H1 2016 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2016

AROUNDTOWN
PROPERTY HOLDINGS PLC

CONTENT

KEY FINANCIALS

	1-6 2016	change	1-6 2015
RENTAL AND OPERATING INCOME (€ thousands)	**110,016**	138%	46,172
ADJUSTED EBITDA [1] (€ thousands)	**113,314**	85%	61,089
FFO I (€ thousands)	**70,722**	77%	40,032
FFO I PER SHARE (€ cent)	**11.2**	40%	8.0

	1-6 2016	change	1-6 2015
EBITDA (€ thousands)	**609,714**	14%	536,390
NET PROFIT (€ thousands)	**510,081**	1%	505,381
EPS (BASIC) (€)	**0.60**	-28%	0.83

	June 2016	Dec 2015	Dec 2014
EPRA NAV (€ thousands)	**3,891,565**	3,042,864	1,273,270
TOTAL EQUITY (€ thousands)	**3,169,809**	2,425,512	1,221,661

	June 2016 assuming conversion [2]	June 2016	Dec 2015
LOAN-TO-VALUE	**32%**	40%	34%
EQUITY RATIO	**59%**	52%	55%

1) including AT's share in GCP's Adjusted EBITDA

2) Assuming conversion of the convertible bonds which are in the money

	EPRA NAV [1) 2)]	# of shares incl. conv bond B "in the money"	Fully diluted EPRA NAV (incl conv bond B, C) [3)]	Fully diluted # of shares (incl conv. bond B, C)
JUNE 30TH 2016 (IN 000')	**3,891,565**	**795,829**	**4,176,431**	**847,619**
JUNE 30TH 2016 PER SHARE (IN €)	**4.9**		**4.9**	
DECEMBER 31ST 2015 (in 000')	3,042,864	730,829	3,324,609	782,619
DECEMBER 31ST 2015 PER SHARE (in €)	4.2		4.2	

1) includes non-controlling interest of €399 million as of June 2016 and €320 million as of Dec 2015. June 2016 EPRA NAV per share excluding minority is €4.4 (Dec 2015 is €3.7)
2) Convertible bond Series B "in the money" (conversion price 3.44), are included in the EPRA NAV and in the 795,829k share count
3) includes convertible bond Series C, conversion price €5.79

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, 2016. The figures presented are based on the interim consolidated financial statements as of June 30, 2016, unless stated otherwise.

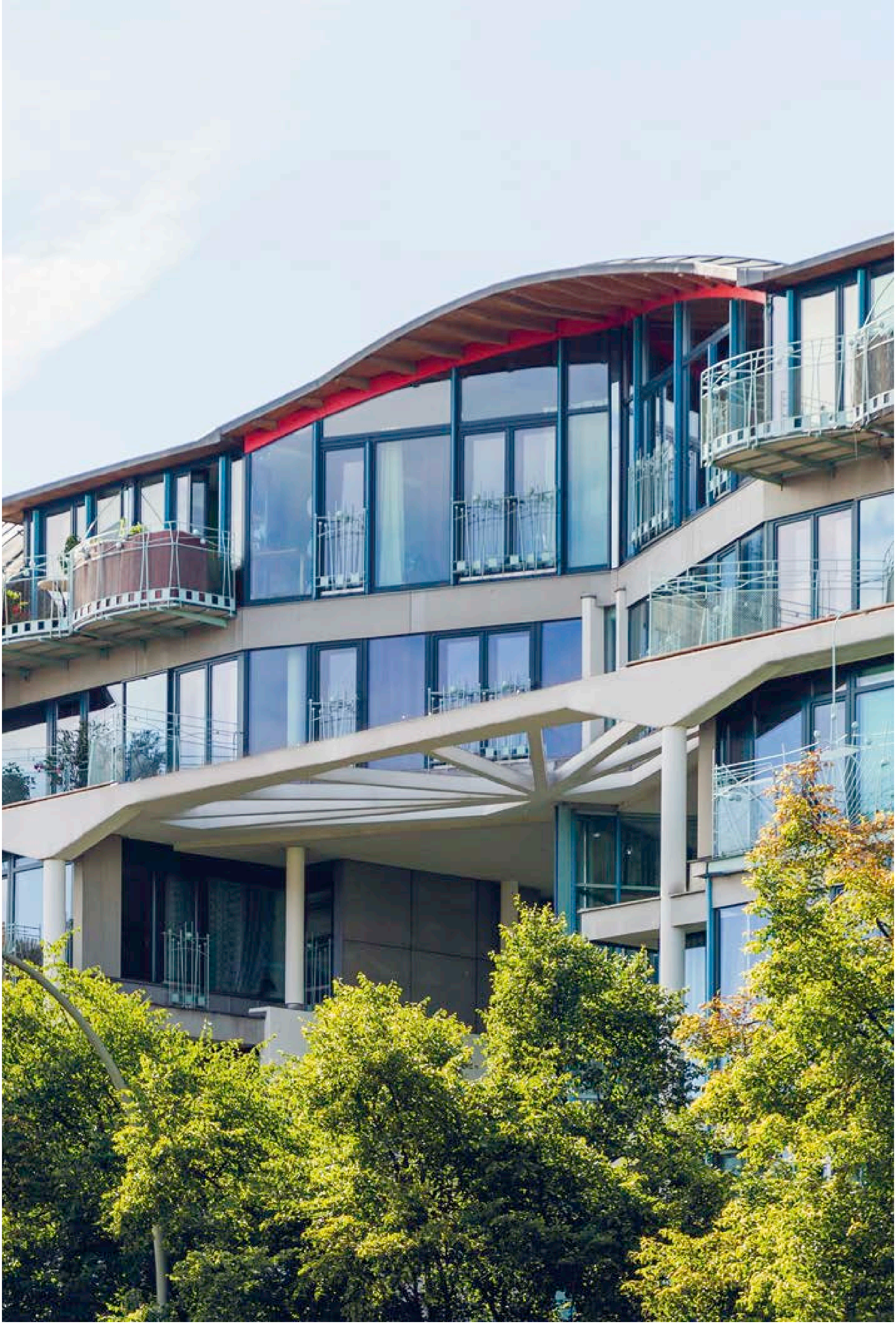
Aroundtown is a specialist real estate investment group with a focus on value-add and income generating properties primarily in the German real estate markets. The Group covers commercial and residential real estate assets which benefit from strong fundamentals and growth prospects. The commercial properties are held directly by AT and its subsidiaries and the residential investments are carried out through Grand City Properties S.A. ("GCP") which is currently held to 33% by AT. The Group's unique business model and experienced management team led the Company to grow continuously for more than a decade.

As of August 2016, AT's portfolio includes a commercial portfolio of 2.7 million sqm generating €269 million rental and operating income run rate and GCP holds 82k units which generate €440 million rental and operating income run rate.

The in-place rent of AT's total portfolio, including the portion of the residential portfolio, is 6.9 €/sqm and the vacancy rate on rentable area is at 7.8%. The portfolio is positioned on one hand to benefit from high and strong cash flows, and capture upside potential in terms of rent and occupancy on the other. Additional information about AT's portfolio is presented on pages 23-28.

Operating with a fully integrated real estate value chain Aroundtown targets cash generating properties with upside potential in terms of rental income and/or occupancy, lease and tenant structure, cost level optimization and consequential value. Through an intensive property operational repositioning, AT further improves the portfolio results, creating secure and strong cash flow generating characteristics and lifting great internalized growth potential.

AT's properties generate strong operational results and presents significant portfolio growth, best illustrated through run rates, annualizing the monthly results. The Adjusted EBITDA run rate for August 2016 is €264 million and the Funds from Operations I (FFO I) run rate is €171 million.



FINANCIAL POSITION HIGHLIGHTS

€ thousands	As of	June 2016	Dec 2015
CASH AND LIQUID ASSETS		**226,523[1)]**	386,983
TOTAL ASSETS		**6,149,880**	4,440,147
TOTAL EQUITY		**3,169,809**	2,425,512
TOTAL LOANS AND BORROWINGS		**1,008,309**	645,339
STRAIGHT BONDS		**708,446**	187,923
CONVERTIBLE BONDS		**744,321**	817,721

1) In July 2016 AT raised additional cash through the issuance of €500 million straight bond Series E

REMARKABLE CORPORATE ACHIEVEMENTS

DEC 2014

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

APR 2015

Successful **pre-IPO convertible bonds (Series B)** issuance of €450 million

13 JUL 2015

Successful **capital increase** of €320 million. The new shares start to trade on Euronext Stock Exchange on 13.7.15, Symbol: ALATP

JUL 2015

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

NOV 2015

Dual listing on Frankfurt Stock Exchange **(Xetra)**, Symbol: AT1

DEC 2015

AT received an **investment grade credit rating of BBB-** from S&P

DEC 2015

Successful issuance of 2021 **convertible bonds (Series C)** of €300 million and 1.5% coupon

APR 2016

Oversubscribed **equity capital increase** of €267 million

APR 2016

Successful issuance of 2022 **straight bond (Series D)** of €600 million and 1.5% coupon

JUN 2016

S&P credit rating increase to BBB, up from BBB- initial rating assignment in December 2015

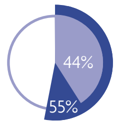
JUL 2016

Successful issuance of 2024 **straight bond (Series E)** of €500 million and 1.5% coupon

AUG 2016

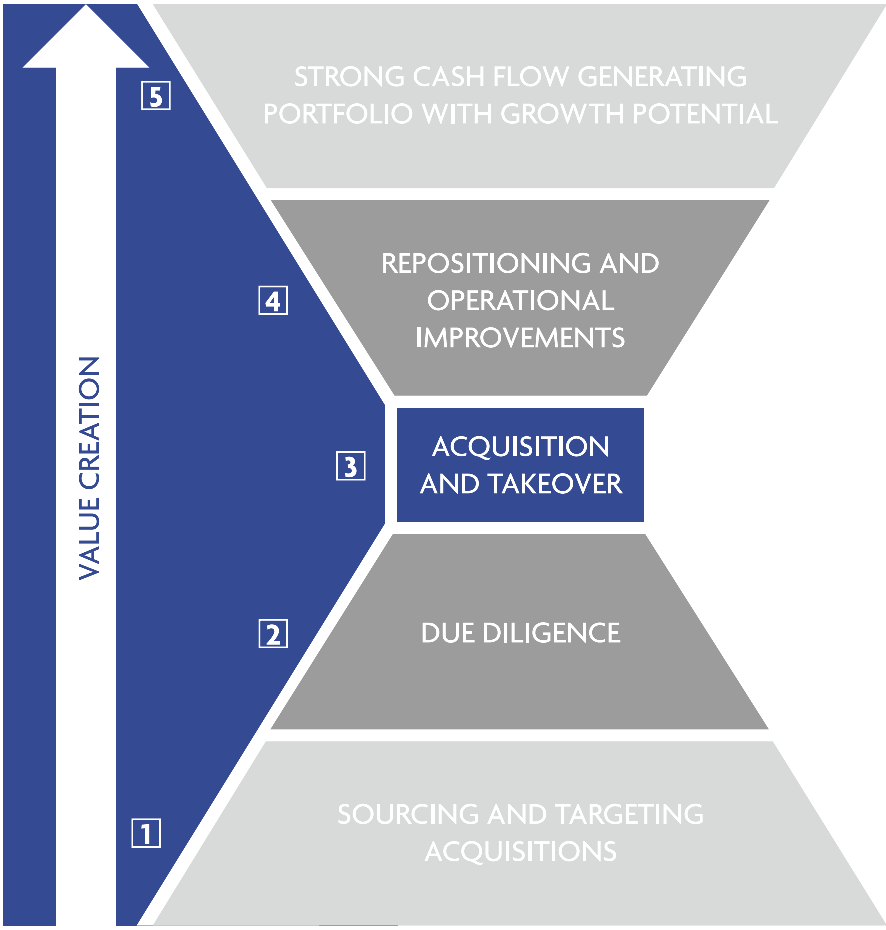
Successful portfolio growth **to € 6.65 billion** total assets

Current free float at 44% (Fully diluted free float at 55%)



STRATEGY

AT'S VALUE CREATION STARTS PRIOR TO ACQUISITION



1 SOURCING AND TARGETING ACQUISITIONS

Aroundtown's property sourcing success stems from its unique network as well as its reputation as a reliable real estate acquisition partner. The Group focuses on value-add properties characterized primarily by below market rent levels and/or vacancy reduction potential. With over 12 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 its newly acquired properties fit to AT's business model.
These criteria include:

- Upside potential through operational improvements
- Cash flow generating assets
- Vacancy reduction potential
- Rent levels per sqm below market levels (under-rented properties)
- Acquisitions located in densely populated areas and commercially attractive cities
- Purchase price below replacement cost and below market values
- Potential to reduce the cost per sqm significantly through operational improvements

Due to the experience and knowledge of its 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. Given the complexity of reclassification projects and the necessity of cross-segment experience in order to complete them, the Group believes that its business model provides it with a strong and sustainable competitive advantage.

2 DUE DILIGENCE

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

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

3 ACQUISITION AND TAKEOVER

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

STRATEGY

4 REPOSITIONING AND OPERATIONAL IMPROVEMENTS

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 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 are the result of the following actions:

OPERATIONAL AND MARKETING INITIATIVES TO IMPROVE PROFITABILITY

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 type of property at hand. Procedures applied to AT's commercial properties include establishing a network of internal and external, as well as local and nationwide letting brokers, offering promotional features and building a reputation in the market for high service standards. For the Group's hotel assets, optimal operators are selected for the asset and a fixed long-term lease contract 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 building projects and advertising on key real estate platforms.

Rent increase and tenant restructuring, assessed in the due diligence process, are executed according to the property's 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 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 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 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 by our experienced construction team.

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

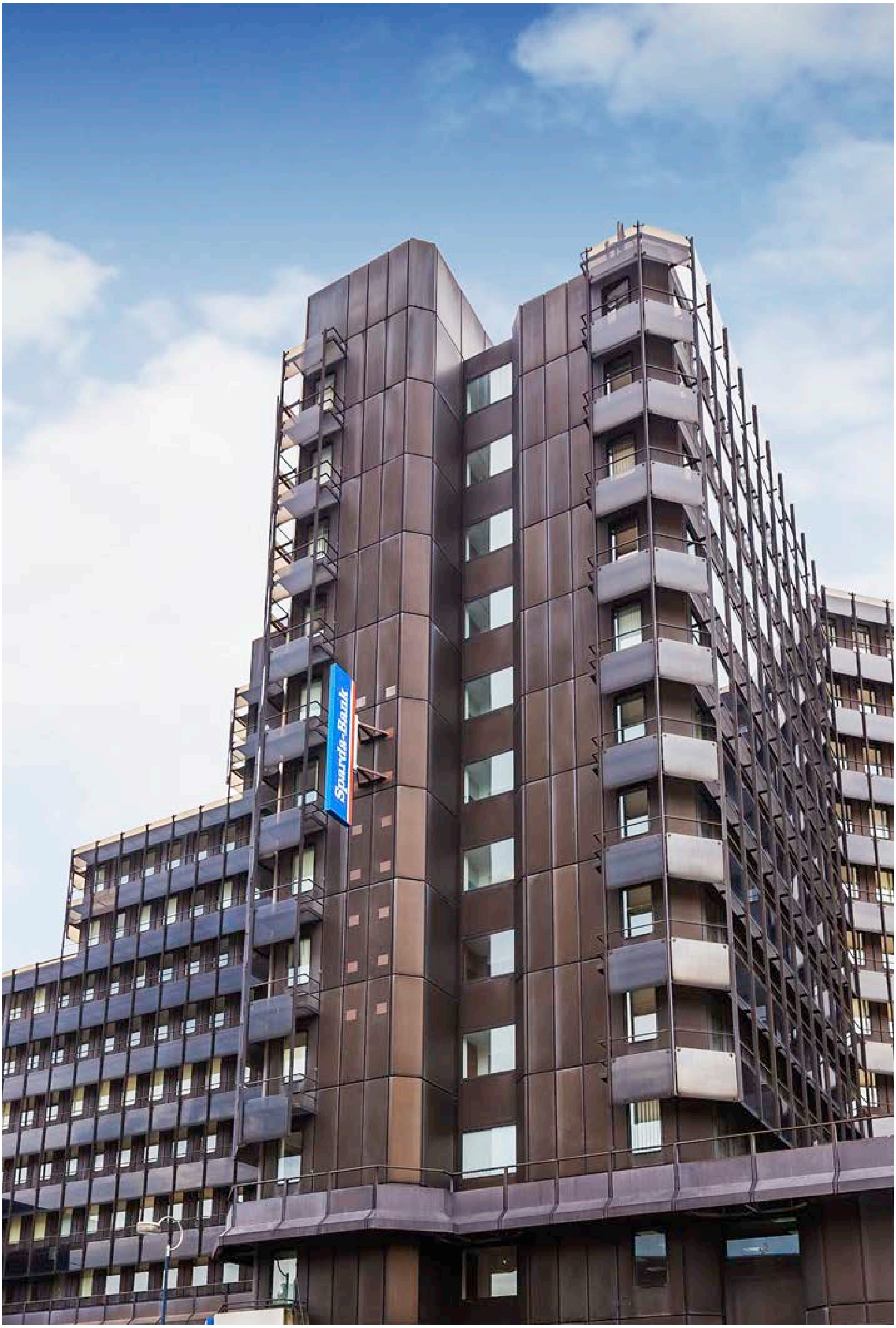
RELATIONSHIP MANAGEMENT

Aroundtown puts great emphasis on establishing strong relationships with its tenants to reduce churn rates, to predict as well as strengthen the tenant structure and thereby positively affect its cash flows in the future. The Company aims to offer high quality services for both potential and existing tenants. The Group pays strong 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 for 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 strong residential tenant base GCP also provides a wide range of services including a 24/7 Service Center and regularly invests into community building projects such as playgrounds and community centers.

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

5 STRONG CASH FLOW GENERATING PORTFOLIO WITH GROWTH POTENTIAL

Secure cash flows are continuously strengthened by ongoing cost controls and profitability improvements. Given vacancy and under-rented existing 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.


Sparda-Bank

STRATEGY

TRADING DATA AND ANALYST COVERAGE

Placement	Frankfurt Stock Exchange and Euronext Paris
WKN/Symbol	AT1 (Xetra, FSE), ALATP (Euronext Paris)
Initial placement of capital	13.07.2015

AS OF JUNE 2016	
Number of shares	673,282,357
Total number of shares incl. dilution effect of Series B*	795,829,238
Number of shares on a fully diluted basis	847,619,453

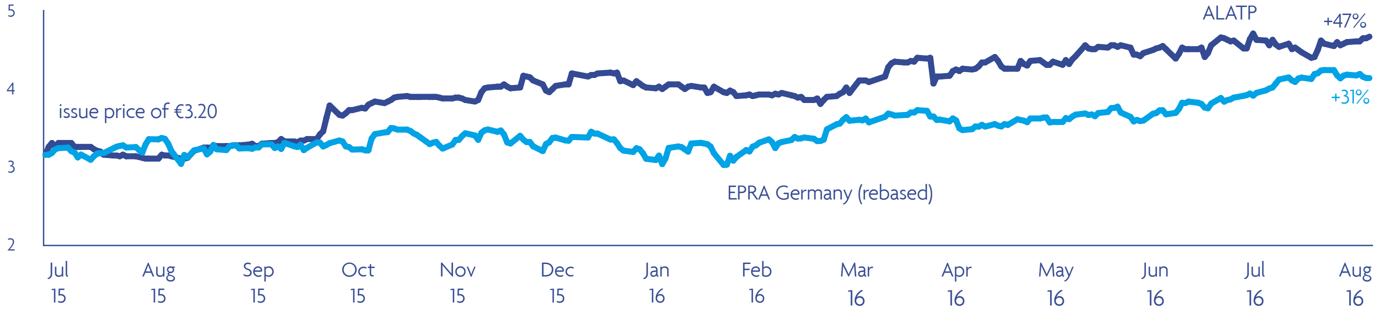
Free Float (as of the date of this report)	44%
Free float including conversion of Series B* in the money	52%
Fully diluted free float	55%
Market Cap (as of 30 June 2016)	€3.1 bn

*Convertible bond Series B is in the money

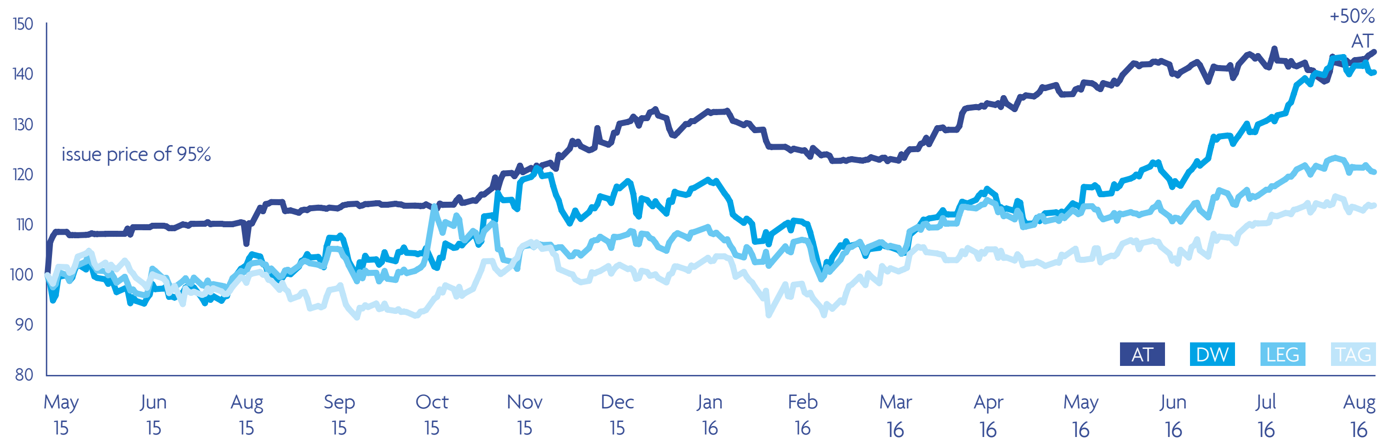
INVESTOR RELATIONS ACTIVITIES

The Group is pro-actively approaching a large investor audience in order to present its business strategy, provide insight into its developments and create awareness of its overall activities in order to enhance its perception in the market. AT participates in a vast amount of various national and international conferences, roadshows and one-on-one presentations in order to present a platform for open dialogue. Explaining our unique business strategy in detail and presenting the daily operations allows investors to gain a full overview about the Group's successful business approach. Additionally to publishing comprehensive financial statements on a quarterly basis, the Group publishes regular updates on, among others, developments of the portfolio and operations and financial activities. The most recent information is provided on its website www.aroundtownholdings.com and open channels for communication are always provided. Currently, AT is covered by eight different research analysts on an ongoing basis, which reports are updated and published regularly.

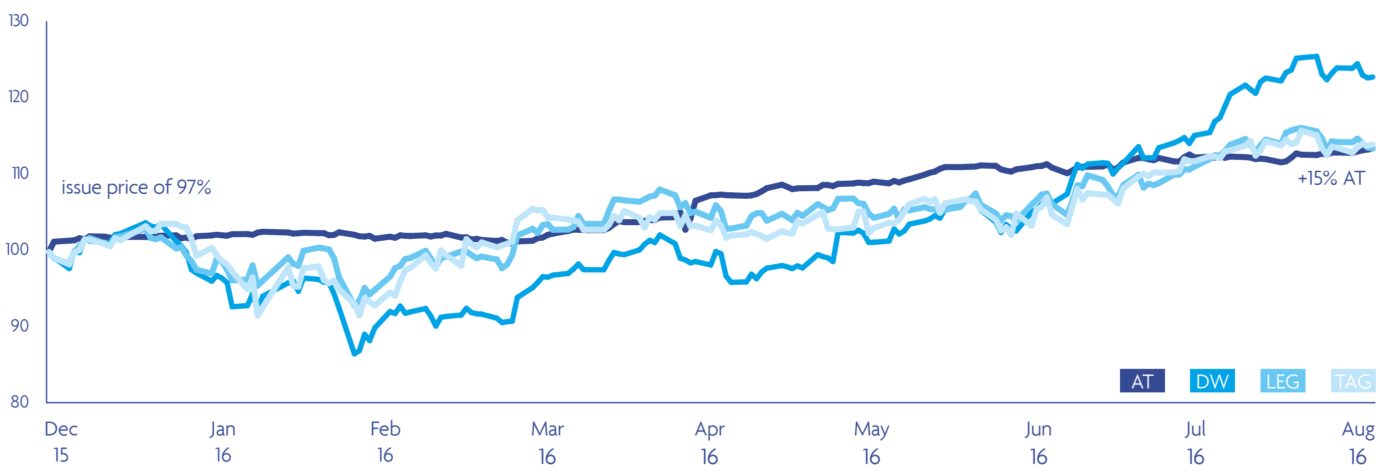
SHARE PRICE PERFORMANCE SINCE INITIAL PLACEMENT OF CAPITAL (13.07.2015)



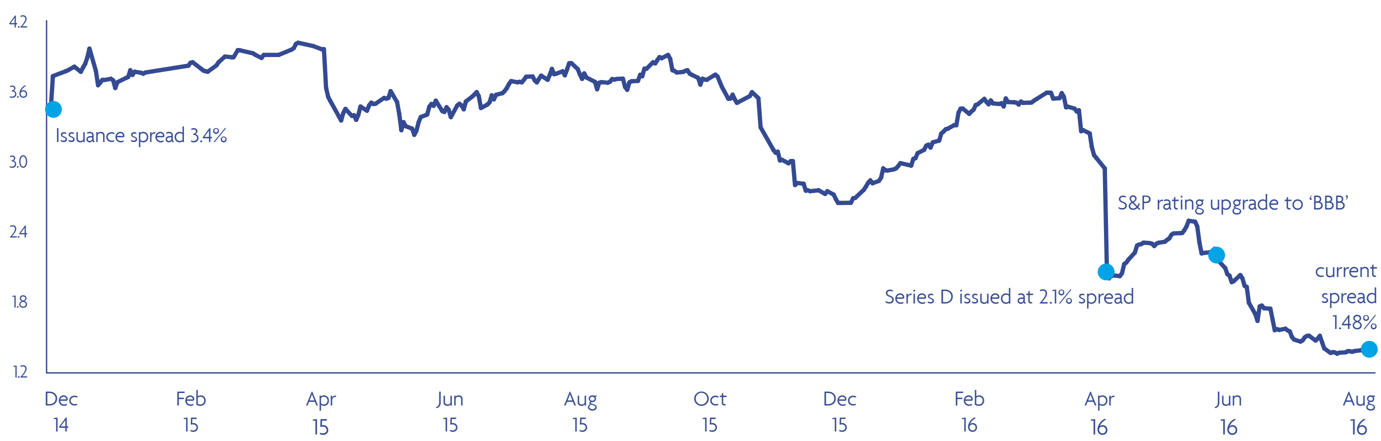
CONVERTIBLE BOND SERIES B PERFORMANCE SINCE PLACEMENT (27.04.2015)



CONVERTIBLE BOND SERIES C PERFORMANCE SINCE PLACEMENT (15.12.2015)



SPREAD OVER MID-€-SWAP FOR STRAIGHT BONDS A AND D, REMAINING 6 YEARS

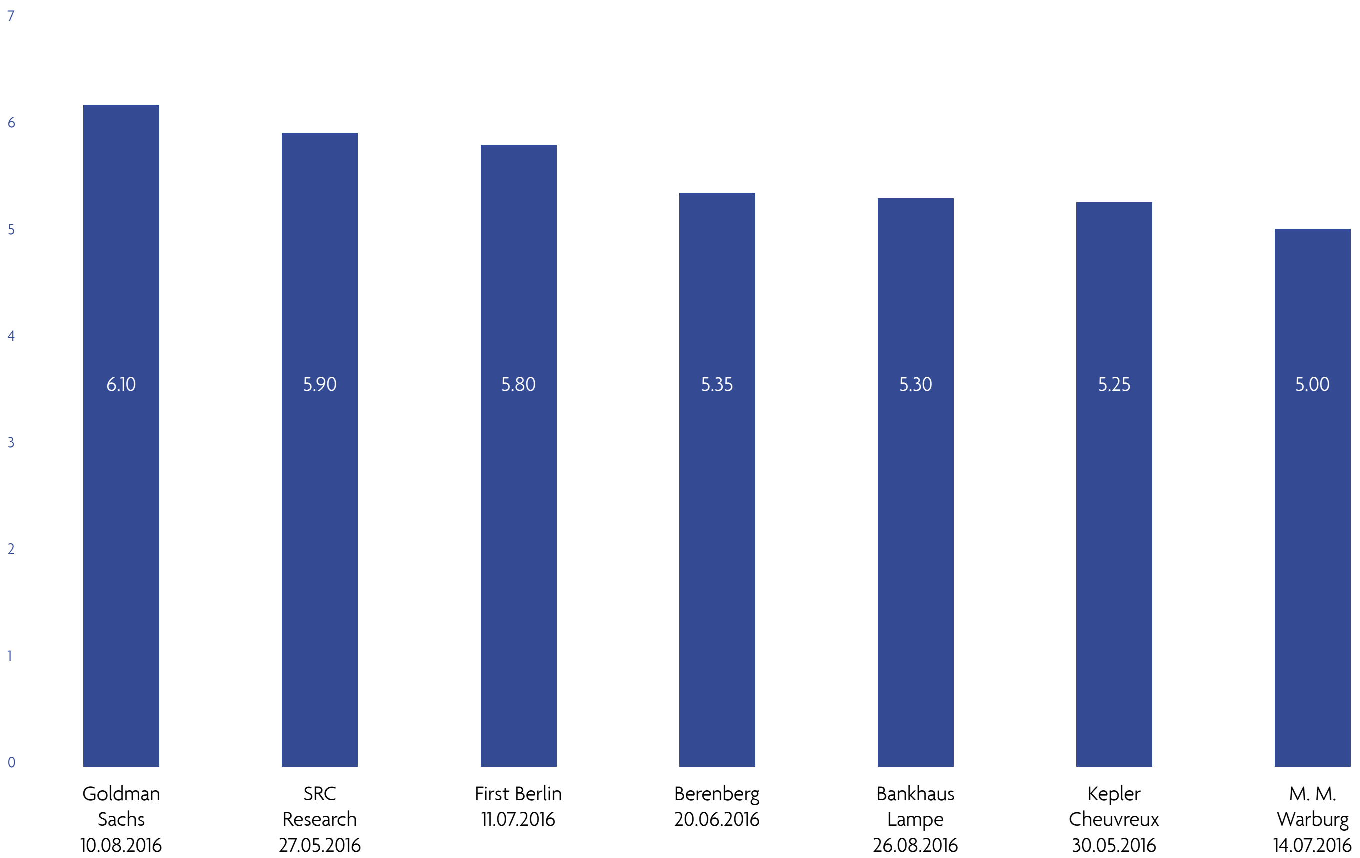


KEY STRENGTHS

SEVERAL EQUITY RESEARCH ANALYSTS FOLLOW THE COMPANY'S GROWTH ON A CONTINUOUS BASIS

Strong buy recommendation

ANALYST RESEARCH TARGET PRICE



EXPERIENCED MANAGEMENT

AT's management can draw from a wealth of experience in the real estate market 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 its 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 operational and value potential from its 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 vacancy reduction activities rapidly, putting in-place cost effective measures, setting rent increase processes, 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 12 years has led the Group to become a market leader and have a preferred acquirer status, primarily due to its professional approach, fast and high execution rates, and reliability.

Given the wide coverage and knowledge, AT is able to assess 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 extracting the upside potential. This ability is mirrored by a continuous pipeline and acquisition of attractive properties and the successful transition of the existing properties to mature assets.

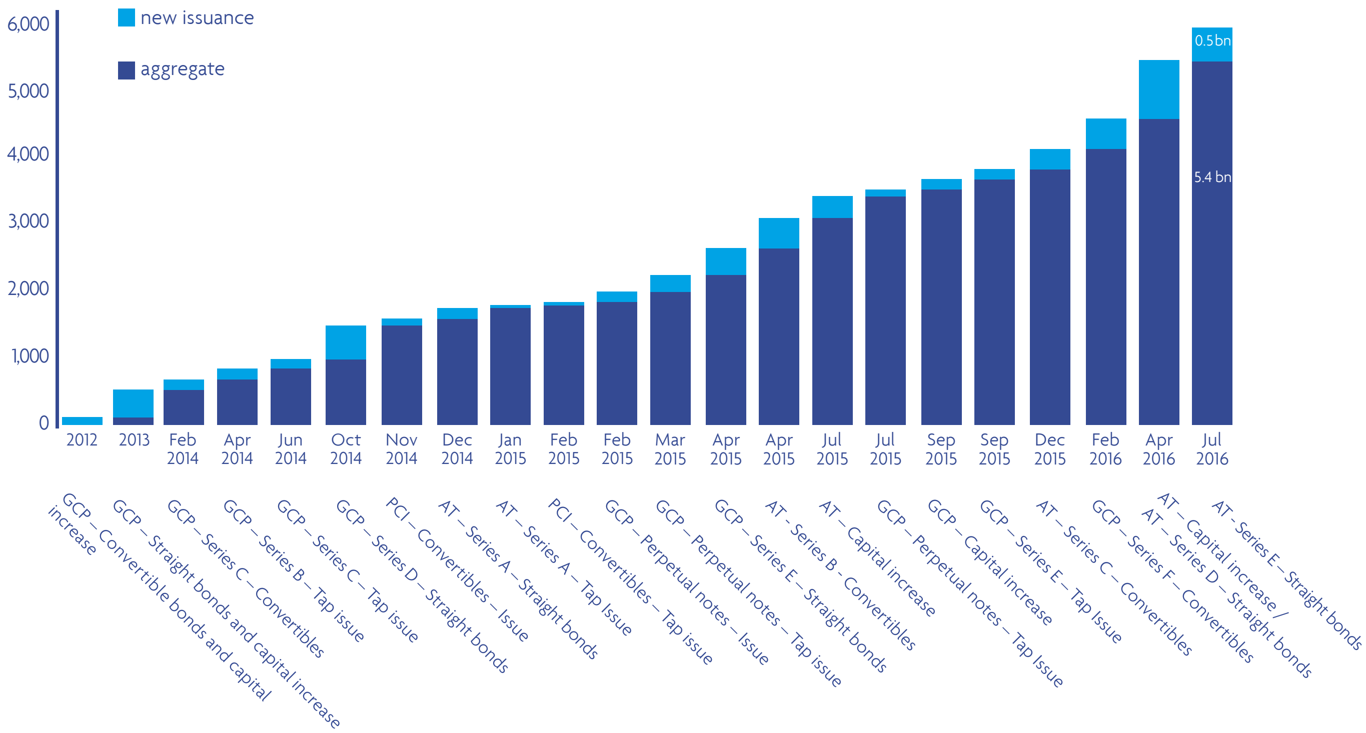
PROPRIETARY IT/SOFTWARE PLATFORM

Aroundtown emphasizes the internalization of relevant skills to support innovation and improve processes. Its operations and growth are supported by scalable proprietary IT/software systems that connect all departments and all property units, enabling efficient monitoring and implementation of value-add measures. The platform constantly monitors vacancy and rents across AT's portfolio, ensuring yields are optimized and strict cost discipline is implemented. The Group's in-house 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 national 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 equity, bonds, convertible bonds and perpetual notes provide experience and contacts to tap capital markets in the future. Since 2012 the Group has raised nearly €6 billion. In 2015 and starting 2016 alone, the Group raised in 15 different issuances €4.2 billion capital through issuances of equity, bonds, convertible bonds and perpetual notes. Furthermore, the Group has a strong network with over 20 commercial banks and has vast experience in obtaining bank debt with preferred conditions.

FRUITFUL CAPITAL MARKET ACTIVITIES: GROUP RAISED NEARLY €6 BILLION



PROVEN ABILITY TO ACCESS CAPITAL MARKETS

JUL 2016	AT issuance of Series E, 2024 straight bond of €500m (nominal value), coupon of 1.5%
APR 2016	AT issuance of series D, 2022 straight bonds of € 600m (nominal value), coupon of 1.5%
APR 2016	AT equity capital increase of €267m
FEB 2016	GCP issued Series F, 2022 convertible bonds of € 450m, coupon of 0.25% p.a.
JAN 2016	Completion of the conversion of GCP's Series C convertible bonds (€275m)
DEC 2015	AT issuance of Series C, €300m convertible bond, coupon 1.5%, duration of 5.1 years
SEP 2015	GCP tap issuance of € 150m of 10 year straight bond to an aggregate nominal amount of € 550m
SEP 2015	GCP equity capital increase of € 151m
JUL 2015	GCP tap issuance of perpetual notes, (coupon 3.75%), of additional € 100m
JUL 2015	AT equity capital increase of €320m
APR 2015	AT issuance of 5 year convertible bond of € 450m, coupon 3% p.a.
APR 2015	GCP issuance of 10 year straight bond of € 400m with a coupon of 1.5% p.a.
MAR 2015	Tap Issuance of perpetual notes of additional € 250m
FEB 2015	Issuance of €150m perpetual notes, coupon 3.75%

EQUITY AND BOND BOOKRUNNERS

FEB 2015	PCI, tap issuance of € 50 million on existing 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 issued 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.
JUN 2014	GCP tap issuance of convertible bonds with gross proceeds of € 140m
APR 2014	GCP tap issuance of existing straight bonds with gross proceeds of € 160m
FEB 2014	GCP issued 5 year convertible bonds of € 150m and a coupon of 1.50% p.a
DEC 2013	Capital increase of GCP of € 175m
OCT 2013	Full conversion of GCP's convertible bond into equity
JUL 2013	GCP issued a 7 year straight bond of € 200m with a coupon of 6.25% p.a.
FEB 2013	GCP increased capital by € 36m
OCT 2012	GCP issued 5 year convertible bonds of € 100m and a coupon of 8%
JUL 2012	GCP increased capital by € 15m

KEY STRENGTHS

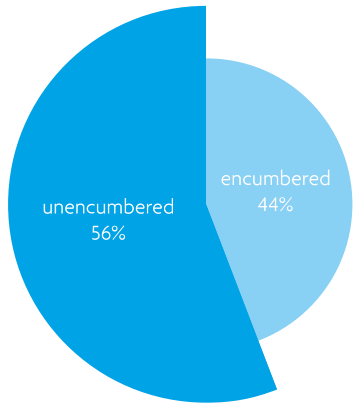
CONSERVATIVE FINANCING STRUCTURE

AT's conservative capital structure approach is reflected in an LTV of 40% as of June 30, 2016. Assuming conversion of convertible bonds which are in the money, LTV is 32% as of June 30, 2016. In-the-money convertible bonds are continuously being converted and currently 24% of the bonds has been converted.

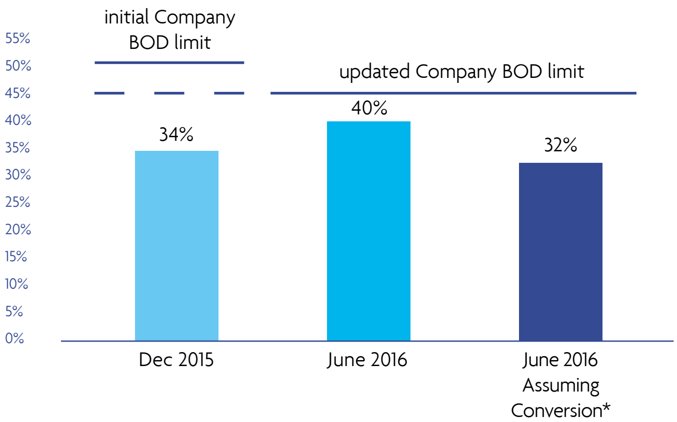
Aroundtown's management views the debt ratios as a key source of competitive advantage and puts policies in place to keep financing costs low and the portion of unencumbered assets high. The low leverage of the Group enables further external growth, while still maintaining a conservative capital structure. This conservative capital structure emerges from AT's diversified financing sources with long maturities.

UNENCUMBERED ASSETS AS OF AUGUST 2016

(BASED ON RENT)



LOAN-TO-VALUE



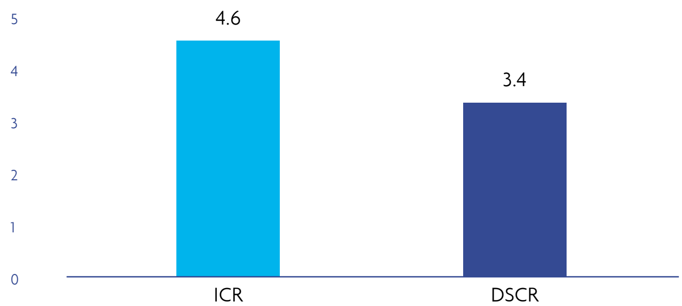
* assuming conversion of the convertible bonds which are in the money

FINANCIAL POLICY

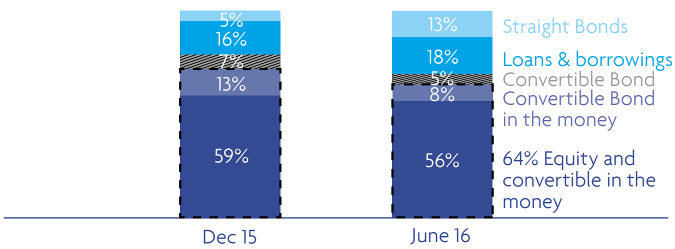
Aroundtown has set a financial policy to improve its capital structure further:

- **Strive to achieve A- global rating in the long-term**
- LTV limit at 45%
- Maintaining very conservative financial ratios
- Unencumbered assets above 50% of total assets
- Long debt maturity profile
- Good mix of long term unsecured bonds and non-recourse bank loans
- Support convertible bond holders to convert into equity
- Dividend of 30% of FFO I

STRONG COVER RATIOS – H1 2016



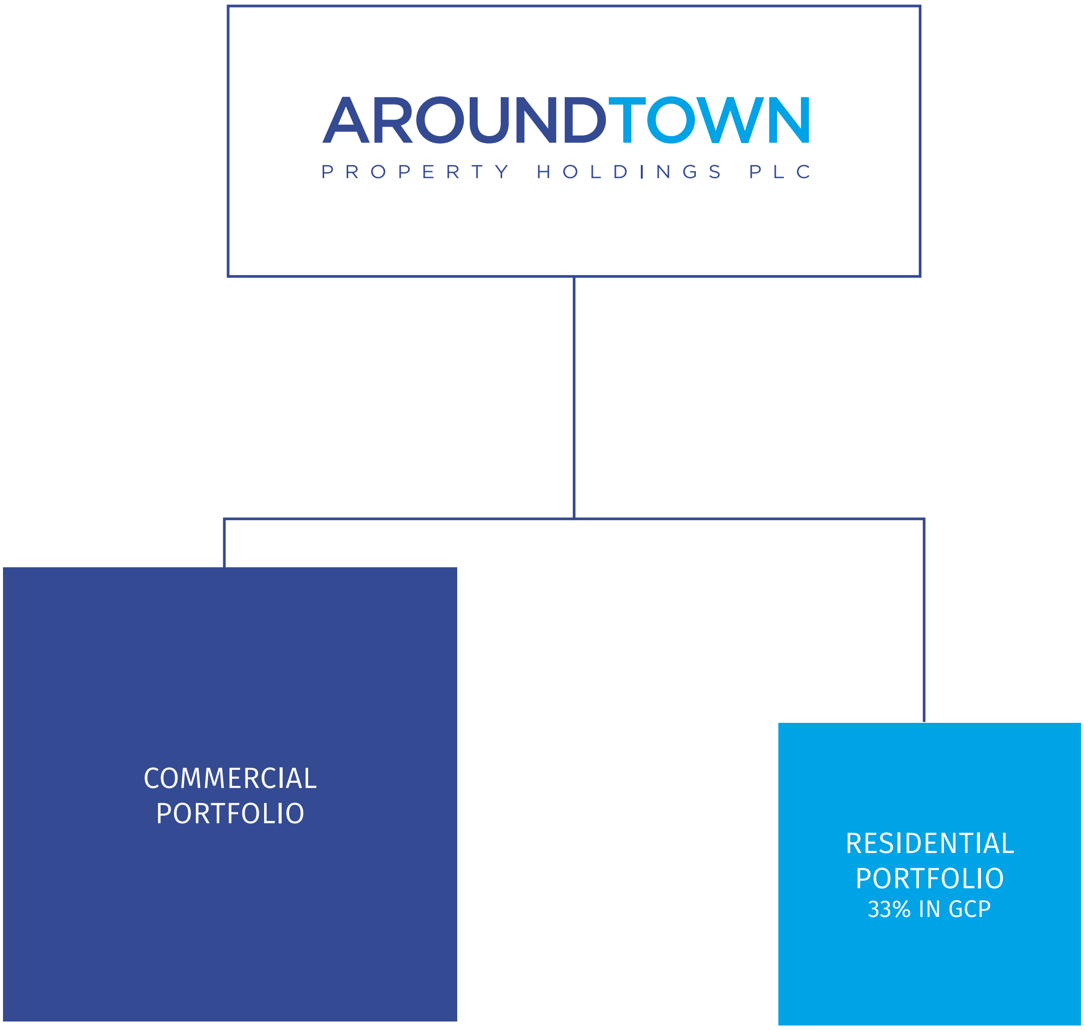
FINANCING SOURCES MIX



In addition to its conservative capital structure and vast experience in accessing capital markets that enable AT to finance its future growth, the Company maintains a strong liquidity position through a mix of its operational cash generation, cash and liquid assets which as of June 30th 2016 amount to €227 million and strong cover ratios. The €500 million Series E straight bond issued in July 2016 provides additional liquidity firepower. Additionally, the high ratio of unencumbered assets of 56% as of August 2016 provides additional financial flexibility.

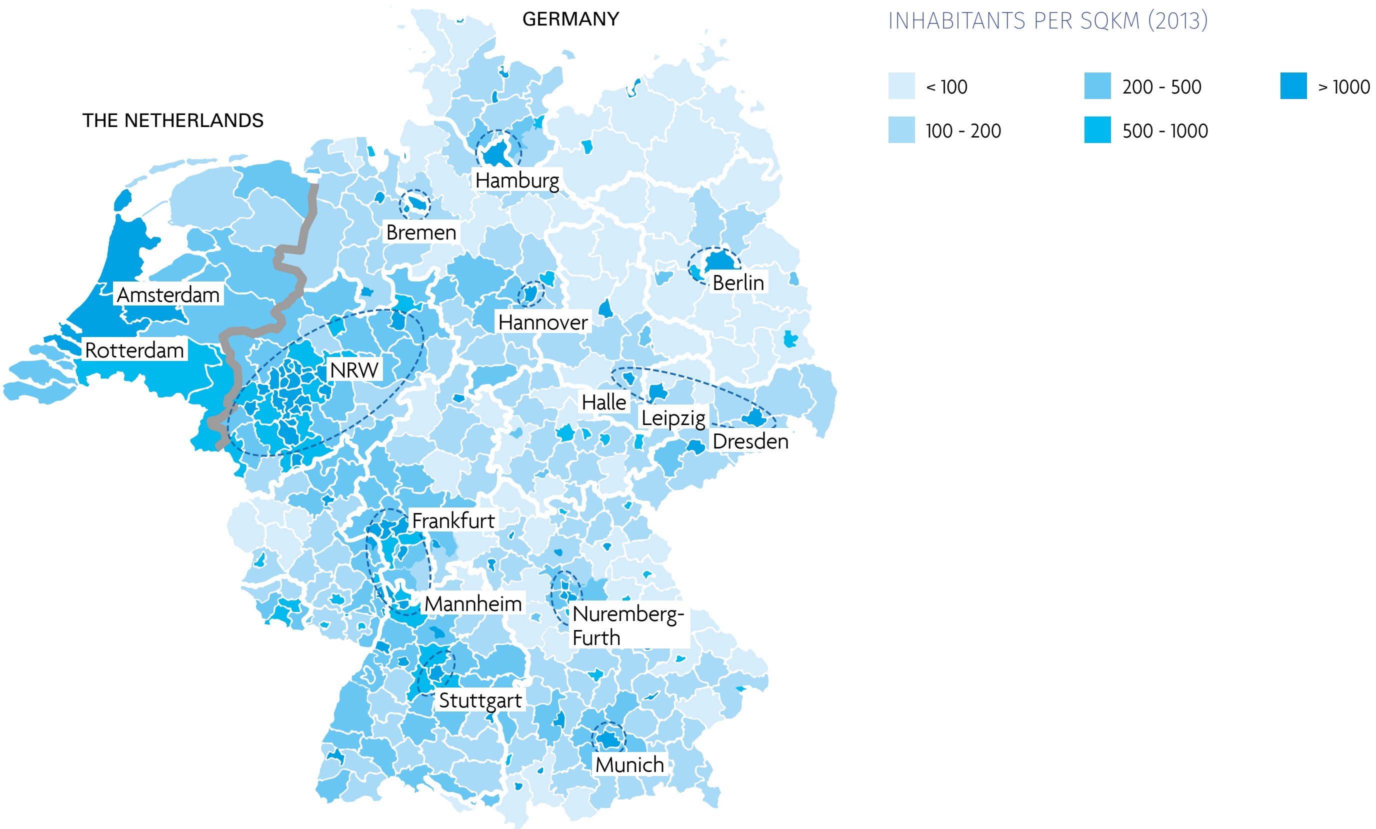
CREDIT RATING ACHIEVEMENT

In June 2016 AT credit rating was upgraded to 'BBB' from Standard & Poor's Ratings Services ("S&P"). The rating increase followed the initial credit rating of 'BBB-' received from S&P in December 2015, only 6 months earlier. S&P acknowledged AT's increased business stability and expanded portfolio size with good scale and diversification. Further, S&P additionally acknowledged AT's well balanced portfolio across multiple property asset types and regions in Germany with no dependency on a single region.

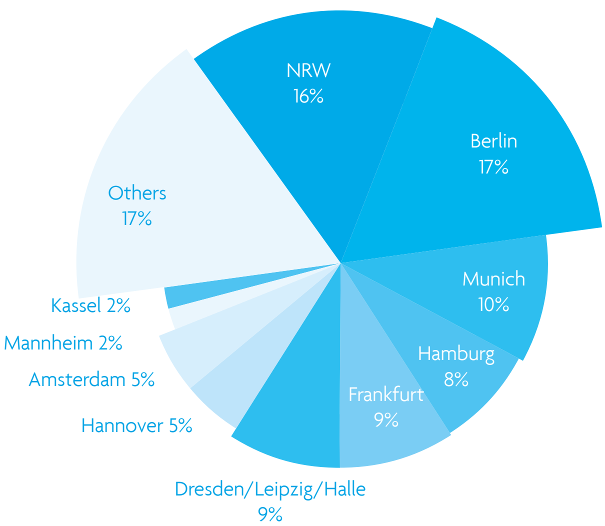

AROUNDTOWN
PROPERTY HOLDINGS PLC
COMMERCIAL PORTFOLIO
RESIDENTIAL PORTFOLIO
33% IN GCP

AROUNDTOWN'S PORTFOLIO

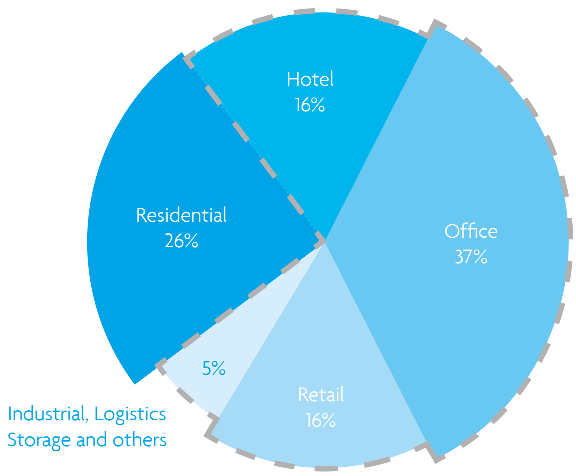
POPULATION DENSITY IN GERMANY AND NETHERLANDS



REGIONAL DISTRIBUTION (BY VALUE) *



ASSET TYPE (BY VALUE)*



*residential portfolio is accounted for at the holding rate of 33%

COMMERCIAL INVESTMENT PORTFOLIO

Aroundtown holds a diverse portfolio of commercial assets of various asset types which focus on various urban centers with strong demographics and favourable economic fundamentals. The commercial portfolio is diversified over several different asset types of offices, retail, hotel and other properties covering 2.7 million sqm.

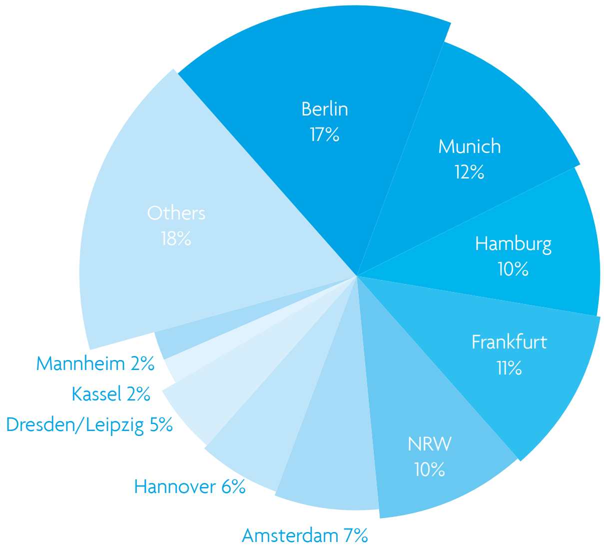
As of August 2016, the Group's commercial portfolio with a value of €4.1 billion generate a rental and operating income run rate (August 2016 annualized) of €269 million and operate at an in-place rent of 7.8 €/sqm and at a vacancy rate on rentable area of 7.4%. The portfolio exhibits strong growth potentials through rent and occupancy increase as well as cost efficiency improvements resulting in an EBITDA of €192 million and in the bottom line FFO run rate (August 2016 annualized) of €139 million.

Aroundtown's commercial portfolio is located in key locations which benefit from strong demographic and economic fundamentals, such as Berlin, Munich, Hamburg, Frankfurt, NRW, Hannover and Amsterdam. Due to the high diversity, AT's portfolio has a limited dependency on single tenants with a tenant base of over 1,500 tenants spread across a wide range of sustainable market sectors which further reduces cluster risk while a WALT of 8.5 years offers long-term cash flow security.

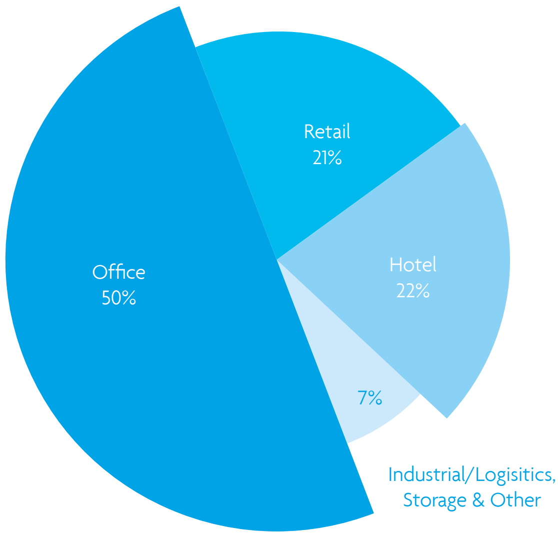
The management believes that its business platform benefits from its skilled personnel, its experience and track record and reliable practices that enable the Company to perform strongly and to further expand in the commercial property market. The Company also believes that the business environment will provide abundant acquisition opportunities in the attractive markets it targets, to support its external growth strategy in the medium to long term. A strong deal pipeline and favourable market conditions provide further upside potential for the future.

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 visibility. AT keeps close relations with the operators and monitors their performance on an ongoing basis, making use of its tailor made IT/software system. In return, AT benefits from fixed annual rent increases, which contributes directly to the bottom line. The Group holds hotel assets across half a million sqm in 56 hotels with 8,800 rooms. The hotels assets are held through a 89% stake in Primecity Investments PLC ("PCI").

REGIONAL DISTRIBUTION (BY VALUE)



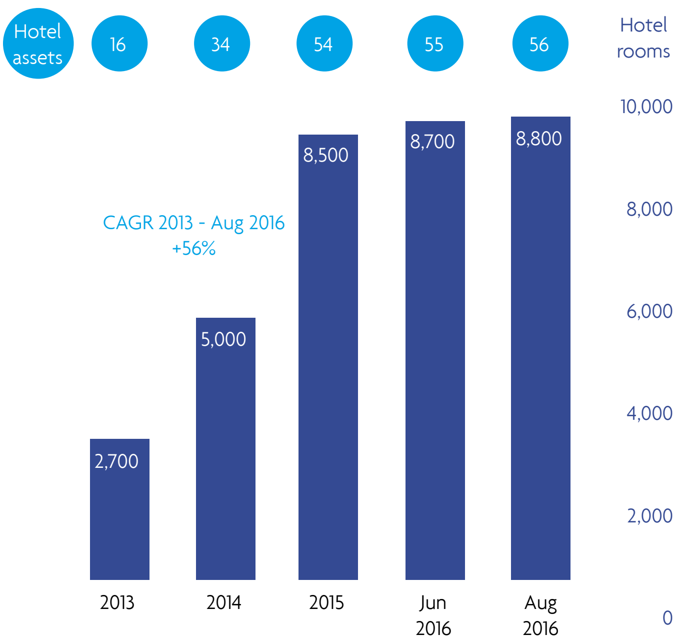
ASSET TYPE (BY VALUE)




Hotel & Restaurant

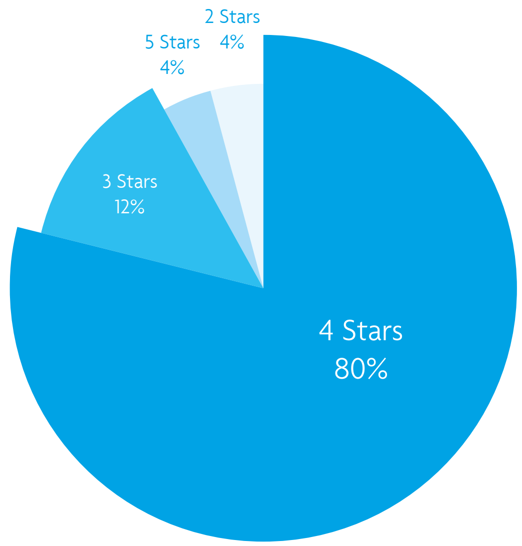
COMMERCIAL INVESTMENT PORTFOLIO (CONTINUED)

HOTEL ASSETS & ROOMS



HOTEL PORTFOLIO COMPOSITION BY STAR CATEGORY (BY VALUE)

Responding to the highest market demand of star category, the majority of hotels consists of 4 star hotels.



THE GROUP CHOOSES FRANCHISORS WITH STRONG BRANDS, A COMPETITIVE BOOKING PLATFORM AND A LARGE SCALE OF CATEGORIES WHICH PROVIDES HIGH FLEXIBILITY FOR THE BRANDING OF ITS ASSETS

WYNDHAM Hotels and Resorts

Sheraton HOTELS & RESORTS

WYNDHAM GARDEN

Best Western

TRYP BY WYNDHAM

STEIGENBERGER HOTEL GROUP

Days Inn

swissôtel Hotels & Resorts

CARLSON REZIDOR HOTEL GROUP

Holiday Inn

park inn by Radisson

ACCOR HOTELS Feel Welcome

ibis HOTELS

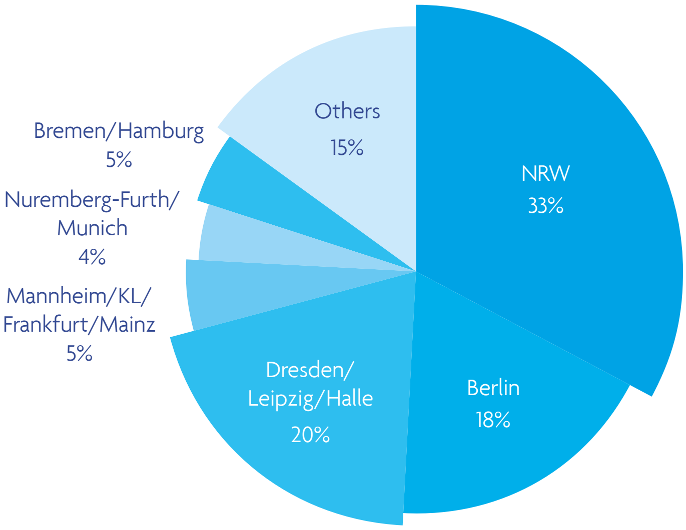
Mercure HOTELS

Radisson BLU HOTELS & RESORTS

RESIDENTIAL INVESTMENT PORTFOLIO (GCP)

The residential portfolio is held through a 33% interest in Grand City Properties ("GCP"), a leading market player in the German residential market. AT is the largest shareholder in GCP. The remaining 67% are widely distributed and held mainly by many international leading institutional investors. There is no major single shareholder except for AT. As of August 2016, GCP holds 82k units in its portfolio and manages additional 13k units for third parties. Its holdings are spread across densely populated areas, with a focus on North Rhine-Westphalia, Berlin and the metropolitan regions of 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 GCP established an industry leading service level and lasting relationships with its tenants.

REGIONAL DISTRIBUTION (BY VALUE)

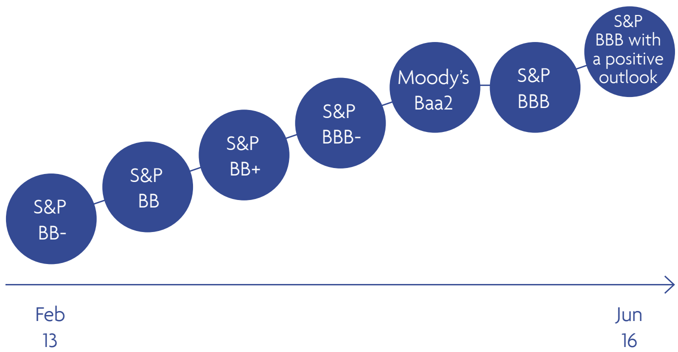


As of August 2016, Grand City Properties' portfolio generates an FFO I run rate (August 2016 annualized) of €159 million and rental income run rate (August 2016 annualized) of €440 million. The current portfolio has an in-place rent of 5.3 €/sqm at a vacancy rate on rentable area of 8.3%.

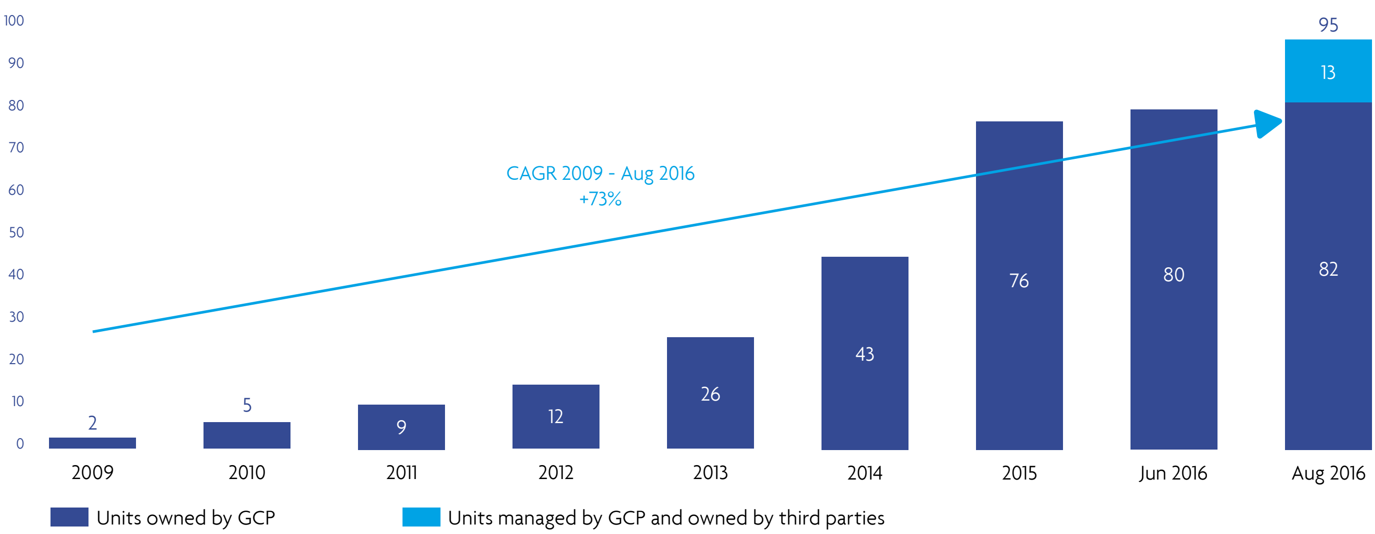
GCP's success is mirrored in the strong performance in the debt and capital markets. Since the beginning of 2015, GCP raised an aggregate amount of €1.65 billion, issuing in 2015 €550 million in straight bonds of Series E, €500 million in perpetual notes and €150 million in equity and in February 2016 the Series F convertible bond with a volume of €450 million. GCP's average cost of debt is 1.6%.

GCP holds investment grade credit ratings from Moody's Investors Service at Baa2 and BBB with a positive outlook from Standard & Poor's Rating Services and follows the strategy to achieve a rating of A- in the long-term. GCP is listed on the Frankfurt Stock Exchange since 2012 and as of August 2016 has a market cap of €3 billion. GCP outperformed the market continuously since its IPO, in share, convertible bond, straight bond and perpetual notes performances. GCP is included in major FTSE EPRA/NAREIT indices, including FTSE EPRA/NAREIT Global, Developed and Developed Europe and in the GPR 250 index. GCP has a dividend policy to distribute 50% of FFO I.

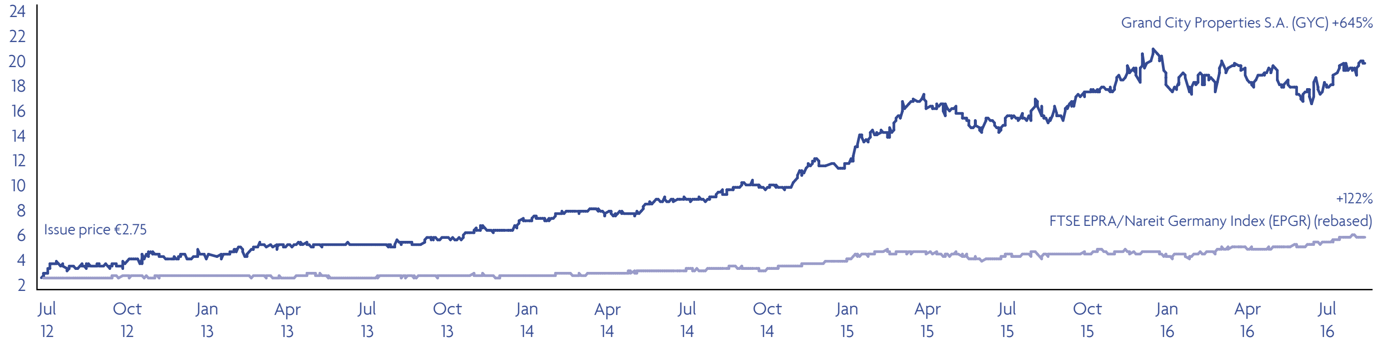
RATING ACHIEVEMENTS



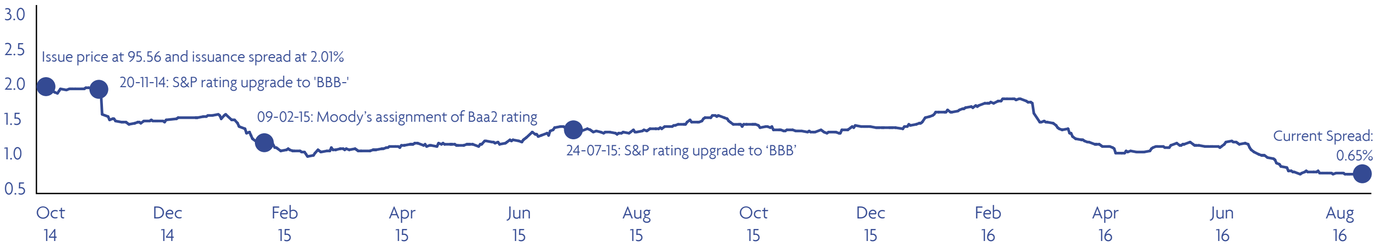
PORTFOLIO DEVELOPMENT IN UNITS ('000)

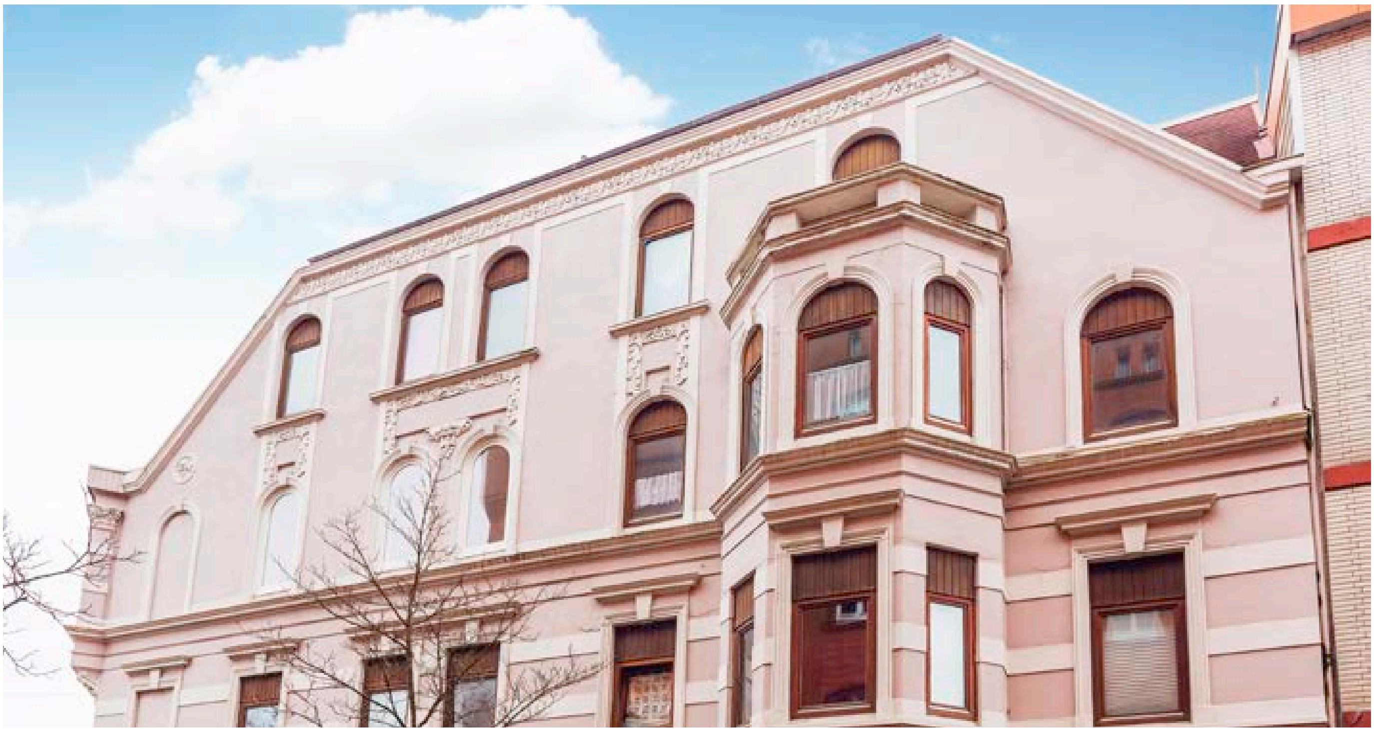


SHARE PRICE PERFORMANCE COMPARISON SINCE FIRST EQUITY PLACEMENT (19.07.2012)



STRAIGHT BOND SERIES D – SPREAD OVER MID-€-SWAP, REMAINING 5.5 YEARS





CORPORATE GOVERNANCE

ANNUAL GENERAL MEETING

On 4th of February 2016 the Annual General Meeting referring to 2014 and an Extraordinary General Meeting have been convened, in which all of the items on the agenda of both meetings were carried by a great majority. The main items included reappointing the Board of Directors, authorization to issue up to five million shares for an incentive plan for the Board of Directors and senior management and reappointing KPMG as the auditors of the Company.

The incentive plan has a 4 years vesting period with specific milestones to enhance management long term commitment to AT's strategic targets. Main strategic targets are long term improvements in operational and financial targets such as rent and occupancy increase, operational efficiency, increase in adjusted EBIDTA per share, FFO per share and EPS. Management will be incentivized for keeping conservative financial ratios, with the strategic target to further improve the Group's credit rating.

CORPORATE GOVERNANCE

The Group puts a strong emphasis on corporate governance, executed responsibly by the Board of Directors, Advisory Board and the management teams. The Group directs its efforts in maintaining the high trust it received from its shareholders to balance interests. AT is proud of the high confidence of its investors, which is reflected in the impressive placement of funds by major global investment banks. AT's shares and bonds were issued to many international leading institutional investors and major global investment and sovereign funds.

The Group strives to put a strong emphasis on high standards of corporate governance and internal procedures. This is particularly the case with the implementation of the Advisory Board, the Risk Committee and the Audit Committee. Furthermore, the Group ensures that its senior management are comprised of senior executives with vast experience and skills in the areas relevant to the business of the group. The Group adopted quarterly reporting standards and updates its corporate presentation and most updated Run Rate figures on a continuous basis.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors and the management make decisions solely on the Group's interest and independently of any conflict of interest. The Group is administered by a Board of Directors that is vested with the broadest powers to perform in the Group's interest. All powers not expressly reserved by the Cyprus Companies Law or by the articles of incorporation to the general meeting of the shareholders fall within the competence of the Board of Directors.

Regularly, the Board of Directors and its senior management evaluate the effective fulfilment of their remit and compliance with corporate governance procedures implemented by the Group. This evaluation is also performed on and by the Audit and Risk Committees. Aroundtown Property Holdings PLC, the Board of Directors currently consists of a total of three members and resolves on matters on the basis of a simple majority, in accordance with the articles of incorporation.

MEMBERS OF THE BOARD OF DIRECTORS

Name	Position
Mr. Reshef Ish-Gur	Director
Ms. Elena Koushos	Director
Ms. Jelena Afxentiou	Director

SENIOR MANAGEMENT

Name	Position
Mr. Shmuel Mayo	CEO
Mr. Eyal Ben David	CFO
Mr. Oschrie Massatschi	COO

ADVISORY BOARD

The Board of Directors established an Advisory Board to provide expert advice and assistance to the Board of Directors. The Board of Directors decides on the composition, tasks and term of the Advisory Board as well as the appointment and dismissal of its members. The Advisory Board has no statutory powers under Cyprus Companies Law or the articles of incorporation of the Company, but applies rules adopted by the Board of Directors from time to time. The Advisory Board is an important source of guidance for the Board of Directors when making strategic decisions.

AUDIT COMMITTEE

The Board of Directors established an Audit Committee. The Board of Directors decides on the composition, tasks and term of the Audit Committee as well as the appointment and dismissal of its members. The responsibilities of the Audit Committee relate to the integrity of the financial statements, including reporting to the Board of Directors on its activities and the adequacy of internal systems controlling the financial reporting processes and monitoring the accounting processes. The Audit Committee provides guidance to the Board of Directors on the auditing of the annual financial statements of the Company and, in particular, shall monitor the independence of the approved independent auditor, the additional services rendered by such auditor, the issuing of the audit mandate to the auditor, the determination of auditing focal points and the fee agreement with the auditor. The members of the Audit Committee are Ms. Jelena Afxentiou, Elena Koushos, Mr. Christian Hupfer as well as Mr. Oschrie Massatschi.

RISK COMMITTEE

The Board of Directors established a Risk Committee for assisting and providing expert advice to the Board of Directors in fulfilling its oversight responsibilities, relating to the different types of risks, recommend a risk management structure including its organization and its process as well as assess and monitor effectiveness of the risk management. The Risk Committee provides advice on actions of compliance, in particular by reviewing the Group's procedures for detecting risk, the effectiveness of the Group's risk management and internal control system and by assessing the scope and effectiveness of the systems established by the management to identify, assess and monitor risks. The members of the Risk Committee are Mr. Andrew Wallis, Ms. Jelena Afxentiou and Mr. Eyal Ben David. The Board of Directors decides on the composition, tasks and term of the Risk Committee and the appointment and dismissal of its members.

INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

The Group closely monitors and manages any potential risk and sets appropriate measures in order to mitigate the occurrence of any possible failure to a minimum. The risk management is led by the Risk Committee, which constructs the risk management structure, organization and processes. The Risk Committee monitors the effectiveness of risk management functions throughout the organization, ensures that infrastructure, resources and systems are in place for risk management and are adequate to maintain a satisfactory level of risk management discipline. The Group categorizes the risk management systems into two main categories; internal risk mitigation and external risk mitigation.

INTERNAL RISK MITIGATION

Internal controls are constructed from four main elements:

- Risk assessment – set by the Risk Committee and guided by an ongoing analysis of the organizational structure and by identifying potential weaknesses. Further, the committee assesses control deficiencies in the organization and executes issues raised by internal audit impacting the risk management framework.
- Control discipline – based on the organizational structure and supported by employee and management commitments. The discipline is erected on the foundations of integrity and ethical values.
- Control features – the Group sets physical controls, compliance checks and verifications such as cross departmental checks. The Group puts strong emphasis on separation of duties, as approval and payments are done by at least two separate parties. Payment verifications are cross checked and confirmed with budget and contract. Any payment exceeding a certain set threshold amount requires additional approval by the head of the department as a condition for payment.
- Monitoring procedures – the Group monitors and tests unusual entries, mainly through a detailed monthly actual vs. budget analysis and checks. Strong and sustainable control and organizational systems reduce the probability of errors and mistakes significantly. The management sees high importance in constantly improving all measures, adjusting to market changes and organizational dynamics.

EXTERNAL RISK MITIGATION

As ordinary course of business, the Group is exposed to various external risks. The Risk Committee is constantly determining whether the infrastructure, resources and systems are in place and adequate to maintain a satisfactory level of risk. The potential risks and exposures are related, inter alia, to volatility of interest risks, liquidity risks, credit risk, regulatory and legal risks, collection and tenant deficiencies, the need for unexpected capital investments and market downturn risk.

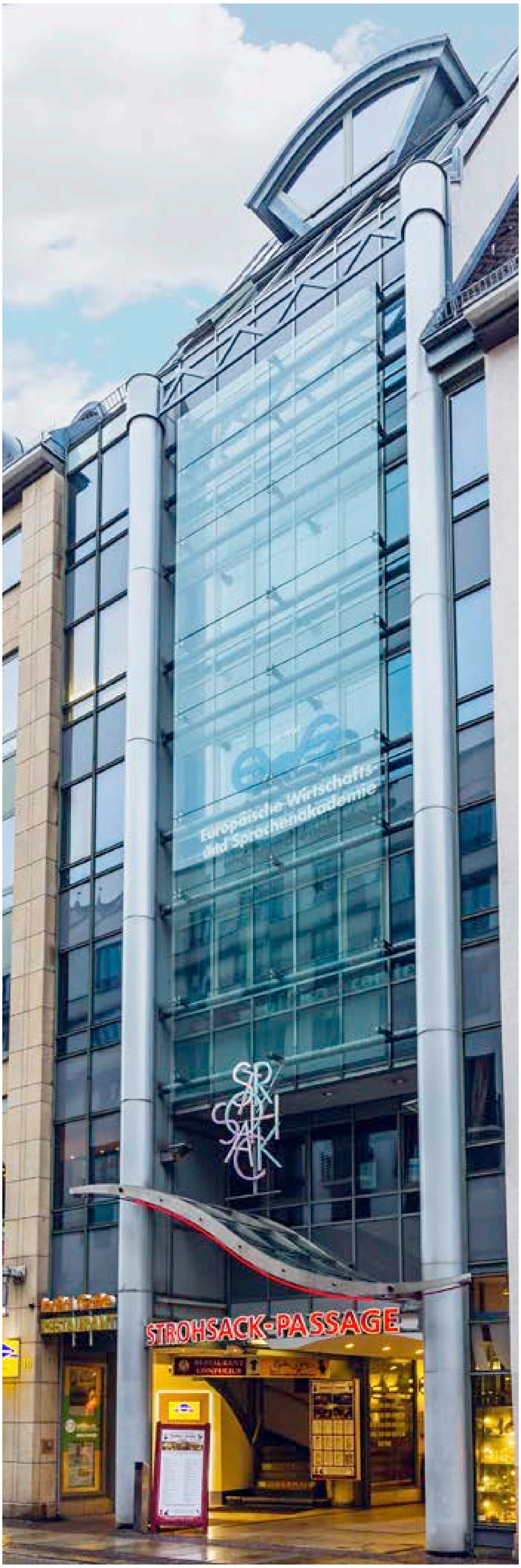
The Group sets direct and specific guidelines and boundaries to mitigate and address each risk, hedging and reducing to a minimum the occurrence of failure or potential default.

SHAREHOLDERS' RIGHTS

The Group respects the rights of all shareholders and ensures that they receive equal treatment. All shareholders have equal voting rights and all corporate publications are transmitted through general publication channels as well as on a specific section on its website.

The shareholders of Aroundtown Property Holdings PLC exercise their voting rights at the Annual General Meeting of the shareholders, whereby each share is granted one vote. The Annual General Meeting of the shareholders takes place at such place and time as specified in the notice of the meeting. At the Annual General Meeting of the shareholders the Board of Directors presents, among others, the directors report as well as consolidated financial statements to the shareholders.

The Annual General Meeting resolves, among others, on the financial statements of Aroundtown Property Holdings PLC, the appointment of the auditor of the Company and the discharge to and appointment or re-election of the members of the Board of Directors.



NOTES ON BUSINESS PERFORMANCE

SELECTED CONSOLIDATED INCOME STATEMENT DATA

	For the 6 months ended June 30,	
	2016	2015
	In thousands of euro	
Rental and operating income	110,016	46,172
Capital gains, property revaluations and other income	409,727	438,488
Share in profit from investment in equity-accounted investees	120,999	62,160
Property operating expenses	(28,133)	(8,118)
Administrative and other expenses	(3,696)	(2,363)
Operating profit	**608,913**	**536,339**
EBITDA	609,714	536,390
Adjusted EBITDA (*)	**113,314**	**61,089**
Finance expenses	(18,824)	(5,969)
Other financial results	(6,347)	11,291
Current tax expenses	(7,897)	(2,448)
Deferred tax expenses	(65,764)	(33,832)
Profit for the period	**510,081**	**505,381**
FFO I	**70,722**	**40,032**

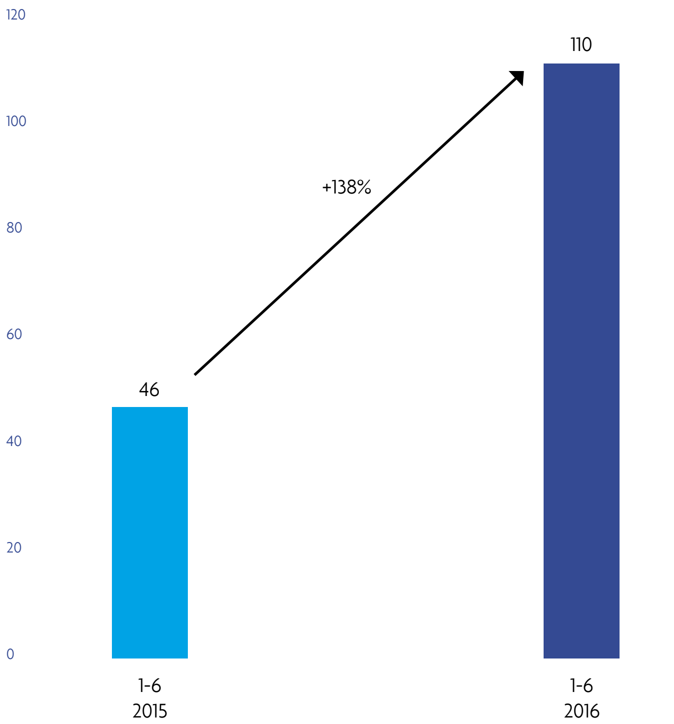
(*) including AT's share in GCP's adjusted EBITDA

REVENUE

	For the 6 months ended June 30,	
	2016	2015
	In thousands of euro	
Rental and operating income	110,016	46,172
Revenue	**110,016**	**46,172**

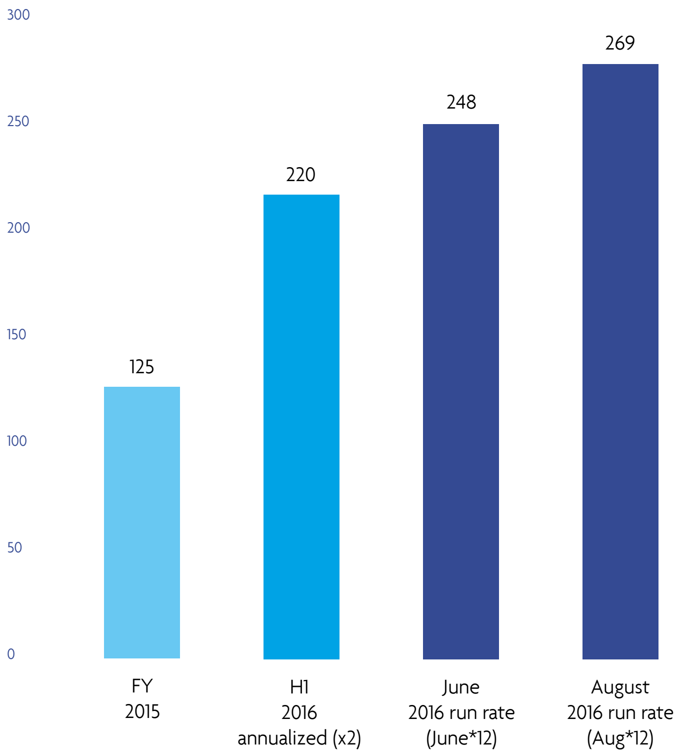
The Company recorded €110 million revenue in the first six months of 2016, increasing by 138% in comparison to the first six months of 2015. The significant rise in the top line result is mainly due to the substantial increase in the Company's portfolio since June 2015. The increase in revenue is also the result of increasing rental income.

RENTAL AND OPERATING INCOME PERIODIC DEVELOPMENT (IN € MILLIONS)



Although the revenue item has increased significantly in the first half of 2016, the full effect of the portfolio was not captured in the results as a large amount of the properties were acquired during the period. The monthly annualized rent as of June 2016, reflecting the full rental generation of the portfolio as of June 2016, was €248 million. As of August 2016, including additional acquisitions after June 2016, the monthly annualized rent of the portfolio increased to €269 million.

RENTAL AND OPERATING INCOME DEVELOPMENT (IN € MILLIONS)



NOTES ON BUSINESS PERFORMANCE

SHARE IN PROFIT FROM INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

	For the 6 months ended June 30,	
	2016	**2015**
	In thousands of euro	
Share in profit from investment in equity-accounted investees	**120,999**	**62,160**

AT's share in GCP's profit is reflected in the profit from investment in equity-accounted investees, which resulted in the first half of 2016 to €121 million in comparison to €62.2 million in the first half of 2015. This significant increase between the two periods is the direct result of GCP's record half-year profit in H1 2016, resulting from significant materialized value creation and from growth of the residential portfolio.

CAPITAL GAINS, PROPERTY REVALUATIONS AND OTHER INCOME

	For the 6 months ended June 30,	
	2016	**2015**
	In thousands of euro	
Capital gains, property revaluations and other income	**409,727**	**438,488**

In the first six months of 2016 the capital gains, property revaluations and other income amounted to €410 million, compared to €438 million in the respective period. This item mirrors the sustainable capability of Aroundtown to source attractive new acquisitions and to extract substantial upside potential from its portfolio, resulting in significant value creation, period over period.

AT sources assets primarily in off-market deals which are cash flow accretive, have value upside potentials and where it finds its management capabilities are fitting to achieve significant improvements in occupancy and rent, reduction of operating costs and improvement of lease terms. The value creation resulting from successful repositioning of the portfolio validates AT's business model. The values of the Group's assets are appraised by external, independent and professionally qualified valuators.

PROPERTY OPERATING EXPENSES

	For the 6 months ended June 30,	
	2016	**2015**
	In thousands of euro	
Property operating expenses	**(28,133)**	**(8,118)**

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

Property operating expenses amounted in the first six months of 2016 to €28 million compared to €8 million in the first half of 2015. This higher amount results from the extraordinary growth of the commercial portfolio between the two periods, as well as the mix of asset and lease types. Commercial assets differ in the lease structure as tenants either arrange the operating expenses themselves or only partially or not at all. In the last two options the operating expenses are recovered by the tenants through the operating income. The lease structure differs not just only from tenant type but also from the asset type. For multi-tenant assets the landlord usually handles the operating expenses whereas in single-tenant such as hotel assets the tenant covers almost fully all operating expenses and the landlord usually only covers so called "roof and façade" works. In the first half of 2015 the proportion of the income from hotel assets of the total income was higher than in the first half of 2016 which resulted in a different property operating expenses ratio over the income.

ADMINISTRATIVE AND OTHER EXPENSES

	For the 6 months ended June 30,	
	2016	**2015**
	In thousands of euro	
Administrative and other expenses	**(3,696)**	**(2,363)**

Administrative and other expenses include, among others, expenses for personnel, audit, accounting, legal and marketing.
Administrative and other expenses amounted to €3.7 million in the first six months of 2016, compared to €2.4 million in the first six months of 2015. The administrative expenses in relation to revenues account for 3%, down from 5% in the first half of 2015. The marginal increase of this item, in relation to the increase in the revenue reflects the Company's benefits from economies of scale and confirms the ability of the Group's strong management platform to cater additional portfolio growth.

NET FINANCE EXPENSES

	For the 6 months ended June 30,	
	2016	**2015**
	In thousands of euro	
Finance expenses	(18,824)	(5,969)
Other financial results	(6,347)	11,291
Net finance expenses	**(25,171)**	**5,322**

Finance expenses in the first six months of 2016 amounted to €18.8 million, increasing from €6.0 million in the comparable period of 2015. The higher amount results from the increased balance of financial debt which was used to support the significant growth in asset. The marginal increase in the finance expenses validates the improvement of the debt structure of the company, reflected in a BBB investment grade credit rating provided by S&P and in the Company's low cost of debt of 2%. The robust financial matrix and the strong operational profits of the Group is reflected by a high interest coverage ratio of 4.6, i.e. the generated adjusted EBITDA covers finance expenses 4.6-fold.

Other financial results amounted in the first half of 2016 to an expense of €6.3 million compared to an income of €11.3 million in the respective period of 2015. Other financial results are mainly impacted by changes in value of financial assets and derivatives, which are non-recurring and mainly non-cash items and costs for the buy back of bonds.

NOTES ON BUSINESS PERFORMANCE

TAXATION

	For the 6 months ended June 30,	
	2016	**2015**
	In thousands of euro	
Current tax expenses	(7,897)	(2,448)
Deferred tax expenses	(65,764)	(33,832)
Tax and deferred tax expenses	**(73,661)**	**(36,280)**

Tax and deferred tax expenses amounted to €74 million in the first six months, increasing by €37 million in comparison to the first six months 2015. The increase is mainly the result of an increase in deferred taxes by €32 million, a non-cash item which result from the revaluation gains in the period. For the calculation of the deferred tax expenses AT conservatively applies the statutory tax rate based on theoretical disposals through asset deals.

Current tax expenses amounted to €7.9 million in the first six months of 2016 reflecting an increase from €2.4 million in the first six months of 2015. The increase is related to the significant increase in operational profits of the Group as well as the growth of the portfolio.

PROFIT FOR THE PERIOD

	For the 6 months ended June 30,	
	2016	**2015**
	In thousands of euro	
Profit for the period	**510,081**	**505,381**

Aroundtown generated in the first 6 months of 2016 a profit of €510 million, surpassing the high profit recorded in the first six months of 2015. This high profits are the combined results of strong operational profits and high profits arising from revaluations gains. AT's strong profit generation is the result of successful property repositioning and materialization of the embedded potential in the Group's assets.

EARNINGS PER SHARE

	For the 6 months ended June 30,	
	2016	**2015**
	In thousands of euro	
Basic earnings per share	0.60	0.83
Diluted earnings per share	0.46	0.73
Weighted average basic shares in thousands	630,283	500,000
Weighted average diluted shares in thousands	782,619	500,000

Basic earnings per share in the first six months of 2016 amounted to €0.60 and the diluted earnings per share to €0.46, reflecting the increase in share count and the diluted effect of two equity increases and the issuance of two convertible bonds.

ADJUSTED EBITDA

	For the 6 months ended June 30,	
	2016	**2015**
	In thousands of euro	
Operating profit	608,913	536,339
Depreciation and amortization	801	51
EBITDA	**609,714**	**536,390**
Capital gains, property valuations and other income	(409,727)	(438,488)
Share in profit from investment in equity-accounted investees	(120,999)	(62,160)
Adjustment for GCP operational contribution*	34,326	25,347
Adjusted EBITDA	**113,314**	**61,089**

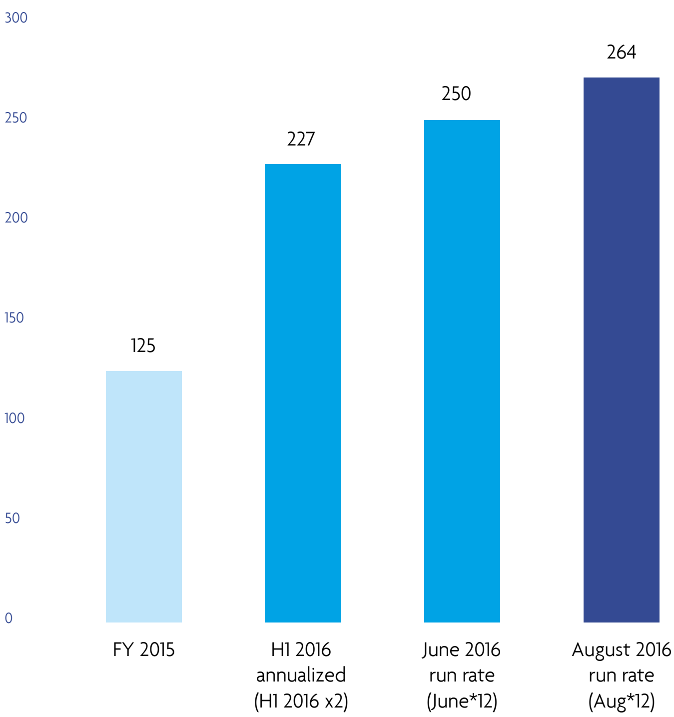
* The adjustment is to reflect Aroundtown's share in GCP's adjusted EBITDA.

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. For a reflection of the recurring operational results, the Group's adjusted EBITDA calculation substitutes the share of profit from investments in equity accounted investees, deriving from the share in GCP's profit, with the Group's share in GCP's adjusted EBITDA, accounting only for the operational results of GCP, and thus presenting a strictly operational performance measurement. In the first six months AT's stake in GCP was 32% and increased to currently 33%.

AT's adjusted EBITDA for the first six months of 2016 increased to €113.3 million, rising 85% in comparison to the first six months of 2015. The increase is the combined result of operational improvements such as increasing rents and occupancy levels and of a larger portfolio generating higher operational profits.

As the external and internal growth were carried out during the first six months of 2016 and additional properties were acquired at the end of the period, the periodic reported figure does not reflect the full effect of the portfolio at the end of the period. The monthly annualized adjusted EBITDA run rate as of June 2016 is €250 million in comparison to the €227 million of annualized H1 2016 adjusted EBITDA. Including the further growth of the portfolio after the reporting period, the monthly annualized adjusted EBITDA as of August 2016 amounts to €264 million.

ADJUSTED EBITDA DEVELOPMENT (IN € MILLIONS)



NOTES ON BUSINESS PERFORMANCE

FUNDS FROM OPERATIONS (FFO)

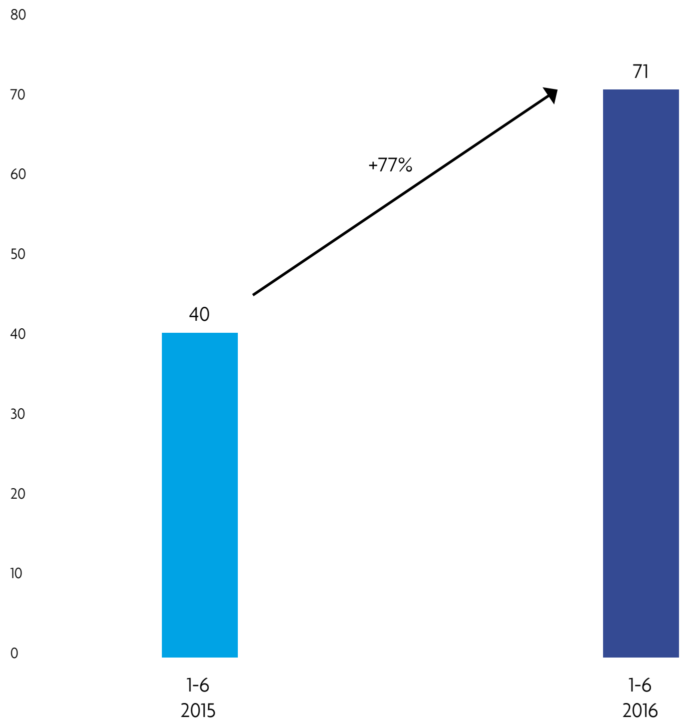
	for the 6 months ended June 30,	
	2016	**2015**
	In thousands of euro	
Adjusted EBITDA	**113,314**	**61,089**
Finance expenses	(18,824)	(5,969)
Current tax expenses	(7,897)	(2,448)
FFO I adjustment for AT holding rate in consolidated minorities*	(2,834)	(4,090)
FFO I adjustment for AT holding rate in GCP**	(13,036)	(8,550)
FFO I	**70,722**	**40,032**
Weighted average basic shares in thousands	630,283	500,000
FFO I per share (in € cent)	**11.2**	**8.0**

* The adjustment is to reflect the minority share in PCI as well as additional minorities in the amount of €291 thousand in H1 2016 and €40 thousand and H1 2015.

**The adjustment is to reflect Aroundtown's share in the tax and finance expenses of GCP

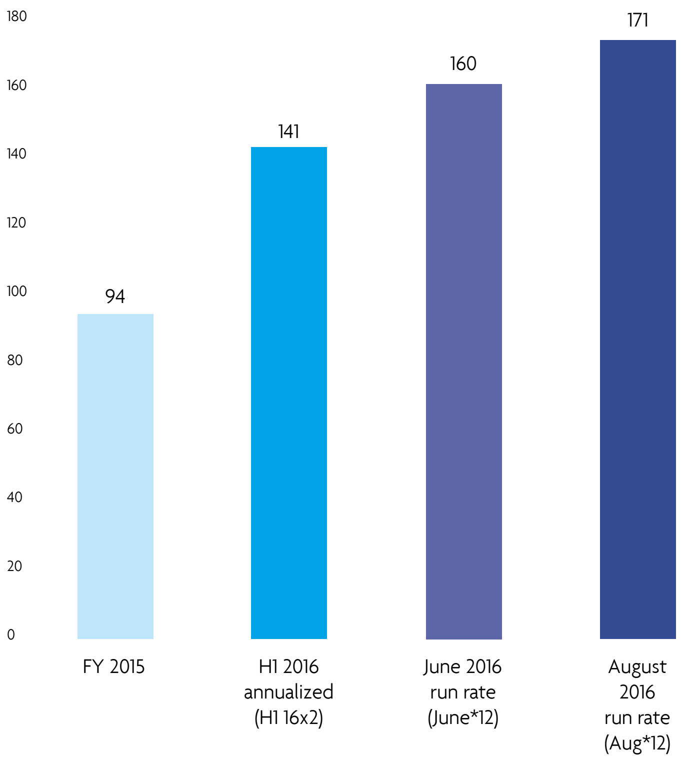
Funds from Operation I (FFO I) is a measure of the materialized bottom line operational profits, calculated by deducting current tax expenses and finance expenses from the adjusted EBITDA.
The FFO I for the first half of 2016 increased to €71 million, up 77% in comparison to the first half of 2015. The strong bottom line operational results are the result of high operational results reflected in the adjusted EBITDA supported by low financial expenses. We reconcile the calculation of the Group's FFO I to reflect the actual holding rates of AT in GCP and PCI and further reduce additional FFO minorities, providing a better indication for the operational profit attributed to the owners of the Company. AT's weighted average holding rate in PCI in the first six months of 2016 was 81% and currently is 89%.

FFO I PERIODIC DEVELOPMENT (IN € MILLIONS)

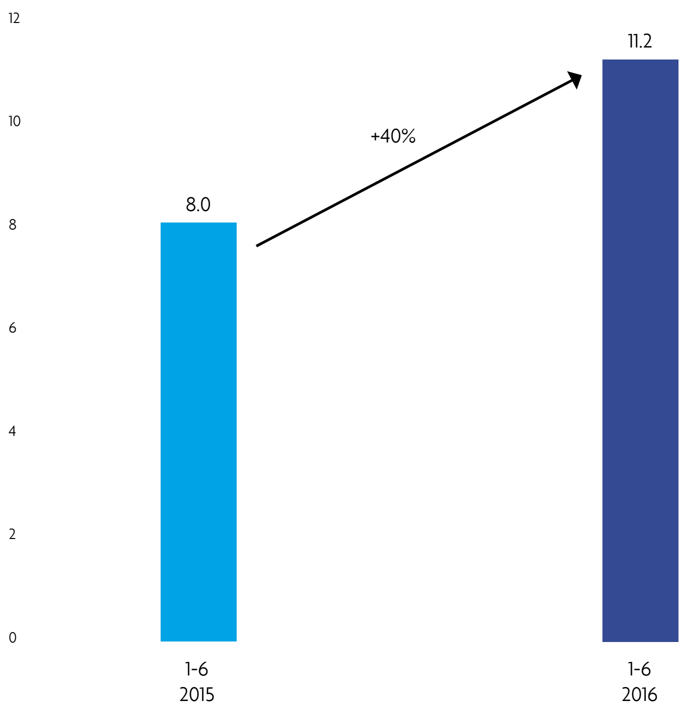


Corresponding to the adjusted EBITDA, the periodic reported FFO I does not reflect the full effect of the portfolio at the end of the period. The monthly annualized FFO I run rate as of June 2016, reflecting the FFO I contribution of the portfolio held in June 2016 was €160 million. Including the additional growth after June 2016, the monthly annualized FFO I as of August 2016 amounted to €171 million.

FFO I DEVELOPMENT (IN € MILLIONS)

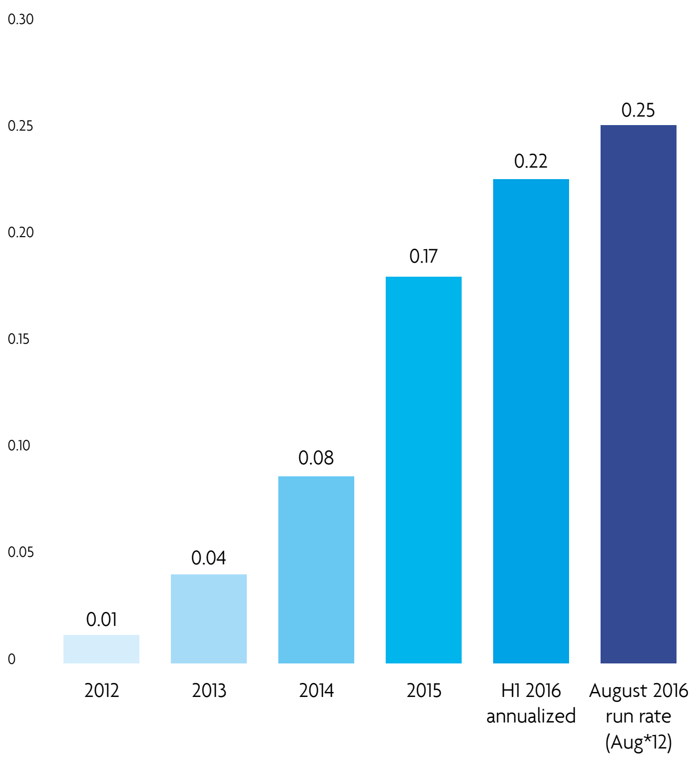


FFO I PER SHARE QUARTERLY DEVELOPMENT (IN € CENTS)



FFO I per share increased in the six months of 2016 to €11.2 cents per share, an increase of 40% in comparison to the first half year of 2015. The FFO per share increase underlines AT's ability to create accretive value for its shareholders on a per share basis. The FFO I per share increase was offset in comparison to the total FFO I increase due to dilution effects attributed to nearly €600 million equity increases in July 2015 and April 2016.

FFO I PER SHARE ANNUAL DEVELOPMENT (IN €)



NOTES ON BUSINESS PERFORMANCE

CASH FLOW

	For the 6 months ended June 30,	
	2016	**2015**
	In thousands of euro	
Net cash provided by operating activities	70,535	50,607
Net cash used in investing activities	(1,013,916)	(703,662)
Net cash provided by financing activities	926,318	707,319
Net changes in cash and cash equivalents	**(17,063)**	**54,264**

Net cash and cash equivalents decreased over the first six months of 2016 by €17.1 million, with the overall investment rate being slightly higher than the amount of new financing sources utilized. The investment amount of over €1 billion represents an increase of 44% compared to the first half year of 2015, which was also marked by an outstanding growth rate. AT focuses on acquiring assets that best fit its acquisition criteria, being located in strong financial and demographic locations, and having various drivers of profitability for the Company to engage going forward. This largely translates to carefully selecting small to medium size acquisition targets, that add to the total quality of the portfolio by complementing the existing strong points and increasing diversification. The investment amount is therefore evidence of the high quality deal sourcing network the Group has developed for over 12 years and currently benefits from.

The acquisitions over the period were financed by the proceeds received from the €266.5 million equity issuance, €250 million from financial institutions and by the €600 million Series D issuance in April 2016, as well as from existing liquidity as of the end of the 2015. The total cash provided by financing activities was offset by the Group acquiring €51.6 million principle value of its existing Series A straight bond.

The liquidity position of AT remains strong as of June 2016 with €227 million in cash and liquid assets. AT has continued to widen its liquidity base into the second half of 2016, with the issuance of the €500 million Series E bond issuance in July 2016.

ASSETS

	June 2016	**Dec 2015**
	In thousands of euro	
Non-current assets	5,836,895	4,007,602
Current assets	312,985	432,545
Assets	**6,149,880**	**4,440,147**

Total assets as of June 2016 amount to €6.15 billion, an increase of 39% from 2015 year-end following the Group's significant growth over the first six months, supported by its €266.5 million equity capital increase and €600 million straight bond Series D issuance, taking place in April 2016, alongside the strong profit generated over the period.

The items of investment property and advanced payments for investment property amount to €4.2 billion, an increase of 69% from year-end 2015, reflecting the Group's focus during the first six months on expanding its commercial portfolio and its success in creating long term capitalized value from engaging the added operational profit drivers in its assets – reducing vacancy, improving rental terms, reducing various operational costs and improving the tenant satisfaction.

AT maintained through the first half of 2016 its strong growth momentum of 2015, through various acquisitions made across the different asset types and core geographic locations, adding up to increase not only the sheer size of the portfolio but also its quality, a trend complimented by the strong letting activities over the period, leading to reduction in the vacancy level to 7.4% in the commercial portfolio.

Investment in equity-accounted investees increased by 12%, representing AT's investment in residential properties through its strategic holding in GCP, following GCP's strong performance over the period with profit amounting to €392 million, and total assets increasing to €5.6 billion as of June 2016.

AT moves to the second half of 2016 with a portfolio having stronger presence in its focus geographic locations, while keeping an excellent degree of diversification and adding various profitability drivers to support internal growth going forward.

Current assets decreased by €120 million from year-end 2015, which is the result of decrease in liquid assets which were directed to support the Company's growth over the first six months. During July 2016, AT completed the placement of a further €500 million straight Series E bond, bringing its pro-forma total assets to €6.65 billion, an increase of 50% to year end 2015, supplying additional firepower for portfolio growth.

NOTES ON BUSINESS PERFORMANCE

LIABILITIES

	June 16	Dec 15
	In thousands of euro	
Total loans and borrowings*	1,008,309	645,339
Straight bonds	708,446	187,923
Convertible bonds	744,321	817,721
Deferred tax liabilities	308,722	185,774
Other long term liabilities and derivative financial instruments	54,777	66,026
Current liabilities**	155,496	111,852
Liabilities	**2,980,071**	**2,014,635**

* includes short term loans and borrowings, credit lines and loan redemption
** excludes short term loans and borrowings, credit lines and loan redemption

AT's liability side increased by 48% over the first half of 2016, corresponding to the growth in assets over the period and while keeping a highly diverse and well balanced financing structure, accessing bank loans alongside issuance of straight and convertible bonds and equity. The Group's rapid growth is supported by its strategic position of maintaining a strong liquidity base and remarkable access to the capital markets allowing to find the most fitting financing terms for its assets and complete acquisitions quickly, materializing opportunities as they arise. The balance of the convertible bonds has decreased by €73 million to €744 million due to conversions performed over the first six months of 2016. As of June 2016, €462 million of convertible bonds are in the money and conversions are taking place. After the reporting date an additional €8 million convertible bonds were converted into equity.
The balance of straight bonds had increased following the issuance of the €600m 6-year Series D in April 2016, offset by an amount of 516 units (of 2,000 units) of Series A straight bond held in treasury by the Company. As of the date of this report, the Company holds 971 units of Series A in treasury.

In July 2016 AT placed an additional €500 million straight bond series E bearing a coupon of 1.5%, same as the Series D, but with an 8-year term compared to the 6-year term of Series D, demonstrating the strong momentum in the Group's operational and corporate position in 2016. In June 2016 S&P increased the Group's credit rating to BBB, acknowledging AT's good scale and diversification and material improvement in vacancy.

The increase of €123 million in deferred tax liabilities are non-cash liabilities and result from the strong valuations gains and profits from business combination achieved during the first half of 2016. AT practices a conservative approach with regard to its deferred tax liabilities, accounting for the real estate tax on increase in its property values, for the theoretical case of future asset sales.

NET DEBT

	June 16	Dec 15
	In thousands of euro	
Total debt	2,461,076	1,650,983
Cash and liquid assets	226,523	386,983
Total net debt	**2,234,553**	**1,264,000**
Convertible bond*	(461,859)	(536,136)
Total net debt assuming conversion	**1,772,694**	**727,864**

* Assuming conversion of the convertible bonds which are in the money

Aroundtown's net debt position reflects its strong cash and liquid assets position. In order to execute acquisitions swiftly and provide a deal execution certainty the Company maintains a sufficient balance of liquid assets. The Company's net debt as of June 30, 2016 amounts to €2.2 billion and €1.8 billion assuming conversion of the convertibles which are in the money.

LOAN-TO-VALUE

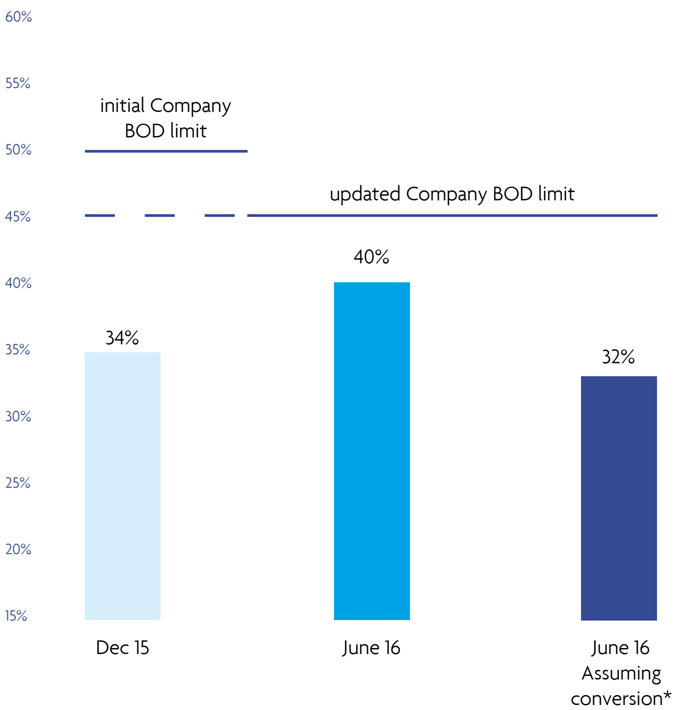
	June 16	Dec 15
	In thousands of euro	
Investment property*	4,205,078	2,482,085
Investment in equity-accounted investees	1,330,549	1,183,148
Total Value	**5,535,627**	**3,665,233**
Total Loans and borrowings	1,008,309	645,339
Straight bonds	708,446	187,923
Convertible bonds	744,321	817,721
Minus:		
Cash and liquid assets	226,523	386,983
Net Debt	**2,234,553**	**1,264,000**
LTV	**40%**	**34%**
Total net debt assuming conversion	1,772,694	727,864
LTV assuming conversion **	**32%**	**20%**

* including advanced payments
** Assuming conversion of the convertible bonds which are in the money

Loan-To-Value ("LTV") is calculated by dividing the financial debt, net of cash and liquid assets and dividing by the aggregate sum of investment property, including advanced payments, and investments in equity accounted investees.
Aroundtown has a conservative financial policy of an LTV limit of 45% which was updated from 50%. Along the strong growth of the Company, AT's leverage has been kept at low levels due to the acquisitions of accretive assets with a value-add potential. As of June 30, 2016 AT's LTV was 40% and 32% assuming conversion of in-the-money convertibles. The low leverage levels provide substantial headroom for financial comfort and the basis for further growth.

NOTES ON BUSINESS PERFORMANCE

LOAN-TO-VALUE



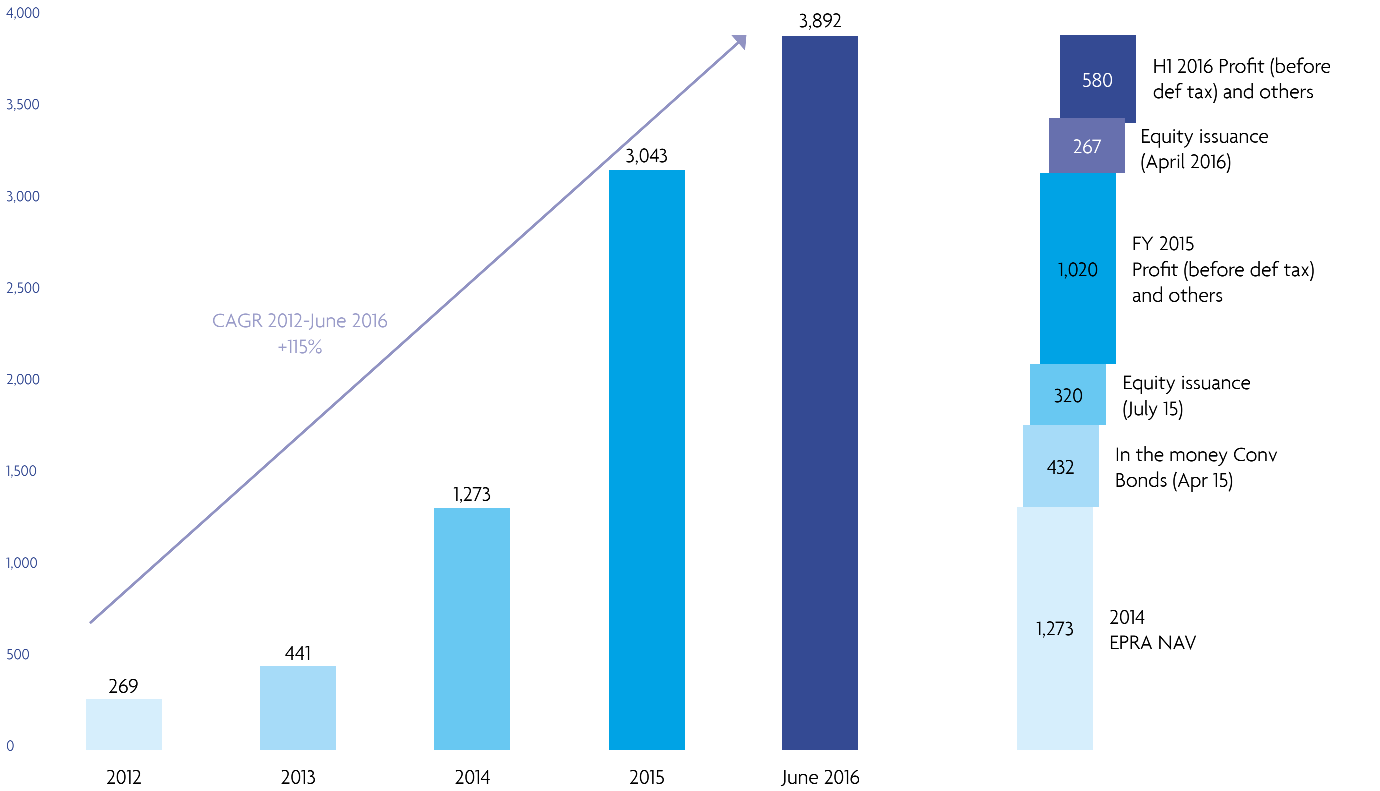
EPRA NAV

	June 16	Dec 15
	In thousands of euro	
Total Equity	3,169,809	2,425,512
Fair Value measurements of derivative financial instruments	9,622	3,590
Deferred tax liabilities	308,722	185,774
Convertible bond Series B *	403,412	427,988
EPRA NAV	**3,891,565**	**3,042,864**

* The convertible bond Series B are in the money and includes accrued interest

EPRA NAV increased in the first 6 months of 2016 by €848 million, reflecting an increase of 28% from year-end 2015. The main drivers for the increase were the profit generation in the period of €510 million, the equity capital increase of €267 million in April 2016 and the increase in deferred tax liabilities which reduces the profit but is added back to the EPRA NAV calculation.

EPRA NAV (IN € MILLIONS)



	EPRA NAV 1)2)	# of shares incl. conv bond B "in the money"	Fully diluted EPRA NAV (incl conv bond B, C) 3)	Fully diluted # of shares (incl conv. bond B, C)
June 30th 2016 (in 000')	**3,891,565**	**795,829**	**4,176,431**	**847,619**
June 30th 2016 per share (in €)	**4.9**		**4.9**	
December 31st 2015 (in 000')	3,042,864	730,829	3,324,609	782,619
December 31st 2015 per share (in €)	4.2		4.2	

1) includes non-controlling interest of €399 million as of June 2016 and €320 million as of Dec 2015. June 2016 EPRA NAV per share excluding minority is €4.4 (Dec 2015 is €3.7)
2) Convertible bond Series B "in the money" (conversion price 3.44), are included in the EPRA NAV and in the 795,829k share count
3) includes convertible bond Series C, conversion price €5.79

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 an auditor.

By order of the Board of Directors,
August 29, 2016

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,	
	2016	**2015**	**2016**	**2015**
	In thousands of euro		In thousands of euro	
Revenue	**110,016**	**46,172**	**59,947**	**26,075**
Capital gains, property revaluations and other income	409,727	438,488	186,035	187,711
Share in profit from investment in equity-accounted investees	120,999	62,160	95,153	33,246
Property operating expenses	(28,133)	(8,118)	(15,218)	(5,851)
Administrative and other expenses	(3,696)	(2,363)	(2,035)	(1,310)
Operating profit	**608,913**	**536,339**	**323,882**	**239,871**
Finance expenses	(18,824)	(5,969)	(10,231)	(2,834)
Other financial results	(6,347)	11,291	(2,197)	451
Net finance expenses	**(25,171)**	**5,322**	**(12,428)**	**(2,383)**
Profit before tax	**583,742**	**541,661**	**311,454**	**237,488**
Current tax expenses	(7,897)	(2,448)	(4,157)	(1,454)
Deferred tax expenses	(65,764)	(33,832)	(27,330)	(15,533)
Tax and deferred tax expenses	**(73,661)**	**(36,280)**	**(31,487)**	**(16,987)**
Profit for the period	**510,081**	**505,381**	**279,967**	**220,501**
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**510,081**	**505,381**	**279,967**	**220,501**

The accompanying notes on pages 56 to 68 form an integral part of these interim consolidated financial statements

	For the six months ended June 30,		For the three months ended June 30,	
	2016	2015	2016	2015
	In thousands of euro		In thousands of euro	
Profit attributable to:				
Owners of the Company	378,105	416,402	218,227	163,456
Non controlling interests	131,976	88,979	61,740	57,045
Total comprehensive income for the period	**510,081**	**505,381**	**279,967**	**220,501**
Net earnings per share attributable to the owners of the Company (in euro):				
Basic earnings per share	**0.60**	**0.83**	**0.33**	**0.32**
Diluted earnings per share	**0.46**	**0.73**	**0.22**	**0.20**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		June 30 2016 Unaudited	December 31 2015 Audited
Assets	Note	In thousands of euro	
Equipment and intangible assets		6,761	5,123
Investment property	5	4,031,149	2,430,595
Advanced payments for investment property		173,929	51,490
Equity-accounted investees		1,330,549	1,183,148
Other long term assets		287,816	335,741
Deferred tax assets		6,691	1,505
Non-current assets		**5,836,895**	**4,007,602**
Cash and cash equivalents		104,180	121,243
Short term deposits		11,921	4,213
Trade securities at fair value through profit and loss		110,422	261,527
Trade and other receivables		86,462	45,562
Current assets		**312,985**	**432,545**
Total assets		**6,149,880**	**4,440,147**

The accompanying notes on pages 56 to 68 form an integral part of these interim consolidated financial statements

Equity	Note	June 30 2016 Unaudited	December 31 2015 Audited
		In thousands of euro	
Share capital	7	6,733	6,001
Retained earnings and capital reserves	7	2,763,643	2,099,408
Equity attributable to the owners of the Company		**2,770,376**	**2,105,409**
Non-controlling interests		399,433	320,103
Total equity		**3,169,809**	**2,425,512**
Liabilities			
Loans and borrowings	6A	963,045	515,913
Convertible bonds	6B,6C,6D	744,321	817,721
Straight bonds	6E,6F	708,446	187,923
Derivative financial instruments		9,622	3,590
Deferred tax liabilities		308,722	185,774
Other long term liabilities		45,155	62,436
Non-current liabilities		**2,779,311**	**1,773,357**
Credit from financial institutions		24,025	36,134
Loans and borrowings	6A	17,287	93,292
Loan Redemption	6A	3,952	-
Trade and other payables		139,187	95,971
Tax payable		4,588	2,674
Provisions and current liabilities		11,721	13,207
Current liabilities		**200,760**	**241,278**
Total liabilities		**2,980,071**	**2,014,635**
Total equity and liabilities		**6,149,880**	**4,440,147**

The Board of Directors of Aroundtown Property Holdings PLC authorized these condensed interim consolidated financial statements for issuance on August 29, 2016

Jelena Afxentiou
Director

Reshef Ish-Gur
Director

Elena Koushos
Director

The accompanying notes on pages 56 to 68 form an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The accompanying notes on pages 56 to 68 form an integral part of these interim consolidated financial statements

	Attributable to the owners of the Company					
	Share capital	Capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
	In thousands of euro					
Balance as at December 31, 2015 (Audited)	**6,001**	**332,750**	**1,766,658**	**2,105,409**	**320,103**	**2,425,512**
Profit for the period	-	-	378,105	378,105	131,976	510,081
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	378,105	378,105	131,976	510,081
Issuance of ordinary shares	650	263,817	-	264,467	-	264,467
Issuance of shares related to conversion of convertible bond	82	26,551	-	26,633	-	26,633
Non-controlling interests arising from initially consolidated companies and other transactions	-	-	(4,238)	(4,238)	(52,646)	(56,884)
Balance as at June 30, 2016 (Unaudited)	**6,733**	**623,118**	**2,140,525**	**2,770,376**	**399,433**	**3,169,809**
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 consolidated companies and other transactions	-	-	(*) 1,951	(*) 1,951	(*) 5,407	(*) 7,358
Balance as at June 30, 2015 (Unaudited)	**5,000**	**11,445**	**1,524,468**	**1,540,913**	**202,478**	**1,743,391**

(*) Reclassified.

The accompanying notes on pages 56 to 68 form an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended June 30, 2016	2015
	In thousands of euro	
Cash flows from operating activities		
Profit for the period	**510,081**	**505,381**
Adjustments for the profit:		
Depreciation and amortization	801	51
Capital gains, property revaluations and other income	(409,727)	(438,488)
Share in profit from investment in equity-accounted investees	(120,999)	(62,160)
Finance expenses, net	25,171	(5,322)
Tax and deferred tax expenses	73,661	36,280
	78,988	**35,742**
Changes in:		
Trade and other receivables	(5,884)	(10,655)
Trade and other payables	9,107	27,416
Provisions for other liabilities and charges	(5,111)	(672)
	77,100	**51,831**
Tax paid	(6,565)	(1,224)
Net cash provided by operating activities	**70,535**	**50,607**
Cash flows from investing activities		
Acquisitions and disposals of equipment and intangible assets, net	(2,369)	(170)
Capex, investments and acquisition of investment property and advances paid	(628,783)	(379,574)
Acquisition of investees, net of cash acquired	(482,792)	(265,317)
Disposal (investment) of (in) trade securities and other financial assets, net	100,028	(58,601)
Net cash used in investing activities	**(1,013,916)**	**(703,662)**

The accompanying notes on pages 56 to 68 form an integral part of these interim consolidated financial statements

	Note	For the six months ended June 30, 2016	2015
		In thousands of euro	
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		264,467	-
Proceeds from issuance of straight and convertible bonds, net	6	566,633	515,095
Acquisition of Straight bond series A		(51,994)	-
Amortization of loans from financial institutions		(7,391)	(3,484)
Proceeds of loans from financial institutions and others, net		249,131	212,941
Transactions with non-controlling interests		(70,392)	(8,586)
Finance expenses paid, net		(24,136)	(8,647)
Net cash provided by financing activities		**926,318**	**707,319**
Net changes in cash and cash equivalents		**(17,063)**	**54,264**
Cash and cash equivalents at the beginning of the period		121,243	27,994
Cash and cash equivalents at the end of the period		**104,180**	**82,258**

The accompanying notes on pages 56 to 68 form an integral part of these interim consolidated financial statements

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2016

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 Artemidos & Nikou Dimitriou, 54 B, 6027, Larnaca, Cyprus. The Company, together with its investees ("the Group"), is a specialist real estate investment group, focusing primarily in the German real estate markets. The Group covers commercial and residential real estate assets which benefit from strong fundamentals and growth prospects. The commercial properties are held directly by the Company and its subsidiaries and the residential investments are carried out through its holdings in Grand City Properties S.A. The Group's vision is to create significant value by buying, repositioning and optimizing real estate properties. These condensed interim consolidated financial statements ("interim financial statements") for the six month period ended June 30, 2016 consist of the financial statements of the Group.

(B) LISTING ON THE PARIS STOCK EXCHANGE

On June 3, 2015, the Company was listed on the Euronext Paris Stock Exchange.

(C) DUAL-LISTING ON THE FRANKFURT STOCK EXCHANGE

On November 23, 2015, the Company was listed on the Frankfurt Stock Exchange and was added to the electronic trading platform Xetra.

(D) CAPITAL AND BONDS INCREASES

Since December 2014 the Company made several capital market transactions which include issuance of straight bonds, convertible bonds and equity. For further information please see notes 6 and 7.

(E) 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 (subsidiaries of the Company)
Related parties	As defined in IAS 24
The reporting period	The six months ended on June 30, 2016

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, 2015. 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, 2015, 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 29, 2016.

(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, 2015.

(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, 2015. The following standards have been issued but are not yet effective for annual periods beginning on January 1, 2016. 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, 2018, 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.

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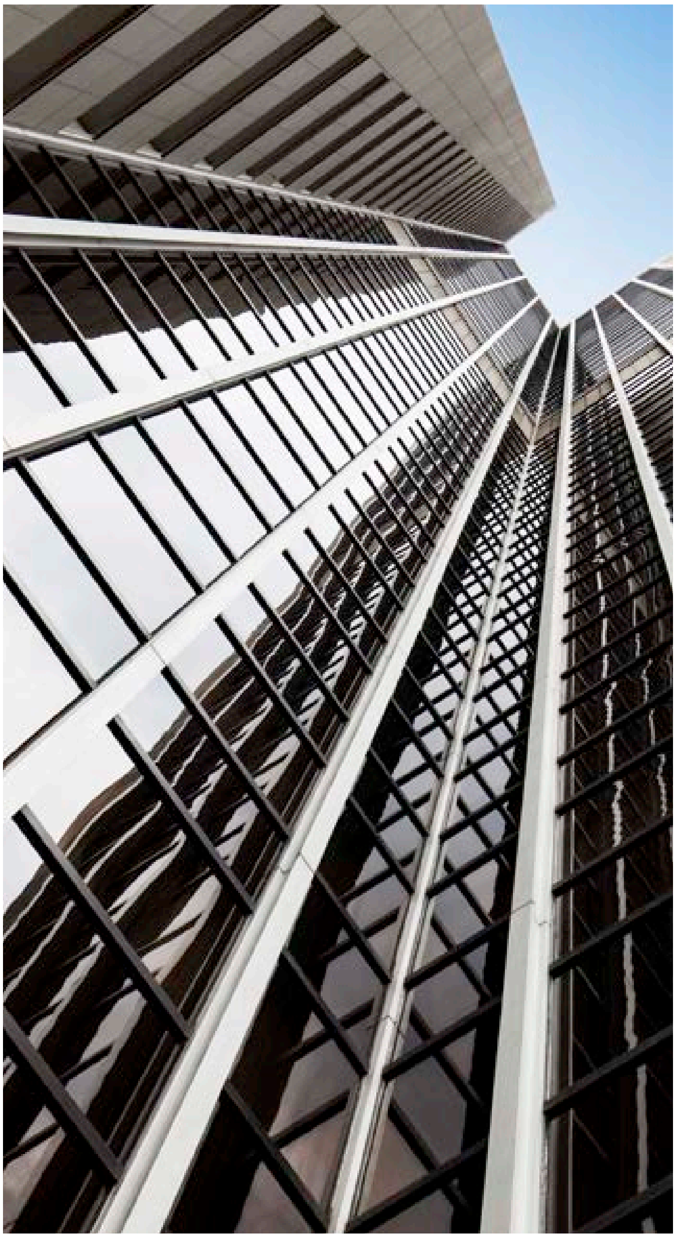


4. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS

During the reporting period the Group obtained control on several companies through business combination. 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	830,039
Cash and Cash equivalents	5,527
	835,566
Working capital, net	(3,716)
Other liabilities, net	(104,073)
Loans from banks	(124,549)
	(232,338)
Total identifiable net assets	**603,228**
Non-controlling interests arising from initial consolidation	(61,034)
Consideration paid regarding acquisition of subsidiaries	(488,319)
Profit arising from business combination	**53,875**

5. INVESTMENT PROPERTY

	Six months ended June 30 **2016**	Year ended December 31 **2015**
	Unaudited	Audited
	In thousands of euro	
Balance at the beginning of the period / year	2,430,595	426,303
Capex, additions (disposals) and adjustments, net during the period / year	770,515	1,356,707
Investment property arising from initial consolidations	830,039	647,585
Balance at the end of the period / year	**4,031,149**	**2,430,595**

6. LOANS AND BORROWINGS

A. COMPOSITION

		June 30 2016	December 31 2015
		Unaudited	Audited
		In thousands of euro	
Long term			
Bank loans		963,045	515,913
Convertible bonds	B, C, D	744,321	817,721
Straight bonds	E, F	708,446	187,923
Total long term		**2,415,812**	**1,521,557**
Short term			
Bank loans		17,287	15,142
Loans and notes redemption		3,952	78,150
Total short term		**21,239**	**93,292**

B. CONVERTIBLE BONDS OF 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.
Since the issuance of the convertible bond and until June 30, 2016, a total amount of euro 90.5 million nominal value of the convertible bond was converted into shares (out of which euro 50.7 million in the reporting period).

	Six months ended June 30 2016	Year ended December 31 2015
	Unaudited	Audited
	In thousands of euro	
Balance at the beginning of the period / year	112,442	97,254
Proceeds from issuance of PCI convertible bond (500 notes at euro 100,000 par value each) (a)	-	52,500
Transaction costs	-	(835)
Net proceeds during the period / year	-	51,665
Amount classified as non-controlling interests (a)	-	(489)
Expenses for the period / year	631	7,145
Expenses paid	(1,818)	(4,534)
Conversion to ordinary shares of PCI	(49,073)	(38,599)
Carrying amount of liability at the end of the period / year	**62,182**	**112,442**
Non-current portion of Convertible bond of PCI	60,444	110,222
Accrued interest	310	581
Total Convertible bond series A	60,754	110,803
Deferred income	**1,428**	**1,639**

(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.

6. LOANS AND BORROWINGS (CONTINUED)

C. CONVERTIBLE BONDS SERIES B OF 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 per share. 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 per share.

On July 13, 2015, as a result of the additional 100,000,000 ordinary shares issuance (see note 6B(4)) and in accordance with the terms and conditions of the bond, the Company adjusted the conversion price for the convertible bonds to be euro 3.4395 per share.

Since the issuance of the convertible bond and until June 30, 2016, a total amount of euro 28.5 million nominal value of the convertible bond was converted into shares (out of which euro 28 million in the reporting period). Please see also note 7b.

	Six months ended June 30	Year ended December 31
	2016	**2015**
	In thousands of euro	
Balance at the beginning of the period / year	427,988	-
Proceeds from issuance of convertible bond (4,500 notes at euro 100,000 par value each)	-	430,560
Transaction costs	(288)	(3,330)
Net proceeds during the period / year	(288)	427,230
Amount classified as equity	-	(4,029)
Expenses for the period / year	9,123	11,999
Expenses paid	(6,779)	(6,750)
Conversion to ordinary shares	(26,632)	(462)
Carrying amount of liability at the end of the period / year	403,412	427,988
Non-current portion of Convertible bond series B	401,415	425,914
Accrued interest	1,997	2,074
Total Convertible bond	403,412	427,988

D. CONVERTIBLE BONDS SERIES C OF THE COMPANY

On December 15, 2015, the Company has successfully completed with the placement of euro 300 million senior, unsecured convertible bonds convertible into new ordinary shares having a par value of euro 0.01 per share.

The bonds were placed by the Company to institutional investors, with a coupon of 1.5% p.a. payable semi-annually in arrear, a maturity of approximately five years, at an issue price of 97.05% of their principal amount, and will be redeemed at maturity at par value. The initial conversion price was set at euro 5.79 per share.

	Six months ended June 30	Year ended December 31
	2016	**2015**
	In thousands of euro	
Balance at the beginning of the period / year	281,745	-
Proceeds from issuance of convertible bond (3,000 notes at euro 100,000 par value each)	-	291,150
Transaction costs	(902)	(2,609)
Net proceeds during the period / year	(902)	288,541
Amount classified as equity	-	(7,076)
Expenses for the period / year	4,023	280
Carrying amount of liability at the end of the period / year	284,866	281,745
Non-current portion of Convertible bond series C	282,462	281,585
Accrued interest	2,404	160
Total Convertible bond	284,866	281,745

E. STRAIGHT BONDS SERIES A OF THE COMPANY

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.

In the beginning of 2015, 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 million principal amount.

During the reporting period, the Group acquired euro 51.9 million nominal value Straight bond series A par value. In addition, the company acquired euro 45 million nominal value of this bond after the reporting period, see also note 12b.

	Six months ended June 30	Year ended December 31
	2016	**2015**
	Unaudited	Audited
	In thousands of euro	
Balance at the beginning of the period / year	188,284	150,813
Proceeds from issuance of Bond series A (390 notes at euro 100,000 par value)	-	36,660
Transaction costs	(177)	(868)
Net proceeds during the period / year	(177)	35,792
Expenses for the period / year	3,880	7,679
Expenses paid	(3,000)	(6,000)
Held in Group treasury	(49,130)	-
Carrying amount of liability at the end of the period / year	139,857	188,284
Non-current portion of straight bond series A	139,600	187,923
Accrued interest	257	361
Total straight bond series A	**139,857**	**188,284**

F. STRAIGHT BONDS SERIES D OF THE COMPANY

On May 3, 2016, the Company has successfully completed with the placement of euro 600 million (nominal value) of senior, unsecured straight bonds maturing in May 2022 and bear a coupon of 1.5% p.a., payable annually in arrears, for a consideration that reflects 95.542% of their principal amount.

	Six months ended June 30	Year ended December 31
	2016	**2015**
	Unaudited	Audited
	In thousands of euro	
Balance at the beginning of the period / year	-	-
Proceeds from issuance of Bond series D (600 notes at euro 100,000 par value)	573,252	-
Transaction costs	(5,252)	-
Net proceeds during the period /year	568,000	-
Expenses for the period / year	2,277	-
Expenses paid	-	-
Carrying amount of liability at the end of the period / year	570,277	-
Non-current portion of straight bond series D	568,846	-
Accrued interest	1,431	-
Total straight bond series D	**570,277**	**-**

6. LOANS AND BORROWINGS (CONTINUED)

G. OTHER INFORMATION

(1) MAIN SECURITY, PLEDGE AND NEGATIVE PLEDGE AS DEFINED IN THE BONDS' TERMS AND CONDITIONS

The obligations of the Company and PCI under their 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 first-ranking charge, governed by the laws of Cyprus, over all ordinary shares held by PCI in its subsidiary, Zaplino Limited ("Zaplino");
- a first-ranking account pledge, governed by Luxembourg law, over the bank account held by PCI with Bank Hapoalim (Switzerland) Limited, Luxembourg branch, (the "Lux PrimeCity Account");
- a first-ranking account pledge, governed by the laws of Cyprus, over the bank account held by PCI with Bank of Cyprus Public Co Ltd. (the "Cyprus PrimeCity Account");
- 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
- an assignment by way of security, governed by the laws of Cyprus, of PCI's receivables and rights under, and claims against Zaplino for payment of principal and interest under, the loan agreements between PCI 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 PCI to Zaplino of the net issuance proceeds in respect of any Further Secured Bonds.
- a first-ranking charge, governed by the laws of Cyprus, over all ordinary shares held by the Company in its subsidiary, Camelbay;
- 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
- a first-ranking account pledge governed by Luxembourg law, over the Interest Reserve Account.

In addition to the pledge above – out of the Company's total holding in GCP S.A. 19.5 million of GCP S.A.'s shares are pledged due to several facility agreements.

(2) MAIN COVENANTS AS DEFINED IN THE BONDS'TERMS AND CONDITIONS

The Company

- The Company will, up to and including the Final Discharge Date, procure that Net Debt shall not exceed: (a) at any time, 55% of the Portfolio Value; and (b) 50% of the Portfolio Value for a period of more than six (6) months.
- The Company will:
  (a) up to and including the Final Security Discharge Date, not pay any dividend unless the Net Assets of the Company are higher than euro 400,000,000 and provided that any such dividend shall be payable only out of available profits on the basis of audited consolidated financial statements of the Company prepared in accordance with IFRS; (b) up to and including the Final Discharge Date, not, and will not permit any Subsidiary (excluding any listed Entity) (the "Restricted Subsidiaries") to, directly or indirectly, create or permit to exist or become effective any consensual and encumbrance or restriction on the ability of any of the Restricted Subsidiaries to (a) make or pay dividends or any other distributions on its share capital to the Company or any of the Company's other Restricted Subsidiaries or grant to the Company or any of the Company's Restricted Subsidiaries any other interest or participation in itself; or (b) pay any indebtness owed to the Company or any of the Company's other Restricted Subsidiaries; or (c) make loans or advances to the Company or any of the Company's other Restricted Subsidiaries; or (d) transfer any of its properties or assets to the Company or any of the Company's other Restricted Subsidiaries.
- up to and including the Final Discharge Date, the Company undertakes that, on each Reporting Date, the Interest Coverage Ratio will be at least 1.86.

PCI

- 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.

7. EQUITY

A. SHARE CAPITAL

	June 30, 2016		December 31, 2015	
	Unaudited		Audited	
	Number of shares	In thousands of euro	Number of shares	In thousands of euro
Authorized				
Ordinary shares of euro 0.01 each	1,500,000,000	15,000	1,500,000,000	15,000
Issued and fully paid				
Balance as at January 1	600,141,641	6,001	22,200	38
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
Capital increase in July 2015	-	-	100,000,000	1,000
Capital increase in April 2016	65,000,000	650	-	-
Exercise of Convertible bond into shares during the period / year	8,140,716	82	141,641	1
Balance at the end of the period / year	673,282,357	6,733	600,141,641	6,001

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 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"). The gross proceeds from the issuance of the New Shares were euro 320 million.
5. On April 12, 2016 the Company issued additional 65,000,000 ordinary shares (of euro 0.01 nominal value each) for euro 4.1 each, by way of private placement to institutional investors. The gross proceeds from the issuance of the new shares were euro 266.5 million.
6. Since the issuance of the Convertible bond series A and until June 30, 2016, a total amount of euro 28.5 million nominal value of the convertible bond was converted into shares (out of which euro 28 million in the reporting period). According to the convertible bond's terms, 8,282,357 ordinary shares were issued (out of which 8,140,716 in the reporting period).

C. CAPITAL RESERVES

The Capital reserves include share premium derives directly from the capital increases which were affected since the date of incorporation and exercise conversions of bonds into shares, which can be distributed at any time and equity components of convertible bonds which temporally cannot be distributed.

8. RELATED PARTY TRANSACTIONS

The transactions with related parties are as follows:

(I) The interest expenses on loans from shareholders and related companies

	For the six months ended June 30,	
	2016	**2015**
	In thousands of euro	
	-	**(22)**

9. 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 assets 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, 2016 (Unaudited)				
Trade securities at fair value through profit and loss	110,422	-	-	110,422
Total assets	**110,422**	**-**	**-**	**110,422**
Derivative financial instruments	-	9,622	-	9,622
Total liabilities	**-**	**9,622**	**-**	**9,622**
December 31, 2015 (Audited)				
Trade securities at fair value through profit and loss	261,527	-	-	261,527
Total assets	**261,527**	**-**	**-**	**261,527**
Derivative financial instruments	-	3,590	-	3,590
Total liabilities	**-**	**3,590**	**-**	**3,590**

10. COMMITMENTS

During the reporting period the Group signed several real estate transactions which as at June 30, 2016 are not yet completed.

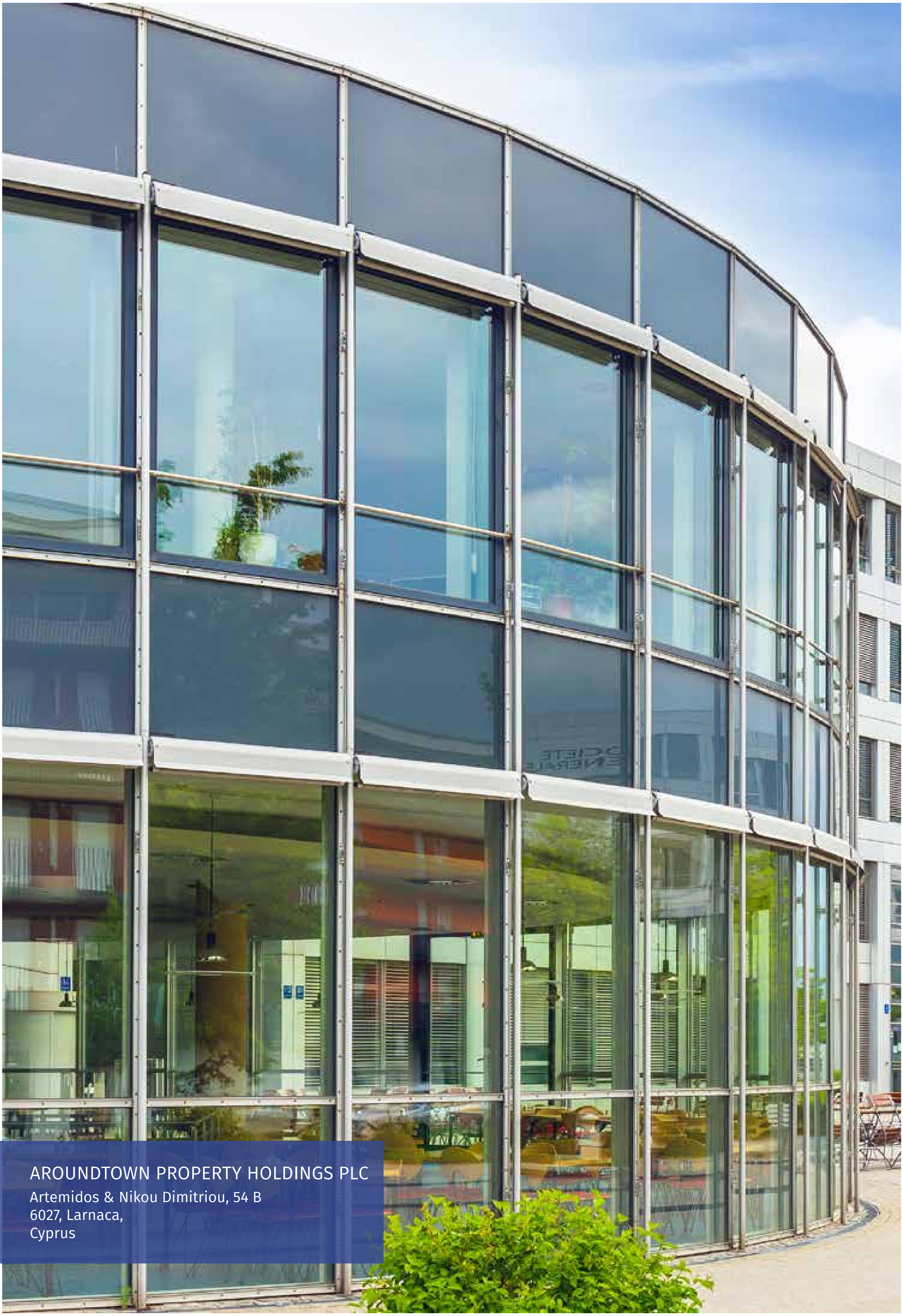
11. CONTINGENT ASSETS AND LIABILITIES

The Group had no significant contingent assets and liabilities as at June 30, 2016.

12. EVENTS AFTER THE REPORTING PERIOD

a) On July 11, 2016 the Company has successfully completed with the placement of euro 500 million (nominal value) of senior, unsecured straight bond maturing in 2024 and bears a coupon of 1.5% p.a., payable annually in arrears, for a consideration that reflects 95.312% of their principal amount.

b) The Group acquired additional euro 45 million nominal value Straight bond series A.



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