's average (63.8%) due to an individual contract based on which DHSR Sovata was fully occupied in May and June. F&B and spa revenues also increased by 33% and 14% respectively compared to Q1-Q3 2014 in line with room revenues.

Total material expenses and services used in Q1-Q3 2015 amounted to HUF 702 million, which is also an increase of 8% compared to Q1-Q3 2014. Personnel expenses increased by 5% compared to Q1-Q3 2014 due to a combination of salary increases and additional staff requirements of the increased occupancy. Depreciation charge increased by 19% compared to the previous period as a result of new additions relating to Hotel Bradet. As a combined result of the above, the Romanian segment realised an operating profit of HUF 577 million in the period compared to a profit of HUF 322 million in Q1-Q3 2014.

Capital expenditure during Q1-Q3 2015 was HUF 45 million compared to HUF 992 million in Q1-Q3 2014, when phase two (larger part) of reconstruction of DHSR Bradet as a four star superior category hotel took place.

The profit before tax was HUF 554 million in Q1-Q3 2015 compared to a profit of HUF 294 million in Q1-Q3 2014.

Consolidated Balance Sheet

Total consolidated assets amounted to HUF 96 billion as of 30 September 2015, a 6% increase compared to the year end of 2014. Cash and cash equivalents increased by 79% and trade receivables increased by 122% compared to 31 December 2014 due to seasonal changes. Compared to 30 September 2014 trade receivables increased only 9% mainly caused by increasing revenues at the end of the period.

The amount of property, plant and equipment (PPE) and intangible assets was HUF 81.5 billion as at 30 September 2015. Compared to the end of 2014 the amount decreased by 0.4% due to the combined effect of HUF 3.3 billion purchase, HUF 3.8 billion depreciation and HUF 0.2 billion increase due to the effect of foreign exchange rate fluctuations. Total liabilities at 30 September 2015 were HUF 30.7 billion which is a 7% decrease compared to 31 December 2014. The Group had EUR 55.9 million long-term loans, including short-term portion, as of 30 September 2015, while it had EUR 60.8 million at the end of year 2014.

As part of offer discussed in appendix VII, Danubius also sold its Treasury Shares to CP Holdings Ltd. As shown in appendix IV, the proceeds amounted HUF 2,997 million and the book value of the sold shares was HUF 1,162 million, therefore a gain of HUF 1,835 million was recognised in retained earnings.

The value of shareholders' equity increased by 13% compared to 31 December 2014 being the combined effect of the profit after tax of HUF 4.22 billion, the HUF 3.0 billion increase due to the sale of treasury shares, the HUF 0.16 billion increase of translation reserve and the HUF 0.07 billion decrease of non-controlling interests.

Cash flow

Net cash provided by operating activities in Q1-Q3 2015 was HUF 6,691 million, compared to the net cash provided by operating activities of HUF 6,077 million in Q1-Q3 2014. Capital expenditure in Q1-Q3 2015 was HUF 3,340 million, which is a 23% decrease compared to Q1-Q3 2014 mainly due to only smaller renovations in Hilton Budapest, DHSR Aqua and DHSR Margitsziget took place in the period while full reconstruction of DHSR Bradet and the Balneotherapy in Piestany took place in the comparative period alongside with other smaller reconstructions.

During Q1-Q3 2015 EUR 5 million loan has been drawn down for corporate and project financing purposes, and EUR 9.9 million repayment of long-term borrowings was made. Total interest-bearing loans and borrowings (current and non-current) have decreased from HUF 20.9 billion to HUF 18.1 billion over Q1-Q3 2015, in line with the loan movements.

Seasonality of operations

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

For the 12 months ended 30 September 2015, the revenue was HUF 54.1 billion (12 months ended 30 September 2014: HUF 51.7 billion) and operating profit was HUF 4.9 billion (during the previous 12 months period: HUF 3.8 billion).

Commitments

As at 30 September 2015 Danubius Hotels Group had ongoing agreements relating to the projects of Hilton Budapest and other minor renovations according to which it had HUF 0.7 billion commitments to continue with the development works.

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

31 December 2014		30 September 2015	30 September 2014	Change %
	Assets			
4,611	Cash and cash equivalents	8,242	4,835	70
1,512	Trade receivables	3,353	3,070	9
574	Inventory	537	530	1
60	Assets classified as held for sale	57	59	(3)
20	Current income tax receivables	1	2	(50)
1,396	Other receivables and current assets	1,780	1,690	5
8,173	**Total current assets**	**13,970**	**10,186**	**37**
78,847	Property, plant and equipment	78,613	78,597	-
3,002	Intangible assets	2,908	3,047	(5)
35	Other non-current assets	39	40	(3)
467	Deferred tax assets	421	364	16
82,351	**Total non-current assets**	**81,981**	**82,048**	**-**
90,524	**Total assets**	**95,951**	**92,234**	**4**
	Liabilities and Shareholders' Equity			
2,864	Trade accounts payable	2,284	2,206	4
1,009	Advance payments from guests	1,255	1,176	7
240	Current income tax payables	465	251	85
4,631	Other payables and accruals, including derivatives	5,597	5,727	(2)
6,009	Interest-bearing loans and borrowings	5,658	5,253	8
141	Provisions	78	98	(20)
14,894	**Total current liabilities**	**15,337**	**14,711**	**4**
14,854	Interest-bearing loans and borrowings	12,439	16,098	(23)
1,586	Deferred tax liabilities	1,515	1,503	1
1,536	Provisions	1,557	1,518	3
17,976	**Total non-current liabilities**	**15,511**	**19,119**	**(19)**
32,870	**Total liabilities**	**30,848**	**33,830**	**(9)**
	Shareholders' Equity			
8,285	Share capital	8,285	8,285	-
7,435	Capital reserve	7,435	7,435	-
(1,162)	Treasury shares	-	(1,162)	100
9,877	Translation reserve	10,040	9,604	5
30,171	Retained earnings	36,223	31,181	16
54,606	**Attributable to equity holders of the parent**	**61,983**	**55,343**	**12**
3,048	**Non-controlling interests**	**3,120**	**3,061**	**2**
57,654	**Total shareholders' equity**	**65,103**	**58,404**	**11**
90,524	**Total liabilities and shareholders' equity**	**95,951**	**92,234**	**4**

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

	Q3 2015	Q3 2014	Ch %	Q1-Q3 2015	Q1-Q3 2014	Ch %
Room revenue	9,731	8,767	11	21,638	20,576	5
Food and beverage revenue	4,943	4,572	8	12,309	11,616	6
Spa revenue	2,274	2,233	2	5,439	5,564	(2)
Other departmental revenue	840	763	10	1,814	1,736	4
Revenue from wineries	10	7	43	29	28	4
Revenue from security services	159	118	35	517	341	52
Other income	140	170	(18)	406	479	(15)
Total operating revenue and other income	**18,097**	**16,630**	**9**	**42,152**	**40,340**	**4**
Cost of goods purchased for resale	166	165	1	411	384	7
Material costs	3,046	2,861	6	8,090	7,945	2
Services used	3,091	2,866	8	8,460	7,889	7
Material expenses and services used	**6,303**	**5,892**	**7**	**16,961**	**16,218**	**5**
Wages and salaries	3,499	3,361	4	9,929	9,832	1
Other personnel expenses	259	268	(3)	806	823	(2)
Taxes and contributions	1,048	1,053	-	2,986	3,001	-
Personnel expenses	**4,806**	**4,682**	**3**	**13,721**	**13,656**	**-**
Depreciation and amortisation	1,290	1,274	1	3,834	3,673	4
Other expenses	777	745	4	2,138	2,209	(3)
Total operating expenses	**13,176**	**12,593**	**5**	**36,654**	**35,756**	**3**
Profit/(loss) from operations	**4,921**	**4,037**	**22**	**5,498**	**4,584**	**20**
Interest income	2	28	(93)	6	52	(88)
Interest expense	(160)	(213)	25	(493)	(641)	23
Foreign currency gain /(loss)	50	(127)	n.a.	41	(807)	n.a.
Net finance result	**(108)**	**(312)**	**65**	**(446)**	**(1,396)**	**68**
Share of profit of equity accounted investees	-	2	100	2	6	(67)
Profit/(loss) before tax	**4,813**	**3,727**	**29**	**5,054**	**3,194**	**58**
Current tax expense	591	220	169	721	401	80
Deferred tax expense / (benefit)	66	27	144	(29)	51	n.a.
Profit/(loss) for the period	**4,156**	**3,480**	**19**	**4,362**	**2,742**	**59**
Attributable to:						
Owners of the Company	4,025	3,345	20	4,217	2,576	64
Non-controlling interest	131	135	(3)	145	166	(13)
Basic and diluted earnings per share (HUF per share):	**509**	**423**	**20**	**533**	**326**	**64**

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

	Q3 2015	Q3 2014	Ch %	Q1-Q3 2015	Q1-Q3 2014	Ch %
Profit/(loss) for the period	**4,156**	**3,480**	**19**	**4,362**	**2,742**	**59**
Other comprehensive income *						
Foreign currency translation differences for foreign operations	(55)	(5)	(1,000)	165	1,425	(88)
Changes in fair values of hedge derivatives	-	-	n.a.	-	25	n.a.
Total other comprehensive income	**(55)**	**(5)**	**(1,000)**	**165**	**1,450**	**(89)**
Total comprehensive income for the period	**4,101**	**3,475**	**18**	**4,527**	**4,192**	**8**
Attributable to:						
Owners of the Company	3,979	3,339	19	4,380	3,915	12
Non-controlling interest	122	136	(10)	147	277	(47)
Total comprehensive income for the period	**4,101**	**3,475**	**18**	**4,527**	**4,192**	**8**

* includes only items that are or may be reclassified to profit and loss.

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

For the period ended 30 September 2014

	Attributable to equity holders of the Company								
	Share Capital	Capital Reserve	Treasury Shares	Retained Earnings	Translation Reserve	Hedge Reserve	**Total**	**Non-controlling Interest**	**Total Equity**
31 December 2013	**8,285**	**7,435**	**(1,162)**	**28,605**	**8,287**	**(22)**	**51,428**	**2,858**	**54,286**
Total comprehensive income for the period									
Profit for the period	-	-	-	2,576	-	-	2,576	166	2,742
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	1,317	-	1,317	108	1,425
Changes in fair values of hedge derivatives	-	-	-	-	-	22	22	3	25
Total other comprehensive income	**-**	**-**	**-**	**-**	**1,317**	**22**	**1,339**	**111**	**1,450**
Total comprehensive income for the period	***-***	***-***	***-***	***2,576***	***1,317***	***22***	***3,915***	***277***	***4,192***
Transactions with owners, recorded directly in equity									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(74)	(74)
Total transactions with owners	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***(74)***	***(74)***
30 September 2014	**8,285**	**7,435**	**(1,162)**	**31,181**	**9,604**	**-**	**55,343**	**3,061**	**58,404**

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

For the period ended 30 September 2015

	Attributable to equity holders of the Company							Non-controlling Interest	Total Equity
	Share Capital	Capital Reserve	Treasury Shares	Retained Earnings	Translation Reserve	Hedge Reserve	Total		
31 December 2014	**8,285**	**7,435**	**(1,162)**	**30,171**	**9,877**	**-**	**54,606**	**3,048**	**57,654**
Total comprehensive income for the period									
Profit for the period	-	-	-	4,217	-	-	4,217	145	4,362
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	-	163	-	163	2	165
Total other comprehensive income	**-**	**-**	**-**	**-**	**163**	**-**	**163**	**2**	**165**
Total comprehensive income for the period	***-***	***-***	***-***	***4,217***	***163***	***-***	***4,380***	***147***	***4,527***
Transactions with owners, recorded directly in equity									
Treasury shares sold	-	-	1,162	1,835	-	-	2,997	-	2,997
Dividends to non-controlling interests	-	-	-	-	-	-	-	(75)	(75)
Total transactions with owners	***-***	***-***	***1,162***	***1,835***	***-***	***-***	***2,997***	***(75)***	***2,922***
30 September 2015	**8,285**	**7,435**	**-**	**36,223**	**10,040**	**-**	**61,983**	**3,120**	**65,103**

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

	Q3 2015	Q3 2014	Ch %	Q1-Q3 2015	Q1-Q3 2014	Ch %
Profit/(loss) from operations	**4,921**	**4,037**	**22**	**5,498**	**4,584**	**20**
Depreciation and amortisation	1,290	1,274	1	3,834	3,673	4
(Gain)/ loss on sale of property, plant and equipment	(1)	-	n.a.	(6)	(45)	87
Changes in working capital						
Increase / (decrease) of provisions	*8*	*(121)*	*n.a.*	*(42)*	*74*	*n.a.*
(Increase)/ decrease of accounts receivable and current assets	*(1,568)*	*(1,078)*	*(45)*	*(3,075)*	*(2,562)*	*(20)*
(Increase)/ decrease of inventory	*22*	*37*	*(41)*	*37*	*24*	*54*
Increase / (decrease) of accounts payable and other current liabilities	*(404)*	*(592)*	*32*	*1,416*	*1,179*	*20*
Interest paid	(166)	(245)	32	(495)	(636)	22
Income tax paid	(109)	(47)	(132)	(476)	(214)	(122)
Net cash provided by/(used in) operating activities	**3,993**	**3,265**	**22**	**6,691**	**6,077**	**10**
Purchase of property, plant and equipment and intangibles	(733)	*(544)*	(35)	(3,340)	(4,360)	23
Proceeds on sale of property, plant and equipment	1	-	n.a.	7	59	(88)
Interest received	(1)	*39*	n.a.	-	52	(100)
Net cash used in investing activities	**(733)**	**(505)**	**(45)**	**(3,333)**	**(4,249)**	**22**
Dividend to non-controlling interests	(1)	-	n.a.	(75)	(73)	(3)
Receipt of long-term bank loans	(8)	2	n.a.	1,567	2,390	(34)
Repayment of long-term bank loans	(1,415)	(1,191)	(19)	(3,095)	(2,865)	(8)
Sale of treasury shares *(see page 7)*	2,997	-	n.a.	2,997	-	n.a.
Net cash provided/(used) by financing activities	**1,573**	**(1,189)**	**n.a.**	**1,394**	**(548)**	**n.a.**
Net increase /(decrease) in cash held	4,833	1,571	208	4,752	1,280	271
Cash and cash equivalents at the beginning of the financial period, net[1]	3,162	2,590	22	3,217	2,779	16
Effect of exchange rate fluctuations on cash held	4	35	(89)	30	137	(78)
Cash and cash equivalents at the end of the period, net[1]	**7,999**	**4,196**	**91**	**7,999**	**4,196**	**91**

[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.

	Period end of				
Shareholder[1]	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
CP Holdings and its investments[2]	80.33%	80.33%	80.33%	80.33%	100.00%
Of which:					
CP Holdings Ltd.	*38.85%*	*38.85%*	*38.85%*	38.85%	58.51%
Interag Zrt.	*31.45%*	*31.45%*	*31.45%*	31.45%	31.45%
Israel Tractors Ltd.	*6.12%*	*6.12%*	*6.12%*	6.12%	6.12%
Foreign financial investors	3.94%	8.13%	8.37%	8.61%	-
Domestic financial investors	3.80%	3.91%	4.13%	3.58%	-
Foreign individuals	1.37%	0.03%	0.03%	0.03%	-
Domestic individuals	2.64%	2.65%	2.61%	2.36%	-
Treasury shares	4.52%	4.52%	4.52%	4.52%	-
Other	3.39%	0.44%	0.01%	0.57%	-
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 100.00% ownership of CP Holdings and its investments results an 100.00% combined direct influence in Danubius Hotels Nyrt. and includes the shares directly held by family members of the Schreier family.

On 15 June 2015, CP Holdings Ltd. submitted a joint voluntary public purchase offer for the Danubius shares to the National Bank of Hungary (NBH) for approval. On 9 July 2015, the NBH approved this offer and the offer period lasted from 13 July 2015 to 11 August 2015. The offer price was HUF 8,000 for all Danubius Ordinary Shares. The offer was widely accepted and resulted in the increase of the combined influence from 84.14% to 98.20%. CP Holdings exercised its squeeze-out right (which eliminated the remaining minority shareholders) and delisted Danubius Hotels Nyrt from the Budapest Stock Exchange. An extraordinary general meeting of the shareholders has been convened for 19 November 2015 to resolve the company’s transformation to private company (Zrt).

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.)

While in 2014 we experienced only limited effects, the impact of the Russian-Ukrainian dispute escalation began to be felt in the first half of 2015. The impact has mostly been seen in Marienbad where more than 50% of our guests were from Russia and the lost business could be replaced only at significantly lower average room rates. In the Hungarian and Slovakian spa hotels, the percentage is less – approximately 10% – but this is still an important source of business and so far Slovakia and Hungary has also experienced a decline. In Hungary, the slump of the Russian guests was the biggest in Hévíz and the Margaret Island, however the growth in volume in the Budapest could balance the loss on the Island. The wider economic consequences of these events also affect us. The Russian ruble has devalued significantly, the growth of the Russian economy slowed and the oil prices also stabilised at a depressed level. All of these events could have an adverse influence on the willingness to travel of guests from this market. We continue to monitor the situation and have developed contingency plans to handle the uncertain Russian/Ukrainian situation with the aim of minimising any negative effects.

According to data provided by the Hungarian Central Statistical Office the number of guestnights increased in the Hungarian market by 6.4% comparing the same period of the previous year. Within that, increase of domestic guestnights was 6.3% while guestnights from foreign countries increased by 6.5%. Guestnights provided by hotels increased by 3%. The Széchenyi card performed 4.8% stronger in Q1-Q3 2015, than Q1-Q3 2014. Guestnights of the Russian guests decreased by 27% in Q1-Q3 2015 compared to the same period in the previous year.

According to data provided by the Czech Statistical Office in Q1-Q3 2015 the number of guestnights in collective accommodation establishments increased by 13.9% compared to the same period of the previous year. The number of nights by domestic tourists went up by 17.5%, while the foreign guest nights also increased by 9.5%. There were in total more guests' arrivals by 13.9%. The number of domestic guests increased by 17.9% and the number of foreign guests went up by 9.4%. The highest number of guests arrived from Germany (more than 500,000 guest which is an increase of 15.4%) and the second largest from the USA (190,000 guests which is an increase of 15.5%). Guestnights of the Russian guests decreased by 31.1% in Q1-Q3 2015 compared to the same period in the previous year.

According to data provided by the Slovakian Statistical Office in H1 2015 (Q3 2015 data are not available yet) the number of guests in Slovakian accommodation establishments was 1,894,586 which is an increase of 9.8% compared to H1 2014. The number of domestic guests increased by 9.4% while foreign guests increased by 10.4%. The total number of guestnights was 5,198,707 that is an increase of 6.4% from which the foreign guestnights increased by 5.0% while the domestic guestnights increased by 7.2%.

Our main goal for 2015 was to maintain the good performance of the previous year. A moderate annual growth is expected in spite of the drop of the Russian business segment.

Significant capital expenditures were made in East-Central Europe in the hotel industry, and this trend will continue in the next several years according to the industrial forecasts. The most significant increase of available rooms has taken place in the four-star spa segment and in Budapest. As a main consequence of the tough competition, the average room prices have fallen significantly, especially in the deepest periods of the financial crisis. Fortunately in recent years a moderate increase of the prices was achieved thanks to the pickup in the demand. The Group expects to increase the average room prices only slightly, as the Russian segment have to be compensated with other segments, while the number of rooms sold is expected to increase by more than 6% for 2015.

The increasing revenues, in line with the cost cutting actions made in reaction to the financial crisis are expected to cause a moderate improvement in our operating results in 2015, provided that other assumptions in our budgets won't change significantly.

As one of the risks involved in the Hotel industry, we are most significantly affected by the fluctuation of foreign exchange rates. In particular, the closing Hungarian forint against the Euro rate which didn't change during the current period and weakened during the comparative period nevertheless the period average exchange rate didn't change significantly in Q1-Q3 2015 compared to Q1-Q3 2014. Weaker average exchange rate would have resulted higher revenues in HUF terms, however a weaker rate at the end of the period would have caused 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 and therefore can be compared with previous period-end and Condensed Consolidated Interim Financial Statements. The Condensed Consolidated Interim Financial Statements give a true and fair view on the assets, liabilities, financial position, net income and loss 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 Condensed 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