Condensed Interim Consolidated Financial Statements

For the six month period ended June 30, 2018

Cologne

Frankfurt

Content

Key Financials

in € millions unless otherwise indicated	1–6/2018	change	1–6/2017
Rental and operating income	**347.6**	47%	237.2
Net rental income	**290.9**	43%	203.5
Adjusted EBITDA [1]	**279.5**	44%	194.5
FFO I [1] [2]	**189.3**	46%	129.8
FFO I per share (in €)	**0.19**	6%	0.18
FFO I per share after perpetual notes attribution (in €)	**0.17**	6%	0.16
FFO II	**300.4**	93%	155.9

1) including AT's share in GCP
2) excluding minorities and contributions from assets held for sale. For more details, see page 48.

in € millions unless otherwise indicated	1–6/2018	change	1–6/2017
EBITDA	**1,249.5**	26%	991.9
Net Profit	**970.3**	25%	777.4
EPS (basic) (in €)	**0.87**	-1%	0.88
EPS (diluted) (in €)	**0.82**	11%	0.74

in € millions unless otherwise indicated	Jun 2018 assuming conversion*	Jun 2018	Dec 2017
Total Assets	**16,914.5**	16,914.5	13,770.4
Total Equity	**8,824.9**	8,548.2	7,249.9
Equity Ratio	**52%**	51%	53%
Loan-to-Value	**35%**	37%	36%

*assuming conversion of convertible bonds which are deep-in-the-money and including the scrip dividend effects of €23 million. After the reporting date another €105 million of convertible bonds have been submitted for conversion

For alternative performance measures calculation, please see pages 56 -59

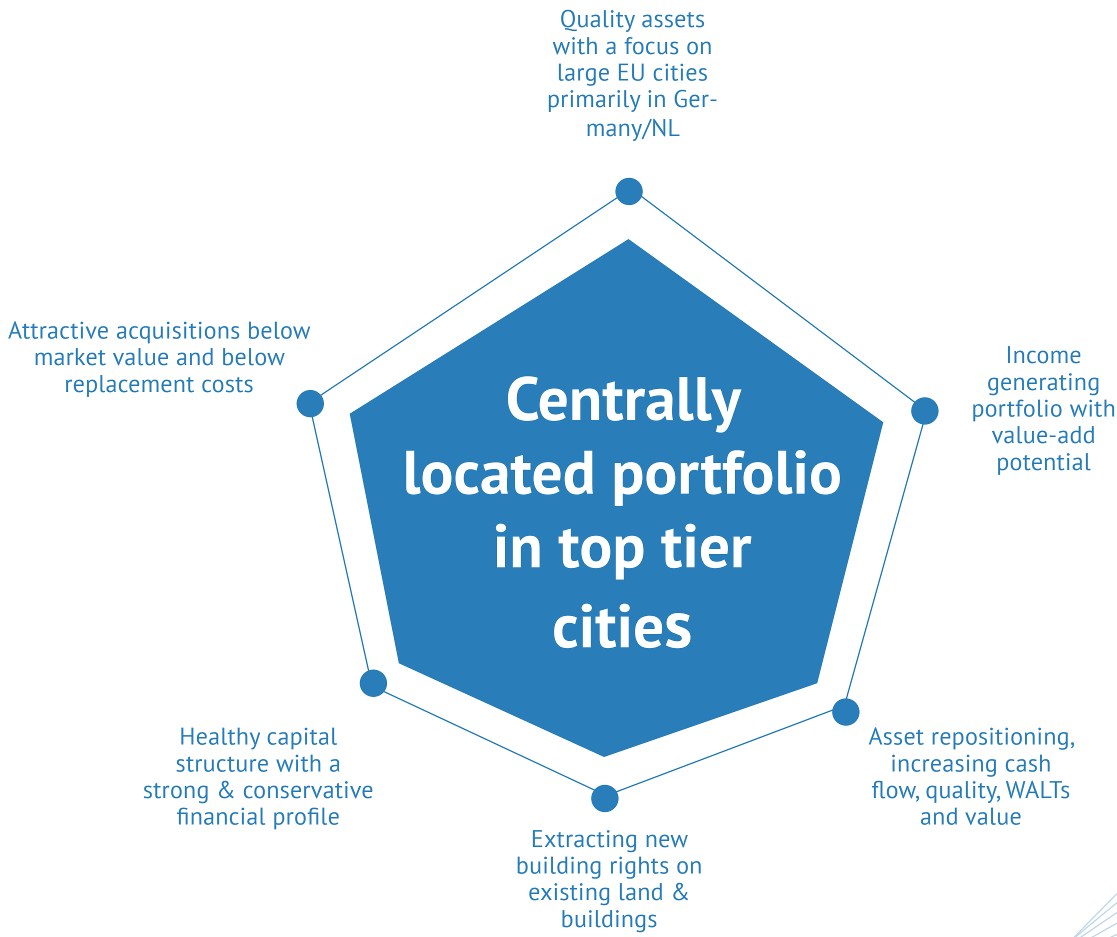
NET ASSET VALUE

in € millions unless otherwise indicated	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNNAV
Jun 2018	8,228.2	7,941.0	9,504.9	7,754.8
Jun 2018 per share (in €)	7.4	7.2	8.6	7.0
Per share growth	**+ 4%**	**+ 14%***	**+ 13%**	**+ 13%**
Dec 2017	7,157.3	6,483.0	7,656.3	6,243.1
Dec 2017 per share (in €)	7.1	6.5	7.6	6.2

* dividend adjusted (11% net of dividend paid)

Hamburg

Berlin



The Company

The board of directors of Aroundtown SA and its investees (the "Company" or "AT"), including associates and in particular Grand City Properties S.A. ("GCP") (the "Group"), hereby submits the interim report as of June 30, 2018. The figures presented are based on the interim consolidated financial statements as of June 30, 2018, unless stated otherwise.

Aroundtown SA is a real estate company with a focus on income generating quality properties with value-add potential in central locations in top tier cities primarily in Germany and the Netherlands. Aroundtown invests in commercial and residential real estate which benefits from strong fundamentals and growth prospects. The commercial properties are held by Aroundtown and the residential investment is held through a holding in GCP Group. As of June 2018, the Company`s direct holdings in GCP (a publicly traded real estate company that focuses on investing in value-add opportunities predominantly in the German residential real estate market) was 38%. In AT's financials, GCP is accounted for as an equity-accounted investee. The Group's unique business model and experienced management team led the company to grow continuously for 14 years.

Financial Position Highlights

in € millions	Jun 2018	Dec 2017
Cash and liquid assets	**1,244.2**	848.7
Investment property	**11,884.2**	9,804.1
Total Assets	**16,914.5**	13,770.4
Total Equity	**8,548.2**	7,249.9
Total Equity assuming conversion [1)]	**8,824.9**	7,249.9
Convertible bonds [2)]	**253.3**	293.8
Straight bonds	**5,300.0**	3,827.0
Loans and borrowings	**1,156.8**	1,127.8

1) assuming conversion of convertible bonds which are deep-in-the-money and including the scrip dividend effects of €23 million
2) the convertible bonds are deep-in-the-money and after the reporting date another €105 million of convertible bonds have been submitted for conversion

Amsterdam

Stuttgart

Achievements

STRONG LIKE-FOR-LIKE IMPROVEMENTS

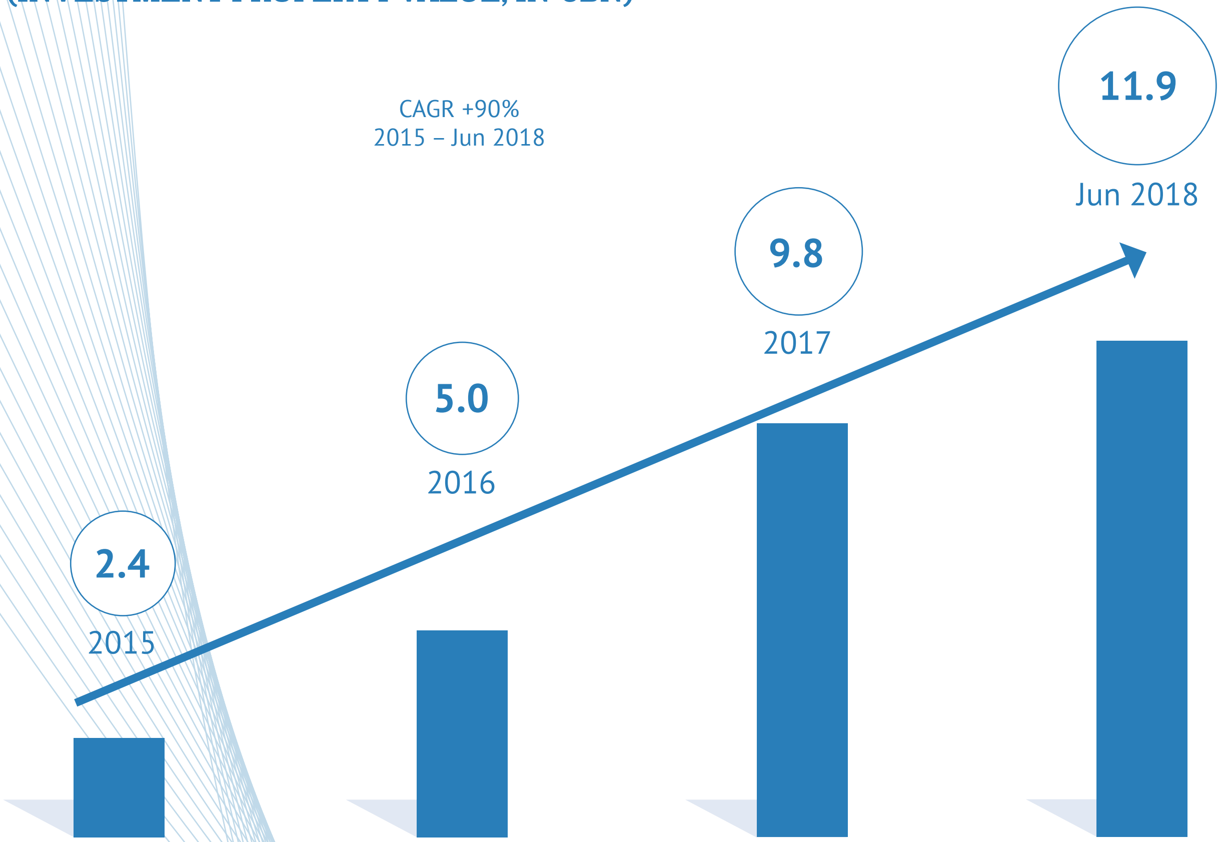
In-place rent
L-F-L
+2.5%
June 2018

TOTAL
LIKE-FOR-LIKE
+4.6%
June 2018

Occupancy
L-F-L
+2.1%
June 2018

SUSTAINING THE HIGH LEVEL OF EXTERNAL GROWTH

(INVESTMENT PROPERTY VALUE, IN €BN)



External growth of mainly office and hotel assets, located in top tier cities such as:

- Berlin
- Frankfurt
- Munich
- Stuttgart
- London
- Utrecht
- Rotterdam

PURSUING ACCRETIVE DEALS IN ATTRACTIVE LOCATIONS

HILTON BERLIN GENDARMENMARKT

The Hilton Gendarmenmarkt is a landmark asset encompassing an entire city block in the best location in Berlin

HILTON HYDE PARK

The Hilton Hyde Park is a monumental asset overlooking the Hyde Park in the heart of London

Additions of top quality assets in key central locations

ACCRETIVE CAPITAL RECYCLING OF NON-CORE ASSETS SUPPORTING CORE BUSINESS

Over €700 million

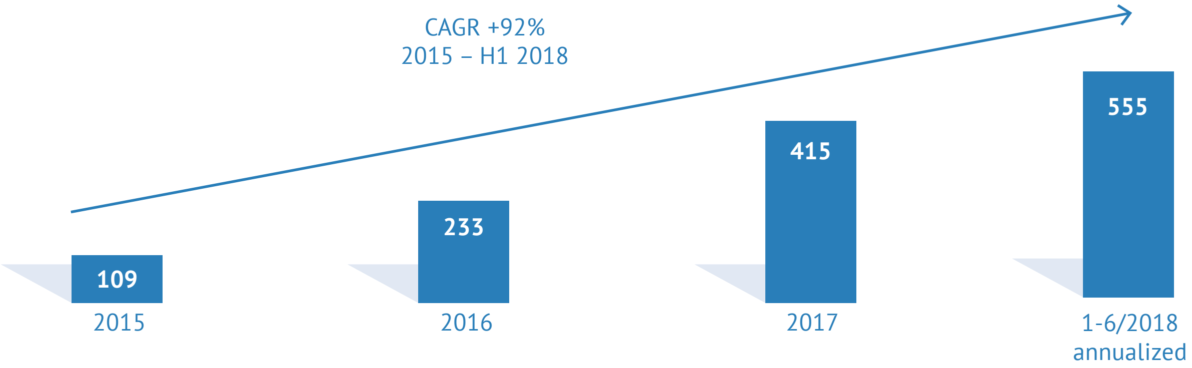
sold year-to-date 2018

of which, €500 million of non-core assets sold in H1 2018 at 15% over net book value (profit of €67 million) for total disposal gains over cost of 28% (€111 million)

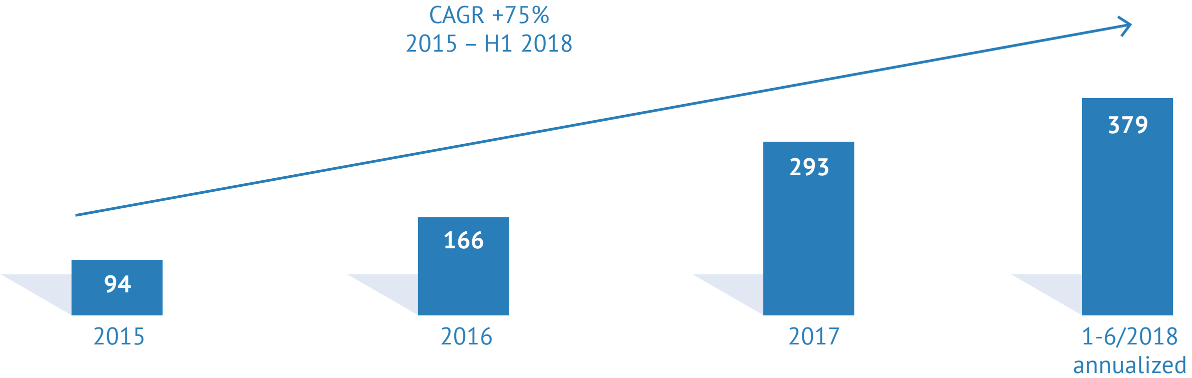
Achievements

ROBUST PERFORMANCE DRIVEN BY INTERNAL AND EXTERNAL GROWTH...

Net rental income, recurring long term (in €mn)

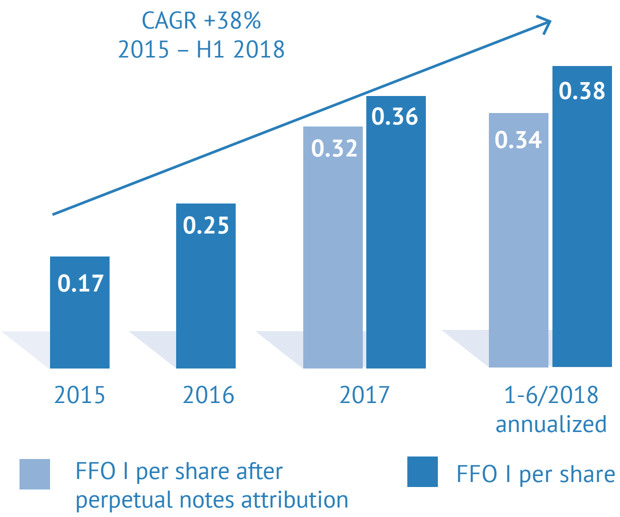


FFO I (in €mn)

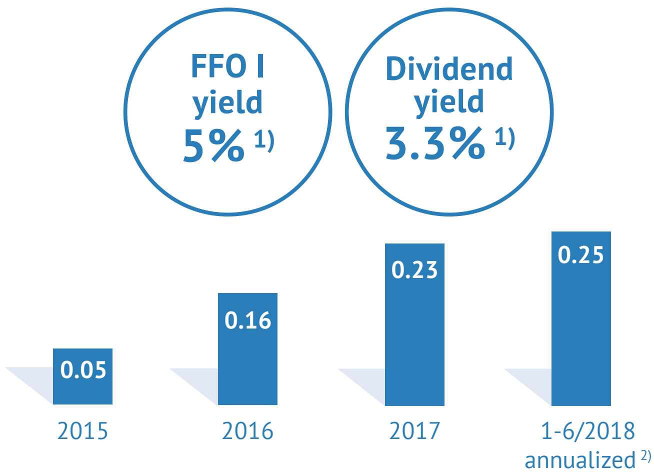


....RESULTING IN CONTINUOUS GROWTH ON A PER SHARE BASIS

FFO I per share (in €)



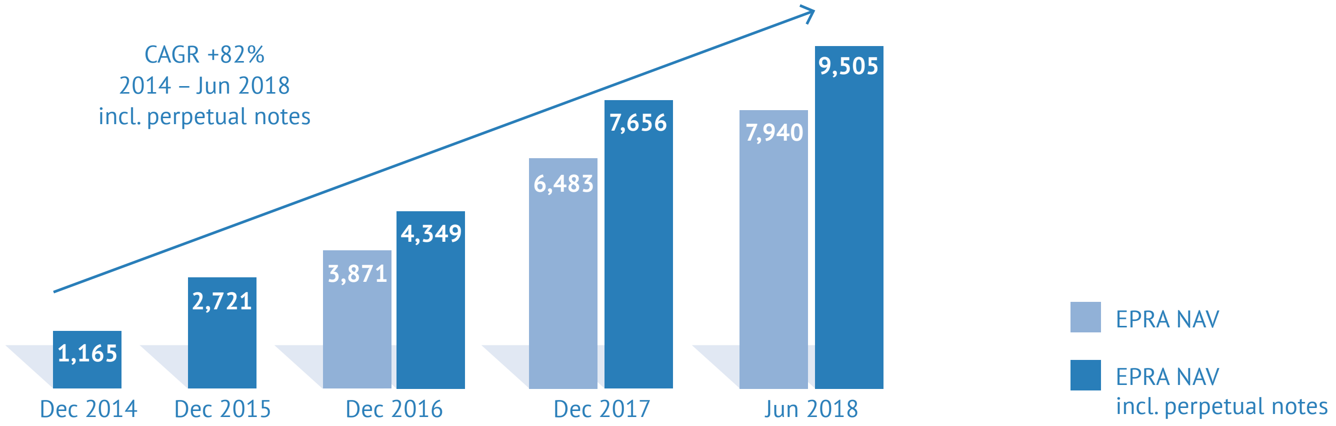
Dividend per share (in €)



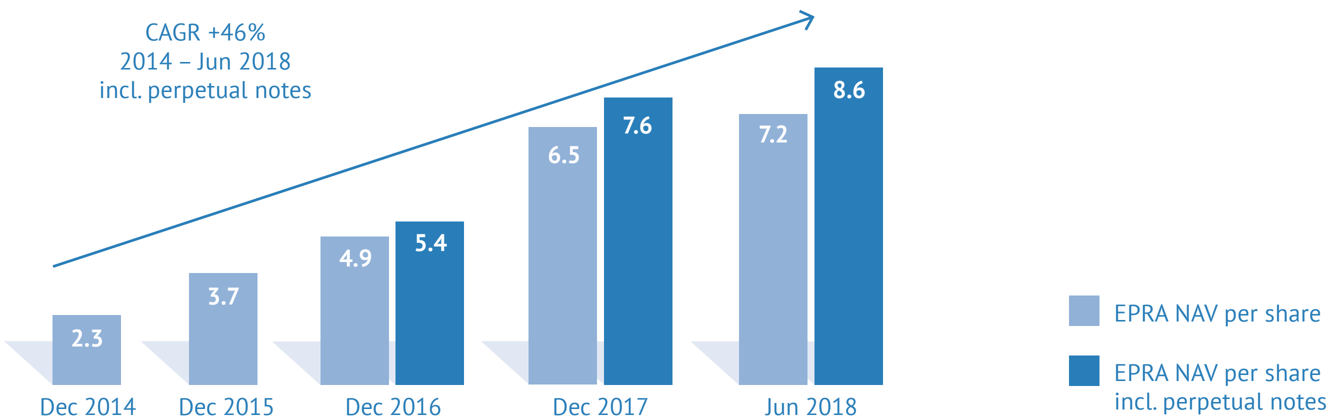
1) based on the share price of €7.6
2) based on a payout ratio of 65% of FFO I per share

...GENERATING HIGHER VALUE FOR SHAREHOLDERS

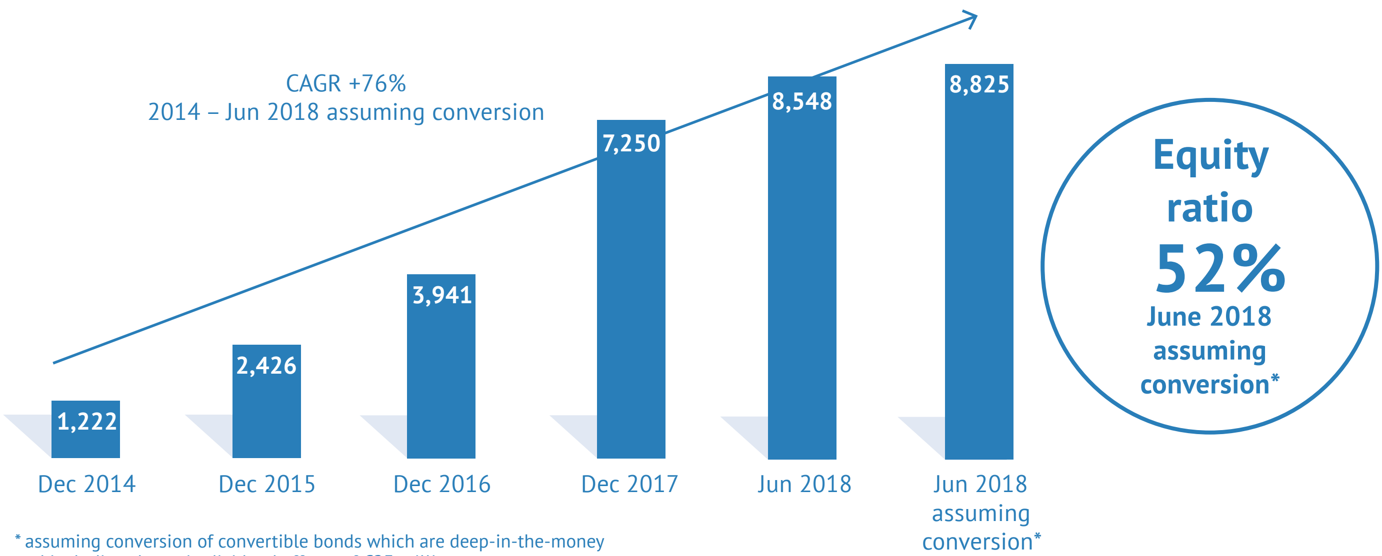
EPRA NAV growth (in €mn)



EPRA NAV per share growth (in €)



Strong and growing equity base (in €mn)



* assuming conversion of convertible bonds which are deep-in-the-money and including the scrip dividend effects of €23 million

Achievements

MAINTAINING FINANCIAL STABILITY

7.4 years
average debt maturity

1.7%
average cost of debt

strong debt metrics

High Financial Coverage Ratios (H1 2018)

ICR
4.7x

DSCR
3.8x

Unencumbered assets

€7.1 bn
Dec 2017

€8.5 bn
Jun 2018

71%
of rent
Dec 2017

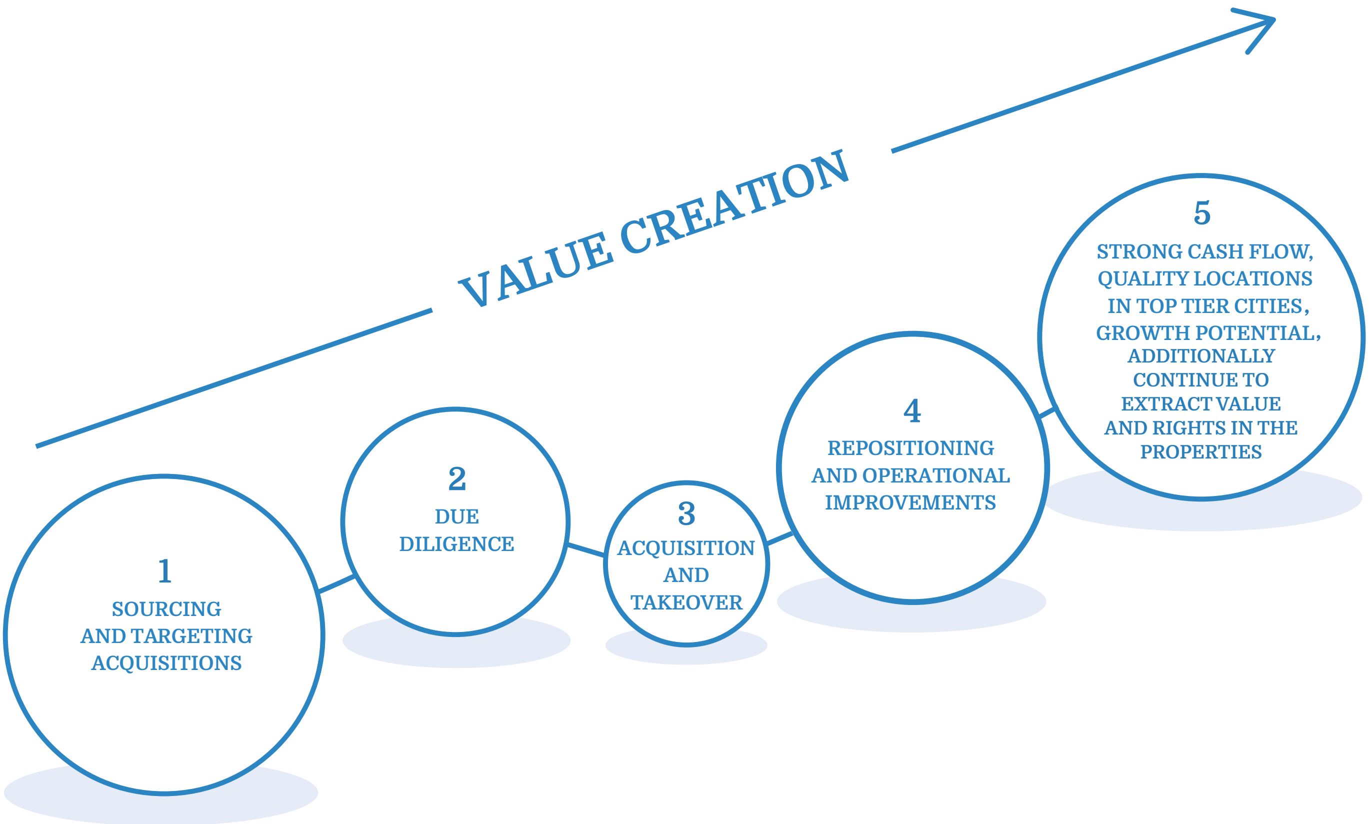
71%
of rent
Jun 2018

Large pool and high share of unencumbered investment properties

Düsseldorf

Strategy and business model

AT'S VALUE CREATION STARTS PRIOR TO ACQUISITION



① SOURCING AND TARGETING ACQUISITIONS

Aroundtown's property sourcing success stems from its unique network as well as its reputation as a reliable real estate acquisition partner. The Group focuses on value-add properties characterized by below market rent levels, inefficient cost or lease structure and/or vacancy reduction potential. With over 14 years of experience in the real estate markets, the Group benefits from a preferred buyer status across its sourcing network. The Group sources deals from a large and diverse deal sourcing base, such as receivers, banks, loan funds, broker networks, distressed owners, private and institutional investors and court auctions. The Group's primary focus is on major cities and metropolitan areas with positive demographic prospects.

The Group follows acquisition criteria which ensure that newly acquired properties align with its business model. These criteria include:

- Acquisition focus in central locations in top tier EU cities
- Value-add potential through operational improvements
- Cash flow generating assets
- Rent level per sqm below market level (under-rented properties)
- Purchase price below replacement cost and below market values
- Potential to reduce the cost per sqm significantly

Due to the experience and knowledge of its board and management, the Group is able to consider all possible uses for properties that it acquires, including altering the property's primary use in order to target specific supply shortages in the market. The Group believes that its business model provides it with a strong and sustainable competitive advantage.

Munich

② DUE DILIGENCE

After a potential property passes an initial screening, the property is further assessed in order to take into account the specific features of each project while ensuring that the acquisition is in line with the group's overall business strategy. AT believes that its experience in analyzing properties with value creation potential, and in identifying both the potential risks and the upside potential of each property, results in fast, but thorough and reliable, screening procedures.

During the due diligence phase, the group's construction team analyses potential capex requirements for the property. These are subsequently priced in the valuation process in order to provide a fair assessment of the property's acquisition value. A detailed business plan is created for each property in the due diligence phase, including an assessment of the portfolio fit and identification of feasible tenants. Beginning to identify potential tenants prior to acquisition of the property not only decreases operational risk but also accelerates the property repositioning process.

③ ACQUISITION AND TAKEOVER

Due to a thorough cross-organizational process in the due diligence phase, once a property is acquired the actual takeover occurs swiftly and efficiently. Because liquidity plays a significant role in the acquisition of value-add properties, at benefits strongly from its solid liquidity position and its ability to acquire properties with existing resources and refinance the acquisition at a later stage. The group also benefits from a strong and experienced legal department, which, combined with close and longstanding relationships with external law firms, enables at to complete multiple deals simultaneously.

Frankfurt

Strategy and business model

④ REPOSITIONING AND OPERATIONAL IMPROVEMENTS

As a specific tailored business plan is constructed for each property, and the weaknesses and strengths are identified pre-acquisition, the execution of the repositioning process becomes smoother and faster. The business plan input is integrated into AT's proprietary IT/software platform which enables the management to monitor all operational and financial parameters and fully control the repositioning progress. The success of the repositioning of the properties is the result of the following functions:

Operational and marketing initiatives

The initial repositioning activities aim at minimizing the time until the profitability of the acquired properties is improved. Targeted marketing activities are implemented to increase occupancy and thereby rental income. Vacancy reduction initiatives are tailored to the specific property type at hand. Procedures applied to AT's commercial properties include establishing a network of internal and external, as well as local and nationwide letting brokers, offering promotional features and building a reputation in the market for high service standards. For the Group's hotel assets, optimal operators are selected for the asset and a fixed long-term lease contract is entered into once the hotel is repositioned. Initiatives for the Group's residential properties target relationship building with potential tenants and the local community by collaborating with local municipalities, supporting community initiatives and advertising on key real estate platforms.

Rent increase and tenant restructuring, assessed during the due diligence process, are executed according to the property's business plan. Furthermore, the operational improvements at initiates improve the living quality or business environment for existing and future tenants, resulting in increased demand for these repositioned assets.

Having identified areas for operational improvements, the Group drills down on cost saving opportunities on a per unit basis, making use of modern technologies such as consumption-based meters. These efforts, combined with cost savings achieved through vacancy reductions and economies of scale, enable the company to benefit from a significant improvement of the cost base and therefore higher profitability.

AT manages its entire real estate value chain across acquisition, letting, upkeep and refurbishment. This integrated approach brings further efficiency benefits, a preferred landlord status to the Group and fast response times to its tenants.

Smart capex investments when required

AT addresses capex needs to keep the properties at high standards and addresses the requirements of its existing and prospective tenants. Capital improvements are discussed in close coordination with committed tenants, allowing an efficient and cost effective implementation of the investments. The carried out investments are followed up by our experienced construction team.

The financial feasibility of the proposed alterations is balanced against the lease term, rental income and property acquisition cost and bear quick returns over the investment period.

Relationship management

Aroundtown puts great emphasis on establishing strong relationships with its tenants to reduce churn rates, to predict as well as strengthen the tenant structure and thereby positively affect its cash flows in the future. The company aims to offer high quality services for both potential and existing tenants. The Group pays great attention to the industry in which its commercial tenants operate and to their individual success factors. The Group also offers direct support to its tenants through add-on facilities at its rental properties such as parking facilities and other space extensions to facilitate growth and smart space re-design to match modern office layouts. For its residential tenant base, GCP provides a wide range of services including a service center with 24/7 availability, regularly organizes family-friendly tenant events, and participates in various local community initiatives.

Further, the Group aims to establish personal relationships between its asset and property managers and its tenants, providing them with personal contact points, which allows the Group to react promptly to problems and proactively prolonging existing contracts in order to optimize and secure long-term revenues.

⑤ STRONG CASH FLOW, QUALITY PORTFOLIO WITH GROWTH POTENTIAL

Secure cash flows are continuously strengthened by ongoing cost controls and profitability improvements. Given vacancy and below market rents, AT's portfolio exhibits further strong and lasting growth after the implementation of initial repositioning activities. In line with the Group's primarily buy and hold strategy, with a strong focus on creating a long-term stream of secure cash flows, this continuous internal growth ensures that at can continue to grow organically without relying on further acquisitions.

Key strengths

EXPERIENCED BOARD AND MANAGEMENT

AT's board and management can draw on a wealth of experience in the real estate market and associated sectors. This enables the Group to continuously innovate, make strategic decisions quickly and accurately, and successfully grow. The Company's remarkable growth in recent years has created two key benefits in this regard: on one hand, the ability to attract managers and employees that redefine the industry, and on the other hand the internalization of a knowledge and experience pool at a fraction of the cost in relation to its portfolio.

This knowledge is communicated and utilized across the Company and its business units which shapes its processes and operational improvements, such as automated cost saving measures and automated rent increase processes.

AT's management possesses the knowledge that makes up its main competitive advantage, the ability to extract the operational and value potential from its assets. This includes the ability to execute the business plan successfully, which includes executing vacancy reduction activities rapidly, establishing cost efficiency measures, setting rent increase processes, understanding tenant structures and optimizing rental contracts in terms of lease maturity and income security. Cross-sector experience enables the extraction of the full value of the properties and operational experience improves the monitoring and reduction of costs.

MEMBERS OF THE BOARD OF DIRECTORS

NAME	POSITION
Mr. Frank Roseen	Director
Mr. Oschrie Massatschi	Director
Ms. Jelena Afxentiou	Director
Mr. Markus Leininger	Independent Director
Mr. Markus Kreuter	Independent Director
Dr. Axel Froese	Independent Director

SENIOR AND KEY MANAGEMENT

NAME	POSITION
Mr. Shmuel Mayo	CEO
Mr. Andrew Wallis	Deputy CEO
Mr. Eyal Ben David	CFO
Mr. Markus Neurauter	Head of Commercial Operations
Mr. Nikolai Walter	Head of Asset & Property Management
Mr. Alfred Kandl	Head of Construction Management
Ms. Sylvie Lagies	Head of ESG

DEAL SOURCING AND THE ABILITY TO CREATE ACCRETIVE GROWTH

The Group's acquisition track record over the past 14 years has led it to become a market leader and have a preferred acquirer status, primarily due to its professional approach, fast and high execution rates, and reliability.

The Group has a proven track record of acquiring properties with various value-add drivers and successfully extracting the upside potential. This activity is accompanied by a continuous pipeline and acquisition of attractive properties and the successful transition of the existing properties into mature assets, generating secure long-term cash flows.

QUALITY LOCATIONS IN TOP TIER CITIES

Aroundtown's assets are primarily located in two of Europe's best performing economies with AAA sovereign ratings: Germany and the Netherlands. Within these countries, the company mainly focuses on central locations in top tier cities including Germany's capital, Berlin, the large metropolitan area of North Rhine-Westphalia, the wealthiest cities Hamburg and Munich, the financial center Frankfurt, as well as the Netherlands' financial center and capital Amsterdam and Europe's biggest port, Rotterdam. Aroundtown's assets are further diversified into other top cities with strong economic fundamentals, such as Europe's largest financial center and most popular touristic destination, London.

PROPRIETARY IT/SOFTWARE PLATFORM

Aroundtown emphasizes the internalization of relevant skills to support innovation and improve processes. Its operations and growth are supported by scalable proprietary it/software systems that connect all departments and all property units, enabling efficient monitoring and implementation of value-add measures. The platform constantly monitors vacancy and rents across AT's portfolio, ensuring yields are optimized and strict cost discipline is implemented. The Group's in-house it team continuously interacts with the operational teams and delivers fast and efficient solutions to the company's operational needs.

MEMBERS OF THE ADVISORY BOARD

NAME	POSITION
Dr. Gerhard Cromme	Chairman of the Advisory Board
Mr. Yakir Gabay	Advisory Board Deputy Chairman
Mr. Claudio Jarczyk	Advisory Board Member

Baden Baden

COMMITMENT TO SUSTAINABILITY

As Aroundtown has rapidly grown to become an industry leader with a wide-reaching impact, the Company has also accordingly increased its efforts and investments in sustainability-related initiatives and reporting. It is of importance to the Company's long-term success that its operations are sustainable in the long term, such as ensuring a minimal environmental footprint, high standard of governance and transparency, healthy and balanced workplace environment, high standard of service quality provided to tenants, and positive social impact on the communities in which the Company operates. AT strives to be a responsible corporate citizen, with its strong operational business success being mirrored in an equally strong corporate reputation. With the Group having established a dedicated ESG team to drive these efforts, Aroundtown is proud to present its first full annual sustainability report for the year 2017, which is available for download on the Company's website.

SUSTAINALYTICS

Aroundtown was ranked by Sustainalytics at the 88th percentile among 280 real estate companies around the world, ranking as Outperformer in all categories (Environment, Social and Governance)

EPRA BPR GOLD

Aroundtown received the EPRA BPR Gold award in September 2017, the highest standard for financial reporting

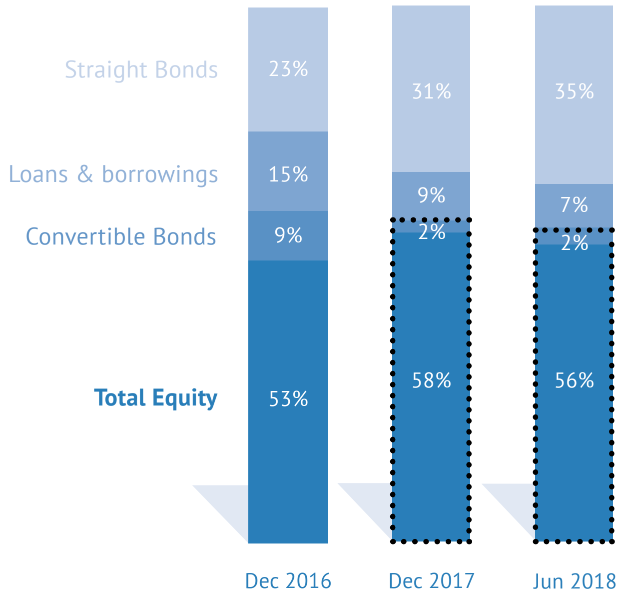
Aroundtown published its first full annual sustainability report for the year 2017

Key strengths

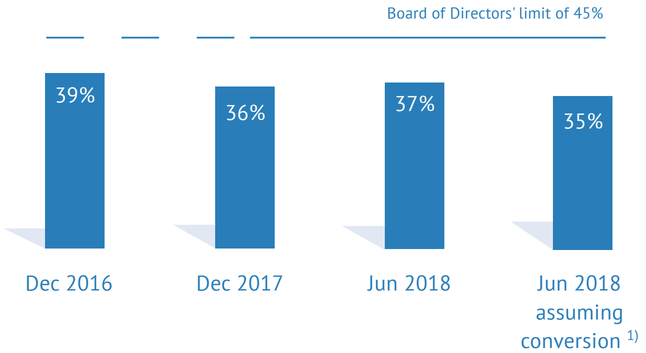
CONSERVATIVE FINANCING STRUCTURE

AT's conservative capital structure approach is reflected in a low LTV of 37% as of June 30, 2018. Furthermore, the LTV is down to 35% considering the full conversion into equity of the convertible bonds, both of which are in-the-money, well below the limit of 45% established by the Board of Directors. Aroundtown's management views the conservative debt metrics as a key source of competitive advantage and implements policies to keep financing costs low and the share of unencumbered assets high. The low leverage of the Group enables further external growth, while still maintaining a conservative capital structure. This conservative capital structure stems from AT's diversified financing sources with long debt maturities.

FINANCING SOURCES MIX



LOAN-TO-VALUE

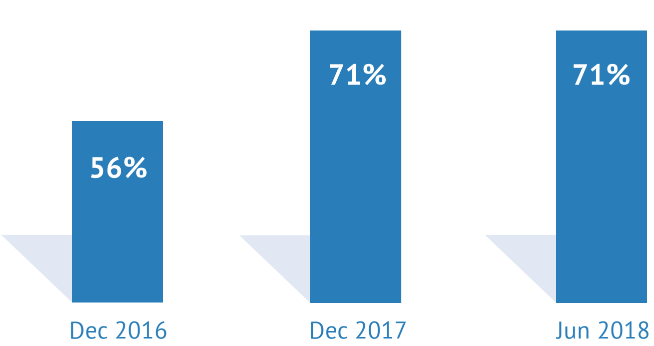


1) assuming conversion of convertible bonds which are deep-in-the-money

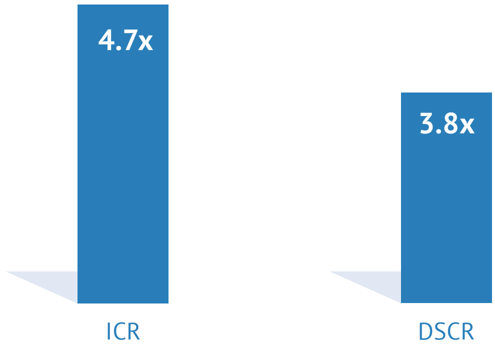
In addition to its conservative capital structure and vast experience in accessing capital markets that enables AT to finance its future growth, the Company maintains a robust liquidity position through a mix of operational cash generation and balance of cash and liquid assets which as of June 30, 2018 amounted to €1.2 billion. Additionally, the high ratio of unencumbered assets of 71% as of June 2018 provides for additional financial flexibility.

Rotterdam

HIGH UNENCUMBERED ASSETS RATIO



STRONG FINANCIAL COVER RATIOS (H1 2018)



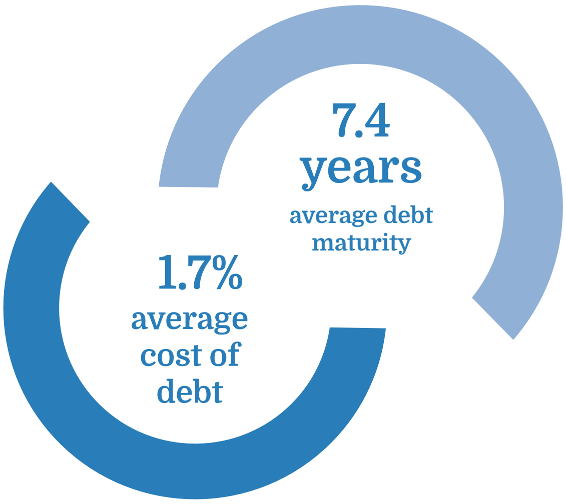
FINANCIAL POLICY

Aroundtown has set a financial policy to improve its capital structure further:

- **Strive to achieve A- global rating in the long-term**
- LTV limit at 45%
- Debt to debt-plus-equity ratio at 45% (or lower) on a sustainable basis
- Maintaining conservative financial ratios with a strong ICR
- Unencumbered assets above 50% of total assets
- Long debt maturity profile
- Good mix of long-term unsecured bonds & non-recourse bank loans
- Support convertible bond holders to convert into equity
- Dividend of 65% of FFO I per share

INVESTMENT-GRADE CREDIT RATING

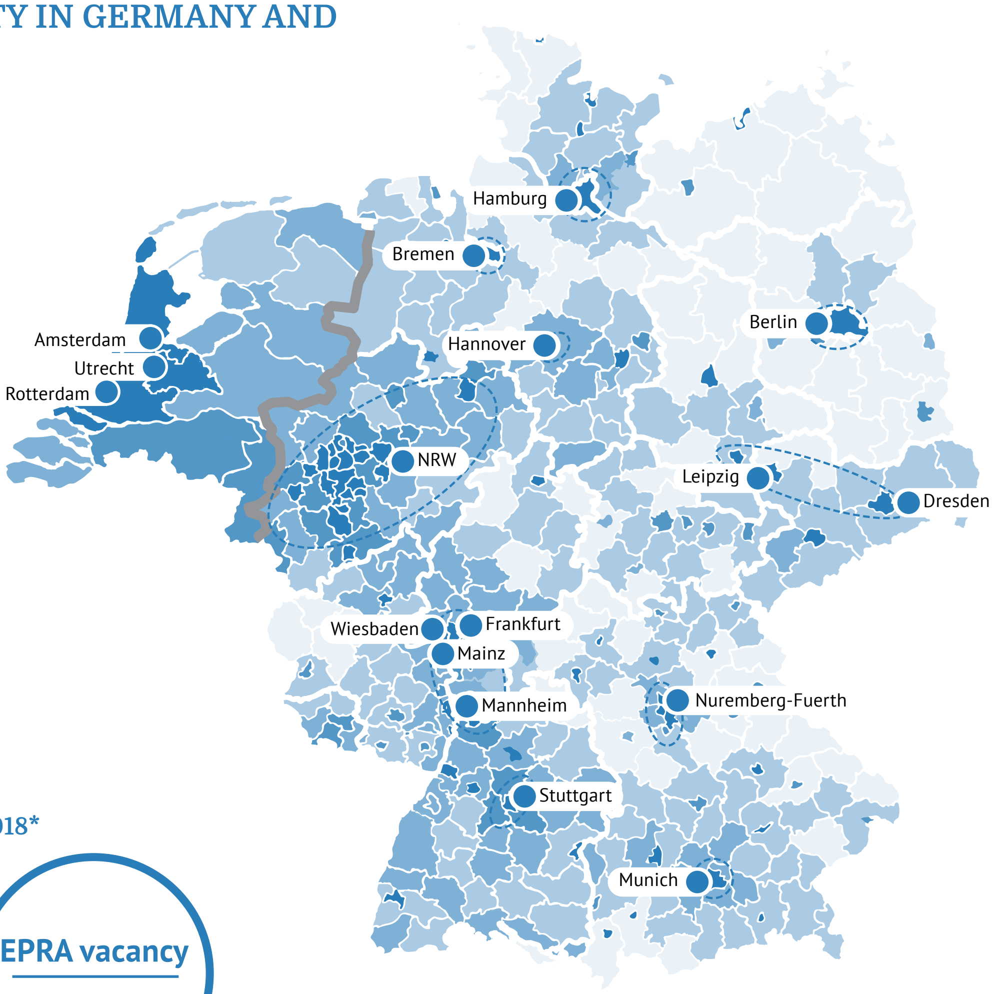
In December 2017, AT's credit rating was upgraded to 'BBB+' by Standard & Poor's Ratings Services ("S&P"). S&P acknowledged AT's strong business profile and larger portfolio with great scale and diversification, well balanced across multiple asset types and regions with no dependency on a single asset type or region, together with a large and diverse tenant base and long lease structures. The rating increase followed the upgrade to 'BBB' in June 2016 and the initial credit rating of 'BBB-' received from S&P in December 2015. **Aroundtown continues to strive to achieve its long-term target rating of A-.**



Aroundtown's quality portfolio

Group Portfolio Overview

POPULATION DENSITY IN GERMANY AND THE NETHERLANDS



INHABITANTS PER SQKM (2013)

- < 100
- 100 – 200
- 200 – 500
- 500 – 1000
- > 1000

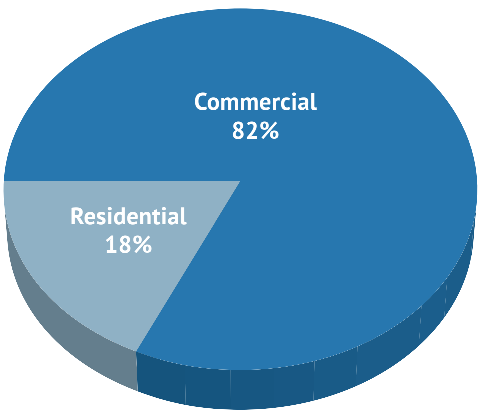
AS OF JUNE 2018*

In-place rent
€8.5/sqm

EPRA vacancy
8.6%

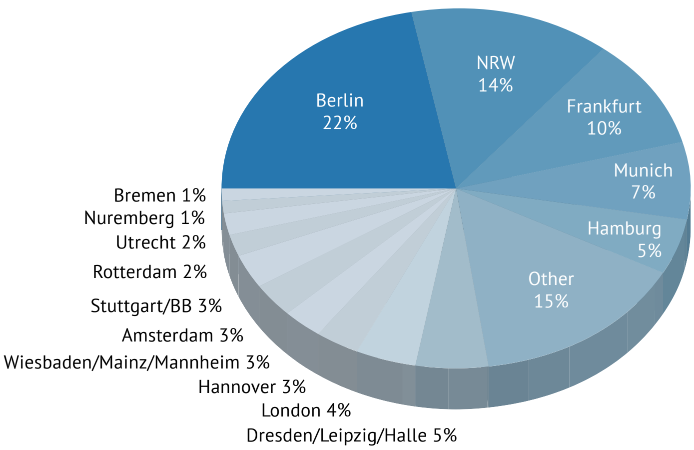
GROUP ASSET TYPE BREAKDOWN

(JUNE 2018, BY VALUE*)



GROUP REGIONAL DISTRIBUTION

(JUNE 2018, BY VALUE*)



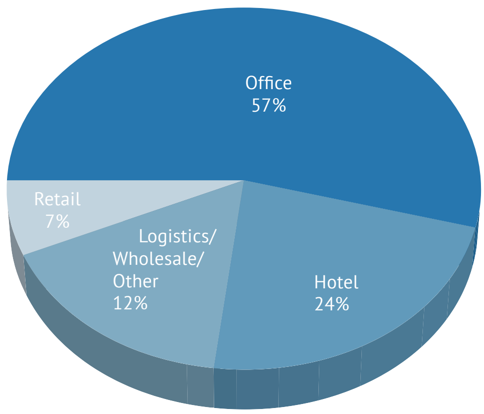
* the residential portfolio is accounted for at the holding rate of 38%

Commercial Portfolio – Top tier cities

Aroundtown owns a diverse portfolio of commercial assets which focuses on top tier cities with strong demographics and favourable economic fundamentals. The commercial portfolio is diversified over several different asset types including office, hotel, logistics, wholesale, retail and other covering a total of over 5.5 million sqm as of June 2018. As of June 2018 and excluding assets held for sale, the Group's commercial portfolio with a value of nearly €12 billion operates at an in-place rent of 9.5 €/sqm and an EPRA vacancy of 8.9%. The portfolio includes strong growth potential through rent and occupancy increases as well as cost efficiency improvements, generating as of the June 2018 an annualized net rental income of €587 million. Furthermore, AT's portfolio is well diversified and has limited dependency on single tenants, with a tenant base of over 2,800 tenants spread across a wide range of sustainable market sectors which further reduces cluster risk. A long portfolio WALT of over 7 years offers long-term cash flow stability and security. The management believes that its business platform benefits from its skilled personnel, experience and track record, and reliable practices that enable the company to perform strongly and to further expand in the commercial property market. In addition, the management is extracting new building rights on existing land and buildings, contributing to the value creation process. The company also believes that the business environment will provide abundant acquisition opportunities in the attractive markets it targets, to support its external growth strategy in the medium to long term. An active deal pipeline and favourable market conditions provide for continued opportunities for accretive external growth.


London

ASSET TYPE BREAKDOWN
(JUNE 2018, BY VALUE)



PORTFOLIO DISTRIBUTION

Aroundtown's commercial portfolio is spread over many different asset classes, mainly offices and hotels, and is located in quality locations which benefit from strong demographic and economic fundamentals, such as Berlin, Munich, Hamburg, Frankfurt, NRW, Hannover, London and Amsterdam. Within these regions Aroundtown focuses on assets with favourable micro-locations and various demand drivers.

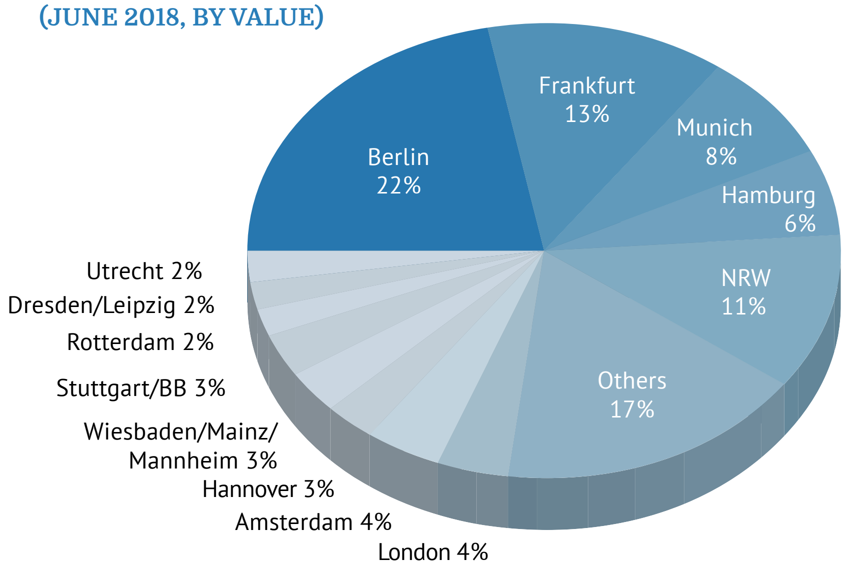
ASSET TYPE OVERVIEW

JUNE 2018	Investment properties (in €M)	Area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield	WALT (in years)
Office	6,371	2,726	11.0%	324	10.8	2,338	5.1%	4.5
Hotel	2,796	969	5.4%	136	13.3	2,885	4.9%	15.9
Retail	877	448	9.2%	56	10.6	1,957	6.4%	4.7
Logistics/Wholesale/Other	1,177	1,377	5.3%	71	4.5	855	6.0%	7.0
Land for development & building rights	663							
TOTAL	**11,884**	**5,520**	**8.9%**	**587**	**9.5**	**2,033**	**5.2%**	**7.4**

REGIONAL OVERVIEW

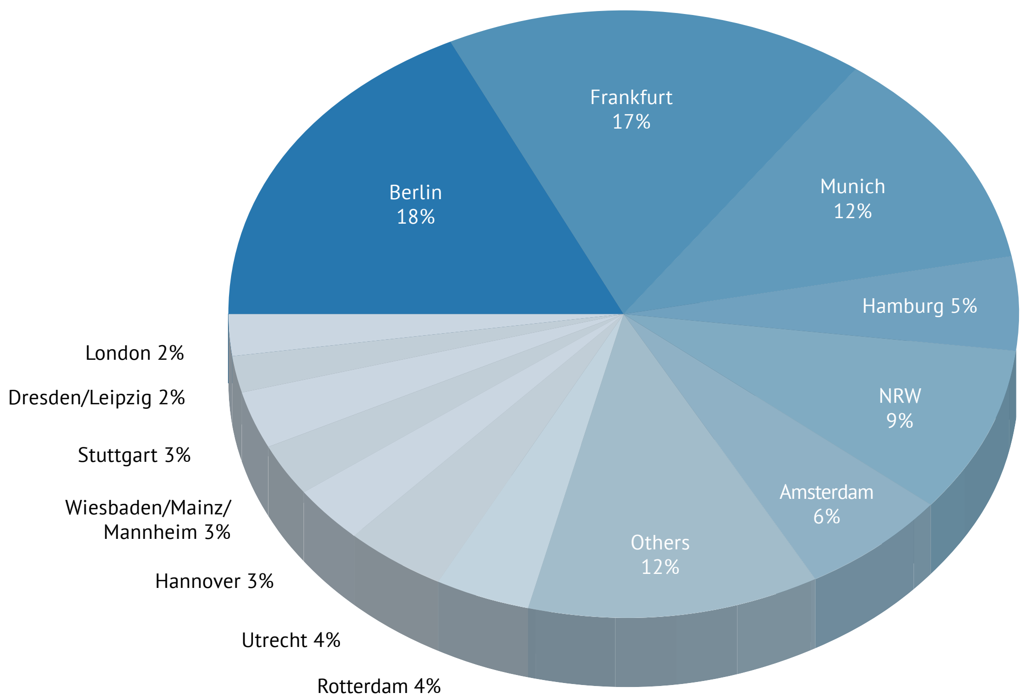
JUNE 2018	Investment properties (in €M)	Area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield
Berlin	2,330	805	6.9%	92	10.2	2,894	3.9%
Frankfurt	1,428	508	16.1%	57	11.3	2,810	4.0%
Munich	766	262	7.6%	34	10.8	2,926	4.4%
NRW	1,309	952	9.5%	82	7.3	1,376	6.3%
Hamburg	447	258	5.4%	25	8.6	1,732	5.5%
London	459	68	13.0%	19	29.9	6,777	4.2%
Amsterdam	437	137	6.6%	23	14.0	3,179	5.2%
Hannover	372	258	6.0%	22	7.5	1,439	5.9%
Wiesbaden/Mainz/Mannheim	357	168	5.6%	22	10.9	2,131	6.2%
Stuttgart/BB	380	199	11.9%	21	10.8	1,912	5.5%
Dresden/Leipzig	243	131	4.6%	13	8.9	1,856	5.6%
Rotterdam	276	138	6.9%	22	13.3	2,003	7.8%
Utrecht	286	135	8.4%	18	11.1	2,117	6.5%
Other	2,131	1,501	8.5%	137	8.4	1,420	6.4%
Land for development & building rights	663						
TOTAL	**11,884**	**5,520**	**8.9%**	**587**	**9.5**	**2,033**	**5.2%**

REGIONAL DISTRIBUTION
(JUNE 2018, BY VALUE)

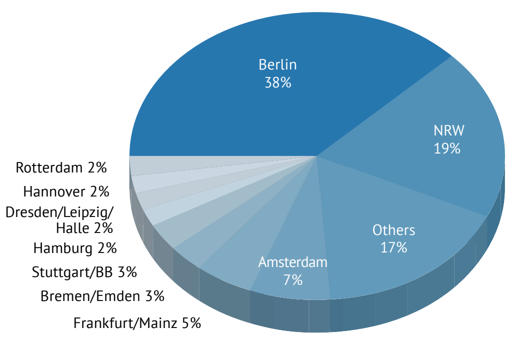


Regional Distribution

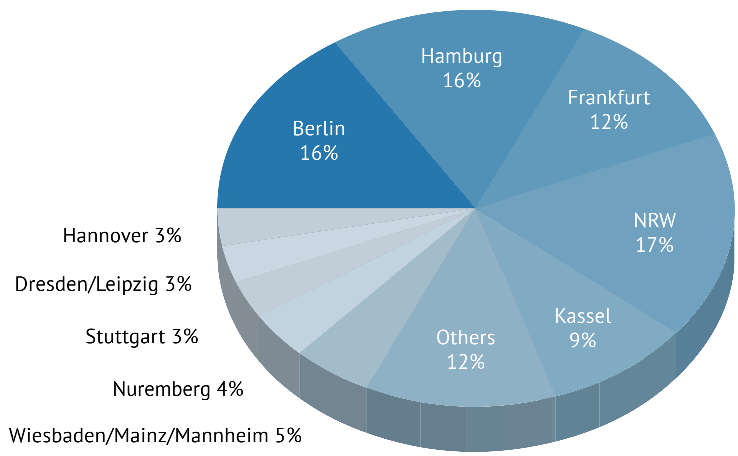
OFFICE – €6.4 BILLION (JUNE 2018, BY VALUE)



RETAIL – €0.9 BILLION (JUNE 2018, BY VALUE)



LOGISTICS/WHOLESALE/OTHER – €1.2 BILLION (JUNE 2018, BY VALUE)



Berlin

BEST-IN-CLASS BERLIN PORTFOLIO

- **90%** of the commercial portfolio is located in top tier neighborhoods including Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam
- **10%** of the commercial portfolio is well located primarily in Reinickendorf, Spandau, Treptow, Köpenick and Marzahn-Hellersdorf

Commercial properties

Residential properties

*Map representing approx. 95% of the portfolio and 99% including central Potsdam

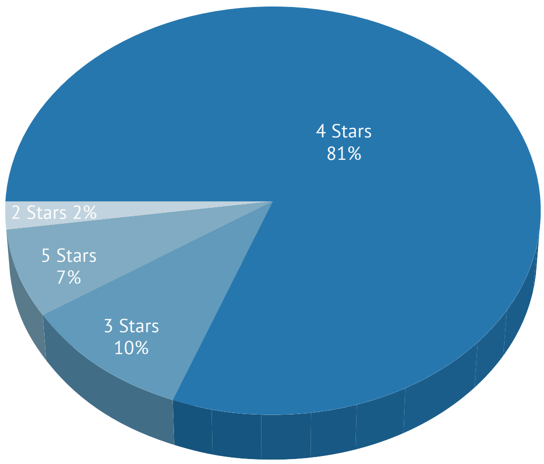
High quality hotels in prime locations

APPROXIMATELY 100 HOTELS ACROSS TOP LOCATIONS

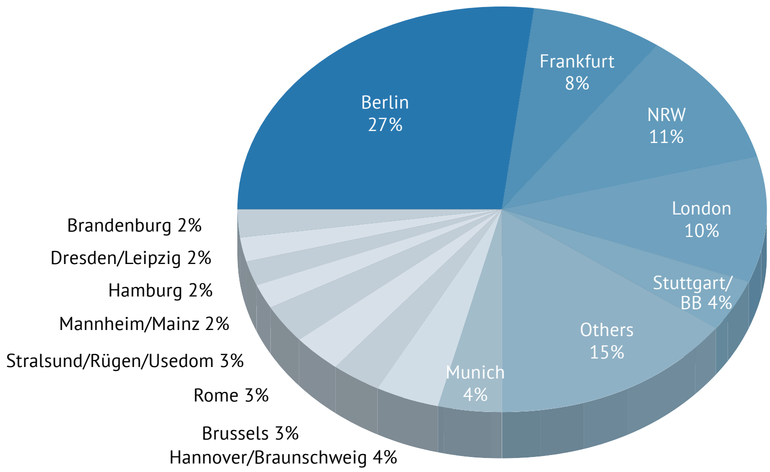
AT's hotel portfolio, valued at €2.8 billion as of June 2018, is well diversified and covers a total of 969k sqm. The largest share of 81% of the portfolio consists of 4-star hotels, meeting the strong market demand which rises from tourism and business travel. The hotels are branded under a range of globally leading branding partners which offer key advantages such as worldwide reservation systems, global recognition, strong loyalty programs, quality perception and benefits from economies of scale. Furthermore, the hotels have long-term fixed leases with third-party hotel operators, providing stable cash flows.

The hotel assets are let to hotel operators which are selected according to their capabilities, track record and experience. The management participates in the branding decision of the hotel, applying its expertise in selecting the optimal brand. An integral component of the business plan is a long-term fixed rental lease, which increases the cash flow stability. AT maintains close relations with the operators and monitors their performance on an ongoing basis, making use of its tailor-made IT/software system. In return, AT benefits from fixed annual rent increases which contribute directly to the bottom line.

HOTELS – DISTRIBUTION BY STAR CATEGORY
(JUNE 2018, BY VALUE)



HOTELS – €2.8 BILLION
(JUNE 2018, BY VALUE)



Potsdam / Berlin

HOTELS FRANCHISED WITH VARIOUS STRONG BRANDS AND A LARGE SCALE OF CATEGORIES WHICH PROVIDES HIGH FLEXIBILITY FOR THE BRANDING OF ITS ASSETS

Hilton HOTELS & RESORTS · INTERCONTINENTAL HOTELS & RESORTS · Sheraton HOTELS & RESORTS · Marriott · CROWNE PLAZA HOTELS & RESORTS

DOUBLETREE BY HILTON · Radisson BLU HOTELS & RESORTS · MELIÃ HOTELS INTERNATIONAL · ACCORHOTELS Feel Welcome · NH HOTEL GROUP

WYNDHAM Hotels and Resorts · WYNDHAM GARDEN · Best Western · ibis HOTELS · Holiday Inn · Mercure HOTELS

NOVUM group hotels · TRYP BY WYNDHAM · CARLSON REZIDOR HOTEL GROUP · Days Inn · SEMINARIS

London

Residential Portfolio
(Grand City Properties)

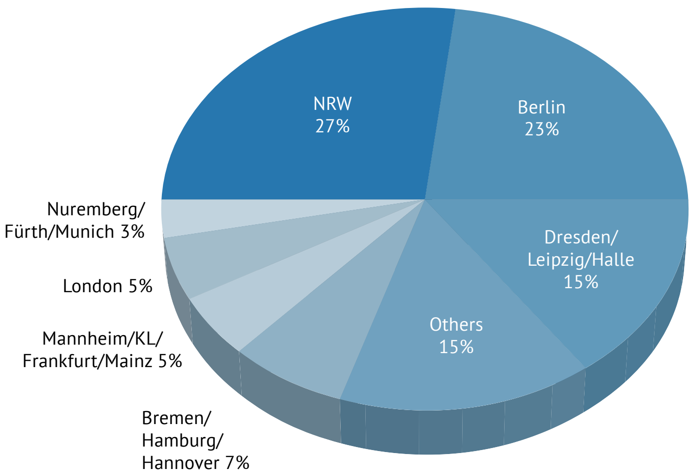
The residential portfolio is mainly held through a 38% interest in Grand City Properties ("GCP"), a leading market player in the German residential market and a specialist in value-add opportunities in densely populated areas in Germany. AT is the largest shareholder in GCP, with the remaining 62% widely distributed and held mainly by many international leading institutional investors. There is no major single shareholder except for AT. As of June 2018, GCP holds 85k units in its portfolio with the properties spread across densely populated areas in Germany, with a focus on North Rhine-Westphalia, Berlin and the metropolitan regions of Dresden, Leipzig and Halle. GCP puts strong emphasis on growing relevant skills in-house to improve responsiveness and generate innovation across processes and departments. Through its 24/7 service center and by supporting local community initiatives, GCP established an industry-leading service standard and lasting relationships with its tenants. The table below represents GCP at 100%.

REGIONAL OVERVIEW

JUNE 2018	Value (in €M)	Area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield
NRW	1,873	1,832	7.9%	112	5.4	27,386	1,022	6.0%
Berlin	1,448	629	6.0%	53	7.4	8,100	2,301	3.7%
Dresden/Leipzig/Halle	968	1,076	8.7%	58	5.0	18,537	900	6.0%
Mannheim/KL/Frankfurt/Mainz	348	251	5.0%	19	6.6	4,146	1,388	5.6%
Nuremberg/Fürth/Munich	205	102	4.7%	10	7.8	1,471	2,011	4.7%
Bremen/Hamburg/Hannover	477	365	4.3%	26	6.1	5,460	1,305	5.4%
London	156	25	34.9%	4	27.1	393	6,245	2.8%
Others	1,044	1,168	7.0%	71	5.6	19,658	894	6.8%
Development rights and new buildings*	338							
TOTAL	**6,857**	**5,448**	**7.5%**	**353**	**5.8**	**85,151**	**1,197**	**5.4%**

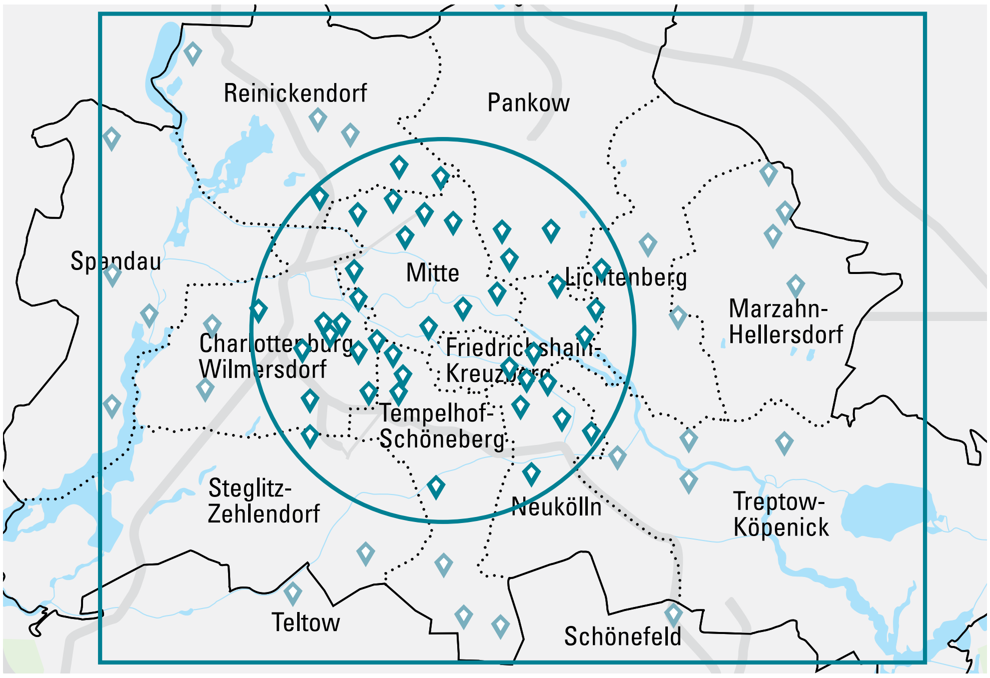
*including land for development, building rights on existing buildings (€138 million) and pre-marketed new buildings in London (€200 million)

REGIONAL DISTRIBUTION
(JUNE 2018, BY VALUE)




Cologne

BERLIN – BEST IN CLASS PORTFOLIO

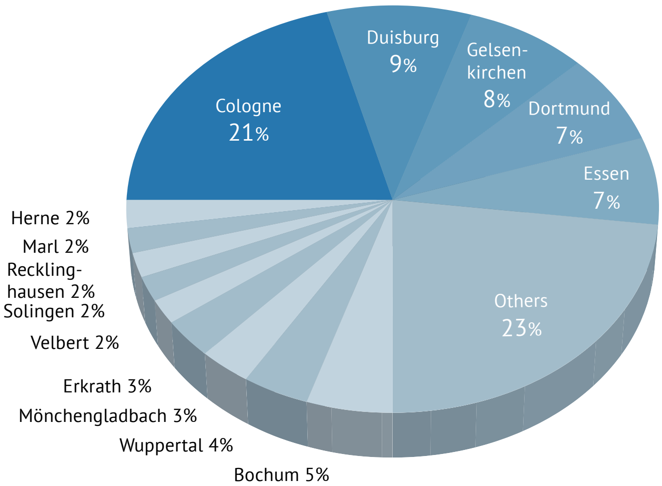


- **2/3** of the Berlin portfolio is located in **top tier neighborhoods:** Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam
- **1/3** is well located in **affordable locations**, primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf

WELL DISTRIBUTED IN NORTH RHINE-WESTPHALIA, THE LARGEST METROPOLITAN AREA IN GERMANY

(JUNE 2018, BY VALUE)

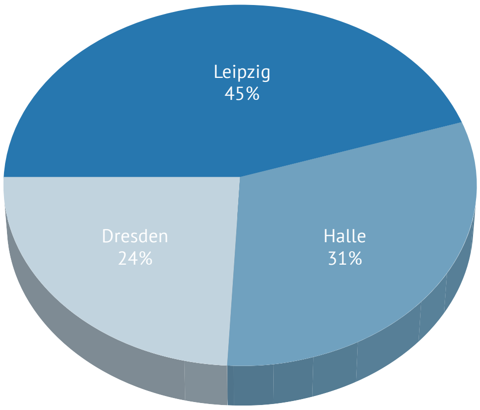
GCP's NRW portfolio distribution is focused on cities with strong fundamentals within the region. 21% of the NRW portfolio is located in Cologne, the largest city in NRW, 9% in Duisburg, 8% in Gelsenkirchen, 7% in Dortmund and 7% in Essen.



QUALITY EAST PORTFOLIO

(JUNE 2018, BY VALUE)

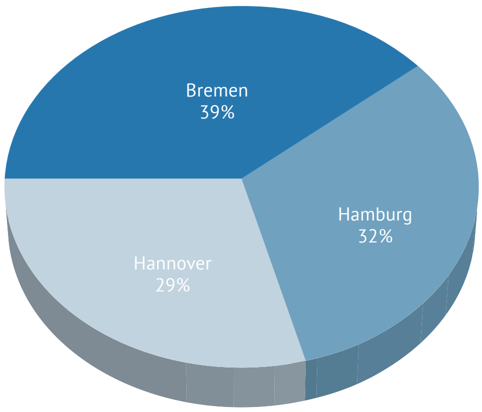
GCP's East portfolio is well distributed in the growing and dynamic cities Dresden, Leipzig and Halle.



QUALITY NORTH PORTFOLIO

(JUNE 2018, BY VALUE)

GCP's North portfolio is focused on the major urban centers Bremen, Hamburg and Hannover.



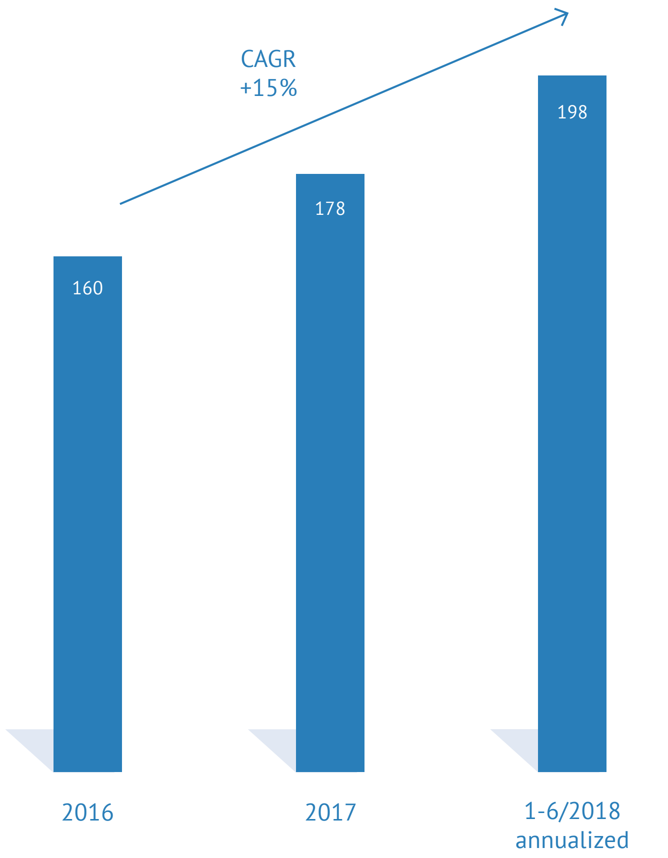
Residential Portfolio
(Grand City Properties)

Grand City Properties' portfolio generates a net rental income of €363 million and bottom line FFO I of €198 million on a six months 2018 annualized basis. The current portfolio has an in-place rent of 5.8 €/sqm at an EPRA vacancy rate of 7.5%.

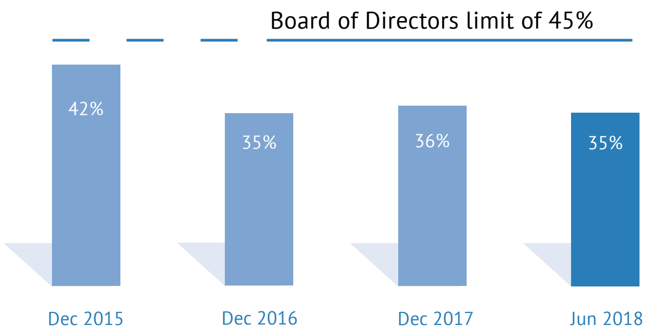
GCP's success is mirrored in its strong performance in the debt and capital markets. GCP is included in the MDAX index of the Deutsche Börse, the FTSE EPRA/Nareit index series family, GPR 250 and DIMAX, as well as the Stoxx All Europe 800 and the MSCI index family. GCP has a dividend policy to distribute 65% of its FFO I per share.

GCP follows a conservative financial approach with low leverage and a diversified capital structure, with a long weighted average debt maturity of 8.3 years and an average cost of debt of 1.6%. GCP carries two investment-grade credit ratings: BBB+ from Standard & Poor's rating services (S&P) and Baa1 from Moody's investors service (Moody's) – and as part of its strategy aims to achieve a rating of a- in the long-term. GCP has a market cap of €4.0 billion and has outperformed the market continuously since its IPO in 2012, in share, convertible bond, straight bond and perpetual notes performance.

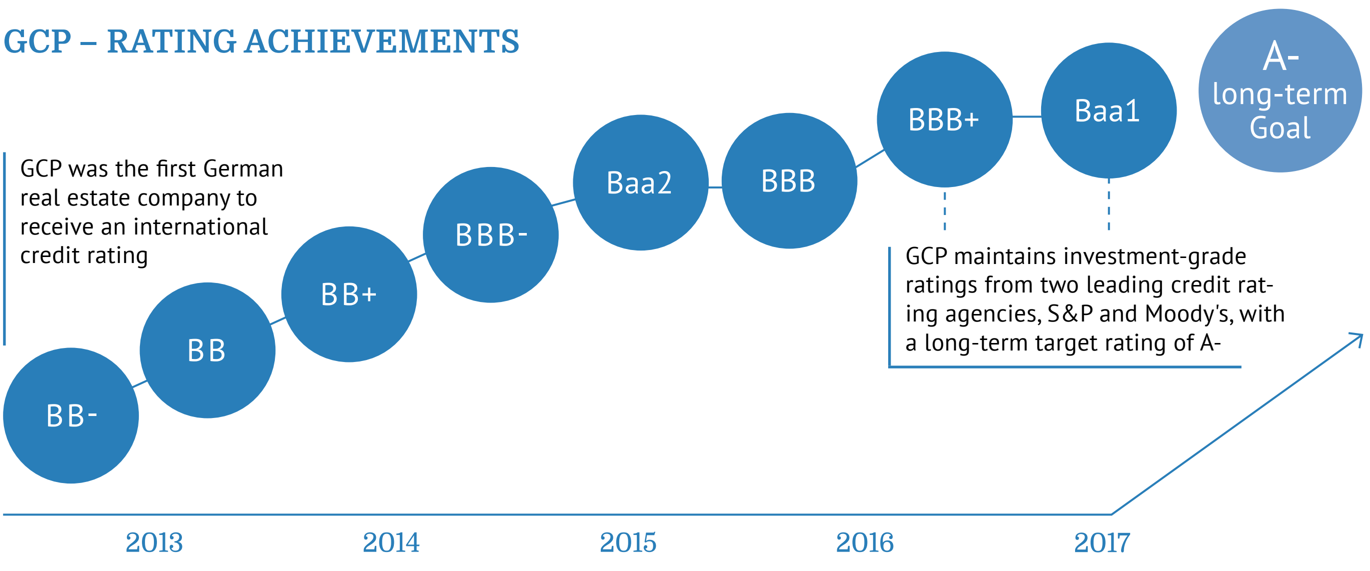
GCP – CONSISTENTLY GROWING FUNDS FROM OPERATIONS (IN €MN)



GCP – CONSERVATIVE LOAN-TO-VALUE



GCP – RATING ACHIEVEMENTS



Berlin

Capital Markets

TRADING DATA AND ANALYST COVERAGE

Placement	Frankfurt Stock Exchange
Market Segment	Prime Standard
Trading ticker	AT1
Initial placement of capital	13.07.2015 (€3.2 per share)
Key index memberships	MDAX FTSE EPRA/NAREIT: – Global – Developed Europe – Eurozone – Germany Stoxx Europe 600 GPR 250 DIMAX

AS OF JUNE 2018

Number of shares	1,060,652,292
Free Float	64.0%
Avisco	36.0%

AS OF THE DAY OF THIS REPORT

Number of shares	1,077,355,754
Fully diluted number of shares	1,122,328,138
Free float	64.6%
Free float incl. conversion of Series B	64.9%
Fully diluted free float	66.0%
Market Cap	€8.2 bn

KEY INDEX INCLUSIONS

Aroundtown's share is a consitutent of several major indices such as **MDAX, FSTE/EPRA/NAREIT Index Series, Stoxx Europe 600** as well as GPR 250 and DIMAX. These inclusions are the result of Aroundtown's large market cap and high trading volumes on the Prime Standard of the Frankfurt Stock Exchange (XETRA).

INVESTOR RELATIONS ACTIVITIES

The Group is proactively approaching a large investor audience in order to present its business strategy, provide insight into its progression and create awareness of its overall activities in order to enhance its perception in the market. AT participates in a vast amount of various national and international conferences, roadshows and one-on-one presentations in order to present a platform for open dialogue. Explaining our unique business strategy in detail and presenting the daily operations allows investors to gain a full overview about the Group's successful business approach. The most recent information is provided on its website and open channels for communication are always provided. Currently, AT is covered by 18 different research analysts on an ongoing basis, with reports updated and published regularly.

Frankfurt

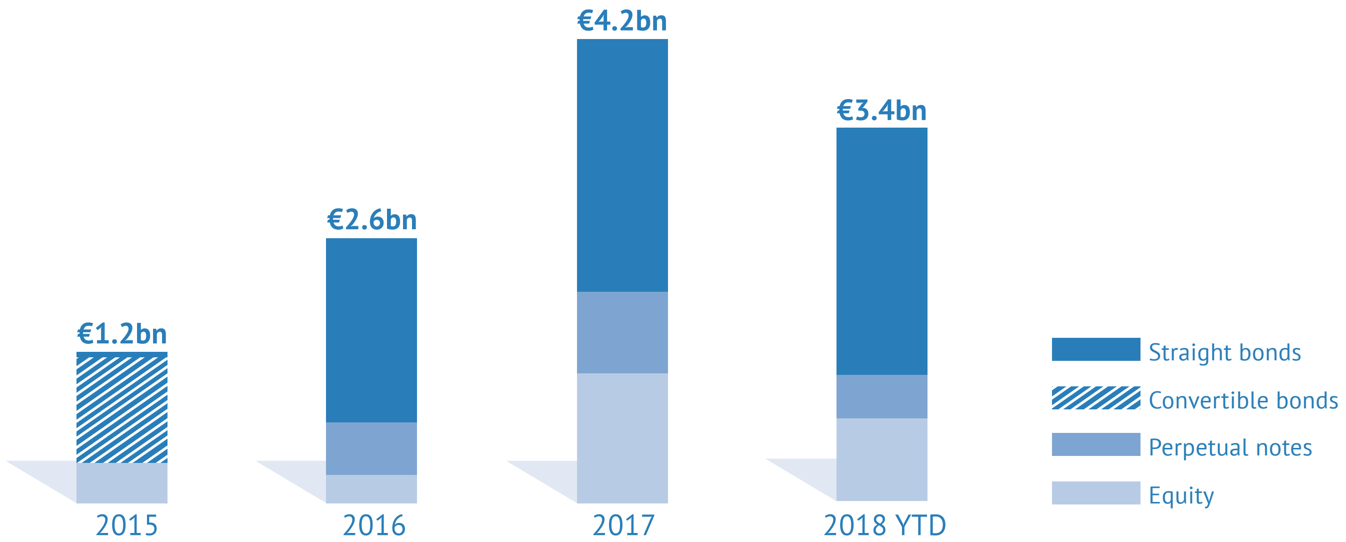
Capital Markets

AROUNDTOWN CONTINUES TO DEMONSTRATE ITS PROVEN ABILITY TO ACCESS THE CAPITAL MARKETS

€2.5 billion raised in 2016
€4.2 billion raised in 2017
> **largest European listed real estate issuer in 2016 and 2017**

€3.4 billion raised in 2018 year-to-date

In total, AT raised **€11.5 billion** through diverse issuances of **bonds, perpetual notes and equity**



EQUITY AND BOND BOOKRUNNERS

Deutsche Bank
Morgan Stanley
citi
Goldman Sachs
J.P.Morgan
UBS
Bank of America Merrill Lynch
HSBC
UniCredit
Societe Generale
Credit Suisse
Berenberg Privatbankiers seit 1590

ACCESS TO GLOBAL CAPITAL VIA BOND EMTN PROGRAMME

£ € $ CHF AUD NOK

Aroundtown has achieved further diversification of its funding sources and capital structure through the issuance of instruments in various foreign currencies through its Euro Medium Term Notes (EMTN) programme, with the exchange rate risks hedged to maturity through swaps. These foreign currency issuances are the result of the strong demand for the Company's notes from global investors.

PROVEN TRACK RECORD IN THE CAPITAL MARKETS

Shareholders Equity

€147* million – conversion of Series C 1.5% convertible bonds

€606 million – issuance of equity capital in March 2018 at €6.38 per share

€450 million – issuance of equity capital in October 2017 at €6 per share

€426 million – issuance of equity capital in May 2017 at €4.58 per share

€383 million – conversion of Series B 3% convertible bonds at €3.27 conversion price, and €25 million repurchased

* after the reporting date another €105 million of convertible bonds have been submitted for conversion

Perpetual Notes (Equity)

€400 million – perpetual notes issued in January 2018 at a coupon of 2.125% – AT's lowest perpetual coupon yet

$700 million – USD 500 million perpetual notes issuance in June 2017 and tap of USD 200 million in September 2017

€100 million – tap issuance of perpetual notes in January 2017, in addition to €500 million issued in 2016

Straight Bonds

GBP 400 million – Series Q British pound straight bonds due 2027 issued in July 2018

AUD 250 million – Series P Australian dollar straight bonds due 2025 issued in May 2018, with a currency hedge to maturity

€500 million – Series O straight bonds due 2026 issued in April 2018

€800 million – Series N straight bonds due 2028 issued in January 2018 – our largest single issuance yet

CHF 250 million – Series M straight bonds due 2025 issued in January 2018 – our lowest coupon yet at 0.73% – with a currency hedge of notional amount to maturity

$150 million – Series L straight bonds due 2038 issued in January 2018 and placed with investors in Asia – our longest maturing bond yet – with a currency hedge to maturity

€700 million – Series K straight bonds due 2025 issued in November 2017

£500 million – Series J straight bonds due 2029 issued in October 2017, with a currency hedge to maturity

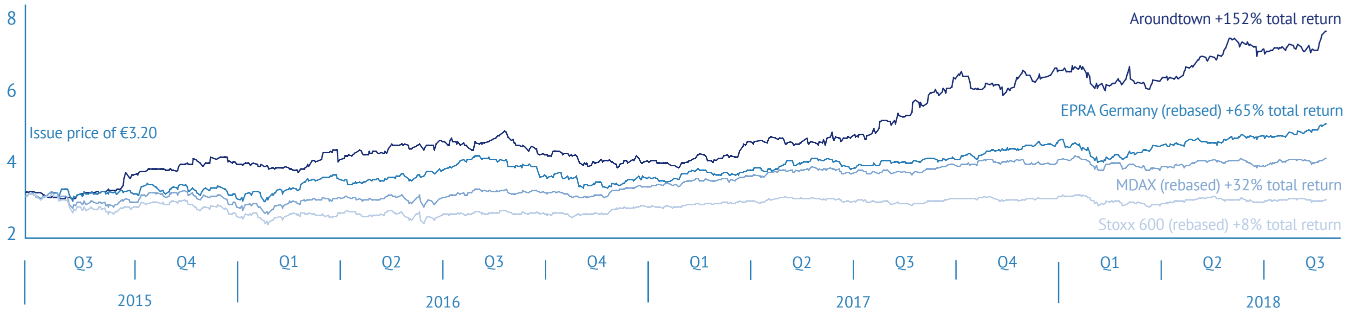
NOK 750 million – Norwegian Krone straight bonds due 2027 issued in July 2017, with a currency hedge to maturity

€500 million – Series I straight bonds due 2026 issued in July 2017

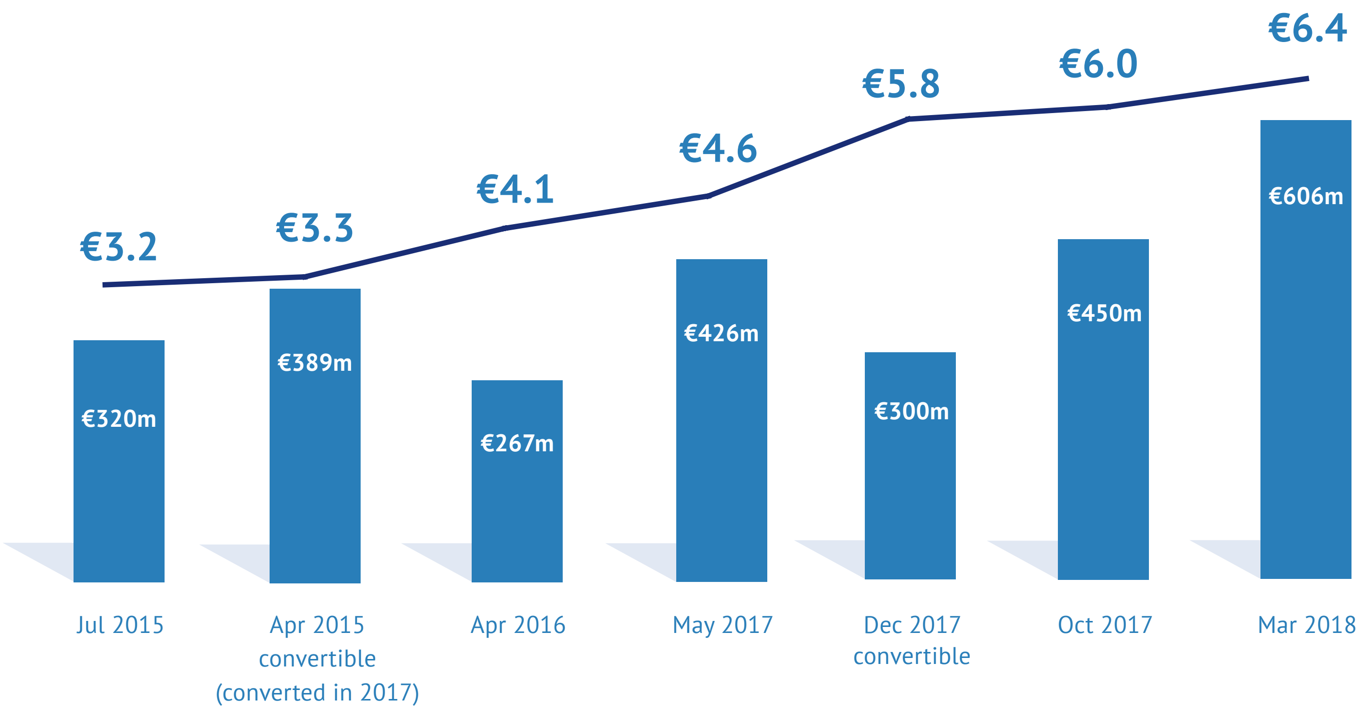
$400 million – Series H straight bonds due 2032 issued in March 2017 and placed with anchor investors in Asia, with a currency hedge to maturity

Aroundtown: Stock and bond performance

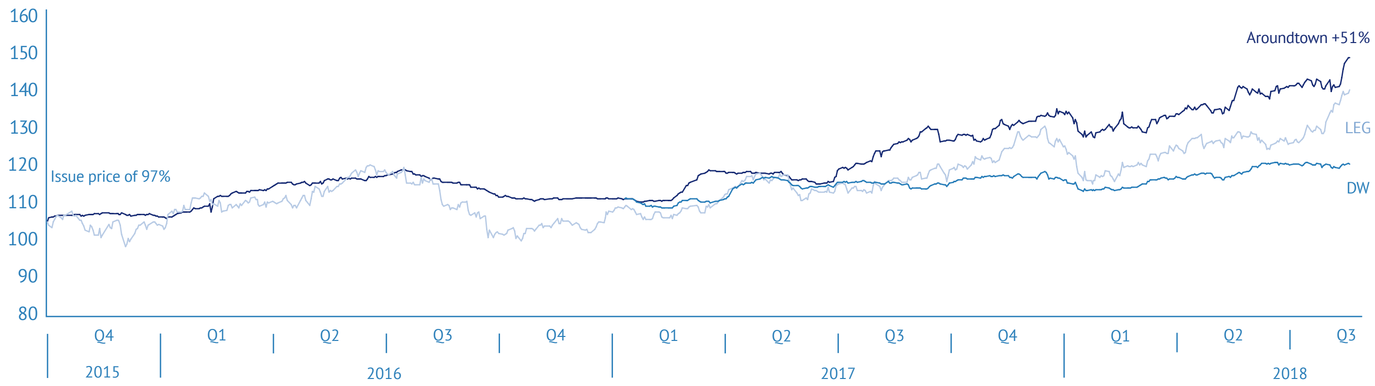
SHARE PRICE PERFORMANCE AND TOTAL RETURN SINCE INITIAL PLACEMENT OF CAPITAL (13.07.2015)



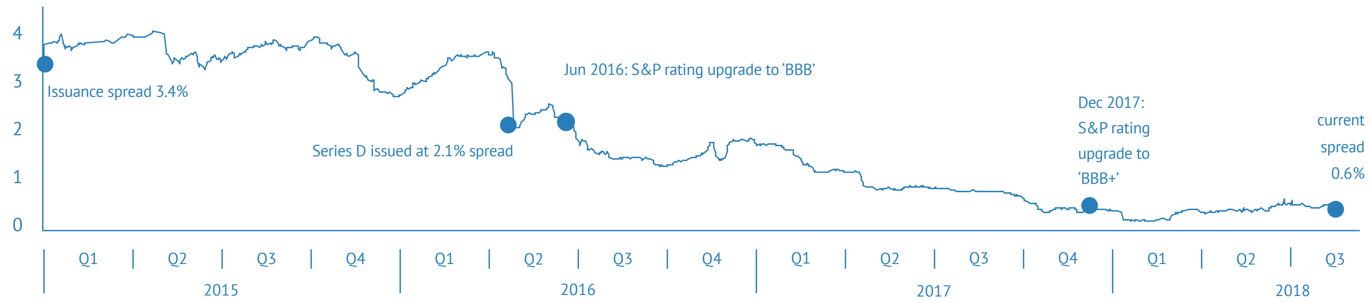
SHARE ISSUE PRICE AND AMOUNT DEVELOPMENT



CONVERTIBLE BOND SERIES C PERFORMANCE SINCE PLACEMENT (15.12.2015)



SPREAD OVER MID-€-SWAP FOR STRAIGHT BONDS A AND D, REMAINING 4 YEARS



Stuttgart

Notes on Business Performance

SELECTED CONSOLIDATED INCOME STATEMENT DATA

	For the 6 months ended June 30, 2018	2017
	in € millions	
Revenue	347.6	237.2
NET RENTAL INCOME	**290.9**	**203.5**
Property revaluations, capital gains and other income	899.6	747.7
Share in profit from investment in equity-accounted investees	113.3	76.7
Property operating expenses	(102.8)	(63.6)
Administrative and other expenses	(9.0)	(7.1)
Operating profit	1,248.7	990.9
EBITDA	1,249.5	991.9
ADJUSTED EBITDA [1)]	**279.5**	**194.5**
Finance expenses	(52.3)	(29.8)
Other financial results	(51.5)	(18.3)
Current tax expenses	(20.2)	(18.5)
Deferred tax expenses	(154.4)	(146.9)
PROFIT FOR THE PERIOD	**970.3**	**777.4**
FFO I [2) 3)]	**189.3**	**129.8**
FFO II	**300.4**	**155.9**

1) including AT's share in GCP's adjusted EBITDA and net of contributions from assets held for sale. For more details, see page 47.
2) including AT's share in GCP's FFO I (after perpetual notes attribution)
3) excluding minorities and contributions from assets held for sale. For more details, see page 48.

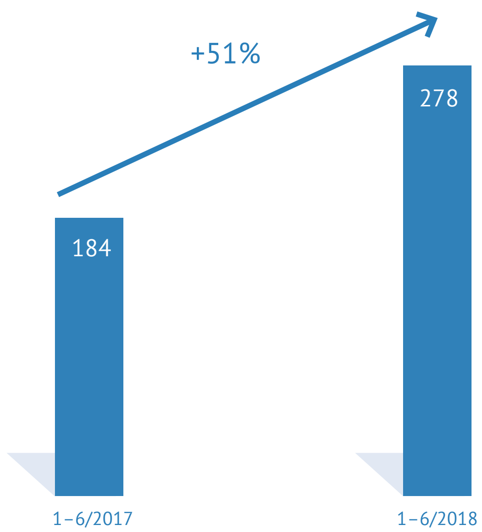
REVENUE

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
RECURRING LONG-TERM NET RENTAL INCOME	**277.7**	**184.3**
Net rental income related to properties marked for disposal	13.2	19.2
NET RENTAL INCOME	**290.9**	**203.5**
Operating and other income	56.7	33.7
REVENUE	**347.6**	**237.2**

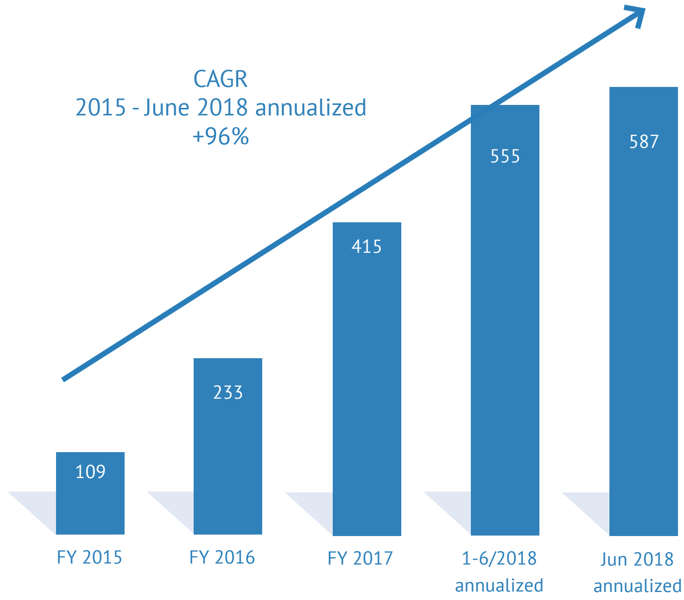
The revenue amounted to €348 million in the first half of 2018, representing an increase of 47% compared to €237 million in the first half of 2017. Net rental income increased in the first six months of 2018 by 43% to €291 million, from €204 million in the first six months of 2017, mainly driven by the significant growth in the Company's portfolio. AT's deal sourcing network enables the Company to create accretive growth through acquiring properties with various value-add drivers and successfully realizing the upside potential in these properties. The portfolio growth achieved in the last twelve months is further supplemented by strong internal rent growth that is reflected in total like-for-like rent growth of 4.6%, 2.5% coming from in-place rent increases and 2.1% from occupancy increases.

AT further presents recurring long-term net rental income which excludes the rents from assets marked for sale since they are not a part of the recurring rents as they are intended to be sold. Thus, excluding the rents from assets held for sale, the recurring net rents amounted to €278 million for the first half of 2018, increased by 51% from €184 million recorded in the first half of 2017.

NET RENTAL INCOME, RECURRING LONG-TERM PERIODIC DEVELOPMENT (IN € MILLIONS)



NET RENTAL INCOME, RECURRING LONG-TERM ANNUALIZED DEVELOPMENT (IN € MILLIONS)



As Aroundtown has been growing over the years, the periodic rental income figure does not fully capture the actual rent generation level in the portfolio since it does not include the full impact of acquisitions and operational improvement carried out during the reporting period. While the annualized recurring net rental income of the first six months of 2018 amounted to €555 million, annualized monthly run rate for June 2018, reflecting the fully year impact of the portfolio held in the end of H1 2018, generates net rents of €587 million, amounting to an increase of 6% compared to first six months annualized net rent and reflects a CAGR of 96% compared to 2015 full year net rents.

SHARE IN PROFIT FROM INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
SHARE IN PROFIT FROM INVESTMENT IN EQUITY-ACCOUNTED INVESTEES	**113.3**	**76.7**

Share in profit from investments in equity-accounted investees represents AT's share in the earnings from investments in companies over which it does not obtain control or has a minority holding and thus not fully consolidated in its financial statements. These profits relate mainly to the Company's strategic residential portfolio investment in the form of a 38% holding in GCP as of June 2018, as well as other minority investments. The profit share amounted to €113 million in the first half of 2018, a year-over-year increase of 48% from €77 million recorded in the first half of 2017. This growth is mainly attributed to strong performance of GCP where GCP generated double digit bottom line shareholder profit growth of 23% year-over-year, driven by a strong operational profits and robust value creation, as well as to AT's increased stake in GCP as compared to 36% in the first half of 2017. After the reporting date, the Company increased its holding in GCP through participation in the script dividend option.

Notes on Business Performance

PROPERTY REVALUATIONS, CAPITAL GAINS AND OTHER INCOME

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
Change in fair value of investment property	832.4	747.3
Capital gains and other income	67.2	0.4
PROPERTY REVALUATIONS, CAPITAL GAINS AND OTHER INCOME	**899.6**	**747.7**

AT registered €900 million of property revaluations, capital gains and other income in the first half of 2018, representing an increase of 20% compared to €748 million recorded in the first half of 2017, €832 million of which is attributed to revaluation gains and €67 million to capital gains. Aroundtown's business model has continuously proven itself by generating consistent value creation over the years. Management's ability to successfully target and acquire accretive assets with value-add potential in high quality locations is accompanied by the Company's strong execution of effective repositioning plans and operational improvements to extract the upside potential within the portfolio. These operational improvements combined with Aroundtown's strategy of concentrating in markets with strong economic fundamentals enable Aroundtown to further benefit from positive market developments in these markets with high investor demand and continuously generate high value creation across its portfolio.

In the first six months of 2018, Aroundtown recorded €67 million capital gains and other income, primarily steaming from the gains from the disposal of assets in the period. In H1 2018, the Company disposed €500 million assets, 15% over the net book value of the properties, which resulted in the recorded capital gains.

Aroundtown's portfolio is appraised on an ongoing basis and at least once a year by qualified and independent external valuators. As of June 2018, the portfolio reflected an average value of €2,033 per sqm and a net rental yield of 5.2%, compared to €1,923 and 5.2% in December 2017, respectively.

PROPERTY OPERATING EXPENSES

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
PROPERTY OPERATING EXPENSES	**(102.8)**	**(63.6)**

Property operating expenses amounted to €103 million in the first half of 2018, compared to €64 million in the first half of 2017. These operating expenses, which consist mainly of ancillary costs recoverable from tenants (such as energy, heating and water costs), maintenance, and property and asset management increase along the portfolio's growth since these costs are directly tied to the size of the portfolio. While due to its long-term oriented value-add strategy, operating costs related to newly acquired properties occur earlier and are constantly optimized by the Company. This increase in property operating expenses are also related to a certain cost inflation. It should be additionally noted that due to the dynamic nature of commercial real estate, with significant variances across property types, tenant and lease structures, and the resulting operating and maintenance cost structures, fluctuations in the expense ratios can occur between periods where the asset type or lease structure composition within the portfolio changed.

Frankfurt

ADMINISTRATIVE AND OTHER EXPENSES

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
ADMINISTRATIVE AND OTHER EXPENSES	**(9.0)**	**(7.1)**

Administrative and other expenses in the first half of 2018 totalled to €9 million, compared to €7 million in the first half of 2017 and consists of overhead costs such as administrative personnel expenses, marketing expenses, audit fees as well as legal and consulting fees. The year-over-year increase of 27% in these overhead costs is mainly driven by higher administrative personnel expenses which represents the significant growth in the Company. The lower growth in comparison to the portfolio and the rental income is the result of Aroundtown's scalable platform, underlining the Company's lean cost structure and efficient organizational platform.

FINANCE EXPENSES

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
FINANCE EXPENSES	**(52.3)**	**(29.8)**

Finance expenses for the first half of 2018 totalled to €52 million, increasing from €30 million in the comparable period of 2017. The year-over-year growth is mainly attributed to the effects of 9 straight bond issuances in different currencies equivalent to a total of with €3.6 billion in the last twelve months. AT continued its success on the capital markets in 2018 and proves to be capable of continuously tapping the capital markets with 5 bonds issuances during the first half of 2018, three of which are in foreign currencies with currency hedge to maturity, demonstrating the high demand for AT's instruments. AT issued Series L USD 150 million (€125 million) straight bonds, Series M CHF 250 million (€215 million) straight bonds at the Company's lowest coupon yet of 0.7%, Series N €800 million straight bonds, Series O €500 million straight bonds and Series P AUD 250 million (€158 million) straight bonds. Proceeds from AT's substantial debt market activities channel towards seizing attractive refinancing opportunities and funding the Company's growth. Consequently, AT repurchased €319 million nominal amount of Series D straight bonds with shorter maturity, which has a positive impact on the cost of debt.

AT continues to be a leading issuer in the European real estate market, further extending its overall debt maturity with longer maturity issuances and repayments of shorter maturity debts, and sustaining low cost of debt by locking in attractively low interest rates. This is manifested in the strong credit profile of the firm, by which AT remains to be the highest rated commercial real estate firm in Germany, with an investment grade rating of BBB+ from S&P. Aroundtown has set up an EMTN programme which provides the flexibility to expand the investor base globally through a diverse mix of instruments. AT's dedication in maintaining its conservative capital structure manifest itself in low average cost of debt of 1.7%, long average debt maturity of 7.4 years and also in strong credit metrics with ICR of 4.7x and DSCR of 3.8x.

Notes on Business Performance

OTHER FINANCIAL RESULTS

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
OTHER FINANCIAL RESULTS	**(51.5)**	**(18.3)**

Other financial results amounted to €52 million in the first half of 2018, compared to €18 million recorded in the first half of 2017. These expenses are partially non-recurring and one-off expenses. The increase compared to the first half of 2017 is mainly the result of €319 million bond D straight bond repurchase at premium, expenses related to conversion incentive of the convertible bonds, cost associated with debt issuances, bank debt repayment and issuance fees, as well as fair value changes in traded securities and financial derivative instruments.

TAXATION

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
Current tax expenses	(20.2)	(18.5)
Deferred tax expenses	(154.4)	(146.9)
TAX AND DEFERRED TAX EXPENSES	**(174.6)**	**(165.4)**

Total tax expenses for the first half of 2018 increased to €175 million compared to €165 million recorded in the first half of 2017. Current tax expenses which consist of property and corporate taxes saw the largest increase as these expenses correspond to recurring operational profits of the Company and grow in line with AT's operational results. Deferred taxes are non-cash expenses by their nature. The Company uses a conservative accounting method for the treatment of deferred taxes, assuming the theoretical future disposal of properties in the form of asset deals, triggering the full real estate tax rate. In practice, AT generally conducts disposals via share deals as the assets are mainly held in separate SPV's, significantly reducing the effective tax rate on capital gains.

Utrecht

PROFIT FOR THE PERIOD

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
PROFIT FOR THE PERIOD	**970.3**	**777.4**
Profit attributable to:		
Owners of the company	876.6	655.4
Perpetual notes investors	22.3	11.5
Non-controlling interests	71.4	110.5

In the first half of 2018, Aroundtown generated a profit of €970 million, representing an increase of 25% from €777 recorded in the first half of 2017. This year-over-year robust growth in the bottom line results is a testament of AT's competency in achieving high profitability by both external growth through accretive acquisitions and internal growth through effective asset repositioning plans and vigorous operational performance. Additionally, positively impacting the profit for the period have been the successful disposals of non-core assets. The profit attributable to the shareholders of the Company increased by 34% to €877 million from €655 million recorded in the first half of 2017. During the period, the Company increased its position in several subsidiaries which also contributed to the growth in the portion of the owners of the Company which is the main reasons for the decrease in the non-controlling interest. The profit attributable to the perpetual notes investors increased to €22 million from €12 million, due to USD 200 million tap of perpetual notes issued during the second half of 2017 and issuance of €400 million perpetual notes during the reporting period in January 2018.

EARNINGS PER SHARE

	For the 6 months ended June 30,	
	2018	2017
Basic earnings per share (in €)	0.87	0.88
Diluted earnings per share (in €)	0.82	0.74
Weighted average basic shares (in millions)	1,009.2	741.3
Weighted average diluted shares (in millions)	1,062.1	878.8

Aroundtown generated basic earnings per share of €0.87 in the first six months of 2018 compared to €0.88 per share recorded in the comparable period of 2017. The substantial increase in the profits attributed to the owners of the Company was offset by a sizeable growth in the total share count, driven by two equity increases over €1 billion between the two periods to fund the Company's growth and to optimize its capital structure, as well as the conversion of convertible bonds into equity. Contrary to basic earnings per share, the diluted earnings per share increased by 11% to €0.82 compared to €0.74 recorded in the first half of 2017, driven by lower dilutive effects after conversion of the convertible bonds.

Notes on Business Performance

Wiesbaden

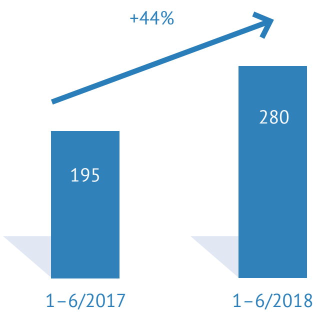
ADJUSTED EBITDA

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
Operating profit	1,248.7	990.9
Total depreciation and amortization	0.8	1.0
EBITDA	**1,249.5**	**991.9**
Property revaluations, capital gains and other income	(899.6)	(747.7)
Share in profit from investment in equity-accounted investees	(113.3)	(76.7)
Other adjustments	(9.3)	(16.5)
ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG-TERM	**227.3**	**151.0**
Adjustment for GCP adjusted EBITDA contribution [1]	52.2	43.5
ADJUSTED EBITDA	**279.5**	**194.5**

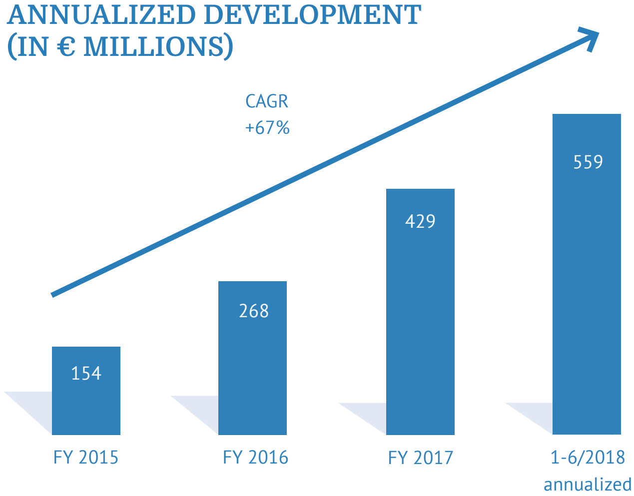
1) the adjustment is to reflect AT's share in GCP's adjusted EBITDA. GCP generated an adjusted EBITDA of €137 million in H1 2018 and €121 million in H1 2017

The adjusted EBITDA is a performance measure used to evaluate the operational result of the Company, derived by deducting from the EBITDA non-operational items such as revaluation and capital gains, result from disposal of properties and other adjustments. Additionally, in order to mirror the recurring operational results of the Group, the share in profit from investment in equity-accounted investees is subtracted, as it also include the Company's share in non-operational profits generated by its equity-accounted investees. Due to the nature of its strategic investment in GCP, AT includes in its adjusted EBITDA calculation its share in the adjusted EBITDA generated by GCP for the period in accordance with its holding rate over the period. AT's holding rate in GCP has increased to 38% as of the first half of 2018 from 36% during the first half of 2017.

ADJUSTED EBITDA, RECURRING LONG-TERM PERIODIC DEVELOPMENT (IN € MILLIONS)



ADJUSTED EBITDA, RECURRING LONG-TERM ANNUALIZED DEVELOPMENT (IN € MILLIONS)



Aroundtown recorded adjusted EBITDA of €280 million in the first half of 2018, representing an increase of 44% from the €195 million registered in the first half of 2017. These strong operational results are driven by accretive portfolio growth, continuous operational improvements and sustained value generation. The Company's large deal sourcing network and strong market position enable AT to identify accretive acquisitions with various value-add drivers in fundamentally strong locations and provide the Company with the ability to create accretive growth by successfully extracting upside potential. Further accompanying the external growth, AT achieved substantial internal growth by creating value through implementing efficient asset repositioning plans, executing an optimized and effective operating platform, and capitalizing the high reversionary potential within its portfolio which is reflected in the total like-for-like net rent growth of 4.6%. Aroundtown additionally reports the Group's adjusted EBITDA which includes the contribution from GCP's adjusted EBITDA. Correspondingly, GCP continuously demonstrates robust operational performance and was able to achieve adjusted EBITDA growth of 13% in the first half of 2018. Through increasing its holding rate in GCP from 36% to 38% between the two periods, Aroundtown is able to benefit further from GCP's strong growth. The adjusted EBITDA additionally accounts for other adjustments in the amount of €9 million. These adjustments are made to neutralize non-recurring and non-cash items. Non-recurring item being mainly the contributions of properties marked for disposal since they are intended to be disposed and therefore not part of the recurring adjusted EBITDA, and non-cash item being mainly the management share incentive plan.

Notes on Business Performance

FUNDS FROM OPERATIONS I (FFO I)

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG-TERM	**227.3**	**151.0**
Finance expenses	(52.3)	(29.8)
Current tax expenses	(20.2)	(18.5)
Contribution to minorities	(3.2)	(4.4)
Other adjustments	5.1	5.2
FFO I COMMERCIAL PORTFOLIO, RECURRING LONG-TERM	**156.7**	**103.5**
Adjustment for GCP FFO I contribution [1]	32.6	26.3
FFO I	**189.3**	**129.8**
Weighted average basic shares (in millions)	1,009.2	741.3
FFO I PER SHARE (IN €)	**0.19**	**0.18**

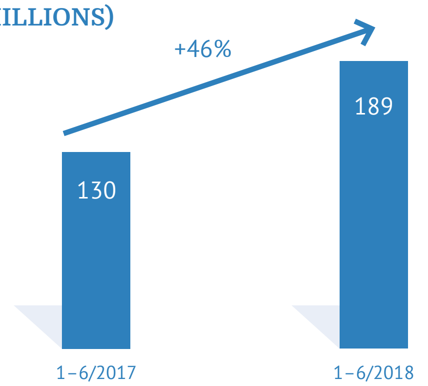
1) the adjustment is to reflect AT's share in GCP's FFO I. GCP generated an FFO I after perpetual notes attribution of €85 million in H1 2018 and €73 million in H1 2017

Funds from Operations I (FFO I) is an industry standard performance indicator, reflective of the recurring operational profits after deducting the finance expenses and current tax expenses from the adjusted EBITDA. The calculation further includes adjustments to consider minorities and the relative share of AT in GCP's reported FFO I (after perpetual notes attribution), which are not fully consolidated in AT's financial accounts. In this way, the Group's FFO I is reconciled to reflect AT's actual holding rate in GCP and adjusting for minorities in FFO, therefore providing a better indication of the operational profits attributed to the shareholders of the Company.

Aroundtown recorded a Group FFO I of €189 million in the first half of 2018, representing an increase of 46% from €130 million recorded in the first half of 2017. Aroundtown is able to generate sustainably high operational profits despite the increased financing activities. Owing to its favourable borrowing position and sound credit profile, AT continuously taps the debt markets to optimize its financing structure by maintaining low interest rates, expanding the investor base and extending the debt maturity through repayment of shorter maturity debts. Current average cost of debt of 1.7% and long average debt maturity of 7.4 years confirm the strength of Company's conservative financing structure. Aroundtown further benefits from GCP's strong operational performance where GCP produced double-digit FFO I growth. AT's strategic investment in GCP, which increased to 38% from 36% between the two periods, allows the Company to benefit from the positive movements in the residential real estate sector and to harness from GCP's competency in translating its portfolio uplift potential into strong operational profitability growths. As well as Aroundtown, GCP has a strong credit profile evident through high investment-grade credit rating from S&P and Moody's and a low average cost of debt of 1.7%. The FFO I includes additional adjustments in the amount of €5 million, mainly relating to finance and tax expenses from the contribution of properties marked for disposal.

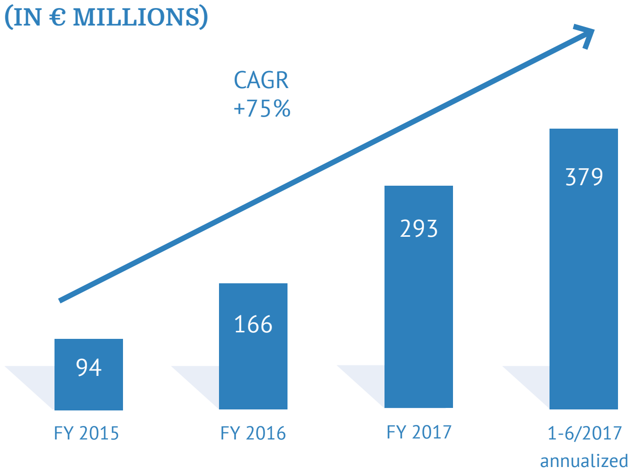
FFO I RECURRING LONG-TERM PERIODIC DEVELOPMENT

(IN € MILLIONS)



FFO I RECURRING LONG-TERM ANNUALIZED DEVELOPMENT

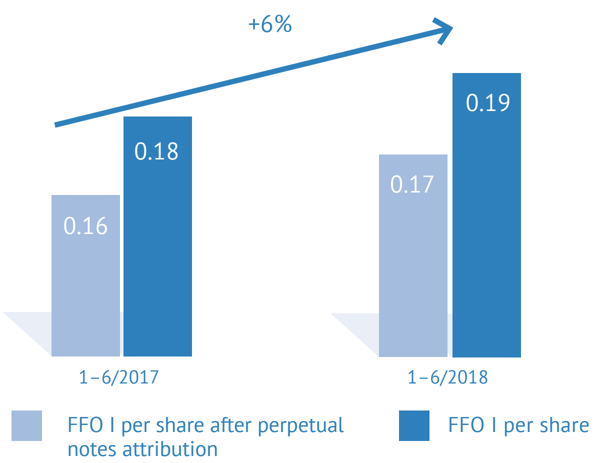
(IN € MILLIONS)



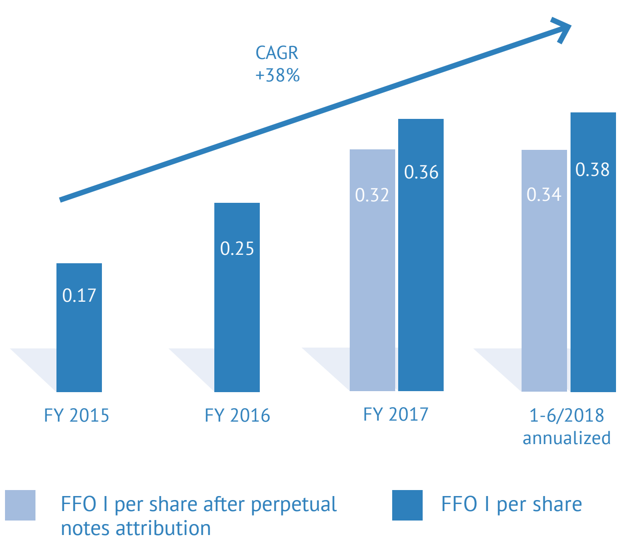
FFO I PER SHARE

Aroundtown recorded FFO I per share of €0.19 for the first half of 2018, increasing by 6% compared to €0.18 recorded in the first half of 2017. This year-over-year growth, despite the dilution effect of higher total share count from two equity capital raises and conversions of the convertible bonds between the two periods, verifies AT's sustained capability of creating further shareholder value. Aroundtown's proven competency of generating accretive value stems from the management's successful execution of each step in the value creation cycle. Factoring in the additional growth during the reporting period, the annualized FFO I per share for the first half of 2018 with €0.38, resulting in an attractive FFO I yield of 5.0%.

FFO I PER SHARE PERIODIC DEVELOPMENT (IN €)



FFO I PER SHARE ANNUALIZED DEVELOPMENT (IN €)



FFO I PER SHARE AFTER PERPETUAL NOTES ATTRIBUTION

According to IFRS accounting treatment, contributions to perpetual notes are recorded through changes in equity and not as a financial expense in the income statement. In order to ensure a high level of transparency, the Company additionally presents an adjusted FFO I per share figure factoring in these accrued distributions. Including the perpetual notes attribution, the FFO I for the first half of 2018 amounted to €167 million, reflecting an increase of 41% from €118 million in the first quarter 2017. On a per share basis the FFO I amounted to €0.17 for the first half of 2018, representing an increase of 6% from €0.16 in the first half of 2017, offset by the additional perpetual notes issued between two periods, with a USD 200 million tap of perpetual notes issued in the second half of 2017 and new issuance of €400 million perpetual notes during the reporting period.

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
FFO I	**189.3**	**129.8**
Adjustment for accrued perpetual notes attribution	(22.3)	(11.5)
FFO I AFTER PERPETUAL NOTES ATTRIBUTION	**167.0**	**118.3**
Weighted average basic shares (in millions)	1,009.2	741.3
FFO I PER SHARE AFTER PERPETUAL NOTES ATTRIBUTION (IN €)	**0.17**	**0.16**

FFO II

FFO II is an additional performance indicator utilized in the real estate industry to evaluate operational recurring profits including the effect from disposal activities during the reporting period on top of the FFO I. The disposal gains for the first half of 2018 amounted to €111 million, increasing from €26 million recorded in the first half of 2017, leading to an FFO II of €300 million, up by 93% from €156 recorded in the first half of 2017. This significant year-over-year growth is a result of AT's accretive capital recycling program, by which AT disposes non-core assets where the potential has been maximized. In the first half of 2018, AT disposed €500 million of non-core assets at a disposal margin of over 28%. After the reporting period, AT additionally disposed €235 million of non-core assets above their net book value.

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
FFO I	189.3	129.8
Result from disposal of properties [1]	111.1	26.1
FFO II	**300.4**	**155.9**

1) the excess amount of the (sale price) to (cost price plus capex of the disposed properties)

Notes on Business Performance

CASH FLOW

	For the 6 months ended June 30,	
	2018	2017
	in € millions	
Net cash provided by operating activities	195.4	134.5
Net cash used in investing activities	(2,292.4)	(1,399.1)
Net cash provided by financing activities	2,287.2	874.2
NET CHANGES IN CASH AND CASH EQUIVALENTS	**190.2**	**(390.4)**

Munich

The net cash provided by operating activities increased to €195 million in the first half of 2018, reflecting growth of 45% compared to €135 million recorded in the first half of 2017. High operational profitability is achieved through accretive external growth as well as through internal efforts of increasing rents and occupancy levels which is evident through the 4.6% like-for-like net rental growth in the past 12 months. The strong operational growth is also mirrored in the 46% year-over-year FFO I increase.

Net cash used in investing activities amounted to €2.3 billion in the first half of 2018, compared to €1.4 billion recorded in the first half of 2017, due to the substantial number of acquisitions carried out during the period, including investment in increasing the position in several subsidiaries and prepayments for future acquisitions. AT's long-established acquisition strategy and high liquidity balance enable the Company to identify assets with value-add potential and quickly act upon accretive acquisition opportunities. As AT keeps part of its cash balance in traded securities, the investments in traded securities and other financial assets further contributed towards the increase in net cash used in investing activities.

Net cash provided by financing activities increased by 162% to €2.3 billion, primarily driven by significant capital market activities that were conducted during the first half of 2018. AT issued over €600 million of equity capital, €400 million of perpetual notes and €1.8 billion of straight bonds while maintaining conservative leverage metrics. Proceeds from the new issuances have been channeledv towards funding the growth of the company as well as the closing of attractive refinancing opportunities. Consequently, over €300 million shorter maturity bonds were repurchased during the first half of 2018 which contributed towards optimizing the debt structure of the Company. AT's substantial access to capital markets is supported by the Company's EMTN programme by which AT taps markets actively with a variety of instruments, diversifying its capital structure. Furthermore, quick execution of capital market engagements testifies the strength of global demand towards AT's instruments.

Driven primarily by new issuances, the net increase in the cash and cash equivalents amounted to €190 million in the first half of 2018, compared to a net decrease of €390 million recorded in the first half of 2017. Increase in the cash balance adds further to the robust liquidity position of the Company, which equaled to €1.2 billion as of June 30, 2018. A strong liquidity position provides AT with high financial flexibility and allows for quickly realizing its acquisition pipeline, while maintaining its conservative financial approach.

ASSETS

	Jun 2018	Dec 2017
	in € millions	
NON-CURRENT ASSETS	**14,830.6**	**12,247.3**
Investment property	11,884.2	9,804.1
Equity accounted-investees in publicly traded company - holding in GCP SA 1)	1,690.4	1,609.7
Equity-accounted investees, other	300.2	295.9
CURRENT ASSETS	**2,083.9**	**1,523.1**
Assets held for sale 2)	379.3	500.6
Cash and liquid assets 3)	1,244.2	848.7
TOTAL ASSETS	**16,914.5**	**13,770.4**

1) the fair market value of GCP SA as of June 2018 is €1.43 billion and €1.54 billion as of the date of this report
2) excluding cash in assets held for sale
3) including cash in assets held for sale

Total assets amounted to €16.9 billion as of the end of June 2018, representing an increase of 23% from €13.8 billion at year-end 2017. The Company's continuous pace of accretive portfolio growth combined with fruitful expansion in the capital markets with new issuances through various instruments contributed towards the substantial increase in the total assets.

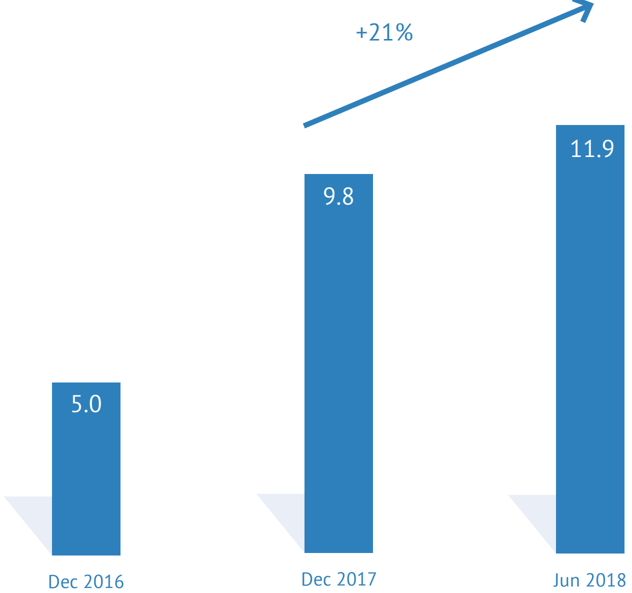
Largest contributor of the increase in the total assets is the significant growth in investment properties since the year-end 2017. AT recorded €11.9 billion of investment properties as of the end of June 2018, reflecting an increase of 21% since the year-end 2017. This growth is driven by two main factors: external portfolio growth and valuation gains. During the first half of 2018, AT carried out over €1.4 billion of acquisitions with a rent multiple of 20x. AT's proven capacity to amass accretive acquisitions with large uplift potential is a product of the Company's deal-sourcing network that has advanced for over 14 years and the management's expertise in identifying and cherry picking attractive deals in quality locations with strong fundamentals. The properties acquired in the first half of 2018 were primarily located in top tier cities such as Berlin, Frankfurt, Munich, Stuttgart, London, Utrecht and Rotterdam. Successful implementation of the repositioning process, robust operational like-for-like gains, high asset quality, improved tenant structure, extended average lease terms and the realization of additional building rights embedded in the portfolio are the key drivers of value creation and manifest themselves in high valuation gains of €900 million recorded during the first half of 2018, contributing further towards the growth in investment properties.

Investment in equity-accounted investees increased by 4% to €2.0 billion as of the end of June 2018 and represents AT's investment in entities not consolidated in its financial accounts. The balance is predominantly attributed to the Company's residential portfolio investment via a 38% stake in Grand City Properties S.A. as of June 2018, amounting to €1.7 billion. The increase in this item is due to the Company's share in GCP profit, which was partially offset by dividend distribution. The dividend distribution was mostly converted into shares after the reporting date which consequently increased the holding to 39%. GCP serves as a key factor in Aroundtown's diversification strategy and provides AT the opportunity to benefit from strong fundamentals and movements in the residential real estate sector. GCP continuously delivers thriving profitability, capitalizing on management's expertise of achieving internal value creation and its scalable operational platform. Non-current assets also include prepayments for investment properties which amounted to €482 million as of June 2018, which will materialize in the following periods. Other non-current assets include mainly non-current prepayments, trade receivables, tenancy deposits as well as loans which are connected to future real estate transactions.

Current assets as of the end of June 2018 amounted to €2.1 billion, reflecting an increase of 37% from €1.5 billion at year-end 2017. The main driver behind the growth is a number of capital market activities performed during the reporting period. During the first half of 2018, AT raised over €600 million of equity capital, issued €400 million perpetual notes and 5 new straight bonds with an aggregate amount of €1.8 billion. Proceeds from these issuances were partially utilized in repayment of over €300 million of Series D straight bonds but also they were channeled into funding the acquisitions carried out during the first half of 2018. The remaining balance had a major impact on the growth in cash and liquid assets which amounted to €1.2 billion as of June 2018, increasing by 47% compared to €849 million at the year-end 2017. Due to the high liquidity in the recent periods, the Company has parked the cash in traded securities which maintain the value of the liquid assets. A high cash balance gives AT the flexibility to quickly act upon accretive acquisition opportunities without the need to arrange financing. As of June 2018, the balance of the traded securities amounted to €307 million. In addition, the increase of €267 million in the trade and other receivables is mainly attributed to short-term seller loans given as part of the disposal of €500 million assets in H1 2018.

Assets held for sale (excluding cash) as of the end of June 2018 amounted to €379 million, decreasing from €501 million at year-end 2017 as a result of the disposals of non-core assets that were carried out during the reporting period and reclassification to investment property. This balance consists of non-core assets that are intended to be sold. AT disposed over €500 million of non-core assets held for sale above 15% of their net book value year-to-date as of the publication of this report. After the reporting period, AT additionally disposed €235 million of non-core assets.

INVESTMENT PROPERTY DEVELOPMENT (IN € BILLIONS)



Notes on Business Performance

LIABILITIES

	Jun 2018	Dec 2017
	in € millions	
Loans and borrowings 1)	1,156.8	1,127.8
Straight bonds	5,300.0	3,827.0
Convertible bonds	253.3	293.8
Deferred tax liabilities 2)	915.8	776.5
Other long-term liabilities and derivative financial instruments	139.3	125.0
Current liabilities 3)	601.1	370.4
TOTAL LIABILITIES	**8,366.3**	**6,520.5**

1) including short-term loans and borrowings and financial debt held for sale
2) including deferred tax under held for sale
3) excluding short-term loans and borrowings and liabilities held for sale

Total liabilities amounted to €8.4 billion as of the end of June 2018, increasing by 28% compared to €6.5 at year-end 2017. This increase is mainly driven by 5 new straight bond issuances carried out during the first half of 2018. In January 2018, AT issued 3 different straight bonds; USD 150 million (€125 million) Series L straight bonds, CHF 250 million (€215 million) Series M straight bonds with the lowest coupon of the Company yet at 0.7% and €800 million Series N straight bonds being the Company's largest issuance to date, both foreign currency issuances with full hedge to euro until maturity. Further in 2018, AT issued €500 million Series O straight bonds and AUD 250 million (€158 million) Series P straight bonds with full currency hedge to Euro. After the reporting period, AT additionally issued GBP 400 million (€452 million) Series Q straight bonds. Part of the proceeds from these issuances were deployed into the repayment of €319 million shorter maturity Series D straight bonds. AT's robust capital market activity is a crucial component of the Company's debt management process, as it further optimizes the financial structure of the Company, contributing towards maintaining a low cost of debt of 1.7% and long average debt maturity of 7.4 years currently. Remaining proceeds enhance the Company's solid liquidity position and provide the basis for executing accretive acquisitions that delivers growth in the upcoming periods. This increase in the convertible bonds was partially offset by conversions. After the reporting period, further €105 million of convertible bonds have been submitted for conversion.

Current liabilities amounted to €601 million as of the end of June 2018, up from €370 million as of year-end 2017, mainly driven by provisions for dividend payments which were paid out after the reporting period.

Deferred tax liabilities is a non-cash item which are connected to the revaluation gains. Owing to the revaluation gains achieved during the first half of 2018, the deferred tax balance increased to €916 million as of the end of June 2018 from €777 million at year-end 2017. AT adopts a conservative accounting approach with regards to deferred taxes, assuming the theoretical future property disposals in the form of asset deals and as such incurring the full corporate tax rate as a result. In practice, as the Company's assets are mainly held in separate SPVs, sales can be structured as share deals, reducing the effective capital gains tax significantly.

NET FINANCIAL DEBT

	Jun 2018	Dec 2017
	in € millions	
Total financial debt 1)	6,710.1	5,248.6
Cash and liquid assets 1)	1,244.2	848.7
NET FINANCIAL DEBT	**5,465.9**	**4,399.9**

1) including balances held for sale

The net financial debt as of the end of June 2018 amounted to €5.5 billion, increasing 24% from €4.4 billion at year-end 2017, mainly related to the increased balance of straight bonds, offset by conversions of the convertible bonds and increase in cash and liquid assets. €1.2 billion cash and liquid assets balance as of the end of June 2018 provides the Company with strong financial flexibility, enabling the Company to swiftly seize attractive acquisition opportunities in the market.

LOAN-TO-VALUE

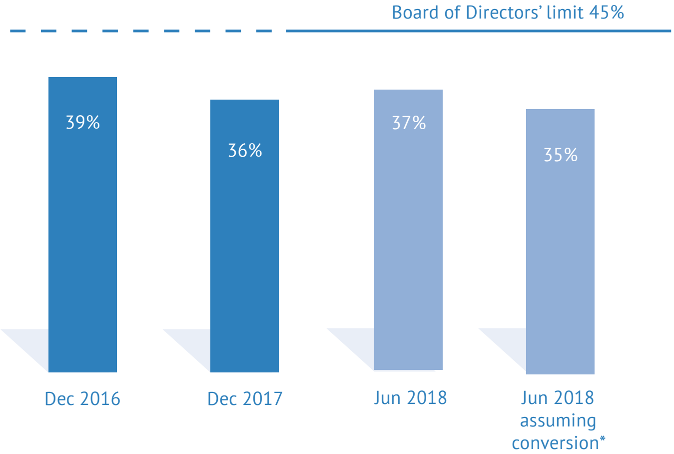
	Jun 2018	Dec 2017
	in € millions	
Investment property 1)	12,365.8	9,874.2
Assets held for sale 2)	355.7	493.1
Investment in equity-accounted investees	1,990.6	1,905.6
TOTAL VALUE	**14,712.1**	**12,272.9**
NET FINANCIAL DEBT 3)	**5,465.9**	**4,399.9**
LTV	**37%**	**36%**
LTV ASSUMING CONVERSION 4)	**35%**	**33%**

1) including advance payments for investment properties
2) including properties held for sale net of cash
3) including financial debt and cash and liquid assets held for sale
4) assuming conversion of convertible bonds which are deep in the money. After the reporting date another €105 million of convertible bonds have been submitted for conversion

Loan-to-Value (LTV) is the ratio of the financial debt, net of cash and liquid assets, to the value of investment property, including advance payments and investments in equity-accounted investees. Maintaining a conservative level of leverage is a key component of Aroundtown's financial policy, with an internal LTV limit of 45% set by the Board of Directors, and results in a strong financial and credit profile.

Aroundtown's LTV amounted to 37% as of the end of June 30, 2018, increasing from 36% at year-end 2017, mainly driven by larger proportional increase in the net financial debt due to new debt issuances during the period. The LTV assuming the full conversion of the remaining convertible bonds amounted to 35%. The LTV remains to be well below the Board of Director's limit which provides the Company with significant headroom to initiate further portfolio growth, as well as empowers a high degree of comfort against a potential market downturn.

LOAN-TO-VALUE



* assuming the conversion of the remaining convertible bonds, which are in-the-money

Leipzig

Notes on Business Performance

EQUITY

	Jun 2018	Dec 2017
	in € millions	
TOTAL EQUITY	**8,548.2**	**7,249.9**
of which equity attributable to the owners of the Company	6,697.1	5,402.3
of which equity attributable to perpetual notes investors	1,563.9	1,173.3
of which non-controlling interests	287.2	674.3
EQUITY RATIO	**51%**	**53%**
Equity assuming conversion [1]	8,824.9	7,249.9
EQUITY RATIO ASSUMING CONVERSION [1]	**52%**	**53%**

1) assuming conversion of convertible bonds which are deep in the money and including the scrip dividend effects of €23 million. After the reporting date another €105 million of convertible bonds have been submitted for conversion

Total equity increased to €8.5 billion as of the end of June 2018, up by 18% from €7.2 billion at year-end 2017. During the first half of 2018, AT issued €400 million of perpetual notes, raised €606 million of equity capital and converted bonds, all of which contributed towards the growth in the equity base. The growth was offset partially by the provisions for dividends which were paid out in July 2018. A growing equity base is further attributed to higher retained earnings as a result of increased profits during the first half of 2018. AT's equity ratio as of the end of June 2018 amounted to 51%, decreasing from 53% as of year-end 2017, due to proportionally larger increase in the liabilities, driven by the debt activities during the first six months of 2018. Including the conversions of the convertible bonds which are deep in the money and including the effects of the scrip dividends of €23 million, the equity ratio increased to 52%. The balance in non-controlling interest was reduced significantly due to AT's ability to increase its position in several subsidiaries.

Following IFRS accounting treatment, perpetual notes are classified as equity as they do not have a repayment date, coupon payments are deferrable at the Company's discretion, they are subordinated to debt and do not have any default rights nor covenants.

EPRA NAV

The EPRA NAV is defined by EPRA as the net asset value of the Company adjusted to include real estate properties and other investment interests at fair values and exclude certain items that are not expected to materialize in a long-term real estate business model. The purpose of the EPRA NAV is to adjust the IFRS NAV in order to provide stakeholders with the most relevant information on the Group's balance sheet items in the context of a true real estate investment company with a long-term oriented investment strategy. As perpetual notes are classified as equity in accordance with IFRS accounting treatment, AT additionally reports an EPRA NAV including perpetual notes.

	Jun 2018		Dec 2017	
	in € millions	per share	in € millions	per share
NAV PER THE FINANCIAL STATEMENTS	**8,548.2**		7.249.9	
Equity attributable to perpetual notes investors	(1,563.9)		(1,173.3)	
NAV EXCLUDING PERPETUAL NOTES	**6,984.3**		6,076.6	
Effect of conversion of in-the-money convertible bonds	253.3		293.8	
Fair value measurements of derivative financial instruments [1]	74.8		10.4	
Deferred tax liabilities [2]	915.8		776.5	
NAV	**8,228.2**	**€7.4**	**7,157.3**	**€7.1**
Non-controlling interests	(287.2)		(674.3)	
EPRA NAV	**7,941.0**	**€7.2**	**6,483.0**	**€6.5**
Equity attributable to perpetual notes investors	1,563.9		1,173.3	
EPRA NAV INCLUDING PERPETUAL NOTES	**9,504.9**	**€8.6**	**7,656.3**	**€7.6**
Number of shares, including in-the-money dilution effects (in millions)	1,109.5		1,004.5	

1) including hedge reserves and balances in assets held for sale
2) including balances in assets held for sale

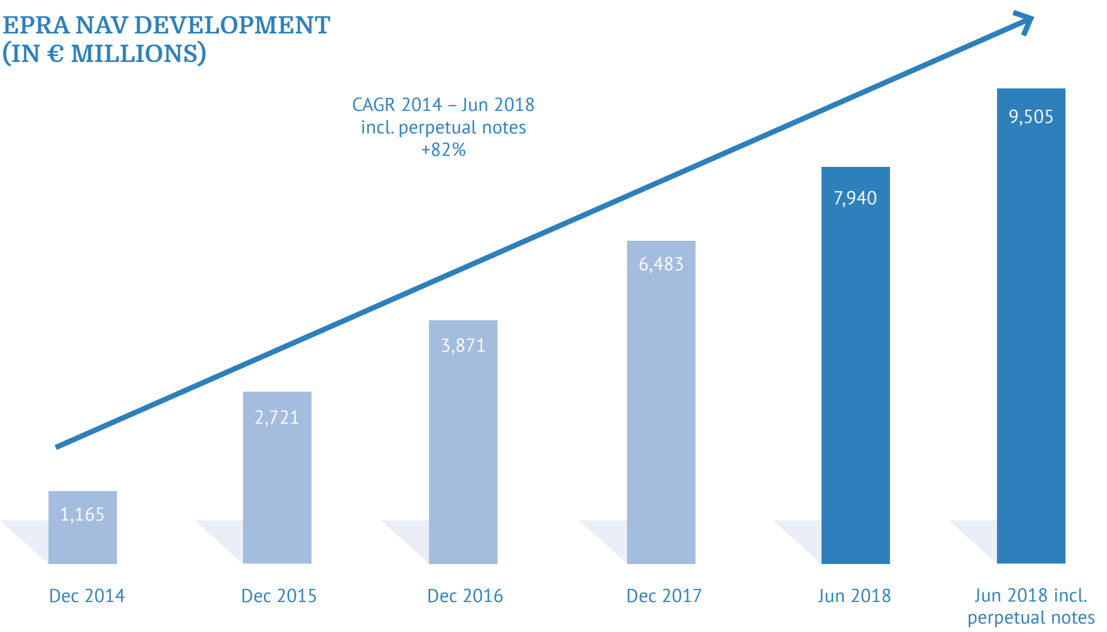
Rotterdam

Aroundtown recorded an EPRA NAV of €7.9 billion and €7.2 per share as of the end of June 2018, increased from year-end 2017 by 22% and 11% respectively after the dividends effect. Dividend adjusted the increase was 26% and 14% on a per share level.

The growth in the EPRA NAV is mainly driven a high level of profits recorded during the first half of 2018 and by the equity capital raise in March 2018. The growth was partially offset by provisions for dividends which were paid out in July 2018. On a per share basis, AT still achieved a solid growth despite the dilution effect from equity capital increase. Double-digit growth on both EPRA NAV and per share basis demonstrates AT's ability to consistently generate value creation for the shareholders through successful execution of its business strategy.

AT additionally reports the EPRA NAV including perpetual notes since perpetual notes are classified as equity in accordance with IFRS accounting treatment. The EPRA NAV including perpetual notes amounted as of June 30, 2018 to €9.5 billion and €8.6 per share, reflecting an increase of 24% and 13% respectively, stemming also from the issuance of €400 million perpetual notes in January 2018, with the lowest perpetual coupon rate of the Company yet at 2.125%.

EPRA NAV DEVELOPMENT (IN € MILLIONS)



Alternative Performance Measures

Aroundtown follows the real estate reporting criteria and provides alternative performance measures. These measures provide more clarity on the business and enables benchmarking and comparability to market levels. In the following section, Aroundtown presents a detailed reconciliation for the calculations of its Alternative Performance Measures.

Hannover

ADJUSTED EBITDA

The adjusted EBITDA is a performance measure used to evaluate the operational results of the Company by deducting from the *EBITDA,* which includes *Total depreciation and amortization* on top of *Operating Profit,* non-operational items such as *Property revaluations, capital gains, and other income*, *Results on disposal of Inventories - trading properties* and *Other adjustments*. *Other adjustments* is calculated by (1) deducting the Adjusted EBITDA related to assets held for sale, a non-recurring item and (2) adding back management share based payments, a non-cash item. In order to reflect only the recurring operational results, AT deducts *Share in profit from investment in equity-accounted investees* as this item also includes non-operational profits generated by AT's equity-accounted investees. Due to the nature of its strategic investment in GCP, AT includes in its adjusted EBITDA calculation its share in the adjusted EBITDA generated by GCP for the period in accordance with its holding rate over the period labelled as *Adjustment for GCP adjusted EBITDA contribution*.

ADJUSTED EBITDA CALCULATION
Operating Profit
(+) Total depreciation and amortization
(=) EBITDA
(-) Property revaluations, capital gains, and other income
(-) Share in profit from investment in equity-accounted investees
(-) Other adjustments
(=) ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG-TERM
(+) Adjustment for GCP adjusted EBITDA contribution*
(=) ADJUSTED EBITDA

*including the Company's share in the adjusted EBITDA of GCP

FUNDS FROM OPERATIONS I (FFO I)

Funds from Operations I (FFO I) is an industry standard performance indicator for evaluating operational recurring profit of a real estate firm. AT calculates FFO I by deducting from the *adjusted EBITDA Commercial Portfolio, Recurring Long-term* the *Finance expenses, Current tax expenses* and *Contribution to minorities* and adds back *Other adjustments*. *Other adjustments* refers to finance expenses and current tax expenses related to assets held for sale.

Due to the deduction of the Share in profit from investment in equity-accounted investees in the adjusted EBITDA calculation which includes the operational profits from GCP, AT adds back its relative share in GCP's reported FFO I after perpetual notes attribution, reflecting the recurring operational profit generated by GCP for the period in accordance with the holding rate over the period.

FFO I CALCULATION
Adjusted EBITDA Commercial Portfolio, Recurring Long-term
(-) Finance expenses
(-) Current tax expenses
(-) Contribution to minorities
(+) Other adjustments
(=) FFO I COMMERCIAL PORTFOLIO, RECURRING LONG-TERM
(+) Adjustment for GCP FFO I contribution*
(=) FFO I

*including the Company's share in the FFO I after perpetual notes attribution of GCP

FFO I AFTER PERPETUAL NOTES ATTRIBUTION

According to IFRS accounting treatment AT records perpetual notes as equity in its balance sheet and contributions to perpetual notes are recognized through changes in equity and not as a financial expense in the income statement. For the purpose of enhanced transparency, AT additionally provides the FFO I after perpetual notes attribution which is derived by deducting *Adjustment for accrued perpetual notes attribution* from the FFO I.

FFO I AFTER PERPETUAL NOTES ATTRIBUTION CALCULATION
FFO I
(-) Adjustment for accrued perpetual notes attribution
(=) FFO I AFTER PERPETUAL NOTES ATTRIBUTION

FUNDS FROM OPERATIONS II (FFO II)

Funds from Operations II (FFO II) is an additional measurement used in the real estate industry to evaluate operational recurring profits including the impact from disposal activities. To derive to the FFO II *Results from disposal of properties* are added to the FFO I. The results from disposals reflect the profit driven from the excess amount of the sale price to cost price plus capex of the disposed properties.

FFO II CALCULATION
FFO I
(+) Result from disposal of properties*
(=) FFO II

* the excess amount of the sale price to cost price plus capex of the disposed properties

EPRA NET ASSET VALUE (EPRA NAV)

The EPRA Net Asset Value (EPRA NAV) is defined by the European Public Real Estate Association (EPRA) as the net asset value of the Company adjusted to include real estate properties and other investment interests at fair values and exclude certain items that are not expected to materialize in a long-term real estate business model. The purpose of the EPRA NAV is to adjust the IFRS NAV in order to provide stakeholders with the most relevant information on the Group's balance sheet items in the context of a true real estate investment company with a long-term oriented investment strategy. As perpetual notes are classified as equity in accordance with IFRS accounting treatment. AT additionally reports the EPRA NAV including the perpetual notes.

AT's EPRA NAV calculation begins with deducting *Equity attributable to perpetual notes investors* from the *NAV per the financial statements* to arrive at the *NAV excluding perpetual notes*. In compliance with EPRA's guideline to present the NAV on a dilutive basis, AT adds the *Effect of conversion of in-the-money convertible bonds*. After adding the *Fair value measurement of derivative financial instruments* and *Deferred tax liabilities* which both include balances in assets held for sale while former also includes hedge reserves, this results in the *NAV*. These items are added back in line with EPRA's standards as they are not expected to materialize on an ongoing and long-term basis. Equity attributable to *Non-controlling interests* is deducted from the *NAV* to arrive at the *EPRA NAV*. *EPRA NAV including the perpetual notes* is calculated by adding back the *Equity attributable to perpetual notes investors* on top of the *EPRA NAV*.

EPRA NAV CALCULATION
NAV per the financial statements
(-) Equity attributable to perpetual notes investors
(=) NAV EXCLUDING PERPETUAL NOTES
(+) Effect of conversion of in-the-money convertible bonds
(+) Fair value measurements of derivative financial instruments [1]
(+) Deferred tax liabilities [2]
(=) NAV
(-) Non-controlling interests
(=) EPRA NAV
(+) Equity attributable to perpetual investors
(=) EPRA NAV INCLUDING PERPETUAL NOTES

1 including hedge reserves and balances in assets held for sale
2 including balances in assets held for sale

Nuremburg

EPRA TRIPLE NET ASSET VALUE (EPRA NNNAV)

The EPRA Triple Net Asset Value (EPRA NNNAV) is derived by adjusting the EPRA NAV by marking to market the spot values of the Company's financial debt, derivative financial instruments and deferred taxes. The purpose of the EPRA NNNAV is to provide stakeholders with the most relevant information on the Company's financial liabilities by reporting them at their spot values as of the end of the reporting period. Correspondingly, *EPRA NNNAV* is calculated by deducting first the *Fair value measurements of derivative financial instruments* and the *Net fair value of debt* which is the difference between the market value of debt to the book value of debt, adjusted for taxes. Lastly, *Deferred tax liabilities* are deducted to reach the *EPRA NNNAV* and in compliance with EPRA standards, the adjustment is based on evidence observed in the market, thus assuming disposal through share deals.

EPRA NNNAV CALCULATION
EPRA NAV
(-) Fair value measurements of derivative financial instruments
(-) Net fair value of debt
(-) Deferred tax liabilities*
(=) EPRA NNNAV

* assuming disposal through share deals

LOAN-TO-VALUE (LTV)

The Loan-to-Value (LTV) is a measurement aimed at reflecting the leverage of a Company. The purpose of this metric is to assess the degree to which the total value of the real estate properties are able to cover financial debt and the headroom against a potential market downturn. With regards to AT's internal LTV limit due to its conservative financial policy, the LTV shows as well the extent to which AT can comfortably raise further debt to finance additional growth. *Total value* is calculated by adding together the *Investment property* which includes Advance payments for real estate transactions, *Assets held for sale* which includes properties held for sale net of cash and *Investment in equity-accounted investees*. *Net financial debt* is calculated by deducting *Cash and liquid assets* from *Total financial debt* which is a sum of *Straight bonds, Convertible Bonds* and *Loans and borrowings*. *Loans and borrowings* includes short-term loans and borrowings and financial debt held for sale. *Cash and liquid assets* is a sum of *Cash and cash equivalents, Short-term deposits* and *Traded securities at fair value through profit or loss*, as well as cash balances of assets held for sale. AT calculates the *LTV* ratio through dividing the *Net financial debt* by the *Total value*. Additionally, since AT's convertible bonds are deep-in-the-money, AT provides the *LTV assuming conversion* by deducting the *Effect of conversion of in-the-money convertible bonds* from the *Net financial debt*.

LOAN-TO-VALUE CALCULATION
(+) Investment property [1]
(+) Assets held for sale [2]
(+) Investment in equity-accounted investees
(=) (A) TOTAL VALUE
(+) Total financial debt [3 4]
(-) Cash and liquid assets [4]
(=) (B) NET FINANCIAL DEBT
(=) (B/A) LTV
(c) Effect of conversion of in-the-money convertible bond(s)
(=) (B-C)/(A) LTV ASSUMING CONVERSION

1 including advance payments for investment properties
2 including properties held for sale net of cash
3 total bank loans and bonds
4 including balances held for sale

UNENCUMBERED ASSETS RATIO

The Unencumbered assets ratio is an additional indicator to assess the Company's financial flexibility. As the Company is able to raise secured debt over the unencumbered asset, a high ratio of unencumbered assets provides the Company with additional potential liquidity. Additionally, unencumbered assets provide debt holders of unsecured debt with a headroom. AT derives the *Unencumbered assets ratio* from the division of *Rent generated by unencumbered assets* by *Rent generated by the total Group*. *Rent generated by unencumbered assets* is the contractual rent on an annualized basis generated by assets which are unencumbered, including the contribution of GCP but excluding the contractual rent from assets held for sale. In parallel, *Rent generated by the total Group* is the contractual rent on annualized basis generated by the total Group including GCP's contribution but excluding the contractual rent from assets held for sale.

UNENCUMBERED ASSETS RATIO CALCULATION
(a) Rent generated by unencumbered assets*
(b) Rent generated by the total Group*
(=) (A/B) UNENCUMBERED ASSETS RATIO

* annualized contractual rent including GCP's contribution and excluding the contractual rent from assets held for sale

DEBT COVER RATIOS: ICR AND DSCR

The Interest Cover Ratio (ICR) and Debt Service Cover Ratio (DSCR) are widely used in the real estate industry to assess the strength of the Company's credit profile. These multiples indicate the degree to which the Company's operational results are able to cover its debt servicing.

ICR is calculated by dividing the *Adjusted EBITDA including assets held for sale* by the *Group Finance expenses* which is the sum of AT's finance expenses and AT's share in GCP's finance expenses. The *DSCR* is calculated by dividing the *Adjusted EBITDA including assets held for sale* by the sum of the *Group Finance expenses* and the *Group Amortizations of loans from financial institutions* which is the sum of AT's amortizations and AT's share in GCP's amortizations.

ICR CALCULATION
(a) Group Finance expenses
(b) Adjusted EBITDA including assets held for sale*
(=) (B/A) ICR

* including assets held for sale and GCP adjusted EBITDA contribution

DSCR CALCULATION
(a) Group Finance expenses
(b) Group Amortizations of loans from financial institutions
(c) Adjusted EBITDA including assets held for sale*
(=) [C/(A+B)] DSCR

* including assets held for sale and GCP adjusted EBITDA contribution


Berlin

Responsibility statement

To the best of our knowledge, the condensed interim consolidated financial statements of Aroundtown SA, prepared in accordance with the applicable reporting principles for financials statements, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the management report of the Group includes a fair review of the development of the business, and describes the main opportunities, risks, and uncertainties associates with the Group.

Disclaimer

The financial data and results of the Group are affected by financial and operating results of its subsidiaries. Significance of the information presented in this report is examined from the perspective of the Company including its portfolio with the joint ventures. In several cases, additional information and details are provided in order to present a comprehensive representation of the subject described, which in the Group's view is essential to this report.

By order of the Board of Directors,
August 29, 2018

Frank Roseen
Director

Oschrie Massatschi
Director

Jelena Afxentiou
Director

Interim consolidated statement of comprehensive income

	Six months ended June 30,		Three months ended June 30,	
	2018	2017	2018	2017
	in € millions			
REVENUE	**347.6**	**237.2**	**181.3**	**123.0**
Property revaluations, capital gains and other income	899.6	747.7	553.0	535.4
Share in profit from investment in equity-accounted investees	113.3	76.7	53.6	45.6
Property operating expenses	(102.8)	(63.6)	(54.4)	(32.6)
Administrative and other expenses	(9.0)	(7.1)	(4.4)	(3.6)
OPERATING PROFIT	**1,248.7**	**990.9**	**729.1**	**667.8**
Finance expenses	(52.3)	(29.8)	(27.9)	(15.0)
Other financial results	(51.5)	(18.3)	(9.5)	(19.7)
PROFIT BEFORE TAX	**1,144.9**	**942.8**	**691.7**	**633.1**
Current tax expenses	(20.2)	(18.5)	(10.5)	(8.3)
Deferred tax expenses	(154.4)	(146.9)	(81.5)	(94.4)
TAX AND DEFERRED TAX EXPENSES	**(174.6)**	**(165.4)**	**(92.0)**	**(102.7)**
PROFIT FOR THE PERIOD	**970.3**	**777.4**	**599.7**	**530.4**
PROFIT ATTRIBUTABLE TO:				
Shareholders of the Company	876.6	655.4	554.1	429.0
Perpetual notes investors	22.3	11.5	11.4	6.2
Non-controlling interests	71.4	110.5	34.2	95.2
PROFIT FOR THE PERIOD	**970.3**	**777.4**	**599.7**	**530.4**
NET EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY (IN €)				
Basic earnings per share	0.87	0.88	0.53	0.54
Diluted earnings per share	0.82	0.74	0.50	0.49

The notes on pages 70 to 80 form an integral part of these interim consolidated financial statements

Düsseldorf

	Six months ended June 30,		Three months ended June 30,	
	2018	2017	2018	2017
	in € millions			
PROFIT FOR THE PERIOD	**970.3**	**777.4**	**599.7**	**530.4**
OTHER COMPREHENSIVE INCOME (LOSS):				
Items that are or may be reclassified subsequently to profit or loss				
Results of cash flow hedges	(32.0)	(9.1)	9.2	1.7
Results of foreign currency translations	0.2	-	3.0	-
Tax related to the other comprehensive income components	2.8	3.7	(7.9)	1.5
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**(29.0)**	**(5.4)**	**4.3**	**3.2**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**941.3**	**772.0**	**604.0**	**533.6**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the Company	847.6	650.0	558.4	432.2
Perpetual notes investors	22.3	11.5	11.4	6.2
Non-controlling interests	71.4	110.5	34.2	95.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**941.3**	**772.0**	**604.0**	**533.6**

The notes on pages 70 to 80 form an integral part of these interim consolidated financial statements

Interim consolidated statement of financial position

	Note	June 30, 2018 Unaudited	December 31, 2017 Audited
		in € millions	
ASSETS			
Equipment and intangible assets		29.6	25.8
Investment property	5	11,884.2	9,804.1
Advance payments for real estate transactions	12	481.6	70.1
Investment in equity-accounted investees	6	1,990.6	1,905.6
Derivative financial instruments		22.2	34.1
Other non-current assets		396.4	392.8
Deferred tax assets		26.0	14.8
NON-CURRENT ASSETS		**14,830.6**	**12,247.3**
Cash and cash equivalents		932.2	736.4
Short-term deposits		4.1	17.5
Traded securities at fair value through profit or loss		306.5	87.7
Dividend receivable		17.9	-
Derivative financial instruments		13.1	10.9
Trade and other receivables	11	429.4	162.9
Assets held for sale	11	380.7	507.7
CURRENT ASSETS		**2,083.9**	**1,523.1**
TOTAL ASSETS		**16,914.5**	**13,770.4**

The notes on pages 70 to 80 form an integral part of these interim consolidated financial statements

	Note	June 30, 2018 Unaudited	December 31, 2017 Audited
		in € millions	
EQUITY			
Share capital	8	10.6	9.5
Retained earnings and capital reserves	8	6,686.5	5,392.8
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY		**6,697.1**	**5,402.3**
Equity attributable to perpetual notes investors	8	1,563.9	1,173.3
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY AND PERPETUAL NOTES INVESTORS		**8,261.0**	**6,575.6**
Non-controlling interests		287.2	674.3
TOTAL EQUITY		**8,548.2**	**7,249.9**
LIABILITIES			
Loans and borrowings	7.1	1,058.5	956.9
Convertible bonds	7.2	253.3	293.8
Straight bonds	7.2	5,300.0	3,827.0
Derivative financial instruments		80.3	54.9
Other non-current liabilities		59.0	70.1
Deferred tax liabilities		904.2	752.2
NON-CURRENT LIABILITIES		**7,655.3**	**5,954.9**
Loans and borrowings	7.1	40.8	17.4
Trade and other payables		473.0	266.5
Tax payable		5.7	8.9
Provisions and current liabilities		105.4	87.1
Liabilities held for sale	11	86.1	185.7
CURRENT LIABILITIES		**711.0**	**565.6**
TOTAL LIABILITIES		**8,366.3**	**6,520.5**
TOTAL EQUITY AND LIABILITIES		**16,914.5**	**13,770.4**

The Board of Directors of Aroundtown SA authorized these condensed interim consolidated financial statements for issuance on August 29, 2018

Frank Roseen
Director

Oschrie Massatschi
Director

Jelena Afxentiou
Director

The notes on pages 70 to 80 form an integral part of these interim consolidated financial statements

Interim consolidated statement of changes in equity

	Attributable to the shareholders of the Company								
	Share capital	Share Premium and other capital reserves	Hedge reserve	Retained earnings	Total	Equity attributable to perpetual notes investors	Equity attributable to sharehol-ders of the company and perpetual notes investors	Non-controlling interests	Total equity
	in € millions								
BALANCE AS AT DECEMBER 31, 2017 (AUDITED)	**9.5**	**1,809.5**	**(0.5)**	**3,583.8**	**5,402.3**	**1,173.3**	**6,575.6**	**674.3**	**7,249.9**
Profit for the period	-	-	-	876.6	876.6	22.3	898.9	71.4	970.3
Other comprehensive income (loss) for the period, net of tax	-	0.2	(29.2)	-	(29.0)	-	(29.0)	-	(29.0)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**-**	**0.2**	**(29.2)**	**876.6**	**847.6**	**22.3**	**869.9**	**71.4**	**941.3**
Issuance of ordinary shares	0.9	599.6	-	-	600.5	-	600.5	-	600.5
Issuance of shares related to conversion of convertible bonds	0.2	102.7	-	-	102.9	-	102.9	-	102.9
Issuance of perpetual notes	-	-	-	-	-	390.6	390.6	-	390.6
Amount attributed to perpetual notes investors	-	-	-	-	-	(22.3)	(22.3)	-	(22.3)
Non-controlling interests arising from initially consolidated companies and deconsolidations	-	-	-	-	-	-	-	3.5	3.5
Transactions with non-controlling interests	-	-	-	(9.0)	(9.0)	-	(9.0)	(462.0)	(471.0)
Equity settled share-based payment	-	1.0	-	-	1.0	-	1.0	-	1.0
Dividend distribution	-	(248.2)	-	-	(248.2)	-	(248.2)	-	(248.2)
BALANCE AS AT JUNE 30, 2018 (UNAUDITED)	**10.6**	**2,264.8**	**(29.7)**	**4,451.4**	**6,697.1**	**1,563.9**	**8,261.0**	**287.2**	**8,548.2**

The notes on pages 70 to 80 form an integral part of these interim consolidated financial statements

Essen

	Attributable to the shareholders of the Company								
	Share capital	Share Premium and other capital reserve	Hedge reserve	Retained earnings	Total	Equity attri-butable to perpetual notes investors	Equity attributable to sharehol-ders of the Company and perpetual no-tes investors	Non-controlling interests	Total equity
	in € millions								
BALANCE AS AT DECEMBER 31, 2016 (AUDITED)	**6.8**	**633.2**	**-**	**2,450.2**	**3,090.2**	**478.3**	**3,568.5**	**372.6**	**3,941.1**
Profit for the period	-	-	-	655.4	655.4	11.5	666.9	110.5	777.4
Other comprehensive income (loss) for the period, net of tax	-	-	(5.4)	-	(5.4)	-	(5.4)	-	(5.4)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**-**	**-**	**(5.4)**	**655.4**	**650.0**	**11.5**	**661.5**	**110.5**	**772.0**
Issuance of ordinary shares	0.9	419.3	-	-	420.2	-	420.2	-	420.2
Issuance of shares related to conversion of convertible bonds	1.0	309.2	-	-	310.2	-	310.2	-	310.2
Issuance of perpetual notes	-	-	-	-	-	533.1	533.1	-	533.1
Amount attributed to perpetual notes investors	-	-	-	-	-	(1.0)	(1.0)	-	(1.0)
Non-controlling interests arising from initially consolidated companies and deconsolidations	-	-	-	-	-	-	-	25.2	25.2
Transactions with non-controlling interests	-	-	-	0.9	0.9	-	0.9	3.4	4.3
Equity settled share-based payment	-	0.7	-	-	0.7	-	0.7	-	0.7
BALANCE AS AT JUNE 30, 2017 (UNAUDITED)	**8.7**	**1,362.4**	**(5.4)**	**3,106.5**	**4,472.2**	**1,021.9**	**5,494.1**	**511.7**	**6,005.8**

The notes on pages 70 to 80 form an integral part of these interim consolidated financial statements

Interim consolidated statement of cash flows

	Six months ended June 30,	
	2018	2017
	in € millions	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	970.3	777.4
Adjustments for the profit:		
Depreciation and amortization	0.8	1.0
Property revaluations, capital gains and other income	(899.6)	(747.7)
Share in profit from investment in equity-accounted investees	(113.3)	(76.7)
Finance expenses, net	103.8	48.1
Tax and deferred tax expenses	174.6	165.4
Equity settled share-based payment	1.0	0.7
	237.6	168.2
Changes in:		
Trade and other receivables	(45.8)	(27.7)
Trade and other payables	14.3	17.1
Provisions for other liabilities and charges	7.7	(2.9)
	213.8	154.7
Tax paid	(18.4)	(20.2)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**195.4**	**134.5**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of equipment and intangible assets, net	(4.1)	(4.2)
Investments and acquisitions of investment property, capex and advances paid, net	(863.2)	(421.0)
Acquisition/disposals of investees and loans, net of cash acquired/disposed	(938.0)	(974.3)
Proceeds from / (investments in) traded securities and other financial assets, net	(487.1)	0.4
NET CASH USED IN INVESTING ACTIVITIES	**(2,292.4)**	**(1,399.1)**

The notes on pages 70 to 80 form an integral part of these interim consolidated financial statements

Berlin

	Six months ended June 30,	
	2018	2017
	in € millions	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares, net	600.5	420.2
Proceeds from issuance of straight bonds, net	1,416.1	360.9
Proceeds from perpetual notes investors, net	368.0	528.4
Redemption and buy-back of convertible bonds	-	(114.4)
Proceeds (repayments) from/(of) loans from financial institutions and others, net	147.1	(259.6)
Amortizations of loans from financial institutions	(13.4)	(17.1)
Transactions with non-controlling interests	(185.1)	(11.7)
Interest and other financial expenses, net	(46.0)	(32.5)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**2,287.2**	**874.2**
NET CHANGES IN CASH AND CASH EQUIVALENTS	**190.2**	**(390.4)**
Assets held for sale – cash	5.6	0.6
Cash and cash equivalents as at January 1	736.4	641.4
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**932.2**	**251.6**

The notes on pages 70 to 80 form an integral part of these interim consolidated financial statements

Condensed notes to the interim consolidated financial statements

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2018

1. GENERAL

(A) Incorporation and principal activities

Aroundtown SA ("the Company" or "Aroundtown") was incorporated on May 7, 2004 as a private limited liability company under the Cyprus Companies Law, Cap. 113. On September 13, 2017, the Company transferred its registered office and principal place of business from Cyprus to Luxembourg, and continued as a public limited liability company (Société Anonyme), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, Avenue du Bois, L-1251, Luxembourg. The Company's name was changed from "Aroundtown Property Holdings Plc" to "Aroundtown SA".

Aroundtown is a specialist real estate company, with a focus on value-add and income generating properties primarily in the German and Dutch real estate markets. Aroundtown invests in commercial and residential real estate which benefits from strong fundamentals and growth prospects. The commercial properties are held by Aroundtown and in addition, as of June 2018, Aroundtown holds a significant interest of approximately 38% in Grand City Properties S.A., a publicly traded real estate company that focuses on investing in value-add opportunities in the German residential real estate market. Aroundtown's investment in Grand City Properties S.A. is accounted for as equity-accounted investee in its financials.

These condensed interim consolidated financial statements for the six month period ended June 30, 2018 consist of the financial statements of Company and its subsidiaries ("the Group").

(B) Listing on the Stock Exchange

On June 2, 2017 the Company's shares were up-listed to the Prime Standard of the Frankfurt Stock Exchange. Since 2015 until 2017, the Company's shares were listed on the Euronext Paris Stock Exchange.

Effective from March 19, 2018 the Company's shares were included in the MDAX index of the Deutsche Börse.

(C) Capital and bonds increases

Since December 2014, the Company undertook several capital market transactions which include the issuance of straight bonds, convertible bonds, perpetual notes and equity. In addition, the Company has an EMTN programme of €10 billion. For further information please see notes 7 and 8.

(D) Group rating

In December 2017, S&P upgraded its credit rating of the company to 'BBB+' with a stable outlook from 'BBB', which was assigned in June 2016. The rating upgrade also applies to the Company's straight and convertible bonds to 'BBB+' and its perpetual notes to 'BBB-'.

(E) Definitions

Throughout these notes to the interim consolidated financial statements:

The Company	Aroundtown SA
The Group	The Company and its investees
Subsidiaries	Companies that are controlled by the Company (as defined in IFRS 10) and whose financial statements are consolidated with those of the Company
Associates	Companies over which the Company has significant influence (as defined in IAS 28) and that are not subsidiaries. The Company's investment therein is included in the consolidated financial statements of the Company using equity method of accounting
Investees	Subsidiaries, jointly controlled entities and associates
GCP S.A.	Grand City Properties S.A. (an associate of the Company)
PCI, Camelbay, ATF, ATS	Primecity Investment PLC, Camelbay Limited, ATF Netherlands B. V. and AT Securities B. V. (subsidiaries of the Company)
Related parties	As defined in IAS 24
The reporting period	The six months ended on June 30, 2018

2. BASIS OF PREPARATION

(A) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 interim financial reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2017. These condensed interim consolidated financial statements have not been reviewed by an auditor.

For further information on the accounting and measurement policies used, please refer to the consolidated financial statements as at December 31, 2017, which are the basis for these condensed interim consolidated financial statements.

These condensed interim consolidated financial statements were authorized for issuance by the Company's Board of Directors on August 29, 2018.

(B) Judgments and estimates

In preparing these condensed interim consolidated financial statements, management applies judgments, estimates and special assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those that applied to the consolidated financial statements as at and for the year ended December 31, 2017.

(C) Seasonality of operations

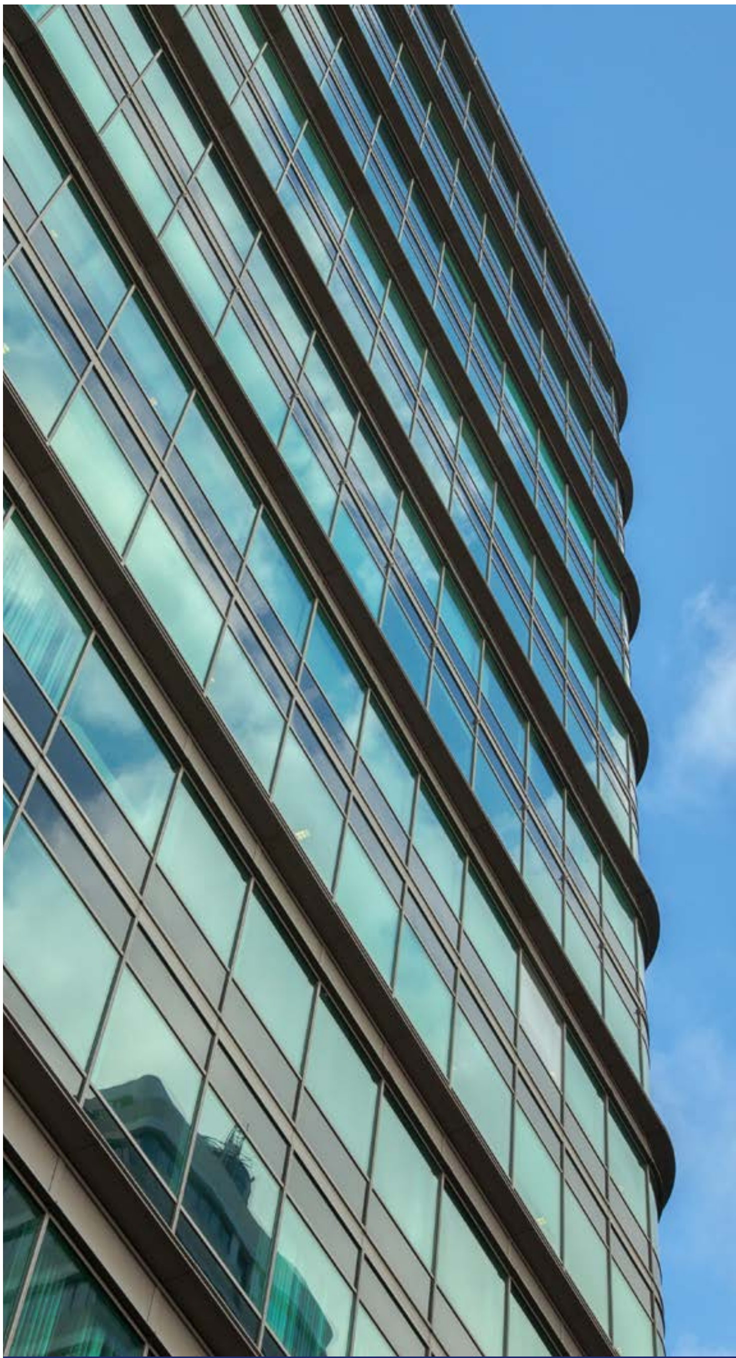
Rental income, other revenues and costs are received and incurred smoothly over the accounting period. Therefore no additional disclosures are made in the condensed interim consolidated financial statements.

(D) Going concern

These condensed interim consolidated financial statements are prepared on a going concern basis.

(E) Functional and presentation currency

The consolidated financial statements are presented in euro, which is also the functional currency of the Group, and reported in millions of euros rounded to one decimal point, except when otherwise indicated. As at June 30, 2018, the Company had financial instruments in US Dollars (USD), Norwegian Krone (NOK), British Pound (GBP), Swiss Franc (CHF) and Australian Dollar (AUD). The exchange rates versus the euro were as follows:



Amsterdam

	EUR/ USD	EUR/ GBP	EUR/ NOK	EUR/ CHF	EUR/ AUD
AS OF JUNE 30, 2018	1.166	0.886	9.512	1.157	1.579
As of June 30,2017	1.141	0.879	9.571	1.093	1.485
As of December 31, 2017	1.199	0.887	9.840	1.170	1.535
Percentage changes during the respective period:					
SIX MONTHS ENDED JUNE 30, 2018	(2.8%)	(0.1%)	(3.3%)	(1.1%)	2.9%
Six months ended June 30, 2017	8.2%	2.7%	5.3%	1.8%	1.7%
Year ended December 31, 2017	13.8%	3.6%	8.3%	9.0%	5.1%

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2017, except for the adoption of new standards, amendments to standards and interpretations effective as at January 1, 2018.

(I) IFRS 9 - Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after January 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. The application of the new standard does not have material impact on the Group's consolidated financial statements.

(II) IFRS 15 - Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. Lease contracts are scoped out of IFRS 15, and are accounted for under IAS 17 (from 2019: IFRS 16), and therefore the application of the new standard does not have any impact in terms of amounts on the recognition of rental income.

(III) IFRIC 22 - Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any material impact on the Group's consolidated financial statements.

(IV) Amendments to IAS 40: Transfers of Investments Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group's consolidated financial statements.

(V) Amendments to IFRS 2 - Classifications and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 Share-based payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. These amendments do not have a material impact on the Group's consolidated financial statements.

The following new standard has been endorsed by the EU but is not yet effective for these financial statements:

(VI) IFRS 16 - Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Group plans to apply IFRS 16 initially on January 1, 2019.

Dresden

4. ACQUISITION OF INVESTEES

A. During the reporting period, the Group obtained control over several companies. The purchase of these entities was treated as a purchase of a group of assets and liabilities. Therefore the total purchase costs were allocated to the assets and liabilities based on their relative fair value at the purchase date without the recognition of goodwill.

The aggregated identifiable assets and liabilities acquired as at the date of each transaction were as follows:

	in € millions
Investment property	1,056.2
Working capital, net	3.9
Cash and cash equivalents	6.9
	1,067.0
Bank loans	(26.8)
Other liabilities, net	(1.3)
	(28.1)
TOTAL IDENTIFIABLE NET ASSETS	**1,038.9**
Non-controlling interests arising from initial consolidation	(33.6)
Consideration paid	(1,005.3)

B. During the reporting period, the Group increased its holdings in several subsidiaries. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries, amounted to €462.0 million and presented in consolidated statement of changes in equity. The results of the transaction are recognized directly in equity attributed to the owners of the Company.

5. INVESTMENT PROPERTY

	Six months ended June 30,	Year ended December 31,
	2018	2017
	Unaudited	Audited
	in € millions	
Balance as at January 1	9,804.1	5,016.2
Acquisitions of investment property and capex	1,482.0	3,957.8
Transfer investment property to held for sale, net (a)	(234.3)	(*) (485.1)
Fair value adjustment	832.4	1,315.2
BALANCE AS AT JUNE 30 / DECEMBER 31	**11,884.2**	**9,804.1**

(a) for more information about the assets held for sale and disposals see note 11.
(*) reclassified.

As of June 30, 2018, the balance of the investment property included €663 million of land development and building rights.

The fair value of the investment property of the Group is determined at least once a year by external, independent and certified valuators, who are considered as leading appraisers in the European real estate market.

The Group and the valuators confirm that there is no actual or potential conflict of interest that may have influenced the valuators status as external and independent valuator.

The range of the discount rates applied to determine the fair value of the investment property is between 2.25% - 10.75% (weighted average of 5.71%).

6. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

Composition

	Six months ended June 30,	Year ended December 31,
	2018	2017
	Unaudited	Audited
	in € millions	
Balance as at January 1	1,905.6	1,557.0
Additions, net	84.9	120.2
Transfer to held for sale	(108.4)	-
Share of profit from investments in equity accounted investees	113.3	228.4
Changes via OCI	(4.8)	-
BALANCE AS AT JUNE 30 / DECEMBER 31	**1,990.6**	**1,905.6**

The balance as of June 30, 2018 and December 31, 2017 reflected mainly the Company's investment in residential portfolio through its strategic investment directly in GCP S.A. The remaining part reflects other minority investments in real estate companies (mainly minority in subsidiaries of GCP S.A.) amounted to €289.7 million and €295.9, respectively.

As of June 30, 2018, the carrying amount of the strategic direct investment in GCP S.A. amounted to €1,700.9 million (based on the quoted share price the fair value of the investment on August 27, 2018 and June 30, 2018 was €1,556.4 million and €1,428.0 million, respectively).

As of December 31, 2017, the carrying amount was €1,609.7 million (based on the quoted share price the fair value of the investment was €1,219.5 million).

The balance as of June 30, 2018 also included 1.3 million shares of GCP S.A. which the Company opted to receive as part of the scrip dividend distributed by GCP S.A.

In addition to further investments in the residential portfolios, the changes during the reporting period include initially a transfer of investments amounted to €108.4 million to asset held for sale, which were disposed in the second quarter.

7. LOANS, BORROWINGS AND BONDS

7.1 Bank loans composition

	June 30, 2018	December 31, 2017
	Unaudited	Audited
	in € millions	
Total non-current bank loans (a)	1,058.5	956.9
Total current bank loans	26.1	17.4
Loan Redemption	14.7	-
TOTAL BANK LOANS	1,099.3	974.3

(a) The bank loans are non-recourse loans, having the serving assets as their main security. As at June 30, 2018 under the existing loan agreements, the Group is in compliance with its obligations (including loan covenants) to the financing banks.

7.2 Straight and convertible bonds composition

Set out below, is an overview of the Group's straight and convertible bonds as at June 30, 2018 and December 31, 2017:

		Currency	Nominal amount	Coupon	Issuance - maturity	June 30, 2018	December 31, 2017
						Unaudited	Audited
			In € millions	%		In € millions	
STRAIGHT BONDS							
Series D	(a)	EUR	281	1.5	05/2016-05/2022	267.3	572.5
Series E		EUR	650	1.5	07/2016-07/2024	622.7	620.6
Series F		EUR	550	2.125	12/2016-03/2023	541.3	540.4
Series H		USD	400	1.365 (i)	03/2017-03/2032	322.9	312.8
Series NOK		NOK	750	0.818 (i) (j)	07/2017-07/2027	77.5	74.7
Series I		EUR	500	1.875	07/2017-01/2026	484.1	483.2
Series J		GBP	500	1.5 (j)	10/2017-10/2029	544.7	542.9
Series K		EUR	700	1.0	11/2017-01/2025	681.2	679.9
Series L	(b)	USD	150	1.75 (j)	02/2018-02/2038	128.1	-
Series M	(c)	CHF	250	0.732	01/2018-01/2025	212.4	-
Series N	(d)	EUR	800	1.625	01/2018-01/2028	774.0	-
Series O	(e)	EUR	500	2.0	05/2018-11/2026	487.9	-
Series P	(f)	AUD	250	1.605 (j)	05/2018-05/2025	155.9	-
TOTAL STRAIGHT BONDS						5,300.0	3,827.0
TOTAL ACCRUED INTEREST ON STRAIGHT BONDS	(k)					52.0	41.7
CONVERTIBLE BONDS							
Series B	(g) (h)	EUR	4	3.0	05/2014-05/2020	4.0	5.8
Series C	(g) (h)	EUR	258.1	1.5	12/2015-01/2021	249.3	288.0
TOTAL CONVERTIBLE BONDS						253.3	293.8
TOTAL ACCRUED INTEREST ON CONVERTIBLE BONDS	(k)					1.7	2.0

(a) During the first quarter of 2018, the Company bought back €319 million principal amount of straight bond series D for a price of 103.938% of the principal amount excluding any accrued interest.

(b) In January 2018, the Company successfully completed the placement of a USD 150 million (€125 million) (nominal value) straight bond series L, maturing in 2038, for a consideration that reflected 100% of its principal amount. The Company hedged the currency risk of the principal amount, and hedged the interest with a cross-currency swap; the effective semi–annual euro coupon is 1.75% for the first 5 years and 1.78% plus Euribor (6M) for the following 15 years. The bond was placed under the EMTN Programme.

(c) In January 2018, the Company successfully completed the placement of a Swiss Franc (CHF) 250 million (€216 million) (nominal value) straight bond series M, maturing in 2025 and carrying 0.732% annual coupon, for a consideration that reflected 100% of its principal amount. The Company hedged the currency risk of the principal amount. The bond was placed under the EMTN Programme.

(d) In January 2018, the Company successfully completed the placement of a €800 million (nominal value) straight bond series N, maturing in 2028 and carrying 1.625% annual coupon, for a consideration that reflected 97.179% of its principal amount. The bond was placed under the EMTN Programme.

(e) In May 2018, the Company successfully completed the placement of a €500 million (nominal value) straight bond series O, maturing in 2026 and carrying 2.0% annual coupon, for a consideration that reflected 98.09% of its principal amount. The bond was placed under the EMTN Programme.

(f) In May 2018, the Company successfully completed the placement of a AUD 250 million (€158 million) (nominal value) straight bond series P, maturing in 2025, for a consideration that reflected 98.98% of its principal amount. The Company hedged the currency risk of the principal amount, and hedged the interest with a cross-currency swap; the effective semi–annual euro coupon is 1.6045% for the first 5 years and 1.244% plus Euribor (6M) for the following 2 years. The bond was placed under the EMTN Programme.

(g) During the reporting period, a total amount of €2.0 million nominal value of convertible bond series B and €41.9 million nominal value of convertible bond series C, were converted into 0.6 million shares and 7.6 million shares, respectively, as per the bonds' terms and conditions. Additionally, during the reporting period, €31.5 million nominal value of convertible bond series B held by the Company were sold for their fair value (approximately €61 million) and were converted into 9.6 million shares.

(h) On June 28, 2018, the Company announced of the annual general meeting resolution from June 27, 2018, pursuant to which the shareholders resolved on distribution of a dividend. As a consequence, the conversion prices relating to convertible bond series B and convertible bond series C were adjusted from €3.2746 to €3.1671 and from €5.5148 to €5.3338, respectively, effective from July 5, 2018.

(i) Linked to CPI.

(j) Effective coupon in euro, post cross-currency swap.

(k) Presented as part of the provisions and current liabilities in the consolidated statement of financial position.

7.3 Main security, pledge and negative pledge as defined in the bonds' Terms and Conditions

This note provides an overview of certain of the covenants applicable to the Company under its outstanding series of bonds. The complete terms and conditions of each series of bonds are set forth in the relevant bond documentation. Capitalized terms used in this note have the meanings set forth in the terms and conditions of the relevant series of bond.

Under the terms of its outstanding series of bonds, the Company has undertaken that it will not, and will procure that none of its Restricted Subsidiaries will, incur any Indebtedness if, immediately after giving effect to the incurrence of such additional Indebtedness and the application of the net proceeds of such incurrence: the sum of:
(i) the Consolidated Indebtedness (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Indebtedness (less Cash and Cash Equivalents) incurred since the Last Reporting Date would exceed 50 per cent or 60 per cent. (depending on the relevant series of bonds) of the sum of (without duplication): (i) the Total Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the purchase price of any Real Estate Property acquired or contracted for acquisition by the Group since the Last Reporting Date; and (iii) the proceeds of any Indebtedness incurred since the Last Reporting Date (but only to the extent that such proceeds were not used to acquire Real Estate Property or to reduce Indebtedness); and
(i) the Consolidated Secured Indebtedness (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Secured Indebtedness (less Cash and Cash Equivalents) incurred since the Last Reporting Date shall not exceed 45 per cent. of the sum of (without duplication): (i) the Total Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; (ii) the purchase price of any Real Estate Property acquired or contracted for acquisition by the Group since the Last Reporting Date; and (iii) the proceeds of any Indebtedness incurred since the Last Reporting Date (but only to the extent that such proceeds were not used to acquire Real Estate Property or to reduce Indebtedness). The Company has also undertaken that the sum of: (i) the Unencumbered Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Unencumbered Assets (less Cash and Cash Equivalents) newly recorded since the Last Reporting Date will at no time be less than 125 per cent. of the sum of: (i) the Unsecured Indebtedness (less Cash and Cash Equivalents) at the Last Reporting Date; and (ii) the Net Unsecured Indebtedness (less Cash and Cash Equivalents) incurred since the Last Reporting Date.

The Company has also undertaken that on each Reporting Date, the Interest Coverage Ratio will be at least 1.5, 1.8, 1.86 or 2.0 (depending on the relevant series of bond).

The Company's outstanding series of bonds also generally prohibit the Company from issuing additional bonds with the benefit of security interests unless the same security is granted to the Company's outstanding unsecured bonds equally and rateably.
Certain of the Company's bond series also limit the ability of Restricted Subsidiaries to encumber or restrict their ability to (i) pay dividends to the Company, (ii) make payments on indebtedness owed to the Company, (iii) make loans or advances to the Company or other Restricted Subsidiaries, or (iv) transfer their properties or assets to the Company or any other Restricted Subsidiaries, subject, in each case, to certain carve-outs without respect to, among other things, (a) Subsidiary Project Financing, (b) Project Financing Debt, (c) purchase money obligations for property acquired in the ordinary course of business, (d) customary provisions in joint venture, asset sale and other types of agreements, (e) security granted in connection with Relevant Indebtedness, and (f) the granting of guarantees or indemnities in connection with the issue of Further Bonds by other members of the Group.

8. EQUITY

A. Share capital

	June 30, 2018		December 31, 2017	
	Unaudited		Audited	
	Number of shares	in € millions	Number of shares	in € millions
AUTHORIZED				
Ordinary shares of €0.01 each	2,000,000,000	20.0	2,000,000,000	20.0
ISSUED AND FULLY PAID				
Balance as at January 1	947,808,641	9.5	676,268,473	6.8
Capital increase	95,000,000	0.9	168,000,000	1.7
Share-based payment	15,664	(*) 0.0	172,603	(*) 0.0
Exercise of convertible bonds series B and series C into shares during the period / year	17,827,987	0.2	103,367,565	1.0
Balance at the end of the period / year	1,060,652,292	10.6	947,808,641	9.5

(*) less than €0.1 million.

B. Issuance of perpetual notes

In January 2018, the Company successfully placed €400 million (nominal value) of perpetual subordinated notes. These notes were issued at a price of 98.174% of the principal amount and are of unlimited duration and can only be called back by the Company on certain contractually fixed dates or occasions. Up until the first call date in January 2024, the perpetual notes shall bear an annual coupon of 2.125% p.a. In case the Company does not exercise its call right at that point, the coupon rate applied until the next call date (January 2029) shall correspond to the five-year swap rate plus a margin of 200 basis points p.a. The mark-up will increase by 25 basis points as of January 2029 and by another 75 basis points commencing on January 2045.

C. Share premium and other capital reserves

The capital reserves include share premium derived directly from the capital increases that took place since the date of incorporation and from conversions of convertible bonds into ordinary shares, which can be distributed at any time. The account also consist the equity components of convertible bonds, the share-based payment reserves which temporarily cannot be distributed, and the other comprehensive income components arise by the hedge accounting and foreign currency translations.

D. Resolution of dividend distribution

On June 27, 2018, the shareholders' Annual General Meeting resolved upon the distribution of a dividend in the amount of €0.234 per share (total gross amount of €248.2 million presented in the Trade and other payables in the consolidated statement of financial position) from the share premium in accordance with the proposal of the Board of Directors. The Company provided the shareholders with the option to receive their dividend through a "Scrip Dividend", i.e. the shareholders may elect to receive up to 70% of their dividend in the form of the Company's shares, with the remainder paid in cash. The subscription ratio for the Scrip Dividend was announced on July 5, 2018 and amounted to 42.0789 for each share held as at the ex-date (June 28, 2018). Shareholders of approximately 142.7 million shares opted to receive their dividend in the form of new ordinary shares of the Company. Accordingly, 3.4 million new shares were issued in connection with the Scrip Dividend on July 23, 2018. The cash dividend was paid on July 17, 2018 and amounted to €224.8 million.

9. RELATED PARTY TRANSACTIONS

The transactions and balances with related parties are as follows:

	Six months ended June 30,	
	2018	2017
	in € millions	
Rental and operating expenses to related party during the period (i)	(0.4)	(0.2)
Consulting service expenses from related party during the period	(0.1)	-
Consulting service income from related party during the period	0.1	-

(i) During the reporting period, the lease expenses between the Group and its related entities amounted to € 0.4 million. As of June 30, 2018, all payments related to the lease agreements have been carried out.

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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Set out below is an overview of financials assets other than cash and cash equivalents held by the Group as at June 30, 2018 and December 31, 2017:

	June 30, 2018	December 31, 2017
	Unaudited	Audited
	in € millions	
FINANCIAL ASSETS AT AMORTIZED COST:		
Trade and other receivables	429.4	162.9
Dividend receivable	17.9	-
Other non-current assets	396.4	392.8
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:		
Traded securities at fair value through profit or loss	306.5	87.7
Derivative financial instruments	35.3	45.0
TOTAL ASSETS	**1,185.5**	**688.4**

Set out below is an overview of financials liabilities held by the group as at June 30, 2018 and December 31, 2017:

	June 30, 2018	December 31, 2017
	Unaudited	Audited
	in € millions	
FINANCIAL LIABILITIES AT AMORTIZED COST:		
Trade and other payables	473.0	266.5
Tax payable	5.7	8.9
Loans and borrowings	1,099.3	974.3
Straight bonds	5,300.0	3,827.0
Convertible bonds	253.3	293.8
Other non-current liabilities	59.0	70.1
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS:		
Derivative financial instruments	80.3	54.9
TOTAL LIABILITIES	**7,270.6**	**5,495.5**

Risk management activities

Currency and interest risks

As described in note 7.2 to these interim financial statements, the Group issued straight bonds denominated in foreign currencies other than EUR, which is the functional currency of the Company. In order to mitigate the currency and interest risks, the Group entered into cross-currency swap contracts aimed to hedge the currency and interest impacts associated with several of its straight bonds.

As at June 30, 2018, an unrealized loss of €32.0 million and an unrealized loss of €6.7 million relating to the cross-currency swap contracts are included in other comprehensive income and in the consolidated statement of profit or loss, respectively.

Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while increasing the return to owners through striving to keep a low debt to equity ratio. The management closely monitors Loan to Value ratio (LTV), which is calculated, on an entity level or portfolio level, where applicable, in order to ensure that it remains within its quantitative banking covenants and maintain a strong credit rating. The Group seeks to preserve its conservative capital structure with an LTV to remain at a target below 45%. As at June 30, 2018 the LTV ratio was 37% and the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements. LTV covenant ratio may vary between the subsidiaries of the Group. The Group regularly reviews compliance with all relevant regulations regarding restrictions on minimum capital.

Fair value hierarchy

The table below analyzes financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	in € millions			
JUNE 30, 2018 (UNAUDITED)				
Derivative financial instruments	-	35.3	-	35.3
Traded securities at fair value through profit or loss	306.5	-	-	306.5
TOTAL ASSETS	**306.5**	**35.3**	-	**341.8**
Derivative financial instruments	-	80.3	-	80.3
TOTAL LIABILITIES	-	**80.3**	-	**80.3**
DECEMBER 31, 2017 (AUDITED)				
Derivative financial instruments	-	45.0	-	45.0
Traded securities at fair value through profit or loss	87.7	-	-	87.7
TOTAL ASSETS	**87.7**	**45.0**	-	**132.7**
Derivative financial instruments	-	54.9	-	54.9
TOTAL LIABILITIES	-	**54.9**	-	**54.9**

Financial assets and liabilities not measured at fair value:

	As at June 30, 2018		As at December 31, 2017	
	Unaudited		Audited	
	Carrying amount (a)	Fair value (b)	Carrying amount (a)	Fair value (b)
	in € millions			
Convertible bonds	255.0	353.0	295.8	386.0
Straight bonds	5,352.0	5,381.5	3,868.6	4,078.0

(a) Including accrued interest.

(b) The fair value hierarchy of the convertible bonds and straight bonds are at level 1.

The fair value of all other financial assets and liabilities approximately their carrying amount.

11. DISPOSAL GROUP HELD FOR SALE

The Group resolved an intention to sell several properties, some of them through the sale of subsidiaries. Accordingly, assets and liabilities relating to this disposal group are presented as a disposal group held for sale.

Efforts to sell the disposal group have started and a sale is expected within twelve months from the reporting date. No impairment loss was recognized on the reclassification of the disposal group as held for sale.

During the reporting period, the Group classified additional investments in total value of €347 million.

During the reporting period, the Group completed the sale transactions of several non-core real estate investments in a total value of €500 million and recognized capital gain of €67.2 million, presented as Property revaluation, capital gains and other income in the consolidated statement of comprehensive income. An amount of €200.3 million considered as short-term vendor loan and presented as part of the trade and other receivable in the consolidated statement of financial position.

In addition, after the reporting period, the Group completed the sale transactions of additional real estate non-core investments in total value of €235 million.

The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:

	Six months ended June 30,	Year ended December 31,
	2018	2017
	Unaudited	Audited
	in € millions	
Assets classified as held for sale		
Investment property	355.7	493.1
Cash and cash equivalents	1.4	7.1
Other assets	23.6	7.5
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**380.7**	**507.7**
Liabilities classified as held for sale		
Loans and borrowings	57.5	153.5
Deferred tax liabilities	11.6	24.3
Other liabilities	17.0	7.9
TOTAL LIABILITIES CLASSIFIED AS HELD FOR SALE	**86.1**	**185.7**

12. COMMITMENTS

The Group has signed several real estate transactions in a volume of €1 billion which as at June 30, 2018 were not yet completed and are subject to several condition precedents. The Group estimates the completion of the transaction to take place within the next twelve months.

In addition, the Group has approximately €50 million commitment for future capital expenditure on the properties.

13. CONTINGENT ASSETS AND LIABILITIES

The Group had no significant contingent assets and liabilities as at June 30, 2018.

14. EVENTS AFTER THE REPORTING PERIOD

a) In July 2018, the Company successfully completed the placement of a GBP 400 million (€447.7 million) (nominal value) straight bond series Q, maturing in 2027 and carrying 3.25% annual coupon, for a consideration that reflected 97.093% of its principal amount. The bond was placed under the EMTN Programme.

b) On 23 July 2018, the Company issued 3.4 million new shares and on July 17, 2018 paid €224.8 million in cash, in connection with the dividend announced in June 2018.

c) After the reporting period, the Company disposed additional non-core real estate properties in total value of €235 million.

d) After the reporting date, another €105 million (nominal value) of convertible bond series C have been submitted for conversion.

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