AROUNDTOWN
PROPERTY HOLDINGS PLC

H1 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015

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CONTENT

KEY FINANCIALS

	H1 2014	change	H1 2015
PRO-FORMA RENTAL AND OPERATING INCOME 1) (€ thousands)	10,542	338%	**46,172**
EBITDA (€ thousands)	183,112	193%	**536,390**
NET PROFIT (€ thousands)	161,571	213%	**505,381**
EPS (€)	0.17	388%	**0.83**
ADJUSTED EBITDA (€ thousands)	25,652	138%	**61,089**
FFO I (€ thousands)	16,057	150%	**40,185**
FFO I PER SHARE (€ cent)	3.21	150%	**8.04**

	Dec 2013	Dec 2014	Jun 2015	Jun 2015 pro-forma 2)
TOTAL EQUITY (€ thousands)	871,664	1,221,661	1,743,391	**2,063,391**
EPRA NAV (€ thousands)	441,049	1,273,270	1,853,020	**2,173,020**
LOAN-TO-VALUE	35%	19%	33%	**20%**
EQUITY RATIO	46%	71%	56%	**60%**

1) assuming deconsolidation of GCP S.A. in 2014

2) including the effect of the €320 million capital increase of July 2015

Holiday Inn

THE COMPANY

The Board of Directors of Aroundtown Property Holdings PLC and its investees (the "Company", "AT" or the "Group") hereby submits the interim report as of June 30, 2015. The figures presented are based on the interim consolidated financial statements as of June 30, 2015, unless stated otherwise.

AT is a specialist real estate investment group, focusing on value-add income generating properties primarily in the German real estate markets. The Group covers the main real estate segments which benefit from strong fundamentals and growth prospects: residential, commercial and hotel properties. The residential investments are carried out through Grand City Properties S.A. ("GCP") held to 34% by AT, the hotel investments through Primecity Investment PLC ("PCI") held to 63% by AT as of August 2015, and the commercial properties are held directly by AT through its non public subsidiaries. The Group's unique business model and experienced management team have led the Company to grow continuously for more than a decade.

AT's properties generate strong operational results, best illustrated through run rates, annualizing the monthly results and excluding any operational improvements or further growth. Including signed deals, the Adjusted EBITDA run rate for July 15 is €167 million and the Funds from Operations I (FFO I) run rate is €97 million.

Operating with a fully integrated real estate value chain the Company targets turnaround opportunities of mismanaged properties. In this real estate market AT picks cash generating properties with upside potential in rent and/or occupancy increase and consequential value. Through an intensive property turnaround, including operational and repositioning activities, AT further improves the portfolio results, creating secure and strong cash flow generating characteristics and great internalized growth potential.

FINANCIAL POSITION HIGHLIGHTS

€ thousands	as of	Dec 2014	Jun 2015
CASH AND LIQUID ASSETS		175,750	**224,910**
TOTAL ASSETS		1,721,569	**3,094,934**
TOTAL PRO-FORMA ASSETS [1) 2)]		3,442,192	**6,132,784**
TOTAL EQUITY		1,221,661	**1,743,391**
TOTAL PRO-FORMA EQUITY [2)]		1,221,661	**2,063,391**
TOTAL BANK DEBT		188,209	**292,609**
STRAIGHT BONDS		150,522	**187,036**
CONVERTIBLE BONDS		96,728	**562,771**

1) assuming full consolidation of GCP In 2015

2) including the effect of the €320 million capital increase of July 2015

ACHIEVEMENTS

Private placement of **Series A straight bonds** at the amount of €161 million. The series was tapped to a total aggregate amount of €200 million in January 2015

Successful **pre-IPO convertible bonds** issuance of €450 million in April 2015 led by Deutsche Bank, Berenberg and Morgan Stanley as joint bookrunners

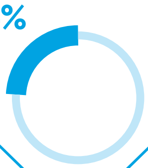
Listing on Euronext Stock Exchange in Paris in June 2015

DEC 2014

APR 2015

JUN 2015 **Listing**

Successful **capital increase** of €320 million in July 2015 led by Berenberg and Société Générale as joint bookrunners. **Free float** increased to **24%**



JUL
2015

Dividend policy resolved of 30% of FFO I starting in 2016

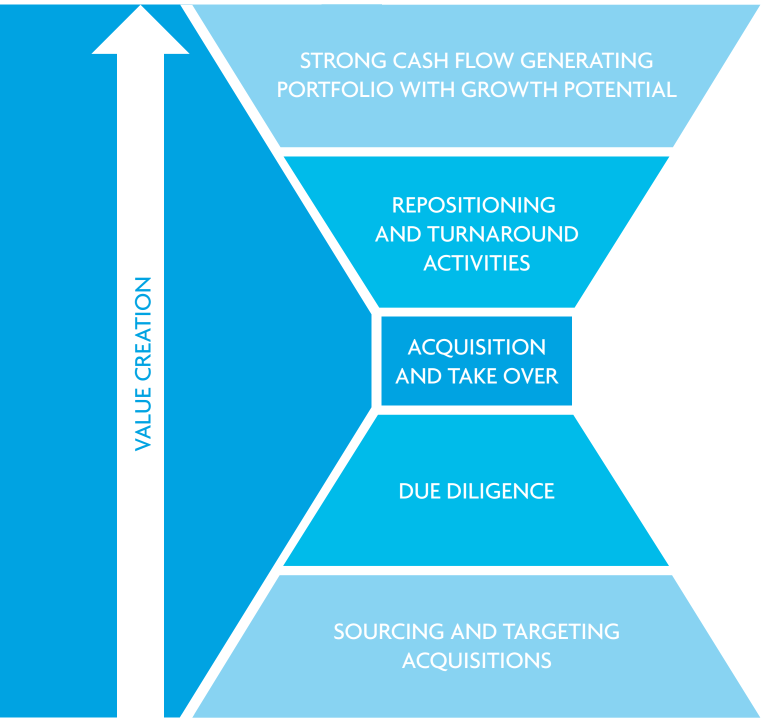
JUL
2015

Successful **portfolio growth** with over €6 billion Group assets as of July 2015

JUL
2015

STRATEGY

AT'S VALUE CREATION STARTS PRIOR TO ACQUISITION



SOURCING AND TARGETING ACQUISITIONS

AT's property sourcing success stems from its unique network as well as reputation as a reliable real estate acquirer. The Group focuses on mismanaged properties characterized mainly by under market rent levels and/or high vacancy rates. Through its 11 year' experience in the market 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 network, distressed owners, private and institutional investors and court auctions. The Group's primary focus is on German major cities and metropolitan areas with positive demographic prospects.

The Group follows acquisition criteria, which ensure that its newly acquired properties fit to AT's business model:

- Upside potential through operational improvements
- Assets generating cash flows
- Vacancy reduction potential
- Rent level per sqm below market level (under-rented properties)
- Acquisition in densely populated areas and commercially attractive cities
- Purchase price below replacement costs and below market values
- Potential to reduce the cost per sqm significantly through operational improvements

Through the broad coverage and knowledge of its management, AT considers the potential uses for the individual property. This includes altering its primary use which opens up opportunities for properties that experience demand shortages in their current market. Given the complexity and necessity for cross-segment experience in the successful completion of reclassification projects, AT's unique profile is a strong and sustainable competitive advantage.

DUE DILIGENCE

AT's successful due diligence processes are based on the vast experience of all departments involved. After a potential property passes the initial indicative screening, each property is assessed, taking into account of the individuality of each project while ensuring the acquisition is in line with business strategy. The experience of the Group in analyzing mismanaged portfolios, 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. These are subsequently priced in the valuation process to provide a fair assessment and ensure that the capex works can start smoothly after acquisition.

For each property a detailed business plan is created in the due diligence phase, including an assessment of the portfolio fit and identification of feasible tenants. Choosing tenants prior to acquisition decreases risk on one hand, while on the other accelerates the takeover process.

ACQUISITION AND TAKE OVER

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

REPOSITIONING AND TURNAROUND ACTIVITIES

As a specific tailor made business plan is constructed for each property, and the weaknesses and strengths were mapped pre-acquisition, the execution of the turnaround process becomes easier 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 turnaround progress. The success of the turnaround and repositioning of the properties are the result of the following actions:

OPERATIONAL AND MARKETING INITIATIVES

In the first instance repositioning activities aim at quickly improving the profitability of the acquired properties. Given the vacancy of the portfolio, targeted marketing activities are implemented to increase occupancy and thereby rental income. Vacancy reduction initiatives are tailored to the property at hand. Procedures applied to AT's commercial properties focus on establishing a network of internal and local external letting brokers, offering promotional features and building a reputation in the market for high service standards. Initiatives in the residential properties target relationship building with potential tenants and the community by collaborating with local governments, supporting community building projects and advertising on key real estate platforms. For the hotel assets, optimal operators are selected for the asset and a fixed long term lease contract entered into once the hotel is stabilized.

Rent increase and tenant restructuring, assessed in the due diligence process, are executed according to the business plan. Further, the operational improvements AT initiates improve the living quality or business environment for existing and future tenants. Thereby, the demand for these repositioned assets rises.

Having established areas for operational improvements, the Group drills down on cost saving opportunities on a per unit basis, making use of modern technologies such as meters based on consumption. 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.

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

SMART CAPEX INVESTMENTS, WHEN REQUIRED

AT addresses capex needs to keep the properties at good 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 property conditions required for the pleasant living or successful operation of the tenant.

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

RELATIONSHIP MANAGEMENT

AT 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 at offering a high quality service, for potential as well as existing tenants. The Group pays strong attention to the industry in which its commercial tenants operate and their individual success factors. The Group offers direct support in form of additions to the rental property such as parking facilities, space extensions to facilitate growth and smart space redesign to match modern office layouts. For its strong residential tenant base GCP provides a wide range of services including a 24/7 Service Center and invests into community building projects such as playgrounds and community centers.

Further, the Group aims to establish personal relationships between its sales representatives and tenants, providing them with personal contact points, reacting promptly to problems and proactively prolonging existing contracts that expire soon to optimize and secure long-term revenues.

STRONG CASH FLOW GENERATING PORTFOLIO WITH GROWTH POTENTIAL

Secure cash flows are continuously strengthened by ongoing cost controls and profitability improvements. Given vacancy and discount of the rental income to market rent prices, AT's portfolio exhibits further strong and lasting growth after the implementation of initial repositioning activities. In line with the Group's 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.

TRADING DATA

Placement	Euronext Paris
First listing	04.06.2015
Number of shares (as of 30 June 2015)	500,000,000
Number of shares (as of date of this report)	600,141,641
Number of shares on a fully diluted basis (as of 30 June 2015)	627,478,754
Number of shares on a fully diluted basis (as of the date of this report)	730,829,241
Free Float (as of the date of this report)	24%
Symbol	MLATP
Market Cap (as of 26 August 2015)	€ 1.9 bn

KEY STRENGTHS

EXPERIENCED MANAGEMENT

AT's management can draw from a wealth of experience in the real estate and associated sectors. This enables the Group to continuously innovate, take strategic decisions quickly and accurately as well as successfully grow. Its remarkable growth over the recent years has created two key benefits in this regard, on one hand the ability to attract managers and employees that redefine the industry, 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 business units which shapes its processes and operational improvements, such as automated cost saving initiatives and automated rent increase processes.

AT's management possesses the knowledge that makes up its main competitive advantage, the ability to extract the potential from mismanaged assets. This includes the ability to execute the business plan successfully, which includes among others, the competence to assess the limiting factors that led to vacancy and execute reduction activities rapidly, putting in place cost effective measures, setting automated rent increase processes in place, understanding tenant structures and optimizing rental contracts in terms of lease maturity and income security, cross-sector experience to enable the extraction of the full value of the property and operations experience to monitor and reduce costs.

DEAL SOURCING AND ABILITY TO CREATE ACCRETIVE GROWTH

The Group's acquisition track record of over a decade has led the Group to hold a preferred acquirer status in the German real estate market, primarily due to its fast decision making, high deal execution rates and reliability.

Given the wide coverage and knowledge, AT is able to assess all repositioning options, including optimizing the object's primary use. This improves efficiency and extracts value.
The Group has a proven track record of acquiring properties which exhibit potential value gains and successfully turning these around. This ability is mirrored by a continuous pipeline and acquisition of attractive properties and the successful transition of the existing properties to stabilized assets.

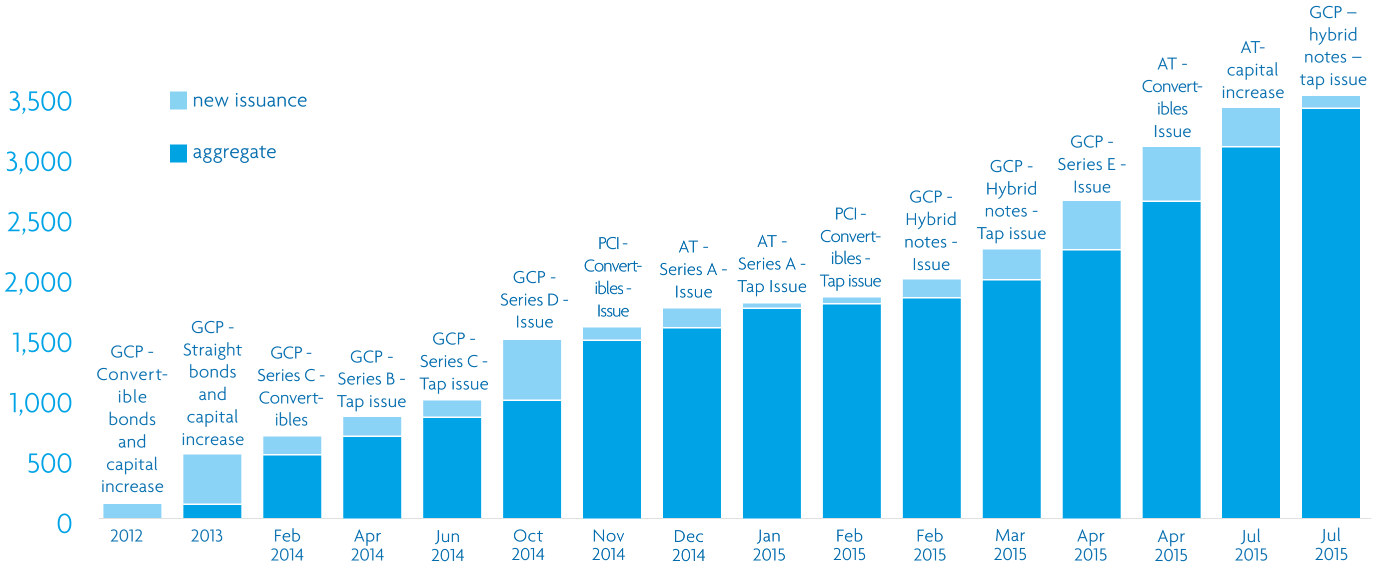
PROPRIETARY IT/SOFTWARE PLATFORM

AT emphasizes the internalization of relevant skills to support innovation and improve processes. Its operations and growth are supported by a scalable proprietary IT/software system that connects all departments and all property units, enabling efficient monitoring and implementation of improvements. The platform constantly monitors vacancy and rents across AT's portfolio, ensuring yields are optimized and strict cost discipline is implemented. The Group's in-house software team continuously interacts with the operational teams and delivers fast and efficient solutions to the Company's operational needs. After a software solution is implemented, constant improvements and updates take place to adapt to any additional operational necessities arising.

ROBUST FINANCIAL FLEXIBILITY

AT's operations are based upon solid financing and its management can draw from many years of experience in raising capital. The Group works with leading German as well as international investment banks both as a direct source of bank loan funding and as bookrunners. Proven access to capital markets through numerous issuances of bonds, convertible bonds and hybrid notes as well as listing on public exchanges in each of its major subsidiaries and on the Group level provide experience and contacts to tap capital markets in the future. In the last two years, the Group has raised close to €3.5 billion capital through issuances of equity, bonds, convertible bonds and hybrid notes. Furthermore, the Group has a strong network with 20 commercial banks and has vast experience in obtaining bank debt with preferred conditions.

FRUITFUL CAPITAL MARKET ACTIVITIES



The management also has set in place coverage by independent credit rating agencies in the past for Grand City Properties, covering all aspects from the initial rating to reaching an investment grade credit rating. This wealth of experience enables a smooth implementation of AT's growth ambitions through diversified financing adapted to the characteristics of the individual projects.

PROVEN ABILITY TO ACCESS CAPITAL MARKETS

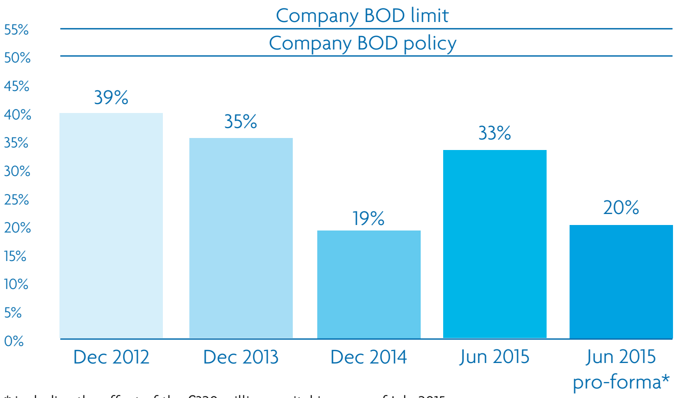
JUL 2015	GCP tap issuance of perpetual hybrid notes of additional € 100m. Morgan Stanley served as bookrunner
JUL 2015	AT increased capital by € 320m. Berenberg and Société Générale acted as joint bookrunners
APR 2015	AT issuance of 5 year convertible bond of € 450m with a coupon of 3.0% p.a. (issued at 95.68%). Deutsche Bank, Berenberg and Morgan Stanley acted as joint bookrunners
APR 2015	GCP issuance of 10 year straight bond of € 400m with a coupon of 1.5% p.a. (issued at 96.76%). Deutsche Bank, J.P.Morgan and Morgan Stanley acted as joint bookrunners
MAR 2015	GCP tap issuance of the perpetual hybrid notes for additional € 250 (issued at 97.04%); Morgan Stanley and J.P.Morgan served as bookrunners
FEB 2015	GCP issuance of perpetual hybrid notes of € 150 million with a coupon of 3.75% (issued at 96.3%). Morgan Stanley served as bookrunner
FEB 2015	PCI tap issuance of € 50 million on exisiting convertible bonds
JAN 2015	AT tap issuance of € 39m of series A bond to a total aggregate amount of € 200m
DEC 2014	AT issuance of series A straight bonds of € 161 million (nominal value) with a coupon of 3% p.a.
NOV 2014	PCI issuance of convertible bonds at principal amount of € 100 million
OCT 2014	GCP redemption of straight bonds with nominal amount of € 350m. Issuance of 7 year straight bond of € 500m with a coupon of 2% p.a. (issued at 95.6%). Morgan Stanley, J.P. Morgan and Deutsche Bank acted as joint bookrunners
JUN 2014	GCP tap issuance of convertible bonds with gross proceeds of € 140m at 111.25% reflecting an effective yield of 0.5%. J.P. Morgan and Berenberg acted as bookrunners
APR 2014	GCP tap issuance of existing straight bonds with gross proceeds of € 160m at 107.25% with a yield-to-call of 3.85% and Morgan Stanley as bookrunner
FEB 2014	GCP issued 5 year convertible bonds of € 150m and a coupon of 1.50% p.a. with J.P. Morgan, Berenberg and Deutsche Bank as joint bookrunners
DEC 2013	Capital increase of GCP of € 175m with Berenberg and J.P. Morgan as joint bookrunners
OCT 2013	Full conversion of GCP's convertible bond into equity
JUL 2013	GCP issued a 5 year straight bond of € 200m with a coupon of 6.25% p.a.
FEB 2013	GCP increased capital by € 36m
OCT 2012	Issuance of 5 year convertible bond of € 100m and a coupon of 8% p.a. by GCP, with Credit Suisse as bookrunner
JUL 2012	GCP increased capital by € 15m

KEY STRENGTHS

CONSERVATIVE FINANCING STRUCTURE

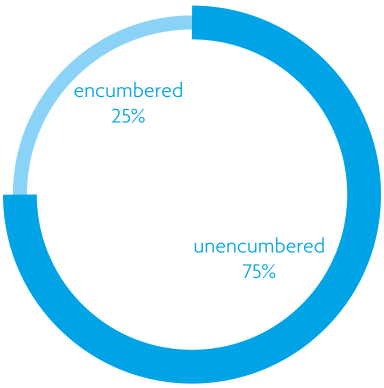
AT's conservative capital structure approach is reflected in its LTV of 33% as of June 2015. The management views the debt ratios as a key source of competitive advantage and puts policies in place to keep financing costs low and a high portion of unencumbered assets. The low leverage of the Group enables further external growth, while still maintaining a conservative capital structure. The Group's growth is financed through diversified financing sources with long maturities.

LOAN-TO-VALUE

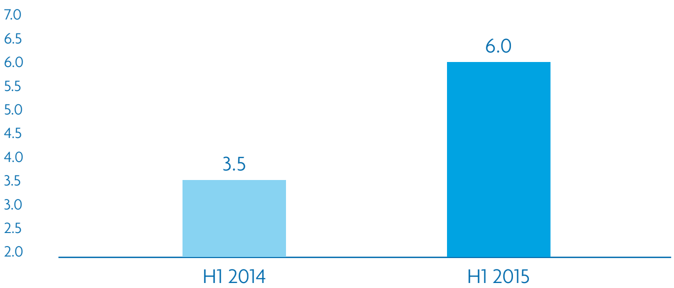


* including the effect of the €320 million capital increase of July 2015

UNENCUMBERED ASSETS AS OF JUNE 2015



ICR



In addition to its conservative capital structure and vast experience in accessing capital markets that enable AT to finance its future growth, the Company holds a high amount of liquid assets and thereby the ability to make additions to its portfolio on an opportunistic basis. As of June 2015 AT holds €225 million in cash and liquid assets and is further supported by an additional €320 million from the equity increase done in July 2015.

AROUNDTOWN
PROPERTY HOLDINGS PLC

63%	Camelbay 100% privately owned	34%
Vehicle with main focus: Hotel properties	Commercial Portfolio	Vehicle with main focus: Residential properties
PrimeCity INVESTMENT		GRAND CITY Properties S.A.
public company		public company




HOTEL PROPERTIES
RESIDENTIAL PROPERTIES
COMMERCIAL PROPERTIES
Kiel
Stralsund / Rügen
Hamburg
Bremerhaven
Bremen
Hanover
Osnabrück
Braunschweig
Bielefeld
Berlin
Potsdam
Hamm
Dortmund
Essen
Velbert
Duisburg
Solingen
Monchengladbach
Hagen
Wuppertal
Neuss
Mettmann
Düsseldorf
Erkrath
Cologne
Hürth
Bonn
Dessau
Halle
Leipzig
Kassel
Dresden
Frankfurt
Mainz
Kaiserslautern
Mannheim
Saarbrücken
Nuremberg
Baden-Baden
Stuttgart
Munich
Bad Reichenhall

AT'S PROPERTY PORTFOLIO

COMMERICAL PROPERTIES

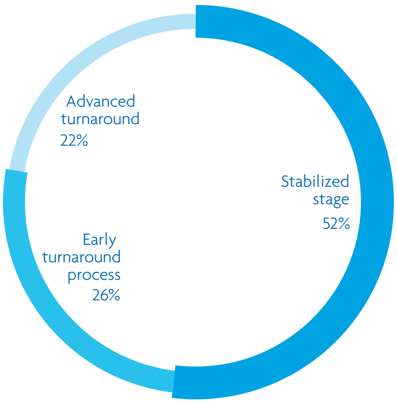
AT holds through Camelbay, a wholly owned private subsidiary, commercial assets. The objects are in diverse urban centers with strong demographics and favorable economic fundamentals which provide tailwind for repositioning the portfolio.

The investments are spread primarily across 2 major commercial real estate segments offering intra-diversification benefits to the Commercial Portfolio, primarily consisting of office and retail properties. The tenant base includes approximately 1,000 tenants spread across a wide range of sustainable market sectors. This further reduces cluster risk while a WALT of 5 years offers cash flow security.

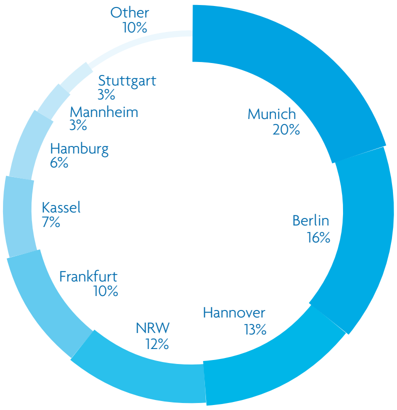
The Commercial Portfolio generates rental income at a run rate (July 15 annualized) of €92 million, reflecting an in-place rent of €6.5/m^2 and a vacancy rate of 15%. The portfolio exhibits strong growth potential, which partially is included in the July 15 FFO run rate of €53 million.

The management clusters the Commercial Portfolio into stages according to the vacancy rates of the properties to enable a simpler tracking of the turnaround progress. Commercial properties with more than 20% vacancy are classified to be in an early turnaround stage, those exhibiting between 10% and 20% vacancy as advanced turnaround and those that are occupied more than 90% in a stabilized stage. According to this definition 52% of the Commercial Portfolio is in a stabilized stage while 22% and 26% are in an advanced turnaround and early turnaround stage respectively. As acquired assets materialize their turnaround potential, as evident by the reducing vacancy level, they move across the stages and increase the stabilized portion. The ratio indicates that the Commercial Portfolio exhibits strong cash flow generating abilities while containing further upside potential.

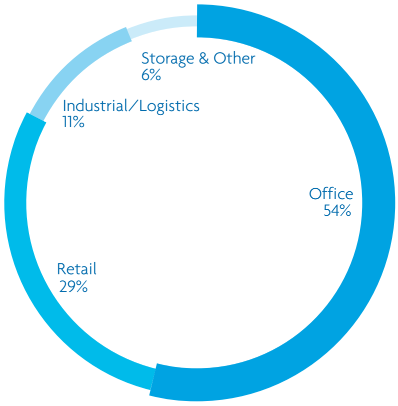
TURNAROUND STAGES BY FAIR VALUE AND VACANCY RATES



REGIONAL DISTRIBUTION (BY VALUE)



ASSET TYPE (BY VALUE)



GCP

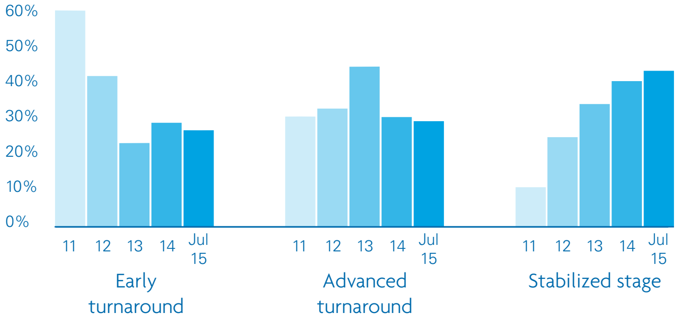
MAIN FOCUS: RESIDENTIAL PROPERTIES

AT holds 34% of Grand City Properties ("GCP"), a leading market player in the German residential market. As of July 2015, Grand City Properties holds 66,000 units in its portfolio and manages additional 22,000 units for third parties. Its holdings are spread across densely populated areas, with a focus on North Rhine-Westphalia, Berlin and the metropolitan regions Leipzig, Halle and Dresden. 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 community building initiatives Grand City Properties established an industry leading service level and lasting relationships with its tenants.

REGIONAL DISTRIBUTION (BY VALUE)

Grand City Properties' portfolio generates FFO at a run rate (July 2015 annualized) of €130 million and rental income at a run rate of €355 million. The current portfolio has an in-place rent of €5.3/m^2 at a vacancy rate on rentable sqm of 12%. Following significant growth, the Company believes that its current portfolio inhibits strong upside potential with 90% of its in-place rents below market levels and in excess of 30% potential on the current rental income run rate including vacancy reduction.
GCP distinguishes in its portfolio between stabilized properties with vacancy rates below 5%, advanced turnaround properties with vacancy rates between 5% and 15% and early turnaround properties with vacancy rates above 15%. As of July 2015 approx. 42% of its portfolio (half of the portfolio in terms of value) fall within the stabilized segment, approx. 31% in advanced turnaround and 27% in early turnaround. The increase in the stabilized portion in comparison to year-end 2014, where 40% of the portfolio was stabilized, is a direct result of the successful turnaround execution of the Company.

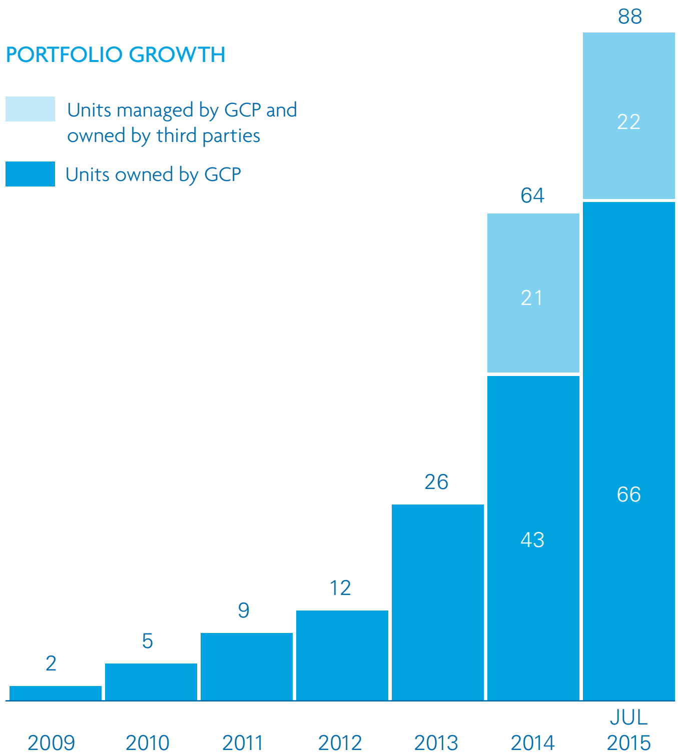
TURNAROUND STAGES BY UNITS AND VACANCY RATES CHANGE OVER TIME



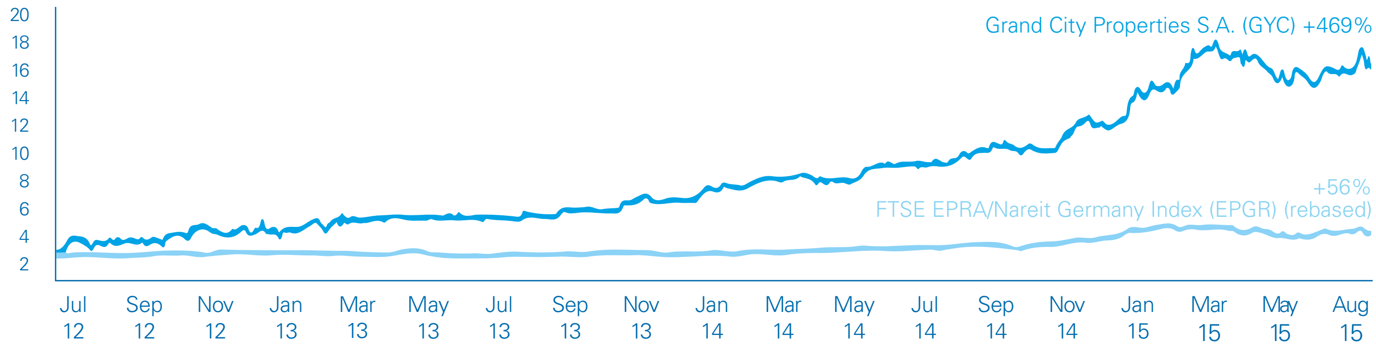
GCP's success is mirrored in the strong performance in the debt and capital markets. In the first 7 months of the year the Company raised €900 million in aggregate amount, issuing €400 million in straight bonds of Series E and €500 million in perpetual hybrid notes in several issuances. GCP's cost of debt is 2%.

GCP holds investment grade credit ratings from Moody's Investors Service at Baa2 and BBB from Standard & Poor's Rating Services. GCP is listed on the Frankfurt stock exchange since 2012 and as of August 2015 has a market cap of €2 billion. GCP has outperformed the market continuously since its IPO, in share, convertible bond, straight bond and hybrid notes performances. Since March 2015, GCP is included in major FTSE EPRA/ NAREIT indices, including FTSE EPRA/NAREIT Global, Developed and Developed Europe. As a result of growing and stronger cash flows, GCP distributed a dividend of €0.20 per share based on its policy to distribute 30% of FFO I.

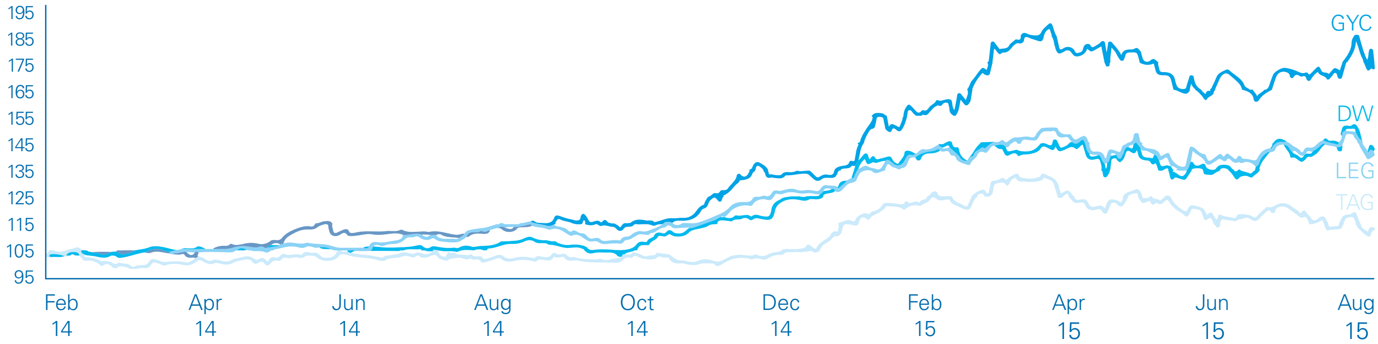
PORTFOLIO GROWTH



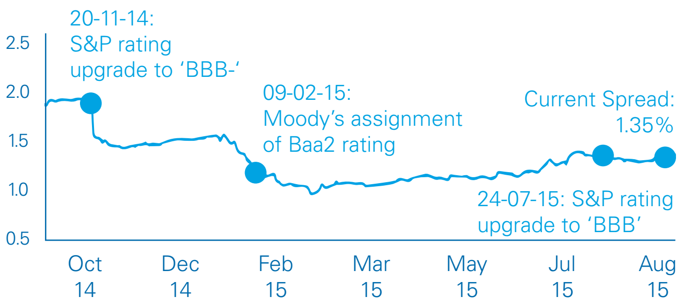
SHARE PRICE PERFORMANCE COMPARISON



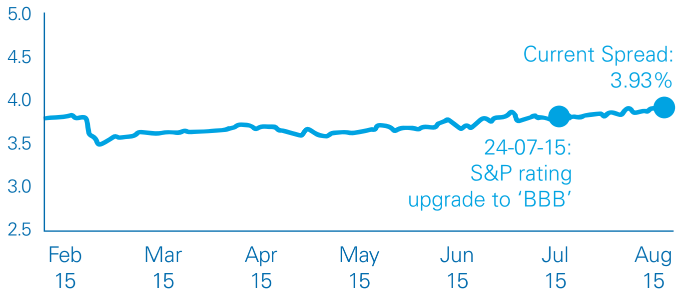
CONVERTIBLE BOND PRICE PERFORMANCE COMPARISON



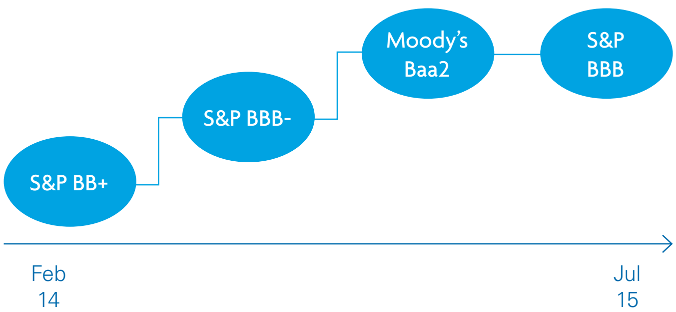
SERIES D – SPREAD OVER MID-€-SWAP



HYBRID NOTES – SPREAD OVER MID-€-SWAP



RATING ACHIEVEMENTS



PCI

MAIN FOCUS: HOTEL PROPERTIES

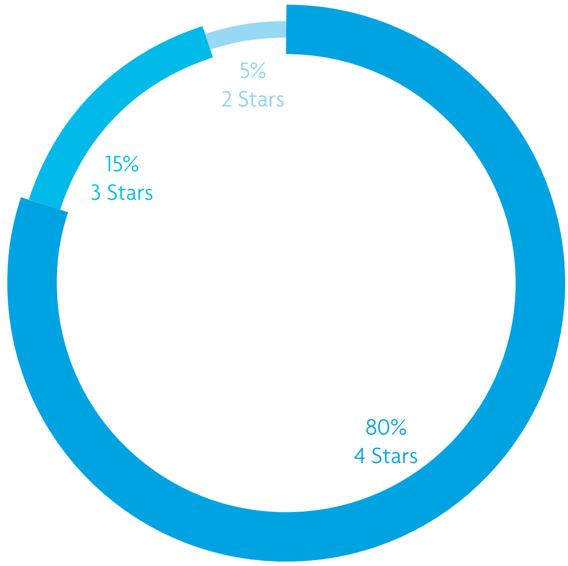
The Group’s hotel properties are held in Primecity (“PCI”), a specialist hotel real estate company with a strong growth record. Primecity is listed on the Euronext Paris stock exchange segment Alternext. The Company’s hotel portfolio includes 52 hotels as of July 2015 with approximately 8,300 rooms (“Hotel Portfolio”). Most of Primecity’s hotels are branded with globally leading brands and hold primarily 4 star ratings. PCI is an asset owner and monitors and communicates with the operator on an ongoing basis.

PCI was listed in November 2014 on Euronext Paris stock exchange and as of August 2015 the market cap is €360 million. PCI targets its investments in underperforming assets which are located in commercially attractive locations primarily in Germany. These markets offer favorable fundamentals that will support profits and growth in the foreseeable future. The Hotel Portfolio is located in attractive tourism and business locations such as Berlin, Munich, Hamburg, Frankfurt, Dresden, Düsseldorf, Mannheim and Leipzig. PCI believes its business platform profits from its skilled personnel and reliable practices that enable PCI to continue to perform strongly and to further expand in the hotel property market. PCI believes that the business environment provides abundant acquisition opportunities in the attractive markets it targets, to support its external growth strategy in the medium to long term.

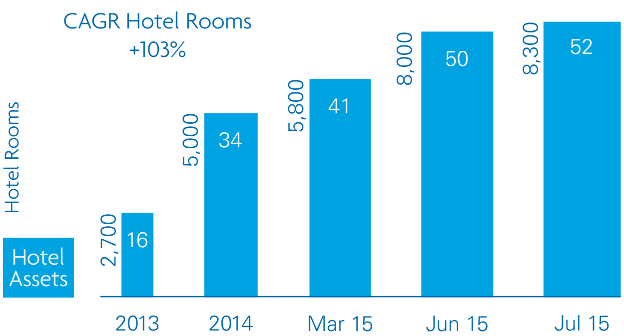
PCI leases out the hotels to external hotel operators which are selected according to their capabilities, track record and experience. PCI is participating in the branding decision of the hotel, applying its expertise in selecting the optimal brand. An integral component of the business plan is a long term fixed rental lease, which increases the cash flow visibility.

Primecity’s 52 hotels generate lease revenue at a run rate of €44 million and FFO of €24 million as of July 2015. A strong deal pipeline and favorable market conditions provide further upside potential for the future.

HOTEL PORTFOLIO COMPOSITION BY STAR CATEGORY (BY VALUE)



HOTEL ASSETS & ROOMS



HOTEL BRANDS

WYNDHAM Hotels and Resorts

CARLSON REZIDOR HOTEL GROUP

Days Inn

Radisson BLU HOTELS & RESORTS

TRYP BY WYNDHAM

WYNDHAM GARDEN

park inn by Radisson

ACCOR

Mercure HOTELS

ibis HOTELS

ibis STYLES HOTELS

Best Western

Holiday Inn

swissôtel Hotels & Resorts

Sheraton HOTELS & RESORTS

NOTES ON BUSINESS PERFORMANCE

SELECTED CONSOLIDATED INCOME STATEMENT DATA

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Revenue	46,172	119,809
Pro-forma - Rental and operating income*	**46,172**	**10,542**
Capital gains, property revaluations and other income	438,488	123,723
Share in profit from investment in equity-accounted investees	62,160	936
Property operating expenses	(8,118)	(43,677)
Administrative and other expenses	(2,363)	(3,832)
Operating profit	536,339	182,709
Adjusted EBITDA	**61,089**	**25,652**
Finance expenses	(5,969)	(15,007)
Other financial results	11,291	8,204
Current tax expenses	(2,448)	(4,825)
Deferred tax expenses	(33,832)	(9,510)
Profit for the period	**505,381**	**161,571**

* assuming deconsolidation of GCP S.A. in 2014

REVENUE

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Rental and operating income	46,172	105,309
Revenue from sales of buildings	-	14,500
Revenue	**46,172**	**119,809**

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Pro-forma - Rental and operating income *	**46,172**	**10,542**

* assuming deconsolidation of GCP S.A. in 2014

In the first six months of 2015 the Group generated rental and operating income of €46.2 million, compared to €105.3 million in the first six months 2014. The decrease in rental and operating income in comparison to the same period in 2014 is solely due to the deconsolidation of GCP at year-end 2014, as from 2015 the Company's interest in GCP's net profit is accounted for through share in profit from investment in equity accounted investees and not in each item of the P&L. Excluding the rental and operating income contribution of GCP in the first half of 2014, enabling suitable comparability between the two periods, rental and operating income rose from €10.5 million in H1 2014 to €46.2 million in H1 2015, an increase of 338%.

In the second quarter of 2015 alone the rental and operating income amounted to €26.1 million, a 30% increase in comparison to first quarter of 2015, mainly due to the growth of the portfolio.

The reported rental and operating income figure does not reflect the full impact of the portfolio, as properties acquired during the period were unable to fully contribute for the whole period.

AT follows a buy-and-hold strategy and sells mainly non-core assets. Whereas AT sold in 2014 through its investee, GCP, non-core assets which were presented as inventory for gross proceeds of €14.5 million the Company did not sell properties in the first six months of 2015.

SHARE IN PROFIT FROM INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Share in profit from investment in equity-accounted investees	**62,160**	**936**

The share in profit from investment in equity accounted investees amounted in H1 2015 to €62.2 million and represents AT's share in GCP's profit for this period and is a direct result of GCP's strong profitability and value creation.

AT didn't have any material equity-accounted investee in the first six months of 2014, as GCP was consolidated during 2014, and thus the share in profit of investees for the comparable period amounted to below €1 million. The substantial difference is merely due to the deconsolidation and representation of GCP's contribution in this item.

CAPITAL GAINS, PROPERTY REVALUATIONS AND OTHER INCOME

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Capital gains, property revaluations and other income	**438,488**	**123,723**

Capital gains, property revaluations and other income is mirroring the Group's value creation capability through its turnaround activities. This value creation is reflected through both revaluation gains and profit arising from business combinations, reflecting the increase in fair value of the Company's assets.

In the first six months of 2015 capital gains, property revaluations and other income resulted in a €438.5 million gain, up from €124 million in the first six months of 2014. The increase between the two periods is mainly due to the accumulation of commercial assets exhibited in the last 12 months and was supported by strong turnaround gains from the hotel portfolio.

The Company is following a successful value-add strategy and generally seeks to acquire mismanaged real estate properties which embed considerable upside potential. The upside is captured through the ability of the Company to implement its turnaround focused business plans, thereby increasing rents and occupancy levels, reducing costs and extending the WALT which leads to stronger cash flows and ultimately to value creation.

The value creation of AT is applied on existing as well as newly acquired assets. In several cases, AT's turnaround strategy is being executed prior to finalizing the takeover of an asset, through negotiating terms with prospective tenants, optimizing the cost allocation and applying economies of scale benefits. The early involvement of the Group results in a significant value creation not long after the takeover process has been completed.

PROPERTY OPERATING EXPENSES

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Property operating expenses	**(8,118)**	**(43,677)**

Property operating expenses amounted to €8.1 million in the first six months of 2015 compared to €43.7 million in the first six months of 2014. The difference is mainly a result of the deconsolidation of GCP at the end of 2014.

Property operating expenses are related to ancillary costs recoverable from the tenants, such as insurance and energy expenses, as well as maintenance, personnel expenses related to the operations and other non-recoverable costs.

ADMINISTRATIVE AND OTHER EXPENSES

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Administrative and other expenses	**(2,363)**	**(3,832)**

Administrative and other expenses decreased from €3.8 million in the first half of 2014 to €2.4 million in the comparable period of 2015. The decrease is mainly a result from the deconsolidation of GCP at the end of 2014.

Administrative and other expenses include among others personnel expenses, legal and auditing costs and marketing expenses. This item mainly consists of expenses from the Company's subsidiaries Primecity and Camelbay but also includes administrative expenses from the Aroundtown management level. The Group has successfully established a scalable platform that will enable it to effectively manage the deal flow expected due to its growth strategy and well stocked pipeline.

NOTES ON BUSINESS PERFORMANCE

NET FINANCE EXPENSES

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Finance expenses	(5,969)	(15,007)
Other financial results	11,291	8,204
Net finance expenses	**5,322**	**(6,803)**

Net finance expenses amounted to a net income of €5.3 million in the first six months of 2015, compared to an expense of €6.8 million in the first six months of the previous year. The change stems primarily from the deconsolidation of GCP as well as the positive result in other financial results. The latter are of non-recurring nature and mostly relate to the changes in fair value of derivatives and traded securities, and one-off costs such as expenses from capital market activities.

Finance expenses decreased as a result of the deconsolidation of GCP from €15.0 million in the first half of 2014 to €6.0 million in the first half of 2015. Through its various capital market activities and recent bank debt raising the Group was able to benefit from favorable financing conditions resulting in low interest rates and long maturities.

TAXATION

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Current tax expenses	(2,448)	(4,825)
Deferred tax expenses	(33,832)	(9,510)
Tax and deferred tax expenses	**(36,280)**	**(14,335)**

Tax and deferred tax expenses increased from €14.3 million in H1 14 to €36.3 million in the first six months of 2015, a combined result of a decrease in current taxes and an increase in deferred taxes. The decrease in current tax expenses, which include income and property taxes, stems from the deconsolidation of GCP which was partially offset by the operational growth of the Group. Deferred tax expenses, a non-cash item which is connected to the revaluation gains, make up the majority of the rise in total tax expenses with €33.8 million and rose significantly due to the value creation of AT's assets over the period. This item mirrors on one side the Company's value creation ability and on the other its conservative deferred tax approach.

PROFIT FOR THE PERIOD

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Profit for the period	**505,381**	**161,571**
Basic earnings per share in €	0.83	0.17
Diluted earnings per share in €	0.73	0.17

The profit generated over the first six months of 2015 amounted to €505.4 million. This strong result stems from the considerable growth of the Company, the value creation and the operational achievements that occurred over the first six months of the year. Earnings per share in H1 2015 amounted to €0.83 per share, reflecting an increase of 388% in comparison to H1 2014.

NOTES ON BUSINESS PERFORMANCE

CASH FLOW

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Net cash provided by operating activities	50,607	68,841
Net cash used in investing activities	(703,662)	(393,799)
Net cash provided by financing activities	707,319	404,854
Net increase in cash and cash equivalents	**54,264**	**79,896**

The net cash flow provided by operating activities amounted to €50.6 million for the first six months of 2015. The decrease compared to the comparable period in 2014 is the result from the deconsolidation of GCP starting 2015. The result in the first half year of 2014, without taking into account the GCP contribution, amounted to 8.3 million. The significant increase in net cash provided by the operating activities of the Hotel and Commercial assets is a result of the external growth over the first six months as well as the operational improvements of the existing assets.

The increase in net cash used for investing activities reflects the Company's external growth which sources are reflected in the cash flow from financing activities such as two tap issuances of the straight bond in January 2015 and the convertible issued by PCI in February 2015 as well as the convertible bond issued on the AT level in April 2015.

NOTES ON BUSINESS PERFORMANCE

ADJUSTED EBITDA AND FFO

	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
EBITDA	**536,390**	**183,112**
Capital gains, property revaluations and other income	(438,488)	(123,723)
Result on disposal of Inventories - trading properties	-	(250)
Share in profit from investment in equity-accounted investees	(62,160)	(936)
Adjustment for 2015 GCP operational contribution*	25,347	
Adjustment for 2014 GCP actual holdings rate*	-	(32,551)
Adjusted EBITDA	**61,089**	**25,652**

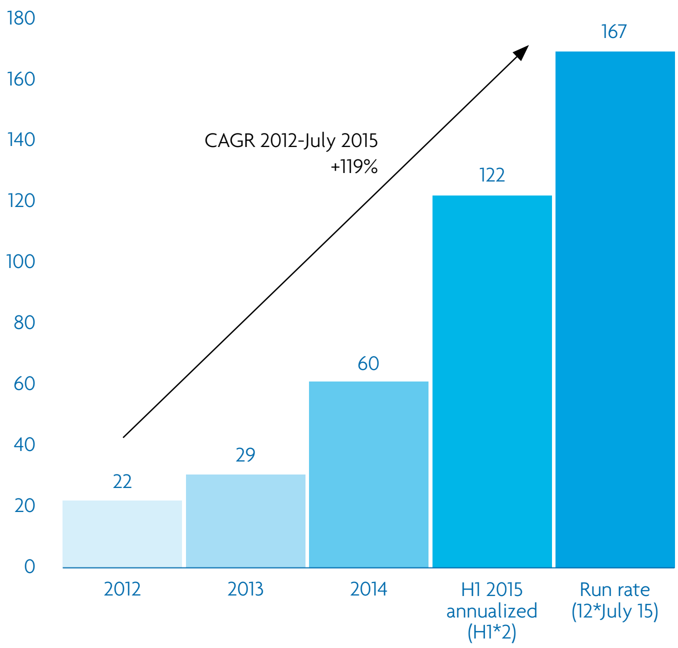
* in 2014 GCP was consolidated and the adjustment is to reflect the Company's share in GCP's adjusted EBITDA. Starting 2015 GCP is not consolidated, the respective result attributed to Aroundtown is added back.

The adjusted EBITDA is a measure of the operational performance of the portfolio, calculated by deducting non-operational items such as capital gains, revaluations and disposal gains from the EBITDA.

We further reconcile the calculation of the adjusted EBITDA to reflect the recurring operational results by adjusting the Group's investment in equity accounted investees. The adjusted EBITDA calculation substitutes the results of share of profit from investments in equity accounted investees, deriving from the total share in GCP's profit, with the Group's share in GCP's operational results, and thus presenting a strictly operational performance measurement.

Adjusted EBITDA has amounted in the first six months of 2015 to €61.1 million, an increase of 138% compared to the first six months of 2014. The strong operational performance is due to the success of the turnaround process of the Group's assets, resulting in higher occupancy and higher rent and is supported by the significant portfolio growth between the two periods. As a significant amount of the portfolio was acquired at the end of the first half year of 2015 and had a small contribution to the periodic result, this item does not reflect the full effect of the total portfolio. The adjusted EBITDA monthly annualized run rate as of July 2015, reflecting the existing portfolio's monthly annualized adjusted EBITDA generation, without assuming any future operational improvements and further acquisitions amounts to €167 million.

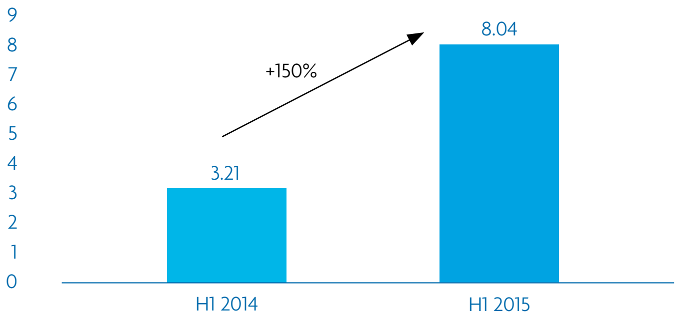
ADJ. EBITDA (in € million)



	for the 6 months ended June 30,	
	2015	2014
	In thousands of euro	
Adjusted EBITDA	**61,089**	**25,652**
Finance expenses	(5,969)	(15,007)
Current tax expenses	(2,448)	(4,825)
FFO I adjustment for GCP & PCI holdings rate*	(12,487)	10,237
FFO I	**40,185**	**16,057**
FFO I per share (in € cent)	**8.04**	**3.21**

*in 2014 GCP was consolidated and the adjustment is to reflect the Company's share in GCP`s FFO I. Starting 2015 GCP is not consolidated, thus the respective result attributed to Aroundtown is added back. Furthermore, the FFO I calculation is adjusted to include AT's share in PCI in both periods.

FFO I PER SHARE in € cent



NOTES ON BUSINESS PERFORMANCE

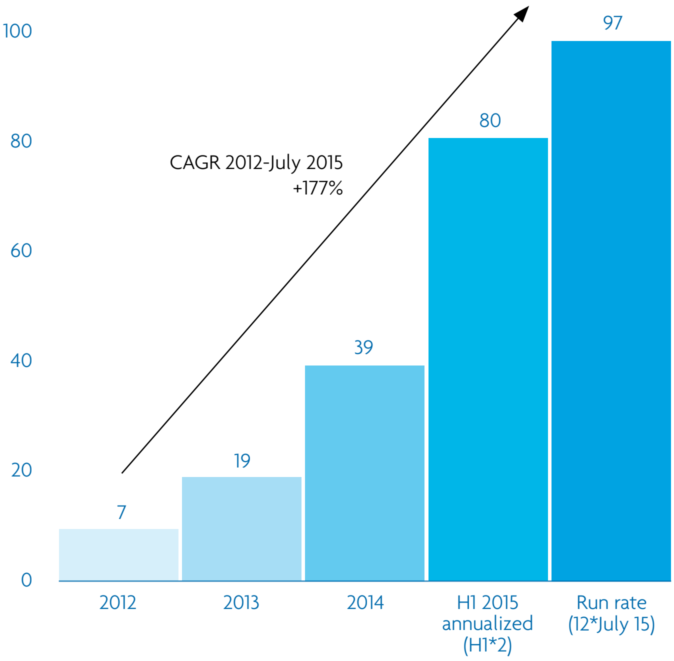
Funds From Operation I (FFO I) is a measure of the materialized bottom line operational profit, calculated by deducting current tax expenses and finance expenses from the adjusted EBITDA. We reconcile the calculation of the Group's FFO I to reflect the actual holding rate of AT in PCI and GCP and thus better indicate the operational profit attributed to the owners of the Company.

Therefore, since the Group had a 56% holding in PCI in the first half of 2015, we deduct 44% of PCI's FFO I contribution in the adjustment. As of August 2015, the Group has increased its holdings in PCI to 63%.

As GCP is not consolidated in 2015, we add back the relative GCP FFO I attributed to the holding of AT in GCP of 34%.

Therefore, the respective actual FFO I of the Company amounted to €40.2 million in the first six months of 2015, which reflects a 150% increase compared to the respective period in 2014. Accordingly, the FFO I per share amounts to €0.08 per share.

FFO I (in € million)



The increase in the operational measures mirror the strong operational performance of the Group between the two reporting periods. Moreover, the higher growth in the FFO I in comparison to the adjusted EBITDA growth exhibits the Group's capability to decrease the cost of debt and extract further operational profits.

The periodic FFO I result does not reflect the full impact of the portfolio, as a significant amount of assets was added during and towards the end of the reporting period and has contributed only partially to the result. The monthly annualized FFO I run rate reflects the portfolio's full cash generating ability without accounting for operational improvements or further acquisitions. The FFO I run rate as of July 2015 amounts to €97 million.

ASSETS

as of	**Jun 2015**	Dec 2014
	In thousands of euro	
Non-current assets	2,839,136	1,543,865
Current assets	255,798	177,704
Total assets	**3,094,934**	**1,721,569**

The Company's total assets increased by 80% in the first six months of 2015 from year-end 2014 to €3.1 billion, of which €2.8 billion refer only to non-current assets. The increase is the result from the materialized growth the Company is currently following. The growth is fueled by acquisitions, value creation and the share of the Company's interest in GCP's profits.

Current assets are mainly made up of cash and liquid assets as the Company maintains its financial flexibility in order to take advantage of investment opportunities when they arise. As of June 30, 2015 the Group holds €225 million of cash and liquid assets. Including the July 2015 equity increase, the Group holds additional €320 million cash which provides substantial additional firepower for further acquisitions.

NOTES ON BUSINESS PERFORMANCE

LIABILITIES

	Jun 2015	Dec 2014
as of	In thousands of euro	
Total bank debt	292,609	188,209
Straight bonds	187,036	150,522
Convertible bonds	562,771	96,728
Deferred tax liabilities	105,434	46,614
Other long term liabilities and derivative financial instruments	108,634	6,198
Other current liabilities	95,059	11,637
Total liabilities	**1,351,543**	**499,908**

The Company seeks to maintain a well-balanced financing source structure of bank debt, straight and convertible bonds, whereas each financing option is evaluated based on keeping financing costs low and retaining a high degree of financial flexibility. The Company is utilizing the current interest environment and seeks to further capitalize on its market stand and reputation, also through its subsidiaries. The financing activities are conducted on the AT level as well as on the level of PCI, Camelbay and GCP.

Besides an increase in bank debt of €104 million since year-end 2014 AT, together with its public entities, has been successfully active in the capital markets in the first six months of 2015. AT tapped up its existing straight bond in January 2015 by around €40 million to €200 million in total and issued a convertible bond at the principal amount of €450 million and a coupon of 3% p.a. in April 2015. Both issuances were executed even before the listing in June 2015, proving the Company's exceptional access to capital markets. In February 2015, AT's public subsidiary, PCI, tapped up its convertible bond as well by €50 million, totaling to €150 million. The balance of the convertible bonds have been offset by conversions and amounts to €563 million as of June 30, 2015.

The financing structure reflects the strategic decision of the Board of Directors to operate in a conservative leverage environment, allowing the Company to carefully select only accretive growth opportunities and focus on the turnaround process of its assets in the long run. This conservative approach is reflected in the Company's strong interest coverage ratio of 6.0 and LTV of 33%.

The increase of deferred tax liabilities results from the successful value creation of the Group's assets which result from the successful implementation of the turnaround strategy. The Company practices a conservative approach with regard to its deferred tax liabilities, accounting for the fully applicable German real estate tax (15.825%) for the theoretical sale of properties through asset deals.

NOTES ON BUSINESS PERFORMANCE

NET DEBT

	Jun 2015	Dec 2014
as of	In thousands of euro	
Total bank debt and straight bonds	479,645	338,731
Cash and liquid assets	224,910	175,750
Total net debt without convertible bonds	**254,735**	**162,981**
Convertible bonds	562,771	96,728
Total net debt with convertible bonds	**817,506**	**259,709**

Taking into account the Company's balance of cash and liquid assets, the net debt balance as of June 2015 amounts to €255 million and including the convertible bonds to €818 million. After the reporting period additional €22 million of the convertible bonds have been converted.

LOAN-TO-VALUE

	Jun 2015	Dec 2014
as of	In thousands of euro	
Investment property*	1,480,155	451,486
Investment in equity-accounted investees	969,378	908,435
Total Value	**2,449,533**	**1,359,921**
Total bank debt	292,609	188,209
Straight bonds	187,036	150,522
Convertible bonds	562,771	96,728
Minus:		
Cash and liquid assets	224,910	175,750
Net Debt	**817,506**	**259,709**
LTV	**33%**	**19%**
Pro-forma LTV**	**20%**	**19%**

* including advanced payments

** including the effect of the €320 milllion capital increase of July 2015

The Company's Loan-To-Value ("LTV") as of June 30, 2015 was 33% up from 19% as of year-end 2014. The increase results from the growth of the Company which was partially financed with debt from a well-balanced mix of bank debt, straight and convertible bonds. The low LTV reflects the Company's conservative capital structure and also provides a substantial financial headroom to fund the Company's further growth. The pro-forma LTV includes the capital increase of €320 million which was carried out in July 2015 and amounts to 20%.

The LTV is calculated as the difference between the sum of bonds and total bank debt offset by cash & liquid assets, divided by the sum of the investment properties (including advanced payments) and investments in equity accounted investees.

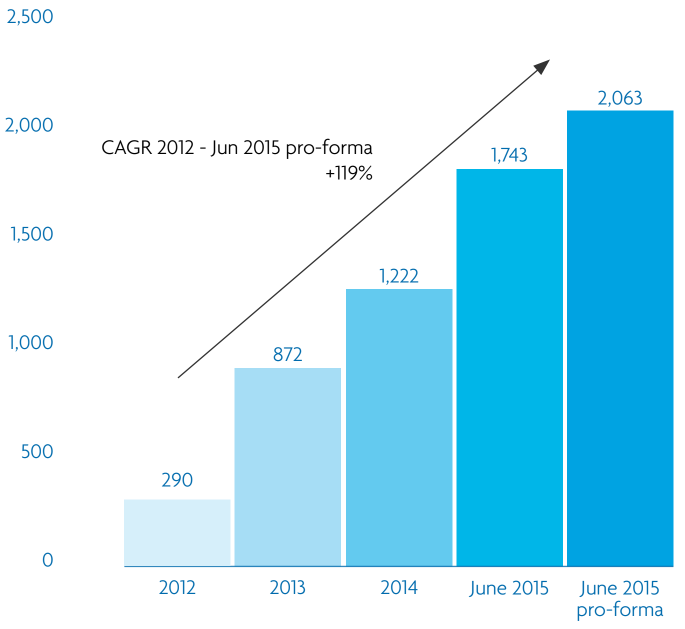
NOTES ON BUSINESS PERFORMANCE

EQUITY RATIO

as of	Jun 2015	Dec 2014
	In thousands of euro	
Total Equity	1,743,391	1,221,661
Total Assets	3,094,934	1,721,569
Equity Ratio	**56%**	**71%**
Pro-forma Equity Ratio*	**60%**	**71%**

* including the effect of the €320 milllion capital increase of July 2015

TOTAL EQUITY (in € million)



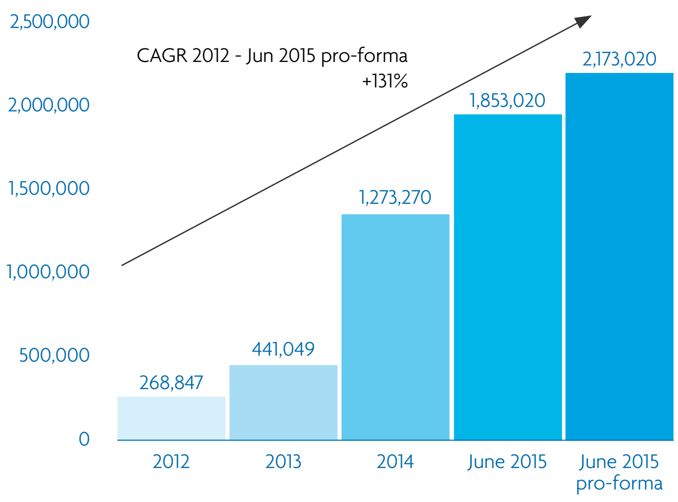
EPRA NAV

as of	Jun 2015	Dec 2014
	In thousands of euro	
Total Equity	1,743,391	1,221,661
Fair Value measurements of derivative financial instruments	4,195	4,995
Deferred tax liabilities	105,434	46,614
EPRA NAV	**1,853,020**	**1,273,270**
Pro-forma EPRA NAV*	**2,173,020**	**1,273,270**

* including the effect of the €320 milllion capital increase of July 2015

EPRA NAV in June 30, 2015 amounted to €1.85 billion, up from €1.27 billion in year-end 2014, an increase of 46%. The increase results from the generated net profit in the first six months of 2015 and an increase in the balance of deferred tax liabilities. The significant increase in the EPRA NAV mirrors the Company's growth and the ability to create substantial value. Pro-forma EPRA NAV includes the capital increase of €320 million which was carried out in July 2015 and amounts to €2.17 billion.

EPRA NAV (in € thousands)



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. These condensed interim consolidated financial statements have not been reviewed by the auditor.

By order of the Board of Directors,
Larnaca, Cyprus, August 28, 2015

Jelena Afxentiou Director	Reshef Ish-Gur Director	Elena Koushos Director

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended June 30,		For the three months ended June 30,	
		2015	2014	**2015**	2014
	Note	In thousands of euro			
Revenue		**46,172**	**119,809**	**26,075**	**54,402**
Capital gains, property revaluations and other income	4	438,488	123,723	187,711	45,088
Share in profit from investment in equity-accounted investees		62,160	936	33,246	387
Property operating expenses		(8,118)	(43,677)	(5,851)	(21,809)
Cost of buildings sold		-	(14,250)	-	-
Administrative and other expenses		(2,363)	(3,832)	(1,310)	(2,126)
Operating profit		**536,339**	**182,709**	**239,871**	**75,942**
Finance expenses		(5,969)	(15,007)	(2,834)	(8,349)
Other financial results		11,291	8,204	451	6,777
Net finance expenses		**5,322**	**(6,803)**	**(2,383)**	**(1,572)**
Profit before tax		**541,661**	**175,906**	**237,488**	**74,370**
Current tax expenses	5	(2,448)	(4,825)	(1,454)	(3,219)
Deferred tax expenses	5	(33,832)	(9,510)	(15,533)	(3,165)
Tax and deferred tax expenses		(36,280)	(14,335)	(16,987)	(6,384)
Profit for the period		**505,381**	**161,571**	**220,501**	**67,986**
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		**505,381**	**161,571**	**220,501**	**67,986**

The notes on pages 44 to 56 form an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	For the six months ended June 30,		For the three months ended June 30,	
	2015	2014	**2015**	2014
	In thousands of euro			
Profit attributable to:				
Owners of the Company	416,402	86,471	163,456	36,648
Non-controlling interests	88,979	75,100	57,045	31,338
Total comprehensive income for the period	**505,381**	**161,571**	**220,501**	**67,986**
Net earnings per share attributable to the owners of the Company (in euro):				
Basic earnings per share	0.83	0.17	0.32	0.07
Diluted earnings per share	0.73	0.17	0.20	0.07

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		June 30	December 31
		2015	2014
		Unaudited	Audited
Assets	Note	In thousands of euro	
Equipment and intangible assets		4,663	4,543
Investment property	6	1,469,197	426,303
Advanced payment for investment property		10,958	25,183
Investment in equity-accounted investees		969,378	908,435
Deferred tax assets		763	902
Other long term assets		384,177	178,499
Non-current assets		**2,839,136**	**1,543,865**
Cash and cash equivalents		82,258	27,994
Short term deposits		2,768	1,718
Trade securities at fair value through profit and loss		139,884	146,038
Trade and other receivables		30,888	1,954
Current assets		**255,798**	**177,704**
Total assets		**3,094,934**	**1,721,569**

The notes on pages 44 to 56 form an integral part of these interim consolidated financial statements.


Mercure HOTELS
Mercure

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		June 30	December 31
		2015	2014
		Unaudited	Audited
Equity	Note	In thousands of euro	
Share capital	8	5,000	38
Retained earnings and capital reserves	8	1,535,913	1,113,531
Equity attributable to the owners of the Company		**1,540,913**	**1,113,569**
Non-controlling interests		202,478	108,092
Total equity		**1,743,391**	**1,221,661**
Liabilities			
Loans and borrowings	7	240,181	138,964
Straight bonds	7	187,036	150,522
Convertible bonds	7	562,771	96,728
Derivative financial instruments		4,195	4,995
Deferred tax liabilities		105,434	46,614
Other long term liabilities		104,439	1,203
Non-current liabilities		**1,204,056**	**439,026**
Credit from financial institutions		44,501	42,390
Current portion of long term loans	7	7,927	6,855
Trade and other payables		87,258	8,725
Tax payable		1,875	1,756
Provisions and current liabilities		5,926	1,156
Current liabilities		147,487	60,882
Total liabilities		**1,351,543**	**499,908**
Total equity and liabilities		**3,094,934**	**1,721,569**

The Board of Directors of Aroundtown Property Holdings PLC authorized these condensed interim consolidated financial statements for issuance on August 28, 2015

Jelena Afxentiou	Reshef Ish-Gur	Elena Koushos
Director	Director	Director
Larnaca	Larnaca	Larnaca

The notes on pages 44 to 56 form an integral part of these interim consolidated financial statements.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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2015

	Attributable to the owners of the Company					
	Share capital	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	In thousands of euro					
Balance as at December 31, 2014 (Audited)	**38**	**7,416**	**1,106,115**	**1,113,569**	**108,092**	**1,221,661**
Profit for the period	-	-	416,402	416,402	88,979	505,381
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	416,402	416,402	88,979	505,381
Issuance of ordinary shares	4,962	-	-	4,962	-	4,962
Issuance of convertible bonds	-	4,029	-	4,029	-	4,029
Non-controlling interests arising from initially consolidate companies	-	-	-	-	7,075	7,075
Transactions with non-controlling interests	-	-	1,951	1,951	(1,668)	283
Balance as at June 30, 2015 (Unaudited)	**5,000**	**11,445**	**1,524,468**	**1,540,913**	**202,478**	**1,743,391**
Balance as at December 31, 2013 (Audited)	**10**	**7,416**	**382,334**	**389,760**	**481,904**	**871,664**
Profit for the period	-	-	86,471	86,471	75,100	161,571
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	86,471	86,471	75,100	161,571
Non-controlling interests arising from initially consolidate companies	-	-	-	-	9,589	9,589
Transaction with non-controlling interests	-	-	1	1	(6,509)	(6,508)
Balance as at June 30, 2014 (Unaudited)	**10**	**7,416**	**468,806**	**476,232**	**560,084**	**1,036,316**

The notes on pages 44 to 56 form an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the six months ended June 30, 2015	2014
		In thousands of euro	
Cash flows from operating activities			
Profit for the period		505,381	161,571
Adjustments for the profit:			
Depreciation and amortization		51	403
Capital gains, property revaluations and other income		(438,488)	(123,723)
Share in profit from investment in equity-accounted investees		(62,160)	(936)
Finance expenses, net		(5,322)	6,803
Tax and deferred tax expenses	5	36,280	14,335
		35,742	58,453
Changes in:			
Change in inventories – Trading property		-	14,402
Trade and other receivables		(10,655)	(21,530)
Trade and other payables		27,416	22,153
Provisions for other liabilities and charges		(672)	(491)
		51,831	72,987
Tax paid		(1,224)	(4,146)
Net cash provided by operating activities		**50,607**	**68,841**
Cash flows from investing activities			
Acquisitions and disposals of equipment and intangible assets, net		(170)	(1,179)
Capex, investments and acquisition of investment property and advances paid		(379,574)	(313,978)
Acquisition and disposals of subsidiaries, net of cash acquired or disposed	4	(265,317)	(30,303)
Investment in trade securities and other financial assets, net		(58,601)	(48,339)
Net cash used in investing activities		**(703,662)**	**(393,799)**

The notes on pages 44 to 56 form an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)

		For the six months ended June 30,	
		2015	2014
	Note	In thousands of euro	
Cash flows from financing activities			
Proceeds from straight and convertible bonds, net	7	515,095	443,519
Amortization of loans from financial institutions		(3,484)	(6,406)
Proceeds (repayments) of loans from financial institutions and others, net		212,941	(10,080)
Transactions with non-controlling interests		(8,586)	(6,508)
Finance expenses paid, net		(8,647)	(15,671)
Net cash provided by financing activities		**707,319**	**404,854**
Increase in cash and cash equivalents		**54,264**	**79,896**
Cash and cash equivalents at the beginning of the period		27,994	134,443
Cash and cash equivalents at the end of the period		**82,258**	**214,339**

The notes on pages 44 to 56 form an integral part of these interim consolidated financial statements.

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

(A) INCORPORATION AND PRINCIPAL ACTIVITIES

Aroundtown Property Holdings PLC ("the Company") was incorporated on May 7, 2004 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its Registered Office is at Faros Avenue, Spyros Thalassines Alkyonides, 7560 Pervolia, Larnaca, Cyprus. The Company, together with its investees (hereinafter: "the Group"), is a specialist real estate investment group, focusing in the German real estate markets. The Group covers the main real estate properties which benefit from strong fundamentals and growth prospects: residential (through its holding in Grand City Properties S.A.), commercial and hotel properties. The Group's vision is buying, redeveloping, turning around and optimizing real estate properties in Germany.
These condensed interim consolidated financial statements ("interim financial statements") for the six month period ended June 30, 2015 consist of the financial statements of the Group.

(B) CAPITAL AND BONDS INCREASES

For information about bonds and capital increases, please see notes 7 and 8, respectively.

(C) DEFINITIONS

Throughout these notes to the interim financial statements:

The Company	Aroundtown Property Holdings PLC
The Group	The Company and its investees
Subsidiaries	Companies that are controlled by the Company (as defined in IFRS 10) and whose financial statements are consolidated with those of the Company
Associates	Companies over which the Company has significant influence (as defined in IAS 28) and that are not subsidiaries. The Company's investment therein is included in the consolidated financial statements of the Company using equity method of accounting
Investees	Subsidiaries, jointly controlled entities and associates
GCP S.A.	Grand City Properties S.A. (an associate of the Company)
PCI; Camelbay	Primecity Investment PLC, Camelbay Limited (a subsidiary of the Company)
Related parties	As defined in IAS 24
The period	The six months ended on June 30, 2015

2. BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 interim financial reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2014. These condensed financial statements have not been reviewed by an auditor.

For further information on the accounting and measurement policies used, please refer to the consolidated financial statements as at December 31, 2014, which are the basis for these interim consolidated financial statements.

These condensed interim consolidated financial statements were authorized to be issued by the Board of Directors on August 28, 2015.

B. JUDGMENTS AND ESTIMATES

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those that applied to the consolidated financial statements as at and for the year ended December 31, 2014.

2. BASIS OF PREPARATION (CONTINUED)

C. OPERATING SEGMENTS

The Group meets the definition of operating in one operating segment. An operating segment is a component of the Group that meets the following three criteria:

- Is engaged in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to intragroup transactions;
- whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- For which separate financial information is available.

D. SEASONALITY OF OPERATIONS

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

E. GOING CONCERN

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

3. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF CONSOLIDATION

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended on December 31, 2014. The following standards have been issued but are not yet effective for annual periods beginning on January 1, 2015. Those which may be relevant to the Group are set out below. The Group does not plan to early adopt these standards.

(I) IFRS 9 – FINANCIAL INSTRUMENTS (2009, 2010)

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additional changes relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and to add new requirements to address the impairment of financial assets and hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

(II) IFRS 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customers Loyalty Programs. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2017, with early adoption permitted.

The Group has considered the above new standards and will continue to evaluate the impact on the Group's consolidated financial statements. At this time, the impact of the above publications is not expected to be material to the Group's consolidated financial statements.

4. ACQUISITION, DISPOSAL AND DECONSOLIDATE OF SUBSIDIARIES

During the reporting period the Group obtained control on several companies through business combinations. The significant net impacts on the interim consolidated statement of comprehensive income and interim consolidated statements of financial position of the Group are as follows:

	In thousands of euro
Investment property	435,679
Cash and Cash equivalents	8,913
	444,592
Working capital, net	(14,129)
Other liabilities, net	(45,372)
Loans from banks	(46,869)
	(106,370)
Total identifiable net assets	**338,222**
Non-controlling interests arising from initial consolidation	(7,075)
Consideration paid regarding acquisition of subsidiaries	(274,230)
Profit arising from business combination	**56,917**

5. TAXATION

Tax and deferred tax expenses are recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

The Group tax and deferred tax expenses for the six months ended June 30, 2015, is euro 36,280 thousand (2014: euro 14,335 thousand). The Company recorded euro 1,463 thousand for corporation tax (2014: euro 1,497 thousand), euro 33,832 thousand for deferred tax and euro 985 thousand for property tax (2014: euro 9,510 thousand and euro 3,327 thousand, respectively).

6. INVESTMENT PROPERTY

	Six months ended June 30	Year ended December 31
	2015	2014
	Unaudited	Audited
	In thousands of euro	
Balance at the beginning of the period / year	426,303	1,545,051
Additions (disposals) and adjustments during the period / year	607,215	(1,852,774)
Investment property arising from initial consolidations	435,679	734,026
Balance at the end of the period / year	1,469,197	426,303

7. LOANS AND BORROWINGS

A. COMPOSITION

	June 30	December 31
	2015	2014
	Unaudited	Audited
	In thousands of euro	
Long term		
Bank loans	240,181	138,964
Convertible bonds (B, C)	562,771	96,728
Straight bonds (D)	187,036	150,522
Total long term	989,988	386,214
Short term		
Bank loans	7,927	6,855

B. CONVERTIBLE BONDS IN PCI

On November 13, 2014, PCI successfully completed with the placement of euro 100 million convertible bonds maturing in 2019, convertible into ordinary shares of PCI. The convertible bonds bear a coupon of 4% p.a., payable semi-annually in arrears. The initial conversion price was fixed at euro 3.00. The bonds were issued at 100% of their principal amount and will be redeemed at maturity at 110% of their principal amount. On February 13, 2015, PCI successfully tapped up its convertible bond series with an additional principal amount of euro 50 million. The further convertible bond series was issued at 105% of their principal amount and has the same characteristics of the previous tranche issued in November 2014 and described above.

	Six months ended June 30	Year ended December 31
	2015	2014
	Unaudited	Audited
	In thousands of euro	
Balance at the beginning of the period / year	97,254	-
Proceeds from issuance of PCI convertible bond (1,000 notes at euro 100,000 par value each)	-	100,000
Proceeds from issuance of PCI convertible bond (500 notes at euro 100,000 par value each) (a)	52,500	-
Transaction costs	(790)	(1,782)
Net proceeds during the period / year	51,710	98,218
Amount classified as non-controlling interests (a)	(489)	(1,067)
Expenses for the period / year	3,816	803
Expenses paid	(2,328)	-
Conversion to ordinary shares of PCI	(8,893)	(700)
Carrying amount of liability at the end of the period / year	141,070	97,254
Non-current portion of Convertible bond series A	138,487	96,728
Accrued interest	731	526
Total Convertible bond series A	139,218	97,254
Deferred income (a)	1,852	-

(a) This amount includes additional euro 2.5 million that were received as part of the bond placement (reflects 5% of the par value), out of which euro 0.5 million were allocated as non-controlling interests according to external economic valuer. The residual amount of euro 2 million was allocated as a deferred income and presented in other long term liabilities account balance.

7. LOANS AND BORROWINGS (CONTINUED)

C. CONVERTIBLE BONDS IN THE COMPANY

On May 5, 2015, the Company has successfully completed with the placement of euro 450 million senior, unsecured convertible bonds convertible into new ordinary shares having a par value of euro 0.01. The bonds were placed by the Company to institutional investor only, with a coupon of 3% p.a., maturity of five years, at an issue price of 95.68% of their principal amount, and will be redeemed at maturity at par. The initial conversion price was set at euro 3.53 (see also note 13a).

	Six months ended June 30	Year ended December 31,
	2015	2014
	In thousands of euro	
Balance at the beginning of the period / year	-	-
Proceeds from issuance of convertible bond (4,500 notes at euro 100,000 par value each)	430,560	-
Transaction costs	(2,967)	-
Net proceeds during the period / year	427,593	-
Amount classified as equity	(4,029)	-
Expenses for the period / year	2,775	-
Carrying amount of liability at the end of the period / year	426,339	-
Non-current portion of Convertible bonds	424,284	-
Accrued interest	2,055	-
Total Convertible bonds	426,339	-

D. STRAIGHT BONDS SERIES A

On December 9, 2014, the Company has successfully completed with the placement of euro 161 million (nominal value) of unsubordinated, senior secured straight bonds maturing in December 2021 and bear a coupon of 3% p.a., payable semi-annually in arrears, for a consideration that reflects 94% of their principal amount.

During the reporting period, the Company increased its series A bonds in an additional principal amount of euro 39 million for a price of 94% of the nominal value. Therefore the aggregated amount was euro 200 principal amount.

	Six months ended June 30	Year ended December 31,
	2015	2014
	Unaudited	Audited
	In thousands of euro	
Balance at the beginning of the period / year	150,813	-
Proceeds from issuance of Bond series A (1,610 notes at euro 100,000 par value)	-	151,340
Proceeds from issuance of Bond series A (390 notes at euro 100,000 par value)	36,660	-
Transaction costs	(868)	(894)
Net proceeds during the period / year	35,792	150,446
Expenses for the period / year	3,775	367
Expenses paid	(3,000)	-
Carrying amount of liability at the end of the period / year	187,380	150,813
Non-current portion of straight bond series A	187,036	150,522
Accrued interest	344	291
Total straight bond series A	187,380	150,813

7. LOANS AND BORROWINGS (CONTINUED)

E. (1) SECURITY, NEGATIVE PLEDGE

The obligations of the Company under the Bonds and any Further Secured Bonds are secured in favor of the Trustee for the benefit of the Trustee, the Bondholders and the holders of any Further Secured Bonds by:

(a) a first-ranking charge, governed by the laws of Cyprus, over all ordinary shares held by the Company in its subsidiary, Zaplino Limited ("Zaplino");

(b) a first-ranking account pledge, governed by Luxembourg law, over the bank account held by the Company with Bank Hapoalim (Switzerland) Limited, Luxembourg branch, (the "Lux PrimeCity Account");

(c) a first-ranking account pledge, governed by the laws of Cyprus, over the bank account held by the Company with Bank of Cyprus Public Co Ltd. (the "Cyprus PrimeCity Account");

(d) first-ranking account pledges, governed by Luxembourg law, over each bank account held by Zaplino with Bank Hapoalim (Switzerland) Limited, Luxembourg branch, (the "Zaplino Luxembourg Accounts"); and

(e) an assignment by way of security, governed by the laws of Cyprus, of the Company's receivables and rights under, and claims against Zaplino for payment of principal and interest under, the loan agreements between the Company and Zaplino in an aggregate principal amount equal to the net issuance proceeds of the Bonds ("PrimeCity Loans") and all other loan agreements (of whatever nature and for whatever purpose howsoever described) relating to any loan by the Company to Zaplino of the net issuance proceeds in respect of any Further Secured Bonds.

(f) a first-ranking charge, governed by the laws of Cyprus, over all ordinary shares held by the Company in its subsidiary, Camelbay;

(g) an assignment by way of security, governed by the laws of Cyprus, of the Company's receivables and rights under, and claims against Camelbay for payment of principal and interest under, the loan agreements between the Company and Camelbay in an aggregate principal amount equal to the net issuance proceeds of the Bonds; and

(h) a first-ranking account pledge governed by Luxembourg law, over the Interest Reserve Account.

(2) COVENANTS

- procure that Net Debt shall not exceed (i) at any time, 65% of the Portfolio Value and (ii) 60% of the Portfolio Value for a period of more than six (6) months;
- not pay a dividend as long as the Net Debt of the Group exceeds 50% of the Portfolio value;
- not open, maintain or hold any interest in, and will procure that Zaplino will not open, maintain or hold any interest, in each case directly or indirectly, in any account whatsoever with any bank or financial institution except for the Charged Accounts, unless the Issuer or Zaplino, respectively, grant a first-ranking security interest, satisfactory to the Trustee, over the respective account in favor of the Trustee, for the benefit of the Trustee and the Bondholders; and
- not, and will not permit any of its Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Company to (i) make or pay dividends or any other distributions on its share capital to the Company or any of the Company's other Subsidiaries or grant to the Company or any of the Company's other Subsidiaries any other interest or participation in itself or (ii) (a) pay any indebtedness owed to the Company or any of the Company's other Subsidiaries (b) make loans or advances to the Company or any of the Company's other Subsidiaries or (c) transfer any of its properties or assets to the Company or any of the Company's other Subsidiaries.

8. EQUITY

A. SHARE CAPITAL

	June 30, 2015		December 31, 2014	
	Unaudited		Audited	
	Number of shares	In thousands of euro	Number of shares	In thousands of euro
Authorized				
Ordinary shares of euro 0.01 each (euro 1.71 each in 2014)	1,500,000,000	15,000	50,000	85.5
Issued and fully paid				
Balance as at January 1 (euro 0.01 each, and euro 1.71 each in 2014)	22,200	38	5,550	9.5
Conversion of shares to nominal value of euro 0.01 per share	3,774,000	-	-	-
Issuance and payment on authorized shares	496,203,800	4,962	16,650	28.5
Balance at the end of the period / year	500,000,000	5,000	22,200	38

B. ISSUED CAPITAL

1. Upon incorporation on May 7, 2004, the total authorized, issued and fully paid ordinary share capital amounted to 5,550 units with a par value of euro 1.71 each.
2. On November 28, 2014, the Company issued 16,650 ordinary shares of euro 1.71 each.
3. In February 2015, as a part of capital restructuring process, the Company increased its authorized ordinary shares to 1,500,000,000, out of which the issued and fully paid was increased to 500,000,000, with an adjusted par value of euro 0.01 for each share.
4. On May 5, 2015, the Company successfully placed euro 450 million principal value of convertible bonds convertible into ordinary shares of the Company for an initial conversion price of euro 3.53 per share. These convertible bonds mature after five years and bear coupon of 3% p.a., payable in arrears. The issue price was 95.68% of the principal amount.
5. For a disclosure about an additional share issuance occurred after the reporting period, please refer to note 13a.

C. OTHER RESERVES

The other reserves comprised of shareholders loan that was converted to equity, which can be distributed at any time, as well as of an equity component which related to the convertible bonds of the Company.

9. RELATED PARTY TRANSACTIONS

The transactions and balances with related parties are as follows:

(I) LOANS FROM SHAREHOLDERS AND RELATED COMPANIES (*)

	June 30	December 31
	2015	2014
	Unaudited	Audited
	In thousands of euro	
	-	451

(II) INTEREST EXPENSES ON LOANS FROM SHAREHOLDERS AND RELATED COMPANIES

	For the three months ended March 31,	
	2015	2014
	In thousands of euro	
	(22)	(19)

(*) Presented as part of the other long term liabilities in the consolidated statement of financial position..

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

FAIR VALUE HIERARCHY

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

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

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

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

	Level 1	Level 2	Level 3	Total
	In thousands of euro			
June 30, 2015 (Unaudited)				
Trade securities at fair value through profit and loss	139,884	-	-	139,884
Total assets	**139,884**	**-**	**-**	**139,884**
Derivative financial instruments	-	4,195	-	4,195
Total liabilities	**-**	**4,195**	**-**	**4,195**
December 31, 2014 (Audited)				
Trade securities at fair value through profit and loss	146,038	-	-	146,038
Total assets	**146,038**	**-**	**-**	**146,038**
Derivative financial instruments	-	4,995	-	4,995
Total liabilities	**-**	**4,995**	**-**	**4,995**

11. COMMITMENTS

The Group had no significant commitments as at June 30, 2015.

12. CONTINGENT ASSETS AND LIABILITIES

The Group had no significant contingent assets and liabilities as at June 30, 2015.

13. EVENTS AFTER THE REPORTING PERIOD

a) On July 13, 2015, the Company successfully issued additional 100,000,000 ordinary shares (of euro 0.01 nominal value each) for euro 3.2 each, by way of private placement to institutional investors ("New Shares"). As a result, the Company's share capital has been increased from euro 5,000 thousand by euro 1,000 thousand, to euro 6,000 thousand. The gross proceeds from the issuance of the New Shares were euro 320 million. The net proceeds will be used to fund the Group's growth strategy.

Following the above mentioned New Shares issuance and in accordance with the terms and conditions of the Company's convertible bond series, the Company has adjusted the conversion price for its outstanding convertible bond from euro 3.53 per share to euro 3.4395 per share.

b) On July 24 2015, S&P raised the GCP S.A.'s rating on its long-term corporate credit rating to 'BBB' from 'BBB-'. The rating of the GCP S.A.'s senior secured and subordinated hybrid debt instruments improved by one notch as well to 'BBB' for its senior secured debt and 'BB+' for its subordinated hybrid notes.

AROUNDTOWN PROPERTY HOLDINGS PLC

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