DANUBIUS HOTELS GROUP

2009 FULL YEAR AND FOURTH QUARTER PRELIMINARY RESULTS OF DANUBIUS HOTELS GROUP

Danubius Hotels Nyrt, today announced its 2009 full year and fourth quarter preliminary, unaudited results. This report contains consolidated financial statements for the period ended 31 December 2009 as prepared by the management in accordance with International Financial Reporting Standards (IFRS).

HIGHLIGHTS

Tight cost control over the year led to operating expenses down 7.5%, more than compensating the 6.5% fall in hotel operational revenues.

	HUF million			EUR million [1]			HUF million			EUR million [1]		
Danubius Hotels Group (IFRS)	Q4 2009	Q4 2008	Ch %	Q4 2009	Q4 2008	Ch %	FY 2009	FY 2008	Ch %	FY 2009	FY 2008	Ch %
Excluding one-off items [2]												
Net sales revenues [2]	9,348	10,798	(13)	34.7	41.8	(17)	43,526	46,573	(6.5)	155.1	186.2	(16.7)
EBITDA [2]	30	541	(94)	0.3	2.0	(83)	5,753	5,397	6.6	20.5	21.6	(5.0)
Operating profit [2]	(1,206)	(652)	85	(4.2)	(2.7)	58	1,134	767	47.8	4.0	3.1	31.7
According to IFRS												
Net sales revenues	9,348	11,277	(17)	34.7	43.7	(21)	43,526	47,173	(7.7)	155.1	188.6	(17.7)
EBITDA	30	1,021	(97)	0.3	3.9	(91)	5,753	5,997	(4.1)	20.5	24.0	(14.5)
Operating profit	(1,206)	(172)	603	(4.2)	(0.7)	463	1,134	1,367	(17.1)	4.0	5.5	(26.1)
Financial results	(345)	(2,149)	(84)	(1.3)	(8.6)	(85)	(1,528)	(1,491)	2.5	(5.4)	(6.0)	(8.6)
Profit/(Loss) before tax	(1,551)	(2,289)	(32)	(5.5)	(9.2)	(41)	(394)	(200)	97.6	(1.4)	(0.8)	76.2
Operating cash flow	1,326	1,451	(9)	4.8	5.8	(17)	3,554	1,716	107.1	12.7	6.9	84.6
CAPEX	438	1,630	(73)	1.6	6.4	(75)	1,842	5,244	(64.9)	6.6	21.0	(68.7)
HUF/EUR	270.9	262.3	3			n.a.	280.6	250.1	12.2			n.a.

[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] *One-off items have been eliminated from 2008 key figures to serve comparability. In 2008 Hotel Phoenix (in Q3) and Miramonte spa house (in Q4) in Marienbad were disposed-off, realising a net gain of HUF 120 million and HUF 480 million, respectively.*

- In the financial year of 2009 total net sales **revenues** were HUF 43.5 billion, down by 6.5% compared to last year figure after eliminating one-off items. The movements in HUF/EUR FX rate had a considerable positive effect on Hungarian segment revenue in 2009 compared to 2008, but in EUR terms there was a 17% decrease.
- In spite of the revenue drop, **EBITDA** increased by 7% to HUF 5.8 billion and operating profit by 48% to HUF 1.1 billion compared to 2008 figures after eliminating one-off items, due to the significantly positive effect of cost cutting measures.
- When one-off items are included in comparative figures, **operating profit** in FY 2009 is down by only 17% to HUF 1.1 billion from HUF 1.4 billion, due to the following:
  - **Hungarian** segment's revenue for FY 2009 decreased by 11% to HUF 25.8 billion as the occupancy of hotels fell by 7.9% from 63.1% to 55.2%, while the operating result remained at the breakeven level as savings on payroll and other operating expenses compensated the negative effect of lower revenues.
  - **Czech** hotels contributed an operating profit of HUF 623 million in FY 2009 compared to a profit of HUF 892 million in 2008. That is a considerable improvement since October 2008 figures includes a one-off gain of HUF 480 million from the sale of Miramonte spa house.
  - **Slovakian** segment's operating profit was HUF 356 million in FY 2009 compared to a HUF 16 million profit in FY 2008. Revenue in HUF terms increased by 2% to HUF 9.2 billion thanks to the significant EUR strengthening against HUF. Costs were kept tightly under control.
  - In FY 2009 the total revenue of **Romanian** segment decreased by 16% to HUF 1.5 billion, therefore operating result was a profit of HUF 228 million, compared to profit of HUF 473 million.
- The **Financial** results in FY 2009 was a loss of HUF 1.5 billion the same as last year, however the interest expenses decreased by HUF 367 million in 2009 compared to 2008. In 2009 HUF 290 million FX loss (mostly unrealised) was recognised on monetary assets and liabilities, while in 2008 recognised FX gain of HUF 90 million.
- **Loss before tax** in FY 2009 was HUF 0.4 billion, compared to a loss of HUF 0.2 billion in FY 2008.
- **Net cash provided in operating activities** in FY 2009 was HUF 3.6 billion, a significant improvement compared to HUF 1.7 billion net cash provided in FY 2008, due to favourable working capital changes.
- **Capital expenditure** and investments during FY 2009 amounted to HUF 1.8 billion compared to HUF 5.2 billion spending in FY 2008.
- Group level average **headcount** in FY 2009 was 4,876 compared to 5,338.

FINANCIAL OVERVIEW

Hungarian Segment

HUNGARY	HUF million			HUF million		
	Q4 2009	Q4 2008	Ch %	FY 2009	FY 2008	Ch %
Excluding one-off items [1]						
Net sales revenues [1]	5,701	6,580	(13)	25,783	28,930	(11)
Operating profit [1]	(638)	(497)	28	(73)	(133)	(46)
According to IFRS						
Net sales revenues	5,701	6,580	(13)	25,783	29,050	(11)
Operating profit	(638)	(497)	28	(73)	(13)	443
Financial results	(270)	(1,909)	(86)	(1,338)	(1,650)	(19)
Profit before tax	(908)	(2,373)	(62)	(1,411)	(1,738)	(19)
CAPEX	266	634	(58)	968	2,971	(67)

[1] *One-off items have been eliminated from 2008 key figures to serve comparability. In Q3 2008 Hotel Phoenix was disposed-off, realising a net gain of HUF 120 million.*

Total sales revenue and other operating income of FY 2009 decreased by 11% to HUF 25.8 billion, mainly due to lower revenue recognised from room and F&B services and from Gundel banqueting services. However the weakening of HUF against EUR had a considerable positive effect on total 2009 revenue compared to year 2008. Hotel occupancy in FY 2009 was 55.2% compared to 63.1% in FY 2008. The occupancy of Budapest hotels decreased by 10.0 percentage point.

Room revenue of Hungarian hotels decreased by 7% to HUF 13.4 billion compared to FY 2008 due to the combined result of significant occupancy decrease and the increase of average room rate achieved (ARR) to HUF 13,076, higher by HUF 400 than the comparative figure. The average length of stay was 2,9 days in FY 2009, remained at the same level of last year. The number of guest-nights during the financial year of 2009 decreased to 1,716,860 from 1,913,956, out of which domestic guest-nights represented 22.7%, a considerable increase compared to FY 2008 level of 20.0%. In 2009 guests from almost all destinations decreased, guests from Great Britain and Germany decreased the most; more guests arrived from the domestic market and Ukraine, Slovakia, Czech Republic and Italy. Room departmental profit for year 2009 decreased by HUF 920 million, down by 8% compared to FY 2008.

Food and beverage revenue of hotels and restaurants for the financial year of 2009 was HUF 7.7 billion, lower by 16% than comparative figure, as a direct result of lower occupancy and banqueting and the negative effect of VAT increase. In spite of the significant revenue drop 2009 F&B departmental profit of our hotels fell by only HUF 309 million due to the considerable decrease of payroll and cost of sale. Gundel's total revenue and income in FY 2009 decreased by HUF 351 million, down by 22%, however its operational performance was weaker only by HUF 85 million than in FY 2008 thanks to cost cutting measures.

Starting from 1 January 2009, for management accounting purposes the Company decided not to allocate revenue from Room to Spa department in respect of free swimming pool entry given to each guest automatically, to better reflect real life processes. This is a reclassification between two revenue figures, comparative 2008 spa revenue figure included HUF 455 million such an allocated revenue.

Excluding the effect of reclassification from 2008 figures, spa revenue was HUF 1,224 million in 2009, down by only 4% compared to FY 2008, due to the result of lower number of treatments sold. However spa departmental profit was able to increase by 15% as the decrease in payroll and other cost savings more than compensated the revenue drop.

Revenue from security services increased by HUF 118 million in FY 2009 to HUF 835 million.

Due to the combined effect of inflation on materials, cost saving measures and the drop in occupancy full year raw material expenses decreased by 12% to HUF 5.4 billion in our hotels, within this energy cost felt by 5% to HUF 2,524 million. The value of services used in FY 2009 decreased by 12% to HUF 5.3 billion million, within this the amount spent on maintenance work at the hotels decreased by 14% to HUF 704 million. Personnel expenses of hotel operation in FY 2009 were HUF 10.0 billion, down by 13%, reflecting the effect of considerable headcount reduction.

Due to the combined effect of the decrease of 3 months EURIBOR, the increase of interest margins, the increase of average borrowings over the period and the change in the fair value of interest swap derivatives interest expenses decreased to HUF 1,190 million from HUF 1,364 million in the financial year of 2009. Primarily as the result of depreciation of HUF in FY 2009 against EUR, in which the majority of our long-term borrowings are denominated, a HUF 311 million foreign exchange loss (mostly unrealised) was recognised in profit and loss, compared to a loss of HUF 485 million in FY 2008, when HUF weakened significantly against EUR in the last quarter.

Capital expenditure during FY 2009 was HUF 968 million compared to HUF 2,971 million spent in FY 2008, including spending on Hilton Budapest, DHSR Hévíz and new operational software.

Overall the loss before tax of Hungarian segment was HUF 1.4 billion in FY 2009, compared to a loss of HUF 1.7 billion in FY 2008.

Czech Segment

CZECH	HUF million			HUF million		
	Q4 2009	Q4 2008	Ch %	FY 2009	FY 2008	Ch %
***Excluding one-off items* [1]**						
Net sales revenues [1]	1,594	1 675	(5)	7,067	6,824	4
Operating profit [1]	(174)	(21)	718	623	412	51
According to IFRS						
Total revenue and income	1,594	2,155	(26)	7,067	7,304	(3)
Operating profit	(174)	459	n.a.	623	892	(30)
Financial results	(59)	(159)	(63)	(29)	(34)	(16)
Profit before tax	(233)	299	n.a.	595	857	(31)
CAPEX	141	200	(30)	532	466	14
HUF/CZK average	10.46	10.36	1	10.61	10.07	5
CZK/EUR average	25.91	25.31	2	26.45	24.84	6

[1] *One-off items have been eliminated from 2008 key figures to serve comparability. In Q4 2008 Miramonte spa house wase disposed-off, realising a net gain of HUF 480 million.*

Total sales revenue and other operating income in HUF term decreased by 3% to HUF 7.1 billion in the financial year of 2009 as comparative figures includes HUF 480 million one-off revenue from selling Miramonte spa house. Room revenue of FY 2009 was HUF 3.9 billion, up by 7%. In FY 2009 Marienbad hotels' occupancy was 75.8% compared to 78.9%, however the average room rate achieved (ARR) in CZK term improved considerably to 1,707 from 1,550, due to the weakening of CZK against EUR. The average length of stay was 9.0 days in 2009 compared to 9.2 days in 2008. As the result of lower occupancy and temporary closures in early 2009 the number of guestnights was 346,641 in 2009 compared to 382,167, the significant drop in German and Russian guests is partly compensated by increasing number of guests arriving from the domestic market and certain former Soviet Union and Asian countries.

The amount of material expenses and services used in 2009 was HUF 3.1 billion, no material change compared to last year. Within this energy costs increased by 6% to HUF 599 million, while maintenance expenses decreased by 1% to HUF 464 million. Total personnel expenses in 2009 were HUF 2.1 billion, no change compared to FY 2008 in spite of the CZK strengthening against HUF, due to lower average headcount.

Due to the decrease of 3 months EURIBOR and the outstanding amount of bank loans the interest expense for FY 2009 was HUF 73 million, a significant drop compared to HUF 130 million. As the result of strengthening of CZK in FY 2009 against EUR in which all of LLML's long-term borrowings are denominated, a HUF 43 million foreign exchange gain was recognised in profit and loss, compared to a gain of HUF 86 million in FY 2008.

Capital expenditure in FY 2009 amounted to HUF 532 million, up by 14% compared to previous year's relative low level.

Overall, the profit before tax of Czech operations for FY 2009 decreased by 31% to HUF 595 million compared to HUF 857 million, however eliminating the HUF 480 million one-off gain from selling Miramonte, there is a significant improvement in the underlying business unit profit before tax up to 51%.

Slovakian Segment

	HUF million			HUF million		
SLOVAKIA	Q4 2009	Q4 2008	Ch%	FY 2009	FY 2008	Ch%
Total revenue and income	1,771	2,156	(18)	9,187	9,041	2
Operating profit	(312)	(127)	145	356	16	2 087
Financial results	(20)	(30)	(35)	(146)	248	n.a.
Profit before tax	(332)	(158)	110	210	264	(21)
CAPEX	32	743	(96)	293	1,423	(79)
HUF/EUR	270.9	262.3	3	280.6	250.1	12
HUF/SKK average	-	8.64	n.a.	-	7.98	n.a.
SKK/EUR average	-	30.35	n.a.	-	31.36	n.a.

The functional currency of the Slovakian subsidiary is Euro as of 1 January 2009. Total sales revenue and other operating income in FY 2009 grew by 2% to HUF 9.2 billion, mainly due to the weaker forint against euro. In EUR the total revenue recognised in the Slovakian segment decreased by 12% in 2009 compared to 2008. Room revenue in EUR decreased by 9% in 2009 as the average room rate (ARR) increased to EUR 40.3 from EUR 37.6 while the occupancy decreased from 72.0% to 62.0%. The number of rooms sold decreased from 350,718 to 299,336 in FY 2009. The number of guestnights in 2009 was 484,449 compared to 577,707 in FY 2008, the average length of stay in the year of 2009 was 10.0 days compared to 9.7 days last year.

In spite of the significant EUR strengthening against HUF the amount of material expenses and services used in FY 2009 was HUF 3.3 billion, down by 6%, within this, energy cost decreased by 5% to HUF 802 million and maintenance expenses was HUF 212 million, higher by 9% than in 2008. Personnel expenses for FY 2009 were HUF 3.5 billion, an increase of 5% in HUF terms, reflecting entirely the weaker HUF.

Due to the decrease of 3 months EURIBOR and the lower average level of borrowings the interest expenses for FY 2009 amounted to HUF 152 million, compared to HUF 275 million in FY 2008. Comparative figure includes an FX gain of HUF 523 million on borrowings, current figures do not include such a difference as EUR is the functional currency.

Capital expenditure during the year of 2009 was HUF 293 million, including spending on heating and recirculation systems and refurbishments, compared to the HUF 1,423 million in FY 2008.

Overall, the profit before tax of Slovakian operations for FY 2009 decreased by 21% to HUF 210 million, compared to HUF 264 million in FY 2008.

Romanian Segment

ROMANIA	HUF million			HUF million		
	Q4 2009	Q4 2008	Ch%	FY 2009	FY 2008	Ch%
Total revenue and income	282	386	(27)	1,489	1,778	(16)
Operating profit	(82)	(6)	1 200	228	473	(52)
Financial results	3	(50)	n.a.	(16)	(56)	(71)
Profit before tax	(79)	(56)	40	212	417	(49)
CAPEX	(0)	54	n.a.	49	385	(87)
HUF/RON average rate	63.49	68.79	(8)	66.19	68.29	(3)
RON/EUR average rate	4.27	3.81	12	4.24	3.66	16

Total sales revenue and other operating income for FY 2009 decreased by 16% in HUF terms compared to the financial year of last year. In FY 2009 the occupancy was 56.6%, an increase of 1.3% compared to last year, however the guest mix changed towards pension guests, hence the average room rate (ARR) decreased from RON 117 to RON 107. Room departmental profitability in RON terms decreased by 7% in FY 2009. The number of guests during the financial year of 2009 decreased to 35,542 from 40,635 primarily due to the decreasing number of leisure and conference tourists.

Due to the combined effect of inflation and the drop in occupancy total material expenses and services used in FY 2009 was HUF 605 million compared to HUF 650 million last year. Within this, energy cost was HUF 140 million, down by 6% compared to FY 2008.

Due to decrease of 3 months EURIBOR the interest expenses for FY 2009 amounted to HUF 23 million compared to HUF 37 million in FY 2008.

Capital expenditure during the year of 2009 was HUF 49 million compared to HUF 385 million in 2008, the majority of which relates to the reconstruction of the elevator system.

Being the result of the above the profit before tax of Romanian operations for FY 2009 was HUF 212 million compared to a profit of HUF 417 million in FY 2008.

Consolidated Balance Sheet

Total consolidated asset value amounted to HUF 86.8 billion as of 31 December 2009, a 4% decrease compared to the end 2008. Current assets include assets held for sale which comprises the net carrying value, less cost of sale, of a hotel and hospitality property in Hungary. The Group expects to sell these assets within the next twelve months. Trade receivables decreased by 10%, reflecting lower revenues and the positive effect of our debt collection activities.

The amount of property, plant and equipment was HUF 76.8 billion at the end of December 2009, an increase of 1% over the last 12 months. The majority of this increase is due to the FX translation effect of foreign subsidiaries. In December 2008 Danubius sold its 25% minority shareholding in CP Regents Park Two Ltd. to CP Holdings, the majority shareholder of Danubius, and the consideration for the sale was the repayment of the GBP 5.1 million loan. From August 2009 the 50% investment in Egészségsziget Kft., our established associate to utilise the land acquired near Hotel Gellért became a fully consolidated subsidiary (before this date it was treated as an associate). CP Holdings purchased the remaining 50% shareholding in August 2009 and Danubius simultaneously entered into a put and call option agreement with a view to purchase this shareholding. The underlying purchase price paid by CP Holdings and the amount to be paid by Danubius under the option agreement is the same (EUR 1.7m). The option agreements provide for an option fee of EUR 100,000 and, if relevant, interest from August 2010.

Total liabilities at the end of 2009 was HUF 34.2 billion, an 8% decrease compared to 31 December 2008 due to the decrease of bank loans and trade payables. The Group had EUR 90.0 million long-term loans, including short-term portion as of 31 December 2009.

The value of shareholders' equity decreased by 1% compared to 31 December 2008 being the combined effect of the after tax loss of HUF 0.9 billion of previous 12 months, the HUF 0.3 billion increase of translation reserve and HUF 0.1 billion increase in minority interest, due to the weakening of forint against the national currency of subsidiaries. The parent company mitigates its interest exposure by means of hedging instruments the effect of which is included in P&L in accordance with IAS 39.

Cash flow

Net cash provided by operating activities in the financial year of 2009 was HUF 3.6 billion, a significant improvement compared to HUF 1.7 billion net cash provided in FY 2008, due to the positive result of working capital changes. Capital expenditure in 2009 was HUF 1.8 billion, a 65% decrease compared to FY 2008, reflecting our tight cash management program.

In August 2009, based on the original agreement, Danubius purchased the remaining 33.33% minority shareholding in Gundel Kft. from LL Partners, L.P. Considering this share purchase transaction, Danubius Hotels Nyrt. became the sole owner of Gundel Kft.

During the year of 2009 EUR 5.3 million loan has been drawn down, the majority of which was used to finance the Gundel acquisition, and EUR 11.9 million repayment of borrowings has taken place. Comparative figures include the loan received to finance the land acquisition near Hotel Gellért.

APPENDIX I - Unaudited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION PREPARED IN ACCORDANCE WITH IFRS
(HUF million)

	31 December 2009	31 December 2008	Change %
Assets			
Cash and cash equivalents	3,410	3,797	(10)
Trade receivables	1,719	1,913	(10)
Inventory	824	867	(5)
Assets held for sale	78	351	(78)
Other receivables current assets	454	1,652	(73)
Total current assets	**6,485**	**8,580**	**(24)**
Property, plant and equipment	76,826	76,347	1
Intangible assets	3,190	2,703	18
Other non-current assets	69	2,108	(97)
Deferred tax assets	191	524	(64)
Total non-current assets	**80,276**	**81,682**	**(2)**
Total assets	**86,761**	**90,262**	**(4)**
Liabilities and Shareholders' Equity			n.a.
Trade accounts payable	2,017	2,866	(30)
Advance payments from guests	636	640	(1)
Income tax payable	6	35	(83)
Other payables and accruals	2,502	3,249	(23)
Interest-bearing loans and borrowings	5,385	5,699	(6)
Provisions	314	445	(29)
Total current liabilities	**10,860**	**12,934**	**(17)**
Interest-bearing loans and borrowings	21,018	21,812	(4)
Loan from related party	-	-	n.a.
Deferred tax liabilities	1,320	1,351	(2)
Provisions	1,047	1,235	(15)
Total non-current liabilities	**23,385**	**24,398**	**(4)**
Total liabilities	**34,245**	**37,332**	**(8)**
Shareholders' Equity			
Share capital	8,285	8,285	-
Capital reserve	7,435	7,435	-
Treasury shares	(1,162)	(1,162)	-
Translation reserve	6,354	6,032	5
Retained earnings	29,168	30,023	(3)
Attributable to equity holders of the parent	**50,080**	**50,613**	**(1)**
Minority interests	**2,436**	**2,317**	**5**
Total shareholders' equity	**52,516**	**52,930**	**(1)**
Total liabilities and shareholders' equity	**86,761**	**90,262**	**(4)**

APPENDIX II - Unaudited

CONSOLIDATED INCOME STATEMENT PREPARED IN ACCORDANCE WITH IFRS

(HUF million)

	Q4 2009	Q4 2008	Ch %	FY 2009	FY 2008	Ch %
Room revenue	4,319	4,396	(2)	21,226	21,811	(2.7)
Food and beverage revenue	3,003	3,585	(16)	13,020	14,996	(13.2)
Spa revenue	1,206	1,835	(34)	5,841	6,197	(5.7)
Other departmental revenue	132	463	(71)	1,777	2,138	(16.9)
Revenue from wineries	54	42	29	155	155	0.0
Revenue from security services	224	193	16	835	717	16.5
Other income	410	763	(46)	672	1,159	(42.0)
Total operating revenue and other income	**9,348**	**11,277**	**(17)**	**43,526**	**47,173**	**(7.7)**
Cost of goods purchased for resale	103	71	45	432	265	63.0
Raw material costs	2,290	2,650	(14)	9,292	10,544	(11.9)
Services used	2,463	2,594	(5)	9,265	9,947	(6.9)
Material expenses and services used	**4,856**	**5,315**	**(9)**	**18,989**	**20,756**	**(8.5)**
Wages and salaries	2,629	2,887	(9)	11,450	12,341	(7.2)
Other personnel expenses	500	421	19	1,392	1,472	(5.4)
Taxes and contributions	842	1,079	(22)	3,790	4,331	(12.5)
Personnel expenses	**3,971**	**4,387**	**(9)**	**16,632**	**18,144**	**(8.3)**
Depreciation and amortisation	1,236	1,193	4	4,619	4,630	(0.2)
Other expenses	594	646	(8)	2,240	2,366	(5.3)
Changes in inventories of finished goods and work in progress	(41)	(39)	5	(4)	(8)	(50.0)
Work performed by the entity and capitalised	(62)	(53)	17	(84)	(82)	2.4
Total operating expenses	**10,554**	**11,449**	**(8)**	**42,392**	**45,806**	**(7.5)**
Profit/(loss) from operations	**(1,206)**	**(172)**	**601**	**1,134**	**1,367**	**(17.0)**
Interest income	95	37	157	200	224	(10.7)
Interest expense	(278)	(571)	(51)	(1,438)	(1,805)	(20.3)
Foreign currency gain/(loss)	(162)	(1,615)	(90)	(290)	90	n.a.
Financial Income/(loss)	**(345)**	**(2,149)**	**(84)**	**(1,528)**	**(1,491)**	**2.5**
Share of loss of associates	-	32	n.a.	-	(76)	n.a.
Loss before tax	**(1,551)**	**(2,289)**	**(32)**	**(394)**	**(200)**	**97.0**

APPENDIX III - Unaudited
CONSOLIDATED STATEMENT OF CASH FLOWS PREPARED IN ACCORDANCE WITH IFRS (HUF million)

	Q4 2009	Q4 2008	Ch %	FY 2009	FY 2008	Ch %
Profit/(loss) from operations	**(1,206)**	**(172)**	**601**	**1,134**	**1,367**	**(17)**
Depreciation and amortisation	1,236	1,193	4	4,619	4,630	(0)
Gain on sale of fixed assets	1	(551)	n.a.	(90)	(702)	(87)
Change of provisions	72	(44)	n.a.	(319)	36	n.a.
Write off of receivables	(5)	38	n.a.	6	48	(88)
Changes in working capital						
(Increase)/decrease of accounts receivable and current assets	*3,068*	*1,785*	*72*	*1,223*	*(1,677)*	*n.a.*
(Increase)/decrease of inventory	*(65)*	*(88)*	*(26)*	*43*	*(8)*	*n.a.*
(Decrease)/increase of accounts payable and other current liabilities	*(1,491)*	*(171)*	*772*	*(1,689)*	*144*	*n.a.*
Interest paid	(209)	(525)	(60)	(1,300)	(1,698)	(23)
Income tax paid	(71)	(14)	407	(73)	(424)	(83)
Net cash provided by operating activities	**1,326**	**1,451**	**(9)**	**3,554**	**1,716**	**107**
Purchase of property, plant and equipment and intangibles	(438)	(1,630)	(73)	(1,842)	(5,244)	(65)
Interest received	87	37	135	192	224	(14)
Proceeds on sale of property, plant and equipment	1	617	(100)	95	844	(89)
Cash paid on acquisition	-	-	n.a.	(1,274)	-	n.a.
Disposal of investment	-	1,387	n.a.	-	1,387	n.a.
Net cash provided by/(used in) investing activities	**(350)**	**411**	**n.a.**	**(2,829)**	**(2,789)**	**1**
Receipt of long-term bank loans	(130)	4,114	n.a.	1,369	7,396	(81)
Repayment of long-term bank loans	(1,376)	(3,408)	(60)	(3,285)	(5,073)	(35)
Net cash provided/ (used) by financing activities	**(1,506)**	**706**	**n.a.**	**(1,916)**	**2,323**	**n.a.**
Net increase (decrease) in cash held	(530)	2,568	n.a.	(1,191)	1,250	n.a.
Cash at the beginning of the financial year, net[1]	2,510	603	316	3,171	1,921	65
Cash and cash equivalents at the end of the period, net[1]	**1,980**	**3,171**	**(38)**	**1,980**	**3,171**	**(38)**

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

APPENDIX IV
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 V

SHAREHOLDER STRUCTURES AND CHANGES IN ORGANISATION

In 2009 there were no significant organisational changes within the Group.

	Period end of				
Shareholder[1]	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
CP Holdings and its investments[2]	74.52%	74.52%	75.60%	76.41%	76.41%
Of which:					
CP Holdings Ltd.	*37.55%*	*37.55%*	*37.94%*	*37.94%*	*37.94%*
Interag Zrt.[3]	*30.85%*	*30.85%*	*30.85%*	*30.85%*	*31.45%*
Israel Tractors	*6.12%*	*6.12%*	*6.12%*	*6.12%*	*6.12%*
Foreign financial investors	11.74%	11.58%	11.69%	11.77%	11.74%
Domestic financial investors	6.22%	6.51%	5.25%	4.44%	4.45%
Domestic individuals	2.81%	2.68%	2.75%	2.67%	2.70%
Employees	0.19%	0.19%	0.19%	0.19%	0.18%
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 76.41% ownership of CP Holdings and its investments results an 80.03% combined direct interest in Danubius Hotels Nyrt. and includes the shares held by Sir Bernard Schreier, the Chairman of CP Holdings and shares held by Agrimill-Agrimpex Zrt.

[3] The Danubius shares previously held by Agrimill-Agrimpex Zrt. are currently owned by Interag Zrt. as the result of their merge in December 2009

APPENDIX VI
DECLARATION

Danubius Hotels Nyrt. hereby declares that the figures and statements of this Flash Report give a true and fair view on the Group, and it does 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 Flash Report. 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

APPENDIX VII

BALANCE SHEET OF DANUBIUS HOTELS NYRT. PREPARED IN ACCORDANCE WITH HAL

HUF thousand	31 December 2009	Restatement of previous years [1]	31 December 2008	Ch %
NON-CURRENT ASSETS	**53,753,264**	1.936.899	**52,079,838**	**3**
INTANGIBLE ASSETS	**72,472**		**139,996**	**(48)**
Capitalised cost of foundation and restructuring				**n.a.**
Capitalised research and development costs				**n.a.**
Rights and titles				n.a.
Intellectual property	72,472		139,996	(48)
Goodwill				n.a.
Advance payment on intangible assets				n.a.
Revaluation of intangible assets				n.a.
PROPERTY, PLANT AND EQUIPMENT (TANGIBLE	**6,370,081**		**6,740,359**	**(5)**
Real estates and relating rights	6,219,467		6,542,563	(5)
Equipments, machines, vehicles	11,689		2,792	319
Other equipments, fixtures, vehicles	8,977		9 934	(10)
Livestock				n.a.
Capital investments and refurbishments	129,948		159,942	(19)
Advance payments on capital investments				n.a.
Revaluation of tangible assets				n.a.
NON-CURRENT FINANCIAL INVESTMENTS	**47,310,711**	1.936.899	**45,199,483**	**5**
Long-term investments	43,728,869	1.936.899	40,300,810	9
Long-term loan to related parties	3,565,112		4,882,010	(27)
Other long-term investments	15,217		15,217	0
Long-term loan to other investments				n.a.
Other long term loans	1,513		1,446	5
Long term securities				n.a.
Revaluation of non-current financial assets				n.a.
CURRENT ASSETS	**2,423,018**		**2,150,534**	**13**
INVENTORIES			**33**	**n.a.**
Raw materials				n.a.
Work in progress and semifinished goods				n.a.
Grown, fattened and other livestock				n.a.
Finished products				n.a.
Goods, Commodities			33	n.a.
Advance payments on stocks				n.a.
RECEIVABLES	**1,178,161**		**838 043**	**41**
Receivables from supply of goods and services	1,715		5,799	(70)
Receivables from related parties	1,171,800		797,791	47
Receivables from other investment				n.a.
Bills of exchange				n.a.
Other receivables	4,646		34,453	(87)
SECURITIES	**1,161,021**		**1,161,021**	**0**
Investment in related parties				n.a.
Other investments				n.a.
Treasury shares	1,161,021		1,161,021	0
Short term securities				n.a.
TOTAL CASH AND CASH EQUIVALENTS	**83,836**		**151,437**	**(45)**
Cash at hand, cheques	268		312	(14)
Bank deposits	83,568		151,125	(45)
ACCRUALS AND PREPAYMENTS	**21,165**		**10,231**	**107**
Accrued income	14,511		326	4 351
Prepaid costs and expenses	6,654		9,905	(33)
Deferred expenses				**n.a.**
TOTAL ASSETS	**56,197,447**	1,936,899	**54,240,603**	**4**

[1] The amount of foreign investments was revalued under Hungarian Accounting Law due to the changes of foreign exchange rates. These restatements of previous years have no effect on consolidated financial statements under IFRS.

HUF thousand	31 December 2009	Restatement of previous years [1]	31 December 2008	Ch %
SHAREHOLDERS' EQUITY	41,264,125	1,975,916	39,662,832	4
SHARE CAPITAL	8,285,437	1,975,916	8,285,437	0
REGISTERED BUT UNPAID CAPITAL				n.a.
SHARE PREMIUM (CAPITAL RESERVE)	7,138,139		7,138,139	0
RETAINED EARNINGS	24,501,153		22,868,825	7
COMMITED RESERVES	1,339,396		1,161,021	15
REVALUATION RESERVE				n.a.
NET PROFIT FOR THE PERIOD	77,581	1,975,916	-165,113	n.a.
PROVISIONS	75,419		36,696	106
Provisions for expected liabilities	75,419		36,696	106
Provisions for future expenses				n.a.
Other provisions				n.a.
LIABILITIES	14,702,933	(39,017)	14,858,978	(1)
BACKLISTED LIABILITIES				n.a.
Backlisted liabilities to related parties				n.a.
Backlisted liabilities to other investment				n.a.
Backlisted liabilities to third parties				n.a.
LONG TERM LIABILITIES	11,741,641		11,453,271	3
Long term loans				n.a.
Convertible bonds				n.a.
Liability from bond issue				n.a.
Capital investment and development loans				n.a.
Other long term loans	11,741,641		11,453,271	3
Long term liabilities to related parties				n.a.
Long term liabilities to other investments				n.a.
Other long term liability				n.a.
SHORT TERM LIABILITIES	2,961,292	(39,017)	3,405,707	(13)
Short term credits				n.a.
Short term loans	2,739,164		2,334,586	17
Advance payments from customers	3,644		4,064	(10)
Creditors, Suppliers	10,257		47,867	(79)
Bills of exchange				n.a.
Short term liabilities to related parties	101,909		814,249	(87)
Short term liabilities to other investments				n.a.
Other short term liabilities	106,318	(39,017)	204,941	(48)
DEFERRALS	77,389		5,662	1 267
Deferred revenues				n.a.
Deferred costs and expenses	76,638		55,868	37
Deferred income	751		752	0
				n.a.
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	56,197,447	1,936,899	54,240,603	4

[1] The amount of foreign investments was revalued under Hungarian Accounting Law due to the changes of foreign exchange rates. These restatements of previous years have no effect on consolidated financial statements under IFRS.

INCOME STATEMENT OF DANUBIUS HOTELS NYRT. PREPARED IN ACCORDANCE WITH HAL

HUF thousand	FY 2009	Restatement of previous years [1]	FY 2008	Ch %
Net domestic sales revenue	**2,757,456**		**3,751,406**	**(26)**
Export sales revenue				n.a.
Total net sales revenue	**2,757,456**		**3,751,406**	**(26)**
Change in the stock of own prod.				n.a.
Cap. value of assets of own prod.				n.a.
Cap. value of own production				**n.a.**
Other income	**6,844**		**183,436**	**(96)**
Raw material costs	8,407		27,173	(69)
Value of services used	738,469		1,011,382	(27)
Other services	30,260		42,803	(29)
Purchase price of goods sold				n.a.
Value of sold services	85,913		12,055	613
Material expenditures	**863,049**		**1,201,908**	**(28)**
Salaries and wages	**413,471**		808,128	(49)
Other personnel payments	**71,179**		180,982	(61)
Taxes and contributions	**144,292**		299,293	(52)
Total payroll & related costs	**628,942**		**1,288,403**	**(51)**
Depreciation	**425,085**		**43,542**	**876**
Other expenditures	**190,394**	**(24,285)**	**171,862**	**11**
Operating profit	**656,830**	**(24,285)**	**837,249**	**(22)**
Dividend received	100,509			n.a.
Capital gain on the sale of shares				n.a.
Exchange gain of inv. fin. assets	202,585			n.a.
Other interests received	325,828		330,007	(1)
Other financial income	122,461	1,936,899	641,503	(81)
Rev. from financial transact.	**751,383**	1,936,899	**97,151**	**673**
Exchange loss of inv. fin. assets			38,904	n.a.
Interests payable	944,792		1,035,166	(9)
Loss of value -securities, deposits				n.a.
Other financial expenses	373,009		511,082	(27)
Expenditures of fin. transact.	**1,317,801**		**1,935,288**	**(32)**
Financial profit or loss	**(566,418)**	1,936,899	**(963,778)**	**(41)**
Profit from ordinary activities	**90,412**	**1,961,184**	**(126,529)**	**n.a.**
Extraordinary income				n.a.
Extraordinary loss	**12,831**		25,238	(49)
Extraordinary profit or loss	**(12,831)**		**(25,238)**	**(49)**
Profit before tax	**77,581**	**1,961,184**	**(150,381)**	**n.a.**
Corporate tax payable		(14, 732)	14,732	n.a.
Profit after tax	**77,581**	1,975 ,916	**(165,113)**	**n.a.**
Dividend paid from profit reserve				n.a.
Dividend payable/ Minority				n.a.
NET PROFIT FOR THE PERIOD	**77,581**	1,975,916	**(165,113)**	**n.a.**

[1] The amount of foreign investments was revalued under Hungarian Accounting Law due to the changes of foreign exchange rates. These restatements of previous years have no effect on consolidated financial statements under IFRS.