AROUNDTOWN SA

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

THIS IS A REDUCED VERSION OF AROUNDTOWN'S 2019 H1 REPORT, ANY PAGE REFERENCES REFER TO THE FULL VERSION OF THE REPORT

CONTENT

KEY FINANCIALS

in € millions unless otherwise indicated	1-6/2019	change	1-6/2018
Revenue	420.6	21%	347.6
Net rental income	358.5	23%	290.9
Adjusted EBITDA 1)	362.5	30%	279.5
FFO I 1) 2)	239.3	26%	189.3
FFO I per share (in €)	0.21	11%	0.19
FFO I per share after perpetual notes attribution (in €)	0.19	12%	0.17
FFO II	288.4	-4%	300.4
Profit for the period	969.3	0%	970.3
EPS (basic) (in €)	0.68	-22%	0.87
EPS (diluted) (in €)	0.67	-18%	0.82

1) including AT's share in GCP and other investments, excluding the contributions from commercial assets held for sale
2) excluding FFO I attributable to minorities

in € millions unless otherwise indicated	Jun 2019	Dec 2018	Dec 2017
Total Assets	22,666.7	19,040.8	13,770.4
Total Equity	11,453.1	9,944.3	7,249.9
Total Equity pro forma*	12,553.7	9,944.3	7,249.9
Equity Ratio	51%	52%	53%
Loan-to-Value	36%	35%	36%

*including the equity capital increase and the perpetual notes issuance in July 2019

NET ASSET VALUE

in € millions unless otherwise indicated	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNNAV
Jun 2019 pro forma1)	11,137.8	10,008.8	12,482.4 2)	9,624.8
Jun 2019	10,537.2	9,408.2	11,381.8	9,024.2
Jun 2019 per share (in €)	9.3	8.3	10.1	8.0
Per share growth (six months, dividend adjusted)	+17%	+11%	+14%	+7%
Per share growth (six months, excluding dividend adjustment)	+13%	+8%	+11%	+4%
Dec 2018	9,309.5	8,742.4	10,290.1	8,730.7
Dec 2018 per share (in €)	8.2	7.7	9.1	7.7

1) including the equity capital increase of €600.6 million in July 2019
2) additionally including the perpetual notes issuance of €500 million in July 2019

THE COMPANY

The Board of Directors of Aroundtown SA and its investees (the "Company" or "AT"), including associates (the "Group"), hereby submits the interim report as of June 30, 2019. The figures presented are based on the condensed interim consolidated financial statements as of June 30, 2019, 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 Grand City Properties S.A. ("GCP"). GCP is a publicly traded real estate company that focuses on investing in value-add opportunities predominantly in the German residential real estate market. As of June 2019, the Company's holdings in GCP was 39%. 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 since 2004.

FINANCIAL POSITION HIGHLIGHTS

in € millions unless otherwise indicated	Jun 2019	Dec 2018
Total Assets	22,666.7	19,040.8
Investment property	16,212.7	14,174.0
Cash and liquid assets 1)	2,416.4	1,600.6
Total Equity	11,453.1	9,944.3
Total Equity pro forma 2)	12,553.7	9,944.3
Straight bonds	8,014.6	6,351.6
Loans and borrowings 3)	1,156.4	1,119.9

1) including cash and liquid assets under held for sale

2) including the equity capital increase and the perpetual notes issuance in July 2019

3) including loans and borrowings under held for sale

STRATEGY AND BUSINESS MODEL

VALUE CREATION

① Sourcing and targeting acquisitions in central locations in top tier cities with growth and upside potential

② Due diligence, acquisition and takeover

③ Repositioning and operational improvements

④ Robust cash flows with low vacancy supported by strong tenant structure, while disposing non-core and mature properties on a small scale

⑤ Additionally continue to extract value and rights from the properties

AT´S VALUE CREATION STARTS PRIOR TO ACQUISITION

① SOURCING AND TARGETING ACQUISITIONS IN CENTRAL LOCATIONS IN TOP TIER CITIES WITH GROWTH AND UPSIDE POTENTIAL

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 in central locations of top tier cities characterized by below market rent levels, inefficient cost or lease structure and/or vacancy reduction potential. With over 15 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 on 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.

② DUE DILIGENCE, ACQUISITION AND TAKEOVER

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 cost. A detailed business plan is created for each property in the due diligence phase, including the 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's repositioning process.

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.

③ 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. 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 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 the Group 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' 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 AT's experienced construction team.

The financial feasibility of the proposed alterations is balanced against the lease term, rental income and property acquisition cost and bears 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 supports its tenants through a TÜV- and ISO 9001:2015-certified Service Center with 24/7 availability via various channels. Further, the Group aims to establish personal relationships between its tenants and its asset and property managers, 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.

④ ROBUST CASH FLOWS WITH LOW VACANCY SUPPORTED BY STRONG TENANT STRUCTURE

Secure cash flows are continuously strengthened by ongoing cost controls and profitability improvements. Given vacancy and rents 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.

Capital recycling by selling non-core and mature assets

While AT's main focus is on extracting the potential of its portfolio, the Company also pursues an accretive capital recycling of non-core or mature properties on an opportunistic basis. AT continuously analyzes its portfolio in terms of upside potential to lift and focuses its resources on properties with higher upside. AT seeks to dispose properties where most of the potential has been lifted or which are not in the core locations of Aroundtown. The disposal of such properties enables capital recycling and provides firepower to pursue new accretive acquisitions with high upside potential on one hand, and increases the quality of the portfolio on the other. AT believes that it will continue to recycle a limited amount of properties in the future.

⑤ EXTRACTING UNUSED OR UNDERUTILIZED BUILDING RIGHTS FROM EXISTING AND NEW LAND & BUILDINGS

As part of the value creation process, Aroundtown identifies and extracts unused or underutilized building rights from existing and new land and buildings, providing additional internal growth. AT assesses internally the best use for the rights and advances on to maintain the discussion with authorities, engineers and architects in order to realize plans into permits. Once the planning and permit phases are completed, Aroundtown analyzes each project individually and decides the best way to realize the value into proceeds. This is either through materializing these building rights into actual sellable permits or proceeding to transform the rights into actual development. Aroundtown does not intend to fully build and develop all of the rights, and estimates that part of the rights will be disposed at high gains. In certain assets, Aroundtown considers development of the rights where Aroundtown believes to have low risk and such projects enable the Company to unlock further potential through pre-let long-term agreements with strong tenants.

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, 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

SENIOR AND KEY MANAGEMENT

Name	Position
Mr. Shmuel Mayo	CEO
Mr. Andrew Wallis	Deputy CEO
Mr. Eyal Ben David	CFO

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
Mr. David Maimon	Advisory Board Member

DEAL SOURCING AND THE ABILITY TO CREATE ACCRETIVE GROWTH

The Group's acquisition track record over the past 15 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 financial center Frankfurt, the wealthiest cities Hamburg and Munich, the large metropolitan area of North Rhine-Westphalia, 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, 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 a strict cost discipline is implemented.

COMMITMENT TO SUSTAINABILITY

Along the growth of the Company, Aroundtown has dedicated itself to set high standards with regards to sustainability, as the Company strongly believes in generating sustainable value creation for all of its stakeholders. 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 a 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. The Company places emphasis on the shared benefits of a socially responsible investment strategy where it jointly improves its society, shareholders, employees, tenants, business partners, suppliers and communities, with leaving a minimal environmental impact. For this reason, Aroundtown incorporated an ESG team to structure its sustainability efforts and manage processes related to these matters. Hereby, Aroundtown proudly presented its second Corporate Responsibility Report which is available to download on the Company's website.

SUSTAINALYTICS

OUTPERFORMER 93RD PERCENTILE GLOBALLY AMONG PEERS

Aroundtown was ranked by Sustainalytics as Outperformer in the 93rd percentile globally among 319 real estate peers, received in September 2018. This rating reflects a strong improvement from the previous ranking of 88th percentile.

EPRA BPR GOLD | EPRA sBPR GOLD | EPRA sBPR MOST IMPROVED AWARD

Aroundtown received the EPRA BPR Gold award in September 2018 for the second time, the highest standard for financial reporting, as well as EPRA sBPR Gold award and sBPR most improved award.

Aroundtown published its second Corporate Responsibility Report

CONSERVATIVE FINANCING STRUCTURE

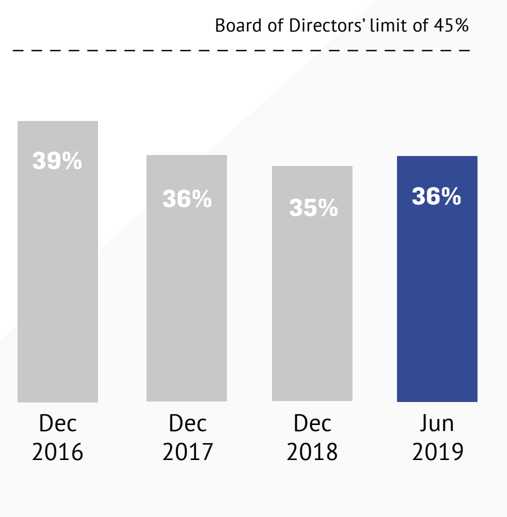
AT's conservative capital structure approach is reflected in a low LTV of 36% as of June 30, 2019, well below the limit of 45% established by the Board of Directors. Aroundtown's management views the conservative debt metrics as vital to secure long-term financial strength and implements policies to 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.

FINANCIAL POLICY

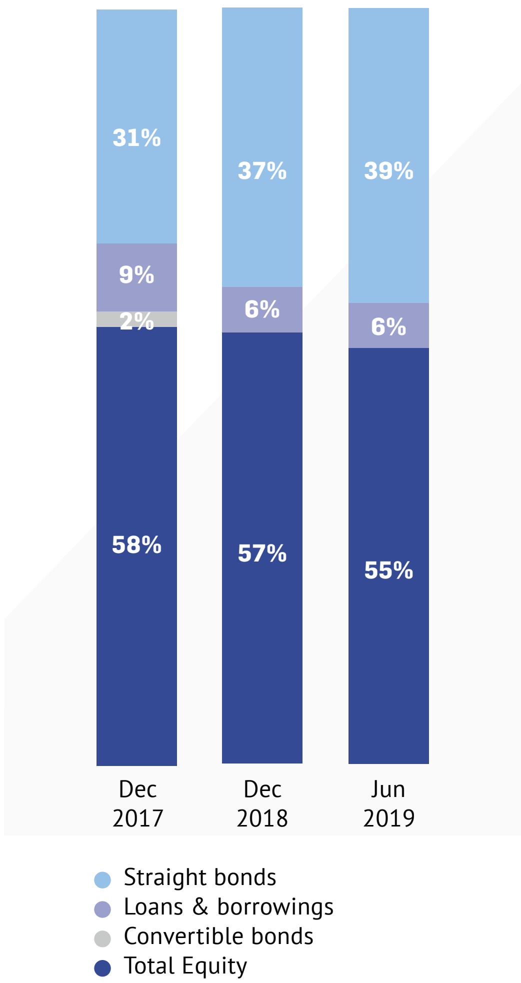
Aroundtown has set a financial policy to improve its capital structure further:

- **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
- Dividend distribution of 65% of FFO I per share

LOAN-TO-VALUE

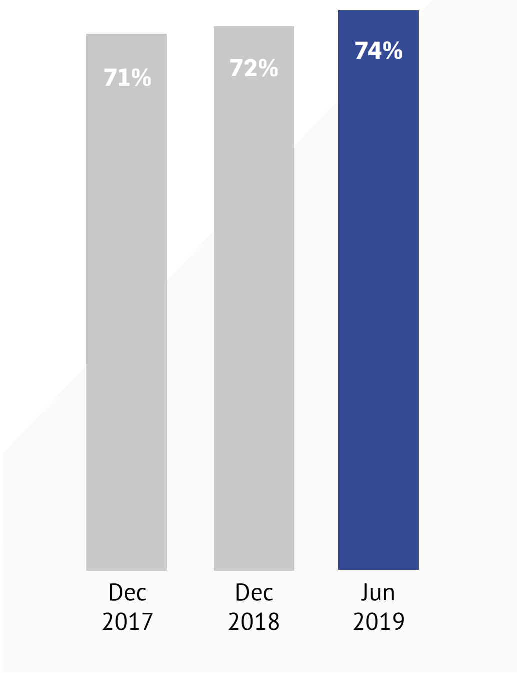


FINANCING SOURCES MIX

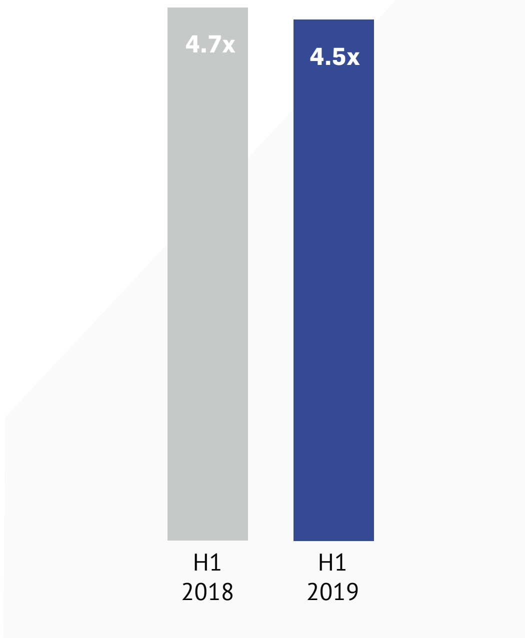


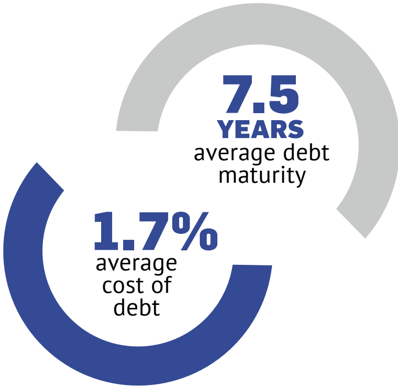
In addition to its conservative capital structure and vast experience in accessing capital markets that enables AT to finance its future growth, the Company maintains a robust liquidity position through a mix of operational cash generation and balance of cash and liquid assets which as of June 30, 2019 amounted to €2.4 billion. Additionally, the high ratio of unencumbered assets of 74% (€11.4 billion in total value) as of June 30, 2019 provides for additional financial flexibility.

HIGH UNENCUMBERED ASSETS RATIO



CONSISTENTLY MAINTAINING HIGH INTEREST COVER RATIO (ICR)





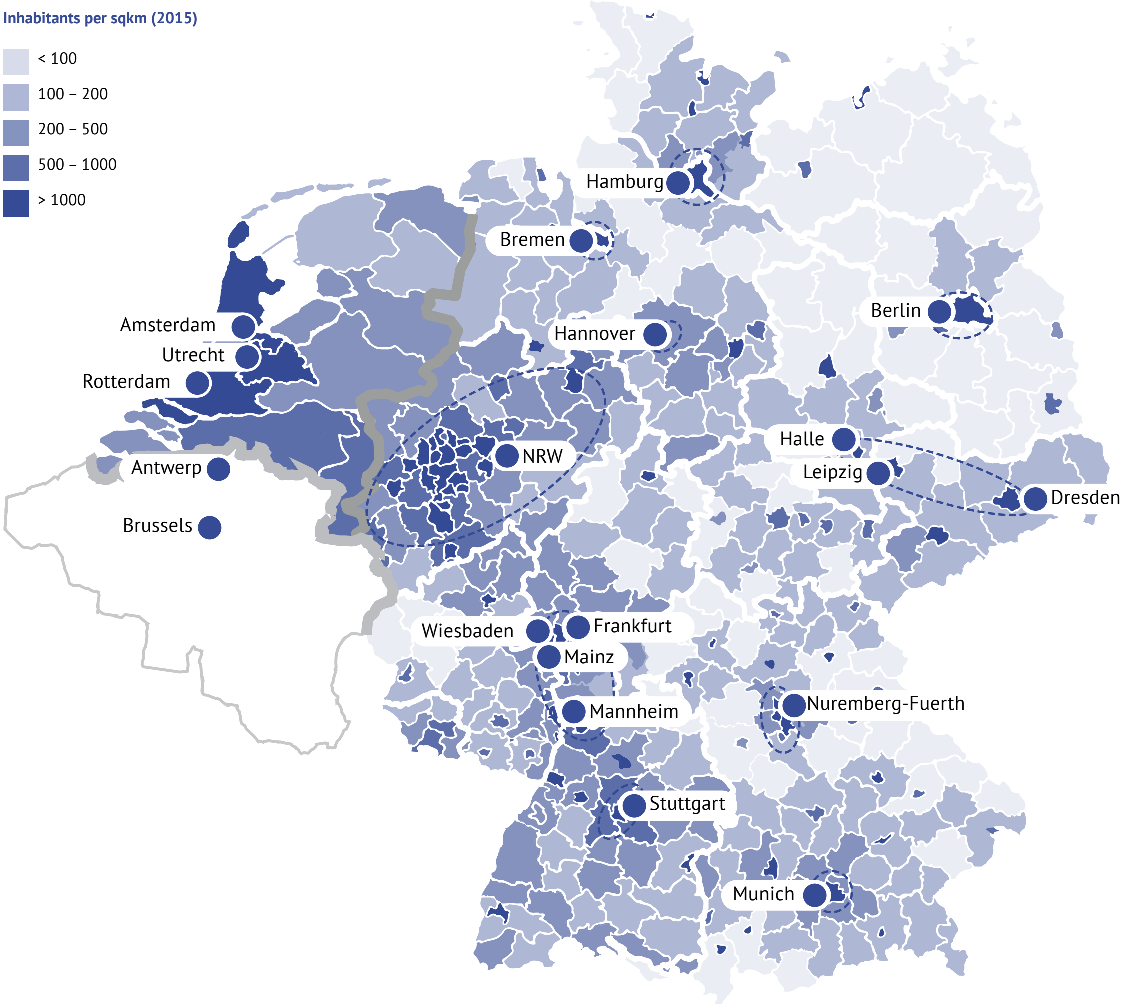
INVESTMENT GRADE CREDIT RATING

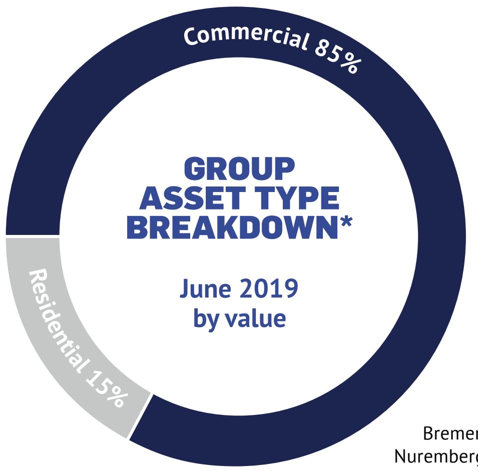
AT has a 'BBB+' rating by Standard & Poor's ratings services ("S&P"). S&P acknowledges AT's strong business profile and larger portfolio with great scale and diversification, well balanced across multiple asset types and regions with no dependency on a single asset type or region, together with a large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

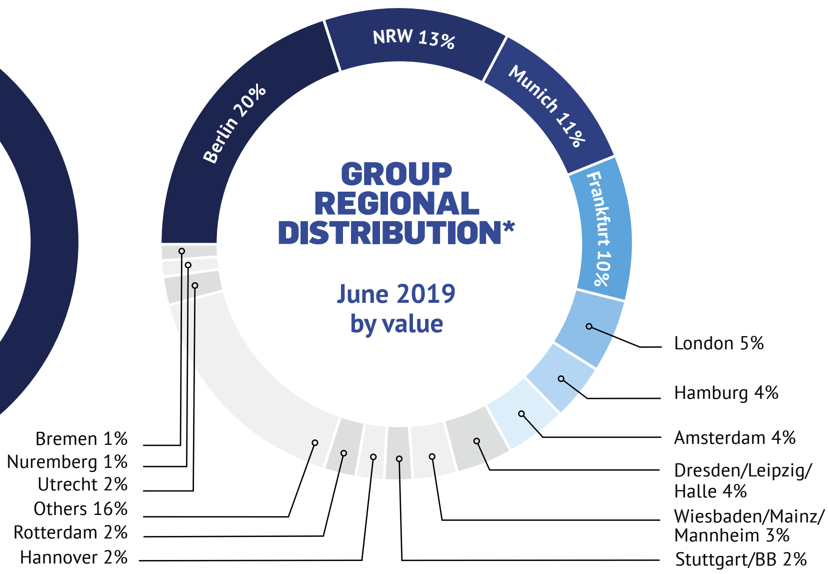
AROUNDTOWN'S QUALITY PORTFOLIO

GROUP PORTFOLIO OVERVIEW

POPULATION DENSITY IN GERMANY AND THE NETHERLANDS



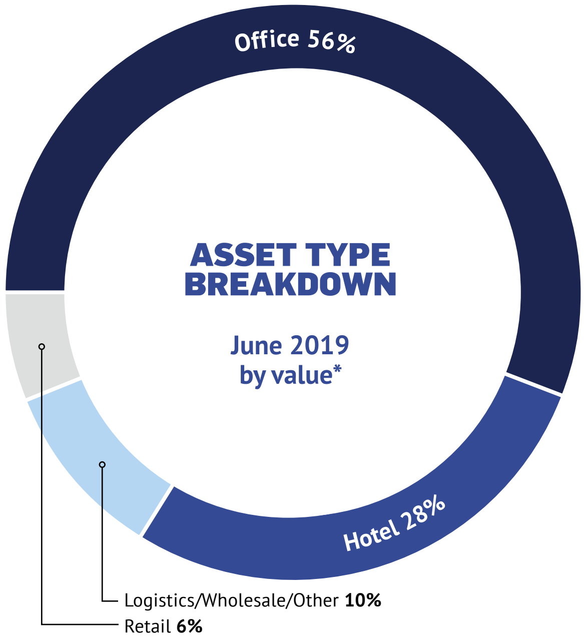




* the residential portfolio is accounted for at the holding rate of 39%

COMMERCIAL PORTFOLIO – TOP TIER CITIES

Aroundtown owns a diverse portfolio of commercial assets which focuses on central locations in top tier cities with strong demographics and favorable economic fundamentals. The commercial portfolio is diversified over several different asset types including office, hotel, logistics, wholesale, retail and other covering a total of 6.6 million sqm as of June 2019. As of June 2019 and excluding assets held for sale, the AT's commercial portfolio with a value of €16.2 billion operates at an in-place rent of 9.7 €/sqm and an EPRA vacancy of 8.5%. The portfolio generates as of June 2019 an annualized net rental income of €733 million and includes a strong growth potential through rent and occupancy increases as well as cost efficiency improvements. Furthermore, AT's portfolio has a strong geographical and asset type diversification. Further supporting the portfolio's diversification, AT has a limited dependency on single tenants due to a large tenant base with over 3,000 tenants spread across a wide range of sustainable market sectors which further reduces cluster risk. The long portfolio WALT of 8.0 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 from existing and new 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 favorable market conditions provide for continued opportunities for accretive external growth.



*including land for development & other rights

PORTFOLIO DISTRIBUTION

Aroundtown's commercial portfolio is spread over 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, Düsseldorf, Cologne, London and Amsterdam. Within these regions Aroundtown focuses on assets with favorable micro-locations and various demand drivers.

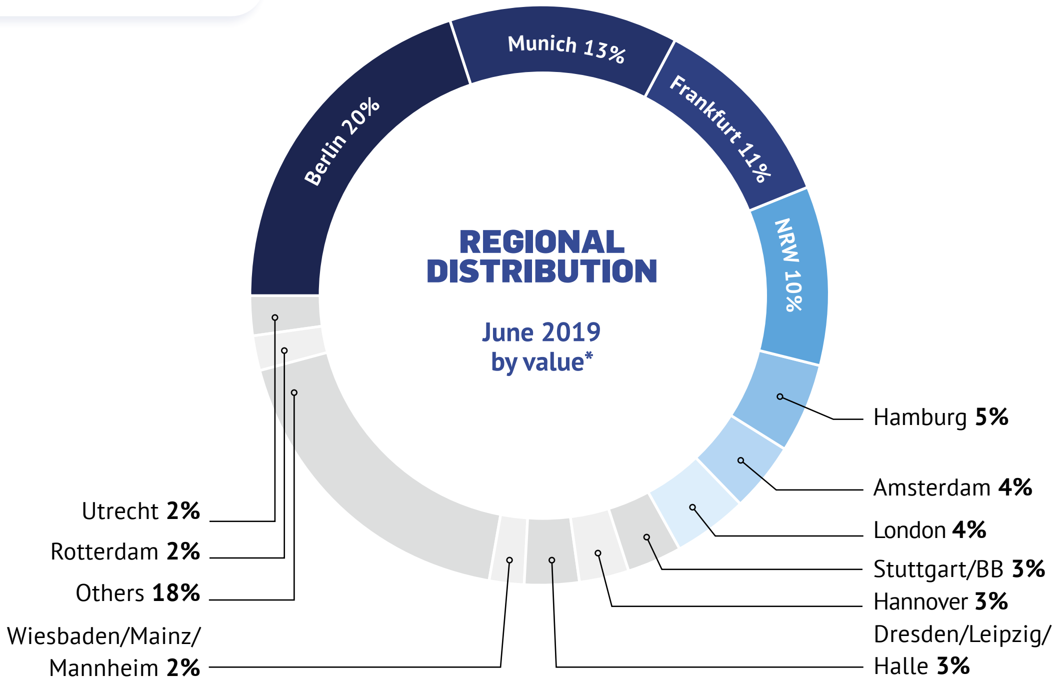
ASSET TYPE OVERVIEW

JUNE 2019	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	8,503	3,382	10.6%	390	10.2	2,514	4.6%	4.5
Hotel	4,416	1,365	5.4%	213	13.4	3,236	4.8%	15.4
Logistics/Wholesale/Other	1,290	1,399	5.2%	73	4.6	923	5.6%	6.2
Retail	953	464	8.8%	57	10.3	2,053	5.9%	6.2
Land for development & other rights	1,051							
Total	**16,213**	**6,610**	**8.5%**	**733**	**9.7**	**2,294**	**4.8%**	**8.0**

REGIONAL OVERVIEW

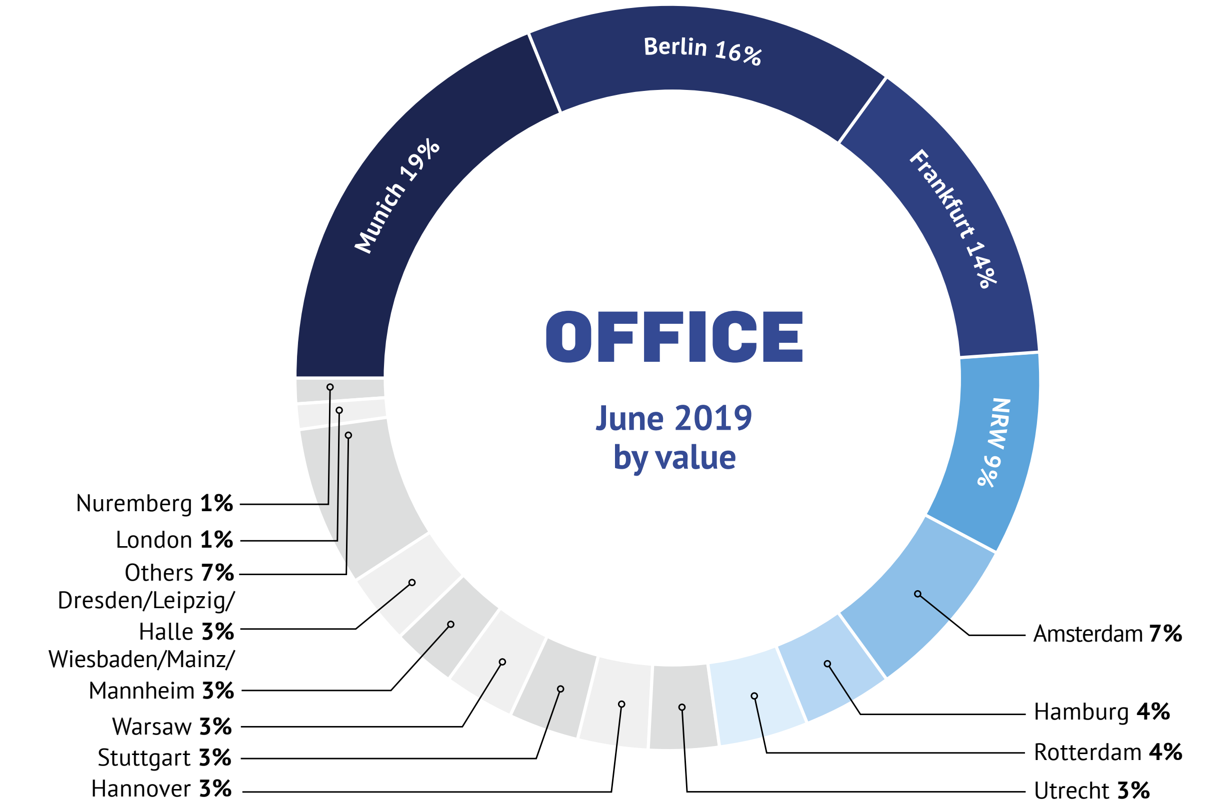
JUNE 2019	Investment properties (in €M)	Area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield
Berlin	2,804	860	10.9%	101	10.6	3,262	3.6%
Frankfurt	1,558	484	20.7%	52	10.9	3,219	3.3%
Munich	1,909	626	4.8%	65	8.4	3,051	3.4%
NRW	1,674	1,115	7.7%	99	7.5	1,501	5.9%
Hamburg	504	270	4.3%	27	8.8	1,865	5.4%
London	628	88	8.4%	27	28.5	7,097	4.2%
Amsterdam	669	192	6.2%	32	14.0	3,492	4.8%
Hannover	420	285	9.4%	25	8.0	1,472	5.9%
Wiesbaden/Mainz/Mannheim	386	179	7.9%	23	10.9	2,158	5.9%
Stuttgart/BB	382	171	3.5%	23	11.1	2,238	5.9%
Dresden/Leipzig/Halle	405	218	4.5%	22	8.8	1,860	5.5%
Rotterdam	310	132	6.2%	21	13.3	2,350	6.8%
Utrecht	310	124	11.4%	16	11.1	2,495	5.2%
Other	3,203	1,866	6.9%	200	9.3	1,717	6.2%
Land for development & other rights	1,051						
Total	**16,213**	**6,610**	**8.5%**	**733**	**9.7**	**2,294**	**4.8%**

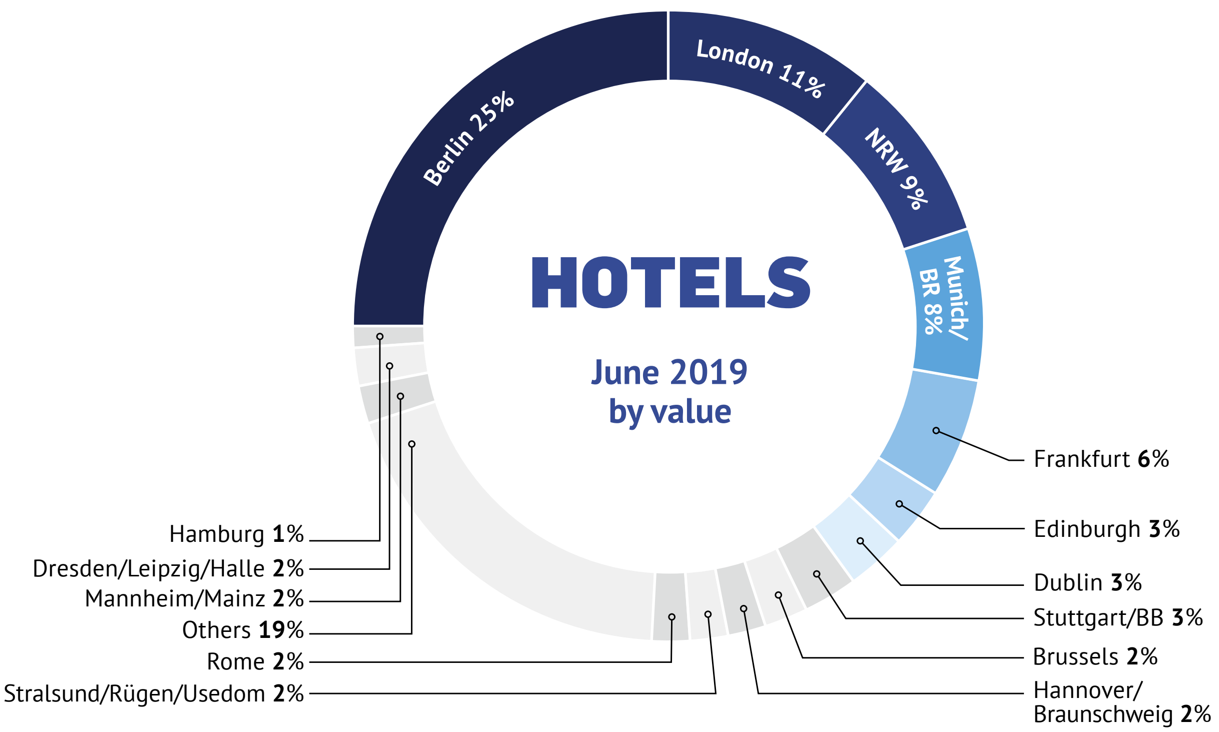
WALT 8.0 YEARS



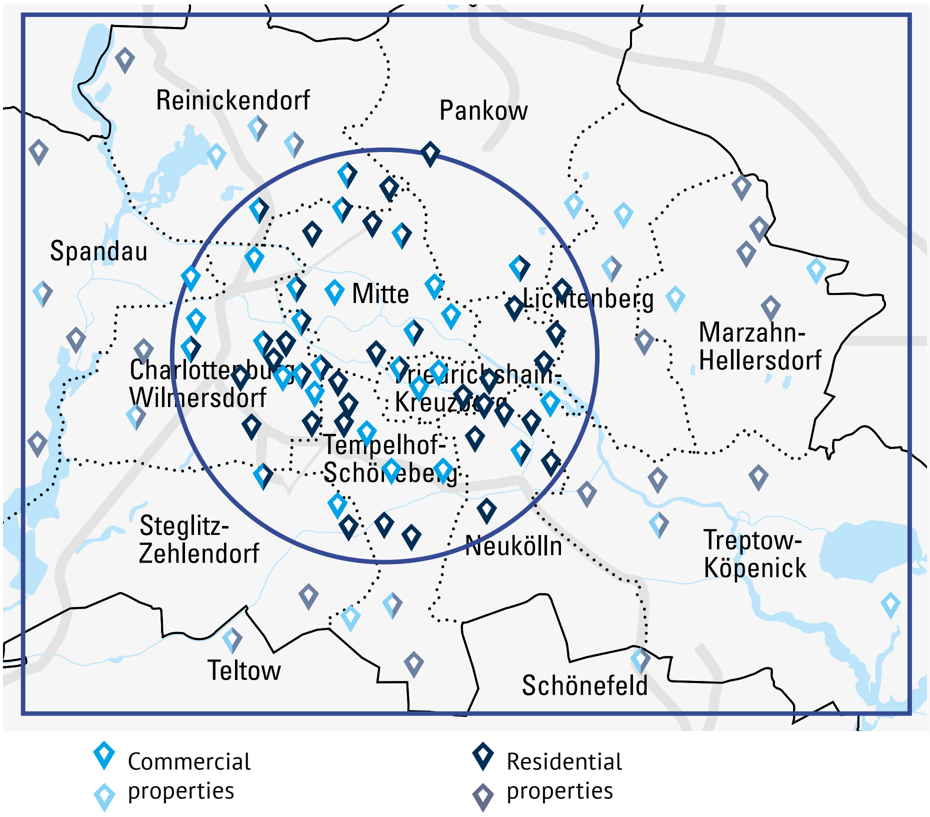
*including land for development & other rights

REGIONAL DISTRIBUTION





BEST-IN-CLASS BERLIN PORTFOLIO

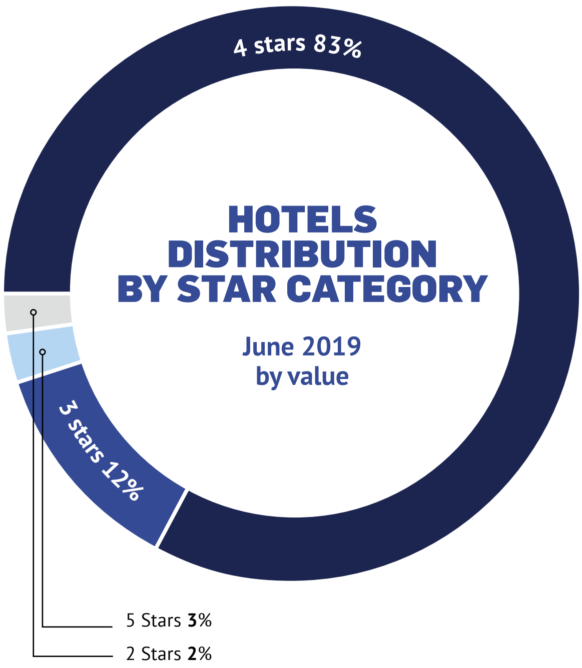


- **90%** of the commercial portfolio is located in top tier neighborhoods including Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam
- **10%** of the commercial portfolio is well located primarily in Reinickendorf, Spandau, Treptow,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

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

HIGH QUALITY HOTELS IN PRIME LOCATIONS

OVER 140 HOTELS ACROSS TOP LOCATIONS



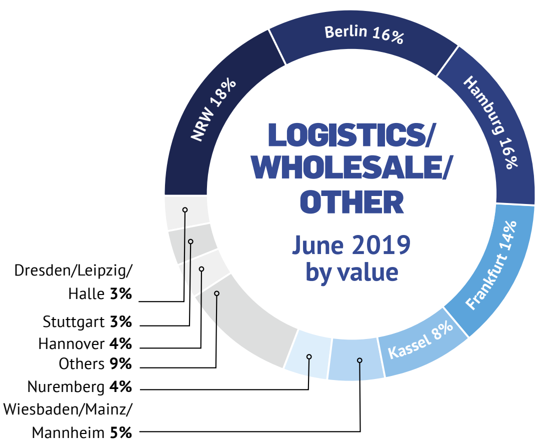
AT's hotel portfolio, valued at €4.4 billion as of June 2019, is well diversified and covers a total of approx. 1.4m sqm. The largest share of the hotel portfolio is 4-star hotels with 83%, meeting the strong market demand which rises from tourism and business travel. The hotels are branded under a range 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.

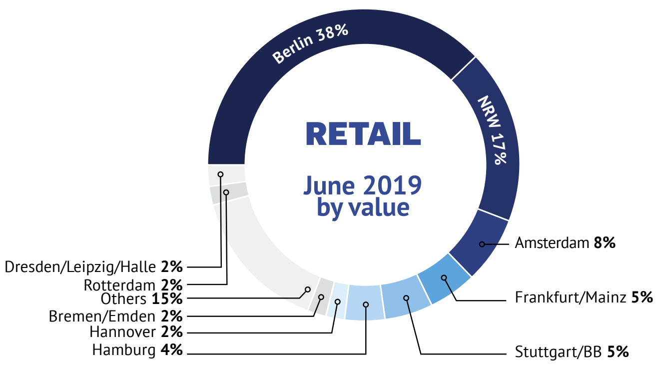
The hotel assets are let to hotel operators which are selected according to their capabilities, track record and experience. The management participates in the branding decision of the hotel, applying its expertise in selecting the optimal brand. An integral component of the business plan is a long-term 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.

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

FURTHER DIVERSIFICATION INTO LOGISTICS/WHOLESALE/OTHER AND RETAIL

A small but compelling portfolio diversification into logistics/wholesale/other & retail asset types.





RESIDENTIAL PORTFOLIO

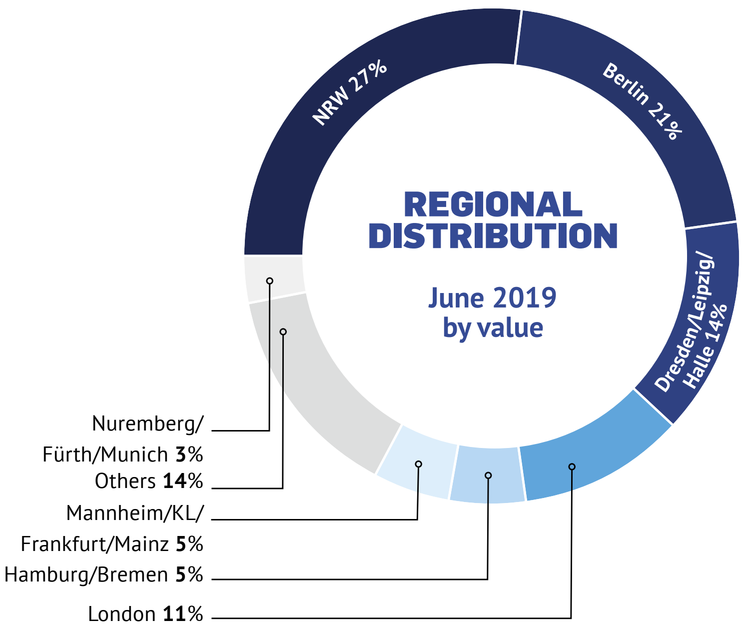
(GRAND CITY PROPERTIES)

The residential portfolio is mainly held through a 39% stake 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 predominantly in Germany. AT is the largest shareholder in GCP, with the remaining 61% widely distributed and held mainly by many international leading institutional investors. For an additional increase of AT's position in the residential real estate, AT holds minority positions in several subsidiaries of GCP. As of June 2019, GCP holds 81k 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 as well as London. 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 industry-leading service standards and lasting relationships with its tenants. The table below represents GCP at 100%.

REGIONAL OVERVIEW

JUNE 2019	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	2,010	1,842	8.0%	118	5.7	27,592	1,091	5.8%
Berlin	1,477	539	5.9%	47	7.6	7,188	2,739	3.2%
Dresden/Leipzig/ Halle	990	947	9.2%	53	5.2	16,350	1,046	5.3%
Mannheim/KL/ Frankfurt/Mainz	414	267	4.7%	22	7.1	4,441	1,547	5.4%
Nuremberg/Fürth/ Munich	223	102	3.6%	10	8.1	1,471	2,180	4.5%
Hamburg/Bremen	368	297	5.0%	20	6.0	4,272	1,236	5.5%
London	501	61	9.7%	20	30.8	1,213	8,226	4.0%
Others	1,006	1,086	7.1%	66	5.7	18,513	928	6.6%
Development rights and new buildings*	604							
Total	**7,593**	**5,141**	**7.3%**	**356**	**6.25**	**81,040**	**1,359**	**5.1%**

*including land for development, building rights on existing buildings (€278m) and pre-marketed buildings in London (€326m)



RESIDENTIAL PORTFOLIO

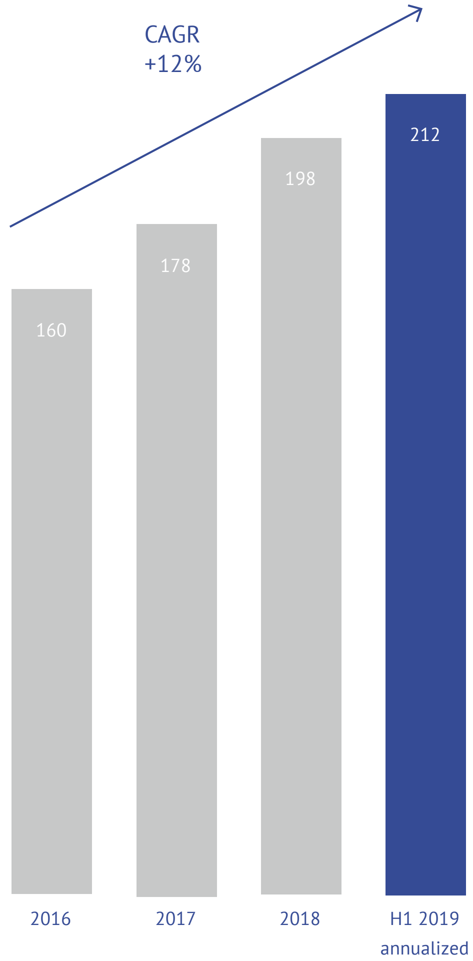
(GRAND CITY PROPERTIES)

Grand City Properties' portfolio generates net rental income of €379 million and bottom line FFO I of €212 million as of H1 2019 annualized. The current portfolio has an in-place rent of 6.25 €/sqm at an EPRA vacancy rate of 7.3%.

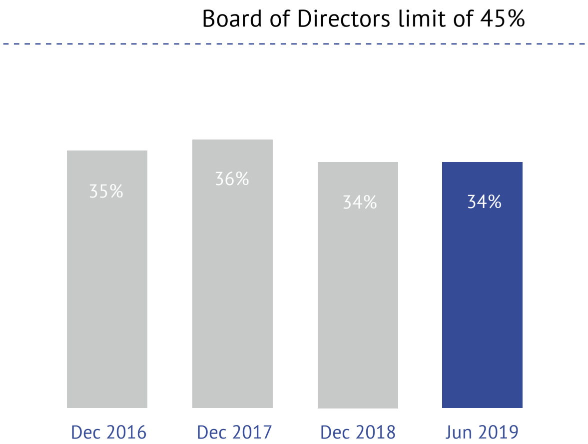
GCP's success is mirrored in its strong performance in the debt and capital markets. GCP is included in the MDAX index of the Deutsche Börse, the FTSE EPRA/NAREIT index series family, GPR 250 and DIMAX, as well as the STOXX Europe 600 and the MSCI index family. GCP has a dividend policy to distribute 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 over 8.4 years and an average cost of debt of 1.4%. 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 an A- rating in the long-term. GCP has a market cap of €3.4 billion as of June 30, 2019.

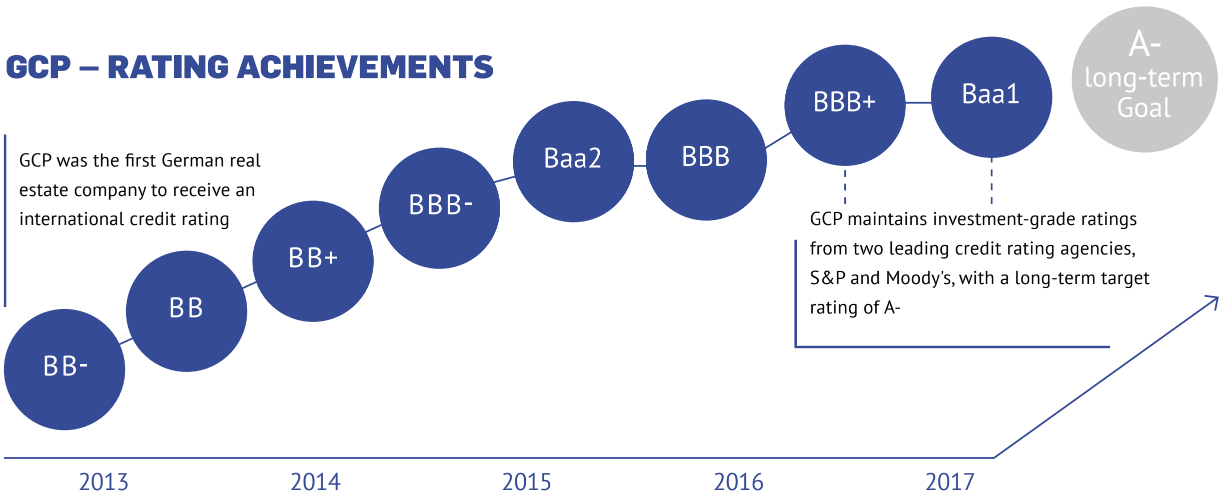
GCP – CONSISTENTLY GROWING FUNDS FROM OPERATIONS (IN € MILLIONS)



GCP – CONSERVATIVE LOAN-TO-VALUE



GCP – RATING ACHIEVEMENTS



CAPITAL MARKETS

TRADING DATA

Placement	Frankfurt Stock Exchange
Market Segment	Prime Standard
Trading ticker	AT1
Number of shares (30.6.2019)	1,128,679,731
Initial placement of capital	13.07.2015 (€3.2 per share)
Key index memberships	MDAX FTSE EPRA/NAREIT: – Global – Developed Europe – Eurozone – Germany MSCI Index Series STOXX Europe 600 GPR 250 DIMAX

AS OF THE DAY OF THIS REPORT

Number of shares	1,223,574,261
Shareholder Structure	Freefloat: 73.1% - Of which Blackrock Inc. 5.1% Avisco: 26.9%
Market cap	€9.2 bn

KEY INDEX INCLUSIONS

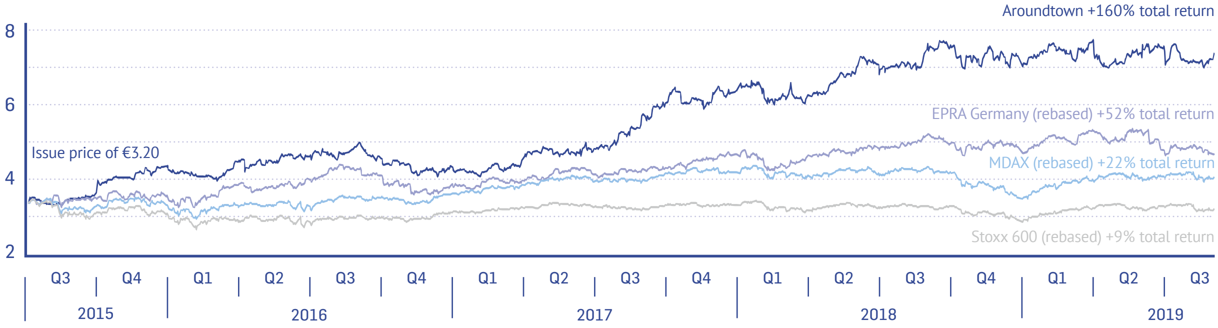
Aroundtown's share is a constituent of several major indices such as **MDAX, FTSE EPRA/NAREIT Index Series, MSCI Index Series, STOXX Europe 600** as well as GPR 250 and DIMAX. These inclusions are the result of Aroundtown's large market cap and high trading volumes on the Prime Standard of the Frankfurt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

INVESTOR RELATIONS ACTIVITIES

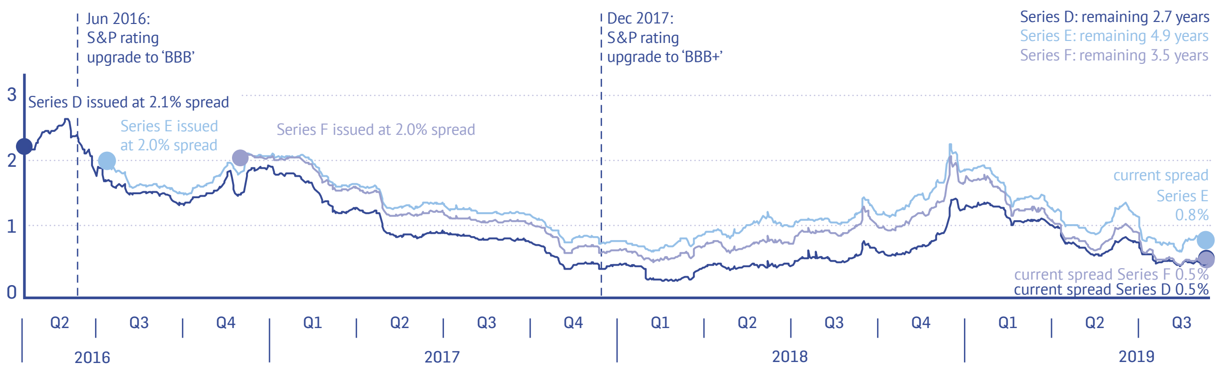
The Group is proactively approaching a large investor audience in order to present its business strategy, provide insight into its progression and create awareness of its overall activities to enhance its perception in the market. AT participates in a vast amount of various national and international conferences, roadshows and one-on-one presentations in order to present a platform for open dialogue. Explaining its unique business strategy in detail and presenting the daily operations allow 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 19 different research analysts on an ongoing basis, with reports updated and published regularly.

STOCK AND BOND PERFORMANCE

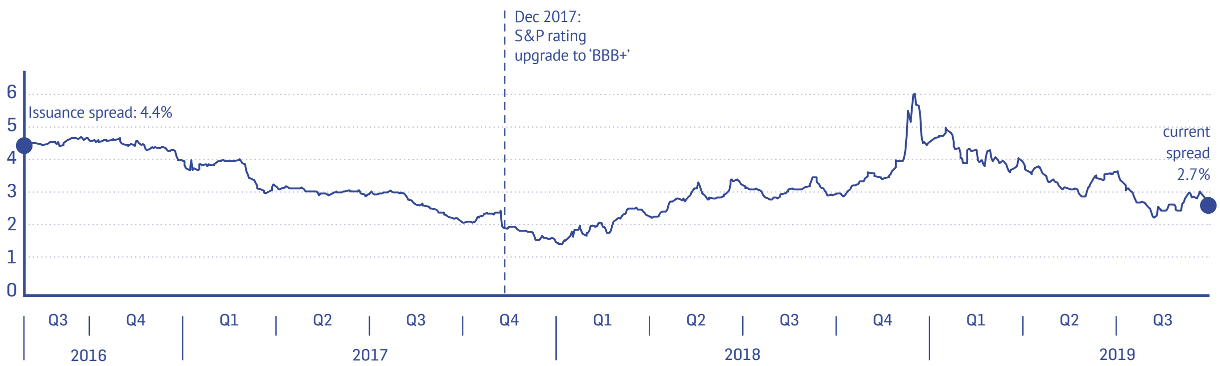
SHARE PRICE PERFORMANCE AND TOTAL RETURN SINCE INITIAL PLACEMENT OF CAPITAL (13.07.2015)



SPREAD OVER MID-€-SWAP FOR STRAIGHT BONDS SERIES D-E-F



SPREAD OVER MID-€-SWAP FOR EUR 3.75% PERPETUAL NOTES



NOTES ON BUSINESS PERFORMANCE

SELECTED CONSOLIDATED INCOME STATEMENT DATA

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Revenue	420.6	347.6
Net rental income	**358.5**	**290.9**
Property revaluations, capital gains and other income	679.4	899.6
Share in profit from investment in equity-accounted investees	198.1	113.3
Property operating expenses	(109.9)	(102.8)
Administrative and other expenses	(13.1)	(9.0)
Operating profit	1,175.1	1,248.7
EBITDA	1,175.9	1,249.5
Adjusted EBITDA [1]	**362.5**	**279.5**
Finance expenses	(70.3)	(52.3)
Other financial results	37.2	(51.5)
Current tax expenses	(26.0)	(20.2)
Deferred tax expenses	(146.7)	(154.4)
Profit for the period	**969.3**	**970.3**
FFO I [2] [3]	**239.3**	**189.3**
FFO II	**288.4**	**300.4**

1) including AT's share in GCP's and other investments' adjusted EBITDA, excluding the contributions from commercial assets held for sale. For more details, see pages 54-56

2) including AT's share in GCP's and other investments' FFO I (after perpetual notes attribution). For more details, see pages 54-56

3) excluding FFO I of minorities and contributions from assets held for sale. For more details, see pages 54-56

REVENUE

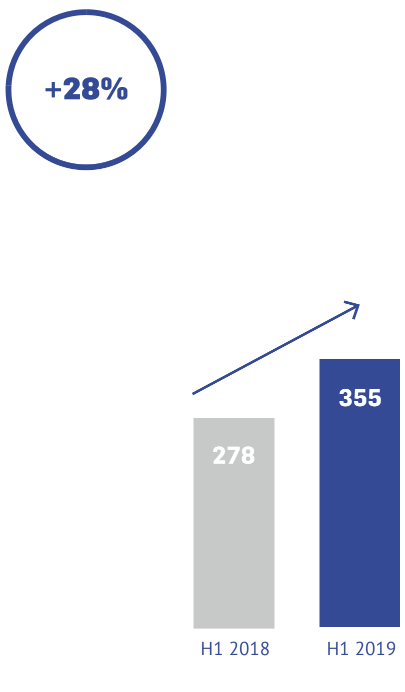
	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Recurring long-term net rental income	**354.7**	**277.7**
Net rental income related to properties marked for disposal	3.8	13.2
Net rental income	**358.5**	**290.9**
Operating and other income	62.1	56.7
Revenue	**420.6**	**347.6**

In the first half of 2019, AT generated revenues to the amount of €421 million, up by 21% compared to €348 million recorded in the first half of 2018. The majority of the revenues is made up of net rental income which amounted in the first half of 2019 to €359 million and increased by 23% compared to €291 million recorded in the first half of 2018. Acquisitions in 2018 and 2019 contributed the most to the growth in net rental income, further supported by the internal organic growth drivers of the existing portfolio. The organic growth is reflected in the total like-for-like net rental income of growth of 4.4%, of which 2.3% came from in-place rent increase and 2.1% from occupancy increase. This organic growth is provided by AT's proven business model which allows the Company to constantly realize the portfolio's high upside potential.

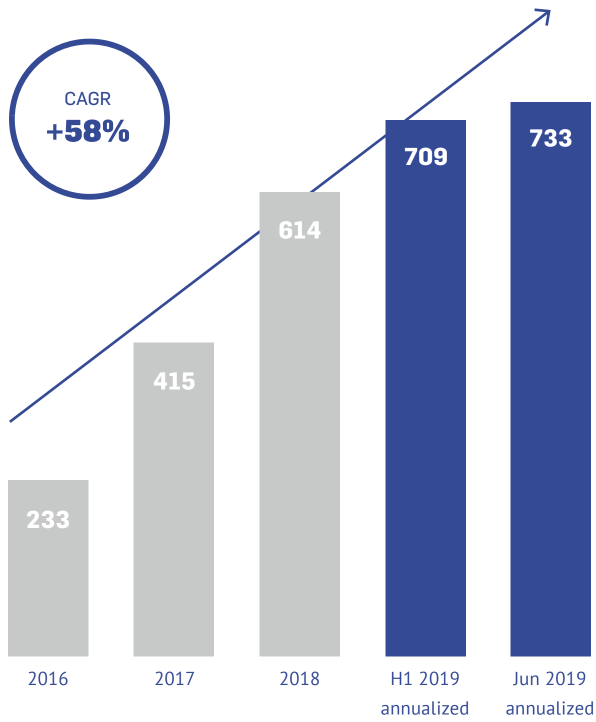
AT additionally breaks down its net rental income into recurring long-term net rental income which excludes the net rental income generated by the assets held for sale. Since AT intends to dispose these assets, their contribution is seen to be on a non-recurring basis and thus excluded here to provide a better normalized picture. The net rental income relating to properties marked for sale amounted to €4 million in the first six months of 2019, down from €13 million in the first half of 2018. The decrease is the result of the decrease in assets held for sale, which have decreased from €508 million in December 2017 to €162 million in June 2019.

Consequently, the recurring long-term net rental income amounted to €355 million in the first half of 2019 and increased by 28% compared to €278 million recorded in the first half of 2018. The annualized H1 2019 recurring long-term net rental income is €709 million, 16% higher than in full year 2018. As most of the volume of acquisition in the second quarter of 2019 took place towards the end of the reporting period, they did not have a full impact in the operational results and thus AT expects a full impact in the next reporting periods. Therefore, the monthly annualized rent as of June 2019, taking into account a full year rent generation is €733 million, up 19% from 2018 reported recurring long terms net rent income and represents a CAGR of 58% since 2016.

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



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



SHARE IN PROFIT FROM INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Share in profit from investment in equity-accounted investees	**198.1**	**113.3**

Share in profit from investments in equity-accounted investees in the first half year of 2019 amounted to €198 million, compared to €113 million in the first half year of 2018 and represents mainly AT's share in the earnings from investments in companies over which the Company does not obtain control and thus are not consolidated in its financial statements. These profits relate mainly to the Company's strategic investments in GCP, direct minority positions in residential properties consolidated by GCP, as well as other revaluations and appreciation of joint venture investments. GCP is one of the largest players in the German residential real estate market. AT`s strategic investment in GCP allows AT to benefit from the strong dynamics of the German residential real estate sector and provides an enhanced diversification into this strong asset class with solid fundamentals.

PROPERTY REVALUATIONS, CAPITAL GAINS AND OTHER INCOME

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Property revaluations, capital gains and other income	**679.4**	**899.6**

AT generated property revaluations, capital gains and other income of €679 million during the first half of 2019, compared to €900 million recorded in the first half of 2018. Ongoing repositioning and operational improvements across the portfolio optimize the cash flow and business profile of the properties with occupancy improvements, tenant & lease structure improvements, rent increase implementations and cost structure optimizations. These efforts as well as strong market dynamics contribute towards such high value appreciation levels.

In H1 2019, AT disposed over €220 million of non-core and mature assets at a 28% margin over total cost and 3% over their net book value. While the main focus is on extracting the upside potential in the portfolio, AT pursues an accretive capital recycling strategy of disposing non-core properties and with an opportunistic approach also of disposing, on a small scale, mature properties. The portfolio's quality is improved in the long-term by utilizing the disposal proceeds in accretive high quality acquisitions.

AT's properties are appraised by qualified and independent external valuators at least once a year on an ongoing basis. As of June 2019, the portfolio reflects an average value of €2,294 per sqm and a net rental yield of 4.8%, compared to €2,159 per sqm and 5.2% in December 2018, respectively.

PROPERTY OPERATING EXPENSES

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Property operating expenses	**(109.9)**	**(102.8)**

Property operating expenses for the first half of 2019 amounted to €110 million, compared to €103 million in the first half of 2018, up by 7%. Since these expenses are tied to the Company's increasing size and stronger operating activities, an increase was recorded in this item, in line with the portfolio's growth. The largest portion of these expenses are ancillary expenses which are mostly recoverable from the tenants. These recoverable expenses include utility costs such as energy, heating and water. In addition, property operating expenses also include costs such as maintenance, marketing and personnel expenses which also grew in line with portfolio's growth. Due to the first-time implementation of IFRS 16 principles, ground lease expenses in the amount of €3.4 million were reclassified from property operating expenses to finance expenses.

ADMINISTRATIVE AND OTHER EXPENSES

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Administrative and other expenses	**(13.1)**	**(9.0)**

Administrative and other expenses for the first half of 2019 amounted to €13 million, compared to €9 million in the comparable period of 2018. The main item under these expenses is the administrative personnel expenses and legal and consultancy fees. While increasing its corporate footprint to position itself as a reputable industry leader, AT added experienced members to its management team, Advisory Board, increased ESG efforts as well executed strong capital market activities.

FINANCE EXPENSES

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Finance expenses	**(70.3)**	**(52.3)**

In the first half of 2019, AT recorded €70 million of finance expenses, up from €52 million in the comparable period of 2018, largely driven by new bond issuances. Between the two periods, AT issued €2.8 billion of new bonds through 13 straight bond and 3 Schuldschein issuances, out of which €1.7 billion was issued during the first half of 2019. These issuances fund the Company's growth, enable the high liquid position as of June 30, 2019 and provide the basis for AT's debt optimization strategy. By accessing long-maturing debt at low costs, AT is able to maintain a long-average debt maturity of 7.5 years with 1.7% average cost of debt. In addition, the majority of these issuances were under the EMTN programme, enabling AT to tap into diverse markets and currencies and attracting a wide base of international investors. A strong debt profile combined with AT's high operational profitability manifests itself in the high cover ratio, with an ICR of 4.5x for the first six months of 2019. It should be noted that a part of the increase in finance expenses is attributed to the first-time implementation of IFRS 16 principles, contributing to the increase between the two periods.

OTHER FINANCIAL RESULTS

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Other financial results	**37.2**	**(51.5)**

AT recorded an income of €37 million for its other financial results in the first half of 2019, compared to an expense of €52 million recorded in the first half of 2018. This item is composed of expenses that are primarily non-recurring or non-cash, which fluctuate by nature. The income in the first half of 2019 is mainly attributed to the positive changes in the fair value of financial derivatives and traded securities. On the other hand, the expenses recorded in the first half of 2018 were mainly due to the effect of the repurchase of €319 million of the straight bond Series D at premium, expenses related to conversion incentive of convertible bonds, as well as negative fair value changes of financial assets.

TAXATION

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Current tax expenses	(26.0)	(20.2)
Deferred tax expenses	(146.7)	(154.4)
Tax and deferred tax expenses	**(172.7)**	**(174.6)**

AT recorded total tax expenses of €173 million in the first half of 2019, down 1% from €175 million recorded in the comparable period of 2018. Current tax expenses increased to €26 million in the first half of 2019, compared to €20 million in the comparable period of 2018, following the growth in the operational profits and the growth of the Company. Deferred tax expenses, on the other hand, are lower in the first half of 2019 compared to the comparable period in 2018 and amounted to €147 million as a result of lower revaluation gains recorded during the first half of 2019, as compared to the first half of 2018. Deferred tax expenses are non-cash expenses and the Company accounts for a theoretical future disposals of properties in the form of asset deals.

PROFIT FOR THE PERIOD

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Profit for the period	**969.3**	**970.3**
Profits attributable to:		
Owners of the company	765.4	876.6
Perpetual notes investors	22.3	22.3
Non-controlling interests	181.6	71.4

During the first half of the year 2019, AT generated a net profit of €969 million, which is almost equal to €970 million recorded in the first half of 2018. The strong growth in the top-line and recurring operational profits offset the lower revaluation gains recorded during the year. The decrease in profit attributable to the owners of the Company on one hand and increase in non-controlling interests on the other relates to strong revaluation gains recorded in properties with minority share. Profit attributable to perpetual notes investors stayed on the same level.

EARNINGS PER SHARE

	For the 6 months ended June 30,	
	2019	2018
Basic earnings per share (in €)	0.68	0.87
Diluted earnings per share (in €)	0.67	0.82
Weighted average basic shares (in millions)	1,128.6	1,009.2
Weighted average diluted shares (in millions)	1,129.9	1,062.1

AT generated basic earnings per share of €0.68 and diluted earnings per share of €0.67 in the first half of 2019, compared to €0.87 and €0.82 recorded in the first half of 2018, respectively. The per share decline is due to lower profit attributable to the owners of the Company and is additionally impacted by the higher share count between the periods. Between two periods, the weighted average amount of basic shares grew by 12% while the diluted shares grew by 6%. Nonetheless, recurring operational profitability of the Company showed a strong growth, with 11% year-over-year FFO I per share growth for the first half of 2019.

COMPREHENSIVE INCOME

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Profit for the period	**969.3**	**970.3**
Total other comprehensive income (loss)	-	(29.0)
Total comprehensive income for the period	**969.3**	**941.3**

During the first six months of 2019, the factors impacting the other comprehensive income amounted to no effect in comparison to the first six months in 2018 where the Company recorded loss of €29 million from the cash flow hedge and cost of hedging on the different currencies and swaps. The total comprehensive income for the period for the first six months of 2019 was €969 million, higher by 3% in comparison to the same period of 2018.

ADJUSTED EBITDA

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Operating profit	1,175.1	1,248.7
Total depreciation and amortization	0.8	0.8
EBITDA	**1,175.9**	**1,249.5**
Property revaluations, capital gains and other income	(679.4)	(899.6)
Share in profit from investment in equity-accounted investees	(198.1)	(113.3)
Other adjustments	(0.2)	(9.3)
Adjusted EBITDA commercial portfolio, recurring long-term	**298.2**	**227.3**
Adjustment for GCP's and other investments' adjusted EBITDA contribution [1)]	64.3	52.2
Adjusted EBITDA	**362.5**	**279.5**

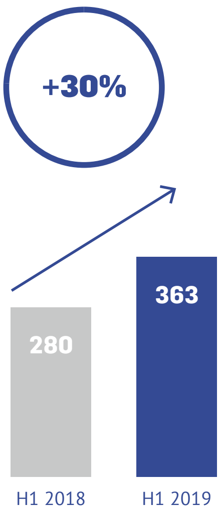
1) the adjustment is to reflect AT's share in GCP's and other investments' adjusted EBITDA. GCP generated an adjusted EBITDA of €146 million in H1 2019 and €137 million in H1 2018

The adjusted EBITDA is a key 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 includes the Company's share in non-operational profits generated by its equity-accounted investees. Due to the nature of its strategic investment in GCP and in other ventures, AT includes in its adjusted EBITDA calculation its share in the adjusted EBITDA generated by those investments for the period in accordance with its holding rate over the period. AT's holding rate in GCP has increased to 39% as of the end of June 2019 from 38% as of the end of June 2018.

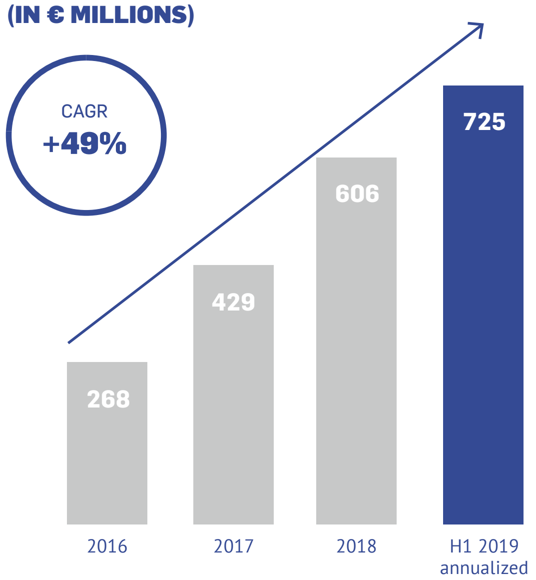
AT generated an adjusted EBITDA of €363 million in the first half of 2019, up by 30% compared to €280 million recorded in the comparable period of 2018, mainly driven by external growth, as well as robust internal growth. Owing to its proven business model and successful track-record, AT continues to extract its high reversionary potential, manifested in the high total like-for-like net rental income growth of 4.4%. The adjusted EBITDA of the commercial portfolio grew marginally higher the than recurring net rental income year-over-year, demonstrating the scalability and efficiency of AT's operating platform. AT's adjusted EBITDA additionally includes the contributions from GCP's and other investments' adjusted EBITDA. GCP recorded in H1 2019 a solid adjusted EBITDA growth, thanks to its strong top line growth as a result of like-for-like improvements and net acquisitions.

The adjusted EBITDA additionally accounts for other adjustments in the amount of €0.2 million. These adjustments are implemented mainly to deduct non-recurring items and add back non-cash items. Non-recurring items being mainly the contributions from properties marked for disposal since they are intended to be disposed and therefore not part of the recurring adjusted EBITDA, and non-cash items being mainly expenses for the employee share incentive plan.

ADJUSTED EBITDA PERIODIC DEVELOPMENT (IN € MILLIONS)



ADJUSTED EBITDA ANNUALIZED DEVELOPMENT (IN € MILLIONS)



FUNDS FROM OPERATIONS I (FFO I)

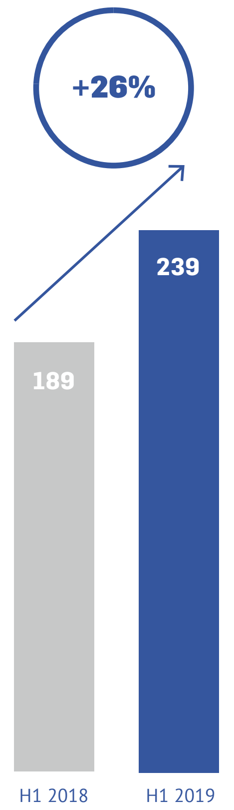
	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Adjusted EBITDA commercial portfolio, recurring long-term	**298.2**	**227.3**
Finance expenses [1]	(70.3)	(52.3)
Current tax expenses	(26.0)	(20.2)
Contribution to minorities	(7.7)	(3.2)
Other adjustments	1.5	5.1
FFO I commercial portfolio, recurring long-term	**195.7**	**156.7**
Adjustment for GCP's and other investments' FFO I contribution [2]	43.6	32.6
FFO I	**239.3**	**189.3**
Weighted average basic shares (in millions)	1,128.6	1,009.2
FFO I per share (in €)	**0.21**	**0.19**

1) including the effects of IFRS 16
2) the adjustment is to reflect AT's share in GCP's and other investments' FFO I. GCP generated an FFO I after perpetual notes attribution of €90 million in H1 2019 and €85 million in H1 2018

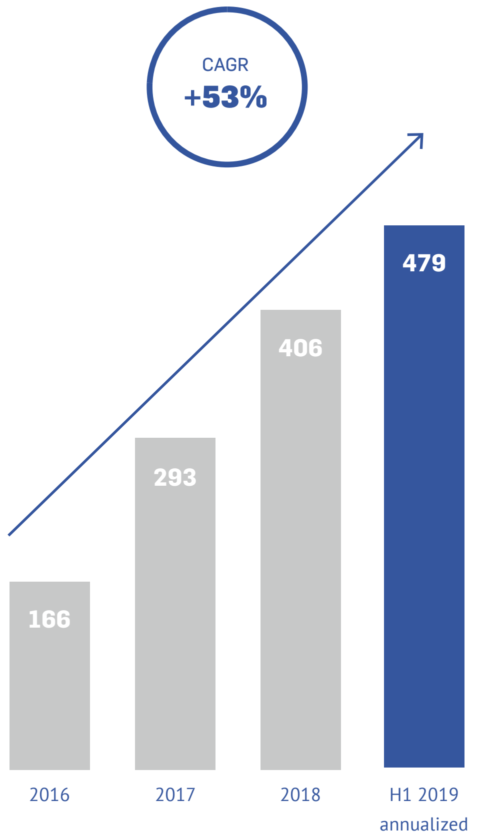
Funds from Operations I (FFO I) is an industry standard performance indicator, reflective of the recurring operational profits after deducting the finance expenses and current tax expenses from the adjusted EBITDA. The calculation further includes adjustments to consider minorities and the relative share of AT in GCP's reported FFO I (after perpetual notes attribution), and the FFO I of other significant investment positions.

The Group generated an FFO I of €239 million in the first half of 2019, up by 26% from €189 million recorded in the comparable period of 2018. This solid growth follows the growth in adjusted EBITDA and is also driven by external and internal drivers. External and internal growth potential that is provided by the investment strategy is continuously extracted by the operating platform to create strong and growing cash flows. This is complemented by the scalability of the operating platform which drives cost efficiency, offset by AT's debt optimization activities. Such activities, though leading to total higher finance expenses, resulted in a lower cost of debt of 1.7% at a long average debt maturity of 7.5 years. The FFO I additionally includes the FFO I contribution from GCP and other investments including dividend payouts. In addition, the calculation includes other adjustments in the amount of €1.5 million, mainly related to finance and tax expenses from the contribution of properties marked for disposal.

FFO I PERIODIC DEVELOPMENT (IN € MILLIONS)



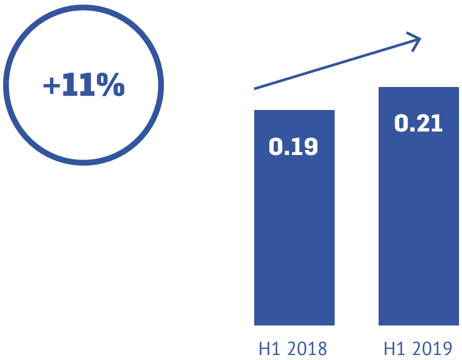
FFO I ANNUALIZED DEVELOPMENT (IN € MILLIONS)



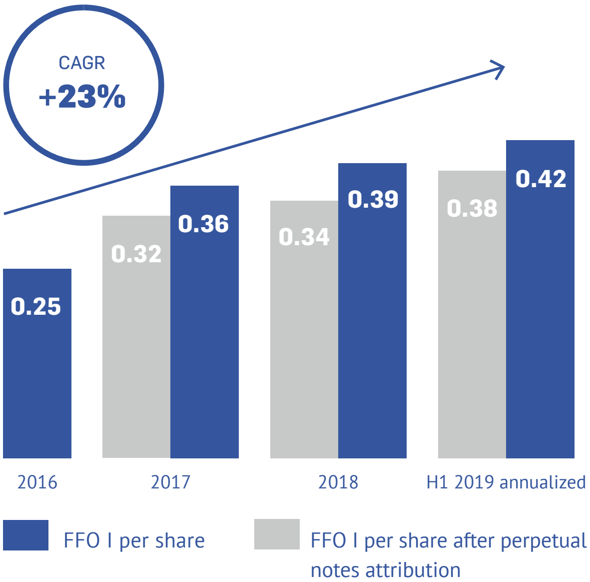
FFO I PER SHARE

The FFO I on a per share level for the first half of 2019 amounted to €0.21, reflecting a growth of 11% over €0.19 recorded in the comparable period of 2018, demonstrating AT's ability to create accretive value for its shareholders. The growth was offset by the higher share count between the two periods, mainly as a result of conversion of the convertible bonds. When annualized, the FFO I per share amounts to €0.42, reflecting an FFO I yield of 5.6%.

FFO I PER SHARE DEVELOPMENT (IN €)



FFO I PER SHARE ANNUALIZED DEVELOPMENT (IN €)

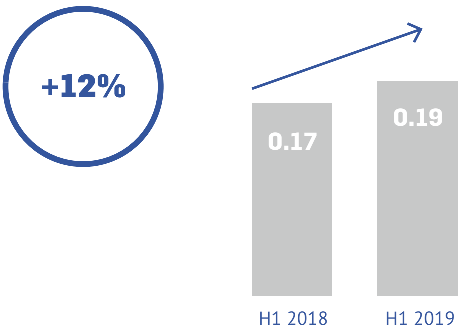


FFO I PER SHARE AFTER PERPETUAL NOTES ATTRIBUTION

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
FFO I	**239.3**	**189.3**
Adjustment for accrued perpetual notes attribution	(22.3)	(22.3)
FFO I after perpetual notes attribution	**217.0**	**167.0**
Weighted average basic shares (in millions)	1,128.6	1,009.2
FFO I per share after perpetual notes attribution (in €)	**0.19**	**0.17**

According to IFRS accounting treatment, contributions to perpetual notes are recorded through changes in equity and not as a financial expenses 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 attributions. AT generated in the first half of 2019 an FFO I after perpetual notes attribution of €217 million, up by 30% from €167 million in the first half of 2018. FFO I per share after perpetual notes attribution was €0.19, up by 12% compared to €0.17 recorded in the first half of 2018.

FFO I PER SHARE AFTER PERPETUAL NOTES ATTRIBUTION DEVELOPMENT (IN €)



FFO II

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
FFO I	239.3	189.3
Result from disposal of properties [1]	49.1	111.1
FFO II	**288.4**	**300.4**

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

FFO II is an additional key performance indicator used in the real estate industry to evaluate the operational recurring profits including the impact from disposal profits during the reporting period. Results from the disposal of properties was €49 million in the first half of 2019, compared to €111 million in the first half of 2018, due to a higher disposal activity in the previous period. FFO II amounted to €288 million in the first half of 2019, compared to €300 million in the comparable period of 2018. During the first half of 2019, AT disposed over €220 million of non-core and mature assets with a disposal margin of 28% over the total costs, compared to €500 million disposals in the first half of 2018. The proceeds were utilized in funding accretive acquisitions, which enforces quality enhancement in the portfolio.

CASH FLOW

	For the 6 months ended June 30,	
	2019	2018
	in € millions	
Net cash provided by operating activities	252.4	195.4
Net cash used in investing activities	(1,554.3)	(2,292.4)
Net cash provided by financing activities	1,841.1	2,287.2
Net changes in cash and cash equivalents	**539.2**	**190.2**

Net cash provided by operating activities totalled to €252 million in the first half of 2019, up by 29% compared to €195 million recorded in the comparable period of 2018. This strong increase reflects the growth in the Company's operational profits, which was driven by external and internal drivers. As AT's operating platform continues to extract its growth potential, it generates robust and growing cash flows. AT's ability to extract its organic growth potential is also reflected in total like-for-like net rental income growth of 4.4% in the past twelve months

Net cash used in investing activities amounted to €1.6 billion in the first half of 2019, compared to €2.3 billion recorded in the first half of 2018. The majority of the acquisitions year-to-date 2019 took place after the reporting period whereas comparable period in 2018 had higher level of acquisitions. This item additionally includes investments in traded securities and other financial assets, of which the largest investment was attributed to the investment in Globalworth's shares.

Net cash provided by financing activities for the first half of 2019 amounted to €1.8 billion, compared to €2.3 billion recorded in the comparable period of 2018. Although, AT incurred a higher volume of bond and perpetual notes issuances during the first half of 2019, as a part of its corporate growth and debt optimization strategy, higher cash flow in the first half of 2018 is due to the equity capital increase in March 2018. Additionally, proceeds from the issuances in H1 2019 were partly utilized to prepay bank debt, thus further offsetting the growth.

As a result, the net increase in the cash and cash equivalents was €539 million for the first half of 2019, compared to €190 million in the first half of 2018. This sum contributes towards the high liquidity balance of €2.4 billion at the end of June 2019, which strengthens AT's balance sheet, provides high financial flexibility and allows for quickly realizing its acquisition pipeline.

ASSETS

	Jun 2019	Dec 2018
	in € millions	
Non-current assets	**19,687.5**	**16,938.9**
Investment property	16,212.7	14,174.0
Equity-accounted investees in publicly traded company - holding in GCP SA [1]	1,834.7	1,807.6
Equity-accounted investees, other	524.8	407.2
Current assets	**2,979.2**	**2,101.9**
Assets held for sale [2]	160.6	209.9
Cash and liquid assets [3]	2,416.4	1,600.6
Total Assets	**22,666.7**	**19,040.8**

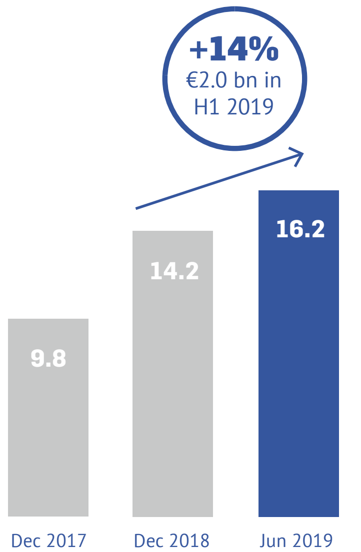
1) according to AT's holding rate, the fair market value of GCP SA as of June 2019 is €1.3 billion
2) excluding cash in assets held for sale
3) including cash in assets held for sale

AT's total assets amounted to €23 billion at the end of June 2019, up by 19% compared to €19 billion at year-end 2018, mainly as a result of the portfolio growth and higher liquidity. The growth in the portfolio was driven by accretive acquisitions and value appreciation while higher liquidity was achieved via the capital market activities.

Non-current assets amounted to €20 billion at period-end June 2019, growing by 16% compared to €17 billion at year-end 2018, mainly due to the growth in investment properties. Investment properties grew by 14% to €16 billion as of June 2019, compared to €14 billion at year-end 2018. As mentioned above, accretive acquisitions and value appreciation were the main factors of this growth. In the first six months of 2019, AT completed acquisitions in the amount of €1.2 billion, acquired with a rent multiple of 26x. After the reporting date, the Company signed additional €1.3 billion property acquisitions, amounting to €2.5 billion acquisitions year-to-date which are located mainly in Munich, Berlin, Cologne, Hamburg, Frankfurt and Benelux. The acquisition activity follows AT's focus on investing in income generating quality properties with high reversionary rent and value-add potential, located in fundamentally strong locations. Extracting such high upside potential improves the cash generating profile of the property and provides capital appreciation opportunities. Once a property enters the portfolio, AT implements successful repositioning efforts and improves its operational performance via increasing rents and occupancy and extending leases. Scalability of the Group's platform allows for improving cost structures and profit margins. High valuation gains recorded during the period testify for the successful implementation of each of these steps in the value creation chain. Further value creation measures include identification and extraction of additional building rights, which provide an additional value-add driver to the portfolio. Growth in non-current assets was partially offset by over €220 million of disposals carried out during the first half of 2019. The disposals relate mainly to mature assets in Berlin and London where most of the assets' potential was maximized and were disposed at a high value of over €4,000 per sqm. The proceeds from the disposals are being recycled into accretive acquisitions, enhancing the portfolio quality.

Investment in equity-accounted investees amounted to €2.4 billion at the end of June 2019, up by 7% from €2.2 billion at year-end 2018. This line item represents AT's investments which are not consolidated in its financial accounts and is mainly attributed to the Company's strategic residential portfolio investment via a 39% stake in Grand City Properties as of the end of June 2019, totaling to €1.83 billion compared to €1.81 billion as of year-end 2018. The increase in GCP's balance is driven by the profit generation of GCP. GCP provides AT with an access to benefit from the favorable developments in the strong residential real estate market primarily in Germany. GCP's ability to generate high and growing recurring cash flows adds value to the Group's platform. The balance of other investees increased to €525 million due to the Company's investment in joint ventures and due to the appreciation and profits of those investments as well as the Company's direct minority positions in residential properties consolidated by GCP. Non-current assets also include prepayments for investment property, long-term derivative financial assets, deferred tax assets and other non-current assets which are mainly comprised of loans that are connected to future real estate transactions.

INVESTMENT PROPERTY (IN € BILLIONS)



Current assets were €3 billion at the end of June 2019, growing by 42% compared to €2.1 billion at year-end 2018, mainly driven by higher liquidity which is mainly provided by the new issuances. During the first half of 2019, AT issued approx. €1.7 billion of bonds and GBP 400 million (approx. €450 million) of perpetual notes. The proceeds are mainly utilized to fund the Company's growth and repay shorter debt. The remainder resulted in higher liquidity which allows for swift cash acquisitions when opportunities arise. Some of the liquidity is parked through holdings in traded securities which amounted to €630 million as at the end of June 2019, increasing from €352 million at year-end 2018. The increase in the traded securities is mainly due to the Company's investment in Globalworth, the publicly listed leading office landlord in Central and Eastern Europe, which amounted to over €300 million. Current assets further increased through dividends to be received from the investment in GCP and which were paid out in July 2019.

The assets held for sale balance consists of non-core assets that are intended to be sold within the next 12 months. The balance (excluding the cash of assets as held for sale) totaled to €161 million at the end of June 2019, decreasing from €210 million at year-end 2018.

LIABILITIES

	Jun 2019	Dec 2018
	in € millions	
Loans and borrowings [1]	1,156.4	1,119.9
Straight bonds	8,014.6	6,351.6
Deferred tax liabilities [2]	1,045.0	887.8
Other long-term liabilities and derivative financial instruments [3]	281.9	164.1
Current liabilities [4]	715.7	573.1
Total Liabilities	**11,213.6**	**9,096.5**

1) including short-term loans and borrowings
2) including deferred tax under held for sale
3) including short-term derivative financial instruments
4) excluding current liability items that are included in the lines above

Total liabilities amounted to €11.2 billion at the end of June 2019, compared to €9.1 billion at year-end 2018, growing mainly due to the new bond issuances in the period and an increase in the deferred tax liabilities.

As a part of its conservative financial profile approach, AT continued to undertake debt optimization activities during the first half of 2019 and issued 6 straight bonds and 2 Schuldschein bonds with a total value of €1.7 billion. All straight bonds were issued in various different currencies (CHF, HKD, USD, NOK, GBP and JPY) with currency hedges into Euro in place, reflecting AT's broad and diversified investor base. After the reporting period, AT issued 2 more straight bonds with a total value of €1.4 billion which was partly utilized to prepay €360 million of Series D - 2022 and Series F - 2023 straight bonds. The issuances and repayments have positively impacted AT's average borrowing costs and debt maturity profile and as a result, AT has a long average debt maturity of 7.5 years with a low average cost of debt of 1.7%. Obtaining long-term debt at low costs effectively spreads out the debt schedule over a long-term period so that the operational results can have high level of comfort in servicing the debt interest. The proceeds from the issuances during the period were channeled into funding the Company's growth, prepayment of bank debt, as well as added to the high liquidity balance. Loans and borrowings balance slightly increased from €1.1 billion at year-end 2018 to €1.2 billion at the end of June 2019.

Total liabilities also include deferred tax liabilities which are non-cash items that are predominantly tied to revaluation profits. Deferred tax liabilities increased to €1 billion as at the end of June 2019, compared to €0.9 billion at year-end 2018, driven by the revaluation gains recorded during the first half of the year. The deferred taxes are calculated assuming theoretical future property disposals in the form of asset deals and as such the full corporate tax rate is applied.

The increase in current liabilities mainly refers to dividend payment provisions of nearly €270 million, which were set at the AGM but paid out after the reporting period. As Aroundtown offered its shareholders with an opportunity to receive their dividends in the form shares, a part of shareholders opted for this "scrip dividend" and therefore only €209 million of cash dividends were paid out in July 2019.

NET FINANCIAL DEBT

	Jun 2019	Dec 2018
	in € millions	
Total financial debt	9,171.0	7.471.5
Cash and liquid assets [1]	2,416.4	1,600.6
Net financial debt	**6,754.6**	**5,870.9**

1) including balances held for sale

Net financial debt was €6.8 billion at the end of June 2019, compared to €5.9 billion at year-end 2018, driven by new issuances. The cash and liquid assets balance amounted to €2.4 billion at the end of June 2019, increasing from €1.6 billion at year-end 2018. A strong liquidity balance enables AT with financial flexibility, a strong financial headroom and plays a significant role in swift acquisitions.

LOAN-TO-VALUE

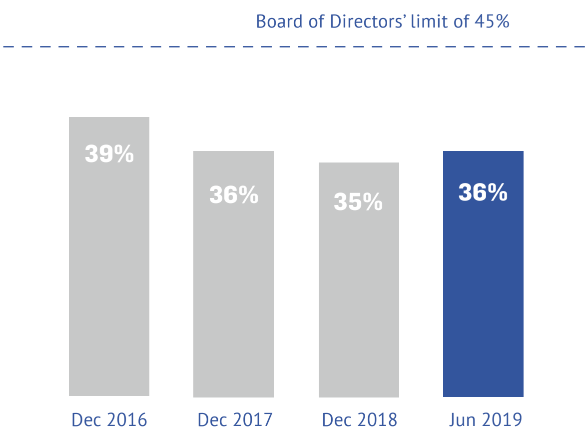
	Jun 2019	Dec 2018
	in € millions	
Investment property 1)	16,429.7	14,222.6
Assets held for sale 2)	156.1	203.7
Investment in equity-accounted investees	2,359.5	2,214.8
Total value	**18,945.3**	**16,641.1**
Net financial debt 3)	**6,754.6**	**5,870.9**
LTV	**36%**	**35%**

1) including advance payments for investment properties and excluding the effects of IFRS 16
2) including properties held for sale net of cash
3) including cash and liquid assets held for sale

The 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.

AT's LTV as at the end of June 2019 amounted to 36%, compared to 35% at year-end 2018, due to proportionally higher net financial debt. The LTV remains to be well below the Board of Director's limit which reflects the strong defensiveness of the Company's financial profile and provides the Company with significant headroom to initiate further growth and comfort against a potential market downturn.

LOAN-TO-VALUE



UNENCUMBERED ASSETS RATIO

	Jun 2019	Dec 2018
	in € millions	
Rent generated by unencumbered assets 1)	648.7	600.4
Rent generated by the total Group 1)	872.5	830.0
Unencumbered assets ratio	**74%**	**72%**

1) annualized net rent including GCP's contribution and excluding the net rent from assets held for sale

AT's portfolio embeds additional financial flexibility through a high ratio of unencumbered assets. A high ratio of 74% with a total value of €11.4 billion at the end of June 2019, compared to 72% and €10.2 billion at year-end 2018, provides the Company with additional potential liquidity.

ICR

AT's strong credit profile is further reflected in its solid financial cover ratio, with an ICR of 4.5x in the first half of 2019. By maintaining its debt metrics at such high multiples, AT demonstrates the high level of comfort that its operational results have in covering its debt interest servicing.

	For the 6 months ended June 30, 2019	2018
	in € millions	
Group Finance expenses 1)	80.5	61.2
Adjusted EBITDA 2)	364.6	289.8
ICR	**4.5x**	**4.7x**

1) including AT's share in GCP's and finance expenses
2) including the contributions from commercial assets held for sale, GCP and

EQUITY

	Jun 2019 pro forma[1)]	Jun 2019	Dec 2018
		in € millions	
Total equity	**12,553.7**	**11,453.1**	**9,944.3**
of which equity attributable to the owners of the Company	8,951.1	8,350.5	7,829.5
of which equity attributable to perpetual notes investors	2,473.6	1,973.6	1,547.7
of which non-controlling interests	1,129.0	1,129.0	567.1
Equity ratio	**53%**	**51%**	**52%**

1) including the equity capital increase and perpetual notes issuance in July 2019

Aroundtown's total equity amounted to €11.5 billion at the end of June 2019, growing by 15% compared to €9.9 billion at year-end 2018. Growth was observed in all three main equity items. Shareholders' equity grew by 7% to €8.4 billion at the end of June 2019, due to the net profit generated during the period and was partially offset by the provisions set for the dividend payments in July 2019. Equity attributable to the perpetual notes investors grew by 28% to €2.0 billion, driven by the issuance of GBP 400 million perpetual notes (approx. €450 million) in June 2019. Equity attributable to non-controlling interests increased to €1.1 billion mainly due to the non-controlling interest arising from initial consolidation of new investments as well as profit attributable to the non-controlling interest of €182 million during the period. The equity ratio at the end of June 2019 was at 51%, down from 52% at year-end 2018, due to proportionately higher liabilities driven by new bond issuances.

AT additionally reports the pro forma equity which includes the equity capital increase of €600.6 million and perpetual notes issuance of €500 million, concluded in July 2019. The proceeds from these issuances are utilized to fund the Company's growth strategy. Accordingly, June 2019 pro forma total equity amounts to €12.6 billion, 26% higher compared to year-end 2018, and the pro forma equity ratio is 53%.

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 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 an EPRA NAV including perpetual notes.

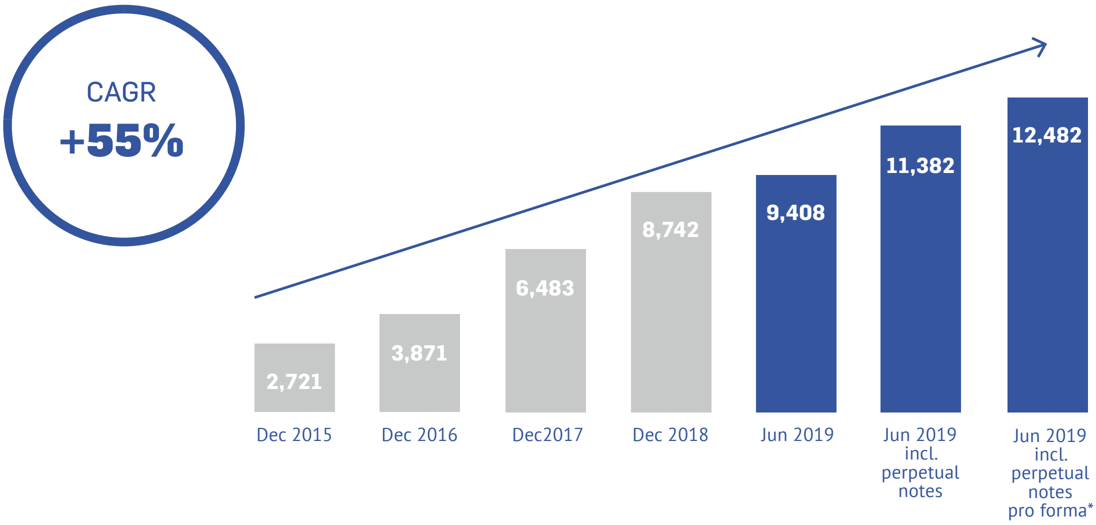
	Jun 2019		Dec 2018	
	in € millions	per share	in € millions	per share
NAV per the financial statements	**11,453.1**		9,944.3	
Equity attributable to perpetual notes investors	(1,973.6)		(1,547.7)	
NAV excluding perpetual notes	9,479.5		8,396.6	
Fair value measurements of derivative financial instruments [1]	12.7		25.1	
Deferred tax liabilities [1]	1,045.0		887.8	
NAV	**10,537.2**	**€9.3**	**9,309.5**	**€8.2**
Non-controlling interests	(1,129.0)		(567.1)	
EPRA NAV	**9,408.2**	**€8.3**	**8,742.4**	**€7.7**
Equity attributable to perpetual notes investors	1,973.6		1,547.7	
EPRA NAV including perpetual notes	**11,381.8**	**€10.1**	**10,290.1**	**€9.1**
Number of shares, including in-the-money dilution effects (in millions)	1,129.6		1,129.7	
Pro forma effect [2]	1,100.6		-	
EPRA NAV including perpetual notes pro forma	**12,482.4**	**€10.3**	**10,290.1**	**€9.1**
Pro forma number of shares, including in-the-money dilution effects (in millions) [3]	1,213.6		1,129.7	
EPRA NAV	**9,408.2**		**8,742.4**	
Fair value measurements of derivative financial instruments	(12.7)		(25.1)	
Net fair value of debt	(327.1)		50.4	
Deferred tax liabilities [4]	(44.2)		(37.0)	
EPRA NNNAV	**9,024.2**	**€8.0**	**8,730.7**	**€7.7**
Number of shares, including in-the-money dilution effects (in millions)	1,129.6		1,129.7	

1) including balances in assets held for sale
2) including equity capital increase of €600.6m and perpetual notes issuance of €500m in July 2019
3) including new shares from equity capital increase in July 2019
4) assuming disposals through share deals

EPRA NAV at the end of June 2019 amounted to €9.4 billion, growing by 8% compared to €8.7 billion at year-end 2018. Per share growth was also 8% (11% adjusted for dividends), from €7.7 per share at year-end 2018 to €8.3 at the end of June 2019. The growth in the EPRA NAV was driven by net profits recorded during the first six months of 2019, demonstrating the high value creation level in the portfolio. 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 to €11.4 billion and €10.1 per share at the end of June 2019, both growing by 11% from €10.3 billion and €9.1 per share recorded at year-end 2018, respectively. Apart from following the growth in the EPRA NAV, this was largely affected by the GBP 400 million perpetual notes (approx. €450 million) which were issued in June 2019.

AT additionally provides EPRA NAV including perpetual notes pro forma which includes the equity capital increase of €600.6 million and perpetual notes issuance of €500 million, both issued in July 2019. Hence, June 2019 EPRA NAV including perpetual notes pro forma amounts to €12.5 billion, representing a 21% growth over €10.3 billion at year-end 2018. Taking the 84 million new shares from the capital increase into account, June 2019 EPRA NAV including perpetual notes pro forma per share amounts to €10.3 representing a 13% growth (16% adjusted for dividends) over €9.1 at year-end 2018.

EPRA NAV DEVELOPMENT (IN € MILLIONS)



* including equity capital increase of €600.6m and perpetual notes issuance of €500m in July 2019

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.

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 the *Total depreciation and amortization* on top of the *Operating Profit*, non-operational items such as the *Property revaluations , capital gains and other income*, 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 employee share based payments, a non-cash item. In order to reflect only the recurring operational results, AT deducts the *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 and in other investments, AT includes in its adjusted EBITDA calculation its share in the adjusted EBITDA generated by those investments for the period in accordance with its holding rate over the period, labelled as the *Adjustment for GCP's and other investments' 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's and other investments' adjusted EBITDA contribution*
(=) Adjusted EBITDA

* the adjustment is to reflect AT's share in GCP's and other investments' adjusted EBITDA

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 those investments, AT adds back its relative share in GCP's reported FFO I after perpetual notes attribution and the FFO I of other investments, reflecting the recurring operational profit generated by those investments 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's and other investments' FFO I contribution*
(=) FFO I

* the adjustment is to reflect AT's share in GCP's and other investments' FFO I

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, 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 the *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, the *Results from disposal of properties* are added to the FFO I. These 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 gross sale price to total cost (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 the *Equity attributable to perpetual notes investors* from the *NAV per the financial statements* to arrive at the *NAV excluding perpetual notes*. After adding the *Fair value measurement of derivative financial instruments* and *Deferred tax liabilities* which both include balances in assets held for sale, 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 the *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
(+) Fair value measurements of derivative financial instruments *
(+) Deferred tax liabilities *
(=) NAV
(-) Non-controlling interests
(=) EPRA NAV
(+) Equity attributable to perpetual investors
(=) EPRA NAV including perpetual notes

* including balances in assets held for sale

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, the *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 the 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* and excludes the effects of IFRS 16, *Assets held for sale* (which is held for sale investment property) and *Investment in equity-accounted investees*. *Net financial debt* is calculated by deducting the *Cash and liquid assets* from the *Total financial debt* which is a sum of *Straight 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 the 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*.

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

1) including advance payments for investment properties and excluding the effects of IFRS 16
2) held for sale investment property
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 net rent on an annualized basis generated by assets which are unencumbered, including the contribution of GCP but excluding the net rent from assets held for sale. In parallel, *Rent generated by the total Group* is the net rent on annualized basis generated by the total Group including GCP's contribution but excluding the net 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 net rent including GCP's contribution and excluding the net rent from assets held for sale

INTEREST COVER RATIO (ICR)

The Interest Cover Ratio (ICR) is widely used in the real estate industry to assess the strength of a firm's credit profile. The multiple indicates 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 the contributions from commercial assets held for sale, GCP and other joint ventures by the *Group Finance expenses* which is the sum of AT's finance expenses and AT's share in GCP's and other joint ventures' finance expenses.

ICR calculation
(a) Group Finance expenses 1)
(b) Adjusted EBITDA 2)
(=) (b/a) ICR

1) including AT's share in GCP's and other joint ventures' finance expenses
2) including the contributions from commercial assets held for sale, GCP and other joint ventures

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 28, 2019

Frank Roseen
Member of the Board of Directors

Oschrie Massatschi
Member of the Board of Directors

Jelena Afxentiou
Member of the Board of Directors

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended June 30,		Three months ended June 30,	
		2019	2018	**2019**	2018
		Unaudited			
	Note	in € millions			
Revenue	5	**420.6**	347.6	**213.1**	181.3
Property revaluations, capital gains and other income		679.4	899.6	439.5	553.0
Share in profit from investment in equity-accounted investees		198.1	113.3	107.1	53.6
Property operating expenses		(109.9)	(102.8)	(56.7)	(54.4)
Administrative and other expenses		(13.1)	(9.0)	(7.1)	(4.4)
Operating profit		**1,175.1**	**1,248.7**	**695.9**	**729.1**
Finance expenses		(70.3)	(52.3)	(36.6)	(27.9)
Other financial results		37.2	(51.5)	(11.6)	(9.5)
Profit before tax		**1,142.0**	**1,144.9**	**647.7**	**691.7**
Current tax expenses		(26.0)	(20.2)	(13.5)	(10.5)
Deferred tax expenses		(146.7)	(154.4)	(101.8)	(81.5)
Profit for the period		**969.3**	**970.3**	**532.4**	**599.7**
Profit attributable to:					
Owners of the Company		765.4	876.6	353.8	554.1
Perpetual notes investors		22.3	22.3	11.4	11.4
Non-controlling interests		181.6	71.4	167.2	34.2
Profit for the period		**969.3**	**970.3**	**532.4**	**599.7**
Net earnings per share attributable to the owners of the Company (in €)					
Basic earnings per share		0.68	0.87	0.31	0.53
Diluted earnings per share		0.67	0.82	0.31	0.50

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended June 30,		Three months ended June 30,	
	2019	2018	**2019**	2018
	Unaudited			
	in € millions			
Profit for the period	**969.3**	**970.3**	**532.4**	**599.7**
Other comprehensive income (loss):				
Items that are or may be reclassified subsequently to profit or loss				
Foreign operations – foreign currency translation difference, net of investment hedges of foreign operations	0.8	0.2	(8.5)	3.0
Cash flow hedges and cost of hedging	6.7	(*) (27.2)	(5.8)	(*) 14.0
Equity-accounted investees – share of OCI	(3.7)	(*) (4.8)	(3.3)	(*) (4.8)
Tax related to the other comprehensive income components	(3.8)	2.8	0.3	(7.9)
Total other comprehensive income (loss)	**-**	**(29.0)**	**(17.3)**	**4.3**
Total comprehensive income for the period	**969.3**	**941.3**	**515.1**	**604.0**
Total comprehensive income attributable to:				
Owners of the Company	765.4	847.6	336.5	558.4
Perpetual notes investors	22.3	22.3	11.4	11.4
Non-controlling interests	181.6	71.4	167.2	34.2
Total comprehensive income for the period	**969.3**	**941.3**	**515.1**	**604.0**

(*) Reclassified

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		June 30, 2019	December 31, 2018
		Unaudited	Audited
	Note	in € millions	
ASSETS			
Equipment and intangible assets		20.7	33.1
Investment property	7	16,212.7	14,174.0
Advanced payments for real estate transactions		361.6	48.6
Investment in equity-accounted investees		2,359.5	2,214.8
Derivative financial assets		94.6	22.0
Other non-current assets		550.4	369.8
Deferred tax assets		88.0	76.6
Non-current assets		**19,687.5**	**16,938.9**
Cash and cash equivalents		1,779.5	1,242.8
Short-term deposits		5.7	4.7
Financial assets at fair value through profit or loss		629.8	352.0
Dividend receivable		50.4	-
Trade and other receivables		332.2	277.0
Derivative financial assets		19.6	14.4
Assets held for sale	10	162.0	211.0
Current assets		**2,979.2**	**2,101.9**
Total Assets		**22,666.7**	**19,040.8**

	Note	June 30, 2019	December 31, 2018
		Unaudited	Audited
		in € millions	
EQUITY			
Share capital		11.3	11.3
Retained earnings and other reserves	9.2	8,339.2	7,818.2
Equity attributable to the owners of the Company		**8,350.5**	**7,829.5**
Equity attributable to perpetual notes investors	9.1	1,973.6	1,547.7
Equity attributable to the owners of the Company and perpetual notes investors		**10,324.1**	**9,377.2**
Non-controlling interests	7.2	1,129.0	567.1
Total Equity		**11,453.1**	**9,944.3**
LIABILITIES			
Loans and borrowings	8.2	904.5	1,092.9
Straight bonds	8.1	8,014.6	6,351.6
Derivative financial liabilities		94.8	61.5
Other non-current liabilities		155.0	102.6
Deferred tax liabilities		1,038.0	882.3
Non-current liabilities		**10,206.9**	**8,490.9**
Current portion of long-term loans and loan redemptions	7.2	251.9	27.0
Trade and other payables	9.2	573.0	450.8
Tax payable		10.1	10.0
Provisions for other liabilities and charges		127.7	106.5
Derivative financial liabilities		32.1	-
Liabilities held for sale	10	11.9	11.3
Current liabilities		**1,006.7**	**605.6**
Total Liabilities		**11,213.6**	**9,096.5**
Total Equity and Liabilities		**22,666.7**	**19,040.8**

The Board of Directors of Aroundtown SA authorized these condensed interim consolidated financial statements for issuance on August 28, 2019.

Frank Roseen Member of the Board of Directors	**Oschrie Massatschi** Member of the Board of Directors	**Jelena Afxentiou** Member of the Board of Directors

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

	Attributable to the owners of the Company								
	Share capital	Share Premium and other capital reserves	Cash flow hedge and cost of hedge reserves	Retained earnings	Total	Equity attributable to perpetual notes investors	Equity attributable to owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
					in € millions				
Balance as at December 31, 2018 (Audited)	**11.3**	**2,623.1**	**(13.0)**	**5,208.1**	**7,829.5**	**1,547.7**	**9,377.2**	**567.1**	**9,944.3**
Adjustment on initial application of IFRS 16, net of tax (see note 4)	-	-	-	42.4	42.4	-	42.4	1.7	44.1
Restated balance as at January 1, 2019	**11.3**	**2,623.1**	**(13.0)**	**5,250.5**	**7,871.9**	**1,547.7**	**9,419.6**	**568.8**	**9,988.4**
Profit for the period	-	-	-	765.4	765.4	22.3	787.7	181.6	969.3
Other comprehensive income (loss) for the period, net of tax	-	(2.6)	2.6	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**(2.6)**	**2.6**	**765.4**	**765.4**	**22.3**	**787.7**	**181.6**	**969.3**
Transactions with owners of the Company									
Contributions and distributions									
Equity settled share-based payment	-	2.0	-	-	2.0	-	2.0	-	2.0
Dividend distribution	-	(267.1)	-	-	(267.1)	-	(267.1)	-	(267.1)
Total contributions and distributions	**-**	**(265.1)**	**-**	**-**	**(265.1)**	**-**	**(265.1)**	**-**	**(265.1)**
Changes in ownership interests									
Non-controlling interests arising from initially consolidated companies and other transactions	-	-	-	(21.7)	(21.7)	-	(21.7)	378.6	356.9
Total changes in ownership interests	**-**	**-**	**-**	**(21.7)**	**(21.7)**	**-**	**(21.7)**	**378.6**	**356.9**
Transactions with perpetual notes investors									
Issuance of perpetual notes	-	-	-	-	-	434.6	434.6	-	434.6
Amount attributed to perpetual notes investors	-	-	-	-	-	(31.0)	(31.0)	-	(31.0)
Total Transactions with perpetual notes investors	**-**	**-**	**-**	**-**	**-**	**403.6**	**403.6**	**-**	**403.6**
Balance as at June 30, 2019 (Unaudited)	**11.3**	**2,355.4**	**(10.4)**	**5,994.2**	**8,350.5**	**1,973.6**	**10,324.1**	**1,129.0**	**11,453.1**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

	Attributable to the owners of the Company								
	Share capital	Share Premium and other capital reserves	Cash flow hedge and cost of hedge reserves	Retained earnings	Total	Equity attributable to perpetual notes investors	Equity attributable to the owners 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)**	**3,577.9**	**5,396.4**	**1,173.3**	**6,569.7**	**674.3**	**7,244.0**
Profit for the period	-	-	-	876.6	876.6	22.3	898.9	71.4	970.3
Other comprehensive 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**
Transactions with owners of the Company									
Contributions and distributions									
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
Equity settled share-based payment	-	1.0	-	-	1.0	-	1.0	-	1.0
Dividend distribution	-	(248.2)	-	-	(248.2)	-	(248.2)	-	(248.2)
Total contributions and distributions	**1.1**	**455.1**	**-**	**-**	**456.2**	**-**	**456.2**	**-**	**456.2**
Changes in ownership interests									
Non-controlling interests arising from initially consolidated companies and other transactions	-	-	-	(9.0)	(9.0)	-	(9.0)	(458.5)	(467.5)
Total changes in ownership interests	**-**	**-**	**-**	**(9.0)**	**(9.0)**	**-**	**(9.0)**	**(458.5)**	**(467.5)**
Transactions with perpetual notes investors									
Issuance of perpetual notes	-	-	-	-	-	390.6	390.6	-	390.6
Amount attributed to perpetual notes investors	-	-	-	-	-	(22.3)	(22.3)	-	(22.3)
Total Transactions with perpetual notes investors	**-**	**-**	**-**	**-**	**-**	**368.3**	**368.3**	**-**	**368.3**
Balance as at June 30, 2018 (Unaudited)	**10.6**	**2,264.8**	**(29.7)**	**4,445.5**	**6,691.2**	**1,563.9**	**8,255.1**	**287.2**	**8,542.3**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
	2019	2018
	Unaudited	
	in € millions	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	**969.3**	**970.3**
Adjustments for the profit:		
Depreciation and amortization	0.8	0.8
Property revaluations and capital gains	(679.4)	(899.6)
Share in profit from investment in equity-accounted investees	(198.1)	(113.3)
Finance expenses and other financial results	33.1	103.8
Current and deferred tax expenses	172.7	174.6
Share-based payment agreements	1.9	1.0
Change in working capital	(24.6)	(23.8)
Tax paid	(23.3)	(18.4)
Net cash provided by operating activities	**252.4**	**195.4**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of equipment and intangible assets, net	(2.3)	(4.1)
Investments and acquisitions of investment property, capex and advances paid, net	(579.0)	(863.2)
(Acquisition)/disposals of investees and loans, net of cash acquired/disposed	(532.2)	(938.0)
Proceeds from/(investments in) traded securities and other financial assets, net	(440.8)	(487.1)
Net cash used in investing activities	**(1,554.3)**	**(2,292.4)**

	Six months ended June 30,	
	2019	2018
	Unaudited	
	in € millions	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares, net	-	600.5
Proceeds from issuance of bonds, net	1,662.1	1,416.1
Proceeds (payments) from/(to) perpetual notes investors, net	403.6	368.0
Proceeds (repayments) from/(of) loans from financial institutions and others, net	(138.0)	147.1
Amortizations of loans from financial institutions	(10.4)	(13.4)
Transactions with non-controlling interests	(3.9)	(185.1)
Interest and other financial expenses paid, net	(72.3)	(46.0)
Net cash provided by financing activities	**1,841.1**	**2,287.2**
Net change in cash and cash equivalents	**539.2**	**190.2**
Assets held for sale – change in cash	(0.3)	5.6
Cash and cash equivalents as at January 1	1,242.8	736.4
Effect of movements in exchange rates on cash held	(2.2)	-
Cash and cash equivalents as at June 30	**1,779.5**	**932.2**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

1. GENERAL

Incorporation and principal activities

Aroundtown SA ("the Company" or "Aroundtown"), 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. Aroundtown's shares are listed on the Prime Standard of the Frankfurt Stock Exchange and included in the MDAX index of the Deutsche Börse.

Aroundtown is a specialist real estate company, with a focus on value-add and income generating properties primarily in the German, Dutch and UK real estate markets. Aroundtown invests in commercial and residential real estate which benefits from strong fundamentals and growth prospects. Additionally, as at June 2019, Aroundtown holds 39.11% interest (December 2018: 38.75%) in Grand City Properties S.A., a publicly traded real estate company that focuses on investing mainly 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, 2019 consist of the financial statements of the Company and its investees ("the Group").

2. SIGNIFICANT CHANGES IN THE REPORTING PERIOD

The financial position and performance of the Group was affected by the following events and transactions during the reporting period:

- Investment property has been increased by over €2.0 billion. See note 7 for further information about significant acquisitions.
- The Group raised approximately €2.1 billion (euro equivalent nominal value) in straight bonds, perpetual notes and in Schuldscheins. The placements included bond series in various foreign currencies, in each case the principal amount was hedged to the euro (see note 8).
- The adoption and initial application of the new leasing standard IFRS 16 *Leases* (see note 4).
- For additional information about changes in the Group's financial position and performance, see the "Notes on business performance" section in the Board of Directors' Report.

3. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 interim financial reporting as applicable in the European Union ("EU").

The condensed interim consolidated financial statements do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2018.

However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the consolidated financial statements for the year ended December 31, 2018.

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements, including the judgments, estimates and special assumptions that affect the application of those accounting policies, are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2018, except for the adoption of new standards, amendments to standards and interpretations as described in note 4.

These condensed interim consolidated financial statements have not been reviewed by an auditor, unless written "audited".

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.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations in the UK which operate in British Pound (GBP), are expressed in Euro (EUR) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in an equity component under the other capital reserves.

As at June 30, 2019, the Company has financial instruments in Euro (EUR), British Pound (GBP), US Dollar (USD), Swiss Franc (CHF), Australian Dollar (AUD), Canadian Dollar (CAD), Norwegian Krone (NOK), Hong Kong Dollar (HKD) and Japanese Yen (JPY).

4. CHANGES IN ACCOUNTING POLICIES

IFRS 16 *Leases*

The Group has adopted IFRS 16 from January 1, 2019 ("date of initial application", "DIA"), using the modified retrospective approach as permitted under the specific transitional provisions in the standard. Therefore, the cumulative effect of adopting IFRS 16 has been recognized as an adjustment to the opening balance of retained earnings at DIA, with no restatement of comparative information.

Adjustments recognized on adoption of IFRS 16

Upon adoption of IFRS 16, the Group recognized lease liabilities in relation to leases of lands which had previously been classified as 'operating lease' under the principles of IAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at January 1, 2019.

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at DIA.

The Group classified and measured the right-of-use assets related to lands as an investment property.

The change in accounting policy resulted in an increase of the following items in the interim consolidated statement of financial position on January 1, 2019:

Item	Line item in the interim consolidated statement of financial position	Impact
		in € millions
Right-of-use assets	Investment property	144.6
Lease liabilities	Other non-current liabilities	(90.7)
Deferred tax liabilities	Deferred tax liabilities	(9.8)

The net impact on retained earnings and non-controlling interests on January 1, 2019 was an increase of €42.4 million and €1.7 million, respectively.

Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contracts contain options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at DIA. Instead, for contracts entered into before the DIA the Group relied on its assessment made applying IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a Lease.*

Other Amendments and Interpretations

The following amendments and interpretations were also adopted for the first time in these condensed interim consolidated financial statements, with effective date of January 1, 2019, and did not have any material impact on the Group:

- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Annual Improvements to IFRS standards 2015-2017

5. REVENUE

	Six months ended June 30,	
	2019	2018
	in € millions	
Net rental income	358.5	290.9
Revenue from contracts with customers	62.1	56.7
	420.6	**347.6**

5.1 Disaggregation of revenue from contracts with customers

	Six months ended June 30,	
	2019	2018
	in € millions	
Revenue from goods or services transferred to customers over time:		
Operating and other income	62.1	56.7

5.2 Geographical information

	Six months ended June 30,	
	2019	2018
	in € millions	
Germany	291.4	273.5
The Netherlands	67.3	52.5
United Kingdom	41.0	14.2
Others	20.9	7.4
	420.6	**347.6**

6. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual consolidated financial statements.

6.1 Fair values hierarchy

The following table presents the Group's financial assets and financial liabilities measured and recognized at fair value as at June 30, 2019 and December 31, 2018 on a recurring basis:

	June 30, 2019			December 31, 2018		
	Fair value measurement using					
	Carrying amount	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Carrying amount	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)
	in € millions					
Financial assets						
Financial assets at fair value through profit or loss	629.8	629.8	-	352.0	352.0	-
Derivative financial assets	114.2	-	114.2	36.4	-	36.4
Total financial assets	744.0	629.8	114.2	388.4	352.0	36.4
Financial liabilities						
Derivatives financial liabilities	126.9	-	126.9	61.5	-	61.5
Total financial liabilities	126.9	-	126.9	61.5	-	61.5

Level 1: the fair value of financial instruments traded in active markets (such as debt and equity securities) is based on quoted market prices at the end of the reporting period.

Level 2: the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant input required to fair value of financial instrument are observable, the instrument is included in level 2.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between level 1 and level 2 during the reporting period.

6.2 Valuation techniques used to determine fair values

Specific valuation techniques used to evaluate financial instruments include:

- the use of quoted market prices.
- for derivative financial instruments - forward pricing and swap models using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves.
- for hybrid instruments - a combination of a discount cash flows method for the host contract and a call pricing model for the embedded derivative (i.e., the conversion option). The models use observable inputs such as market price of the underlying asset and swap rate curve.

6.3 Fair values of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the interim consolidated statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments as at June 30, 2019:

	June 30, 2019				December 31, 2018			
	Fair value measurement using							
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)
	in € millions							
Straight bonds (*)	8,110.5	8,447.7	8,125.1	322.6	6,432.6	6,272.5	6,098.9	173.6

(*) The carrying amount includes accrued interest.

There were no transfers between level 1 and level 2 during the reporting period.

7. INVESTMENT PROPERTY

7.1 Composition

	Six months ended June 30	Year ended December 31
	2019	2018
	Unaudited	Audited
	in € millions	
Balance as at January 1	14,174.0	9,804.1
Adjustment for initial application of IFRS 16, see note 4	144.6	-
Restated balance as at January 1	14,318.6	9,804.1
Acquisitions of investment property and capex, net of sales – see also note 7.2 (*)	1,225.2	3,268.8
Effect of foreign currency exchange differences	(0.2)	(18.5)
Transfer to Assets held for sale, net	(5.1)	(340.0)
Fair value adjustments	674.2	1,459.6
Balance as at June 30 / December 31	**16,212.7**	**14,174.0**

(*) During the reporting period, the Group sold investment property in the amount of €171.4 million, resulting in a profit of €6 million.

7.2 Acquisitions

During the reporting period, the Group obtained control over several property portfolios mainly in Munich and other top tier cities in Europe, through acquisitions of assets and companies. The transactions were treated as acquisition of a group of assets and liabilities.

As part of the acquisitions, the Group acquired the controlling interest in investment property in the amount of €1.2 billion and recognized €327.1 million non-controlling interests. The Group also initially consolidated bank loans in the amount of €235.6 million, all of which will mature in the next twelve months.

8. LOANS, BORROWINGS AND STRAIGHT BONDS

8.1 Main characteristics of the straight bonds issued during the reporting period

Series	Note	Currency	Nominal amount in original currency	Nominal amount in €	Effective coupon rate (p.a.)	Issuance - Maturity	Carrying amount as at June 30, 2019
							Unaudited
			in millions	in millions	%		in € millions
Series X	(a), (c)	CHF	200	175.7	1.72	03/2019-03/2026	179.4
Series Y	(d)	EUR	100	100	1.35 + Euribor (6M)	02/2019-02/2026	98.2
Series Z	(d)	EUR	125	125	0.9 + Euribor (6M)	02/2019-02/2024	123.5
Series 27	(b), (c)	HKD	430	48.3	1.62 (h)	03/2019-03/2024	48.3
Series 28	(b), (c)	USD	600	530.9	1.75 (e)	03/2019-03/2029	519.9
Series 29	(b), (c)	NOK	1,735	179.0	1.75 (f)	03/2019-03/2029	178.4
Series 30	(b), (c)	GBP	400	468.6	1.75 (g)	04/2019-04/2031	434.0
Series 31	(a), (c)	JPY	7,000	56.8	1.42	05/2019-05/2029	56.8
Total carrying amount of straight bonds issued during the reporting period							1,638.5

(a) The Company hedged the currency risk of the principal amount until maturity.

(b) The Company fully hedged the currency risk of the principal amount and coupon with a cross-currency swap until maturity.

(c) The bond was placed under the EMTN Programme.

(d) The Euribor (6M) component of the semi-annual coupon is floored at zero.

(e) The effective annual euro coupon is 1.75% for the first 4 years and 2.64% plus Euribor (6M) for the following 6 years.

(f) The effective annual euro coupon is 1.75% for the first 4 years and 2.52% plus Euribor (6M) for the following 6 years.

(g) The effective annual euro coupon is 1.75% for the first 4 years and 2.11% plus Euribor (6M) for the following 8 years.

(h) The effective annual euro coupon until maturity.

8.2 Loans and borrowings

During the reporting period, the Group repaid several bank loans amounting to €137.2 million and deconsolidated a total amount of €51.8 million. For events occurred after the reporting period, see note 13(g).

9. EQUITY

9.1 Issuance of perpetual notes

In June 2019, the Company successfully completed the placement of a GBP 400 million (nominal value) of perpetual subordinated notes at a price of 97.85% of the principal amount ("the GBP perpetual notes"). Up until June 2024 (the "First Reset Date"), the GBP perpetual notes shall bear annual coupon of 4.75% p.a. The Company hedged the currency risk implied by the GBP denomination via a cross-currency swap into the EUR until the First Reset Date. Under the cross-currency swap, the effective EUR coupon of the GBP perpetual notes was fixed at 3%. After the First Reset Date and until June 2029, the annual coupon shall be Mid Swap plus margin of 4.377%. From June 2029 until June 2044, the annual coupon shall be Mid Swap plus margin of 4.627%. Thereafter, the annual coupon shall be Mid Swap plus margin of 5.377%. The GBP perpetual notes were placed under the EMTN Programme.

9.2 Dividend distribution

On June 26, 2019, the shareholders' Annual General Meeting resolved upon the distribution of a dividend in the amount of €0.2535 gross per share for the year 2018 in accordance with the proposal of the Board of Directors (2018: €0.234 gross per share for the year 2017). The dividend is distributed from the share premium.

The Company provided the shareholders with the option to receive their dividend through a scrip dividend, pursuant to which the shareholders could elect to receive up to 85% of their dividend in the form of the Company's shares, with the remainder paid in cash. As at June 30, 2019, the dividend payable is presented in the Trade and other payables in the interim consolidated statement of financial position. For the complete results of the scrip dividend, see note 13(e).

10. ASSETS AND LIABILITIES HELD FOR SALE

During the reporting period, the Group completed the sale transaction of a non-core real estate properties in a value of €49.2 million.

As at June 30, 2019, the assets and liabilities classified as held for sale amounted to €162.0 million and €11.9 million, respectively. The real estate properties included as held for sale share similar main characteristics.

11. COMMITMENTS

The Group completed transactions granting control of over €0.9 billion properties located in Germany and Benelux which will be carried out after the reporting period and signed on additional real estate property transactions in a volume of approximately €0.4 billion. The completion of the transactions is subject to typical conditions precedent.

The Group had approximately €60 million of commitments for future capital expenditures on its properties.

12. CONTINGENT ASSETS AND LIABILITIES

The group had no significant contingent assets or liabilities as at June 30, 2019.

13. EVENTS AFTER THE REPORTING PERIOD

a) In July 2019, the Company successfully completed the placement of a €800 million (nominal value) straight bond series 32, maturing in 2025 and carrying 0.625% annual coupon for a consideration that reflected 98.039% of the principal amount. The bond was placed under the EMTN Programme.

b) In July 2019, the Company successfully completed the placement of a €600 million (nominal value) straight bond series 33, maturing in 2028 and carrying 1.45% annual coupon for a consideration that reflected 98.422% of the principal amount. The bond was placed under the EMTN Programme.

c) In July 2019, the Company announced an offer to the holders of its €277 million 1.5% straight bond series D maturing in 2022 ("Bond D") and €550 million 2.125% straight bond series F maturing in 2023 ("Bond F"), to tender any and all such bonds' denominations for purchase by the Company for cash subject to the terms and conditions set out in the tender offer memorandum prepared by the Company. As a result of the tender, an aggregate principal amount of €21.5 million and €338.6 million was bought back by the Company based on purchase price of 103.986% and 107.15% of the principal amount, excluding accrued interest for Bond D and Bond F, respectively. The settlement of the tender was completed on July 11, 2019. Following the settlement, an aggregated principal amount of € 255.5 million and €211.4 million of Bond D and Bond F, respectively, remained outstanding.

d) In July 2019, the Company successfully completed the placement of a €500 million (nominal value) of perpetual subordinated notes bearing a coupon of 2.875% p.a. with first call date in January 2025, at an issue price of 98.15%.

e) In July 2019, the Company announced the results of the scrip dividend, whereby shareholders of 356.9 million shares opted to receive their dividend in the form of the Company's new ordinary shares. Accordingly, 10.9 million new shares were issued on July 22, 2019. The remainder of the dividend in total amount of €209.3 million was paid.

f) In July 2019, the Company successfully completed the share capital increase of 84 million new shares. The offer price was fixed at €7.15 per share, resulting in €600.6 million gross proceeds.

g) After the reporting period, the Group subsidiaries repaid several bank loans that amounted to approximately €217 million.

14. AUTHORISATION OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements were authorized for issuance by the Company's board of directors on August 28, 2019.