Q3 2016 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016


Munich


Leipzig


Berlin


Cologne

AROUNDTOWN
PROPERTY HOLDINGS PLC

CONTENT

Dortmund

Berlin


Munich

KEY FINANCIALS

	1-9 2016	change	1-9 2015
RENTAL AND OPERATING INCOME (€ thousands)	**183,130**	127%	80,706
ADJUSTED EBITDA [1)] (€ thousands)	**183,789**	79%	102,507
FFO I (€ thousands)	**113,438**	77%	63,933
FFO I PER SHARE (€)	**0.18**	50%	0.12

	1-9 2016	1-9 2015	1-12 2015
EBITDA (€ thousands)	**872,015**	836,549	1,041,372
NET PROFIT (€ thousands)	**715,569**	751,326	920,754
EPS (BASIC) (€)	**0.87**	1.08	1.26

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


Hamburg

	Sep 2016 assuming conversion [2]	**Sep 2016**	**Dec 2015**
LOAN-TO-VALUE	**35%**	41%	34%
EQUITY RATIO	**56%**	49%	55%

[2] assuming conversion of the convertible bonds which are in the money

	Sep 2016	**Dec 2015**	**Dec 2014**
TOTAL EQUITY (€ thousands)	**3,372,661**	2,425,512	1,221,661

EPRA NAV (€ thousands)	EPRA NAV	EPRA NNNAV	EPRA NAV net of minorities	EPRA NAV including perpetual notes, pro forma [3]	# of shares (000') incl. conv bond B "in the money" [4]
Sep 16	**4,128,032**	**4,015,509**	**3,697,821**	**4,609,992**	**795,829**
Sep 16 per share (€)	**5.2**	**5.0**	**4.6**	**5.8**	
Dec 15	3,042,864	2,995,120	2,722,761	3,042,864	730,829
Dec 15 per share (€)	4.2	4.1	3.7	4.2	

[3] including perpetual notes issued in October 2016

[4] convertible bond Series B "in the money", current conversion price is €3.38

Stuttgart

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

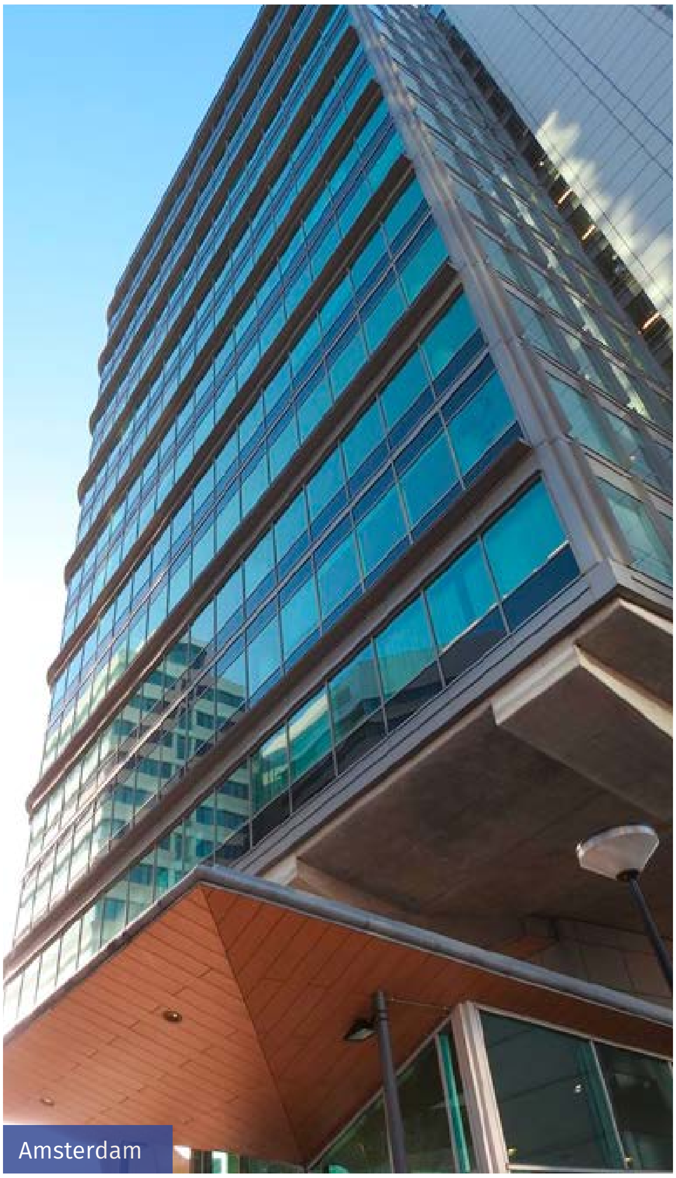
Aroundtown is a specialist real estate investment group with a focus on value-add and income generating properties primarily in the German real estate markets. The Group covers commercial and residential real estate assets which benefit from strong fundamentals and growth prospects. The commercial properties 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 34% by AT and is accounted for as equity accounted investee in AT's financials.. The Group's unique business model and experienced management team led the Company to grow continuously for more than a decade.

As of October 2016, AT's portfolio includes a commercial portfolio of 3 million sqm generating €303 million rental and operating income run rate and a residential portfolio held through GCP, which holds 84k units, generating a €452 million rental and operating income run rate.

The in-place rent of AT's total portfolio, including the proportional (34%) impact of the residential portfolio, is 7 €/sqm and the EPRA vacancy rate is at 7.7%. 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 benefits from the internal 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 October 2016 is €288 million and the Funds from Operations I (FFO I) run rate is €188 million.



Amsterdam


SCHILLER PARK CENTER
SCHILLER PARK CENTER
BOWLING
BOWLING
K+K SCHUH-CENTER
SCHUH-CENTER
real,-
IN BERLIN ZUHAUSE
LOTTO
essanelle
Ihr Friseur
NEU
MARKT

Berlin

FINANCIAL POSITION HIGHLIGHTS

€ thousands	As of	Sep 2016	Dec 2015
CASH AND LIQUID ASSETS		**273,953**	386,983
TOTAL ASSETS		**6,840,214**	4,440,147
TOTAL EQUITY		**3,372,661**	2,425,512
CONVERTIBLE BONDS IN-THE-MONEY		**428,697**	536,136
TOTAL LOANS AND BORROWINGS		**1,063,783**	645,339
STRAIGHT BONDS		**1,102,303**	187,923
CONVERTIBLE BONDS OUT-OF-THE MONEY		**283,365**	281,585


Hamburg

Leipzig

Hamburg

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

Mainz

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

OCT 2016

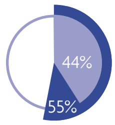
Successful placement of €500 million **perpetual notes,** coupon 3.75%

NOV 2016

€150 million **tap issuance of 2024 straight bonds (Series E)**, adding to €500 million with a 1.5% coupon issued in Jul 2016

NOV 2016

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



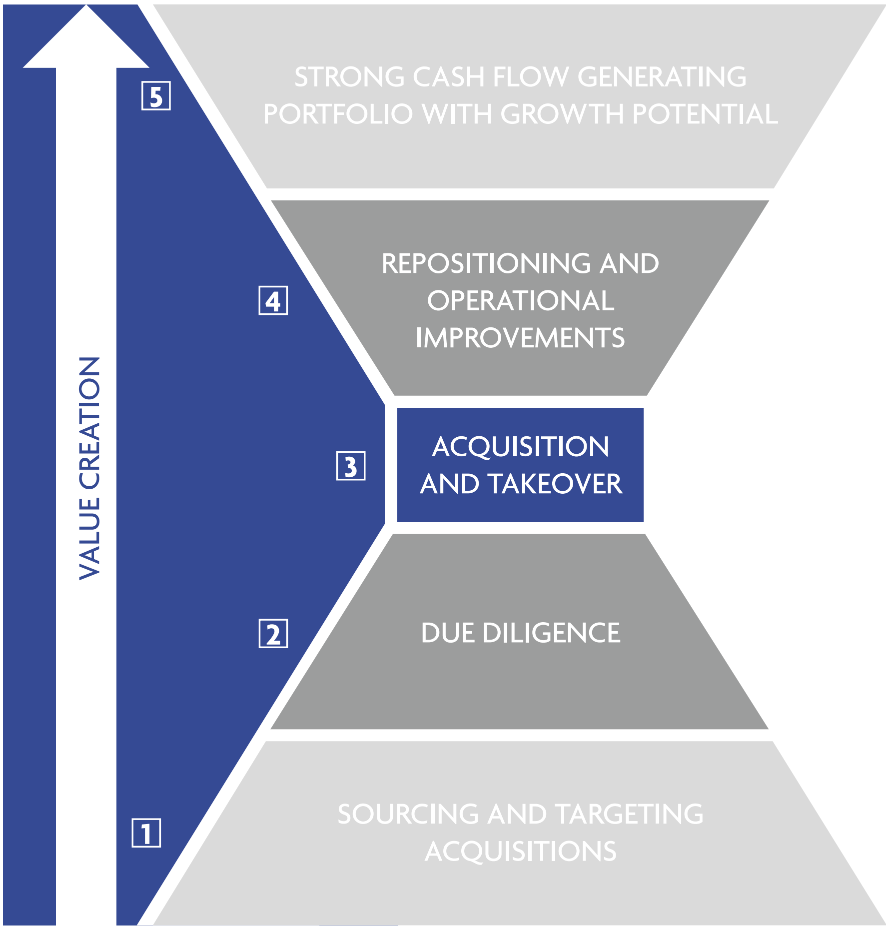
DEC 2016

Dividend distibution of **€0.051** per share


Munich

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 by below market rent levels, inefficient cost or lease structure 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.
The main criteria include:

- Value add through operational improvements
- Cash flow generating assets
- Rent levels per sqm below market levels (under-rented properties)
- Vacancy reduction potential
- 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.

Berlin

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 potential tenants prior to acquisition of the property not only decreases operational risk but also accelerates the property repositioning process.

3 ACQUISITION AND TAKEOVER

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

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.

Mainz

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 SEPTEMBER 2016

Number of shares	676,247,902
Total number of shares incl. dilution effect of Series B*	795,829,238
Number of shares on a fully diluted basis	847,619,453

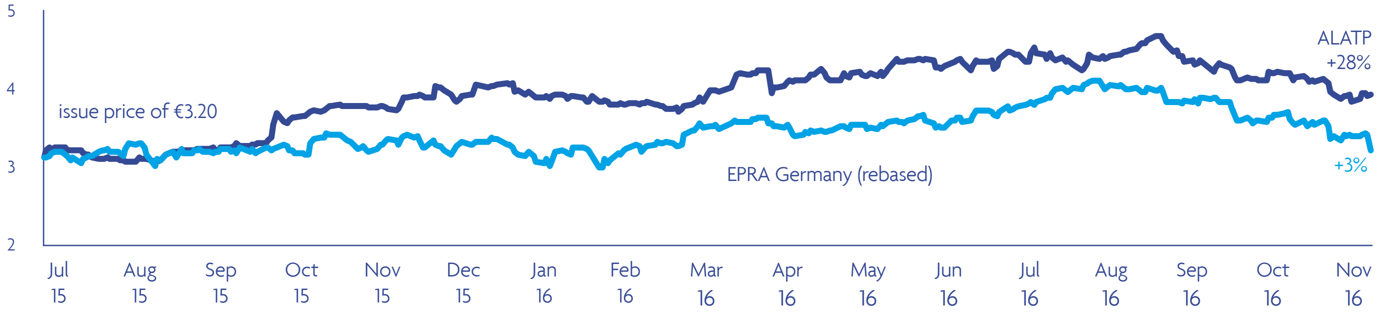
Free Float (as of the date of this report)	44%
Free float including conversion of Series B* in the money	52%
Fully diluted free float	55%
Market Cap (as of 30 September 2016)	€3.1 bn

*Convertible bond Series B is in the money

INVESTOR RELATIONS ACTIVITIES

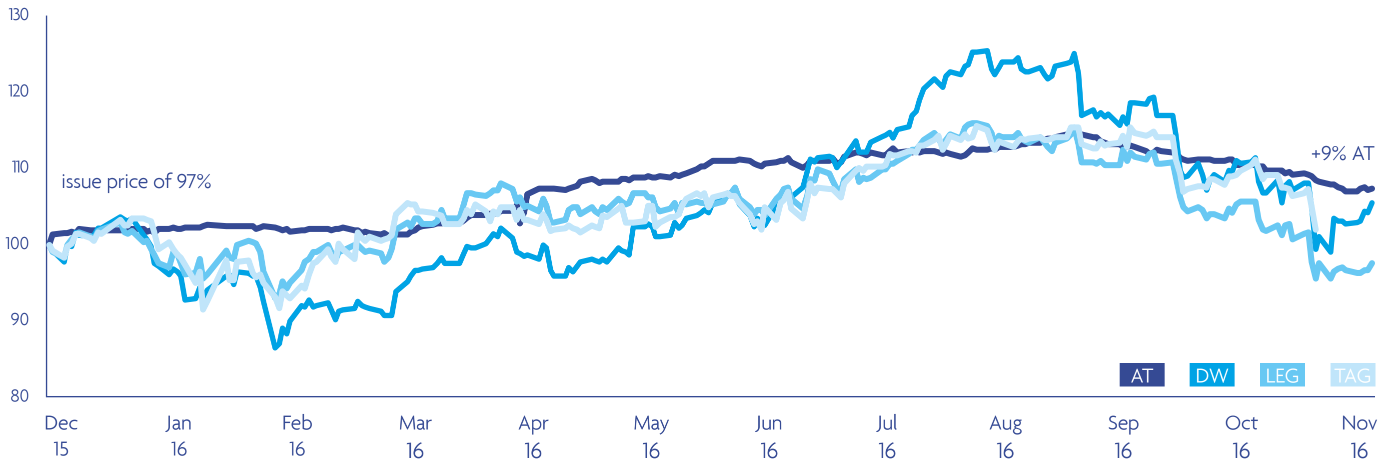
The Group is pro-actively approaching a large investor audience in order to present its business strategy, provide insight into its progression and create awareness of its overall activities in order to enhance its perception in the market. AT participates in a vast amount of various national and international conferences, roadshows and one-on-one presentations in order to present a platform for open dialogue. Explaining our unique business strategy in detail and presenting the daily operations allows investors to gain a full overview about the Group's successful business approach. Additionally to publishing comprehensive financial statements on a quarterly basis, the Group publishes regular updates on, among others, structure 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 nine 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)

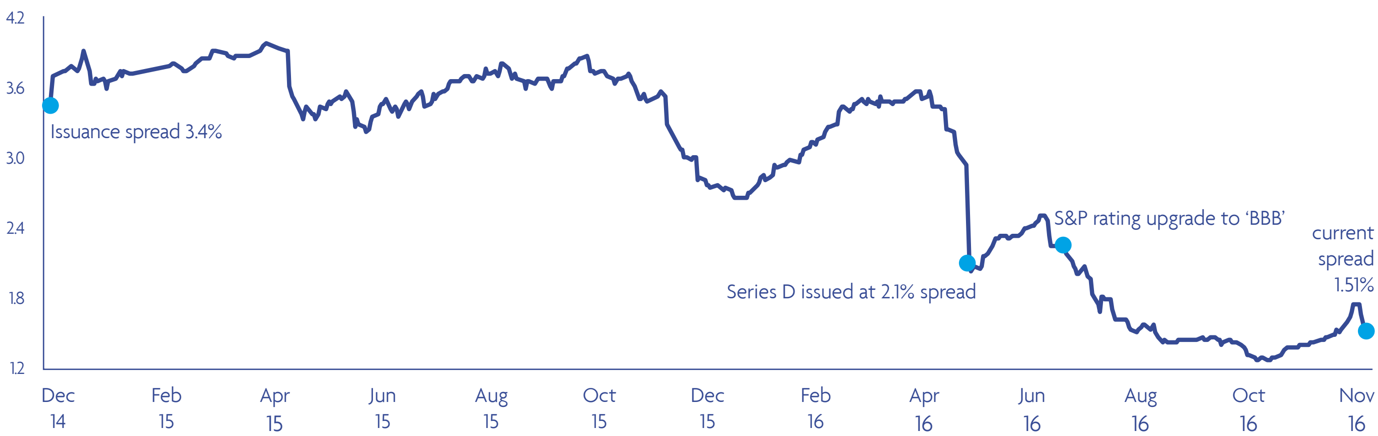


CONVERTIBLE BOND SERIES B PERFORMANCE SINCE PLACEMENT (27.04.2015)

CONVERTIBLE BOND SERIES C PERFORMANCE SINCE PLACEMENT (15.12.2015)



SPREAD OVER MID-€-SWAP FOR STRAIGHT BONDS A AND D, REMAINING 5.5 YEARS

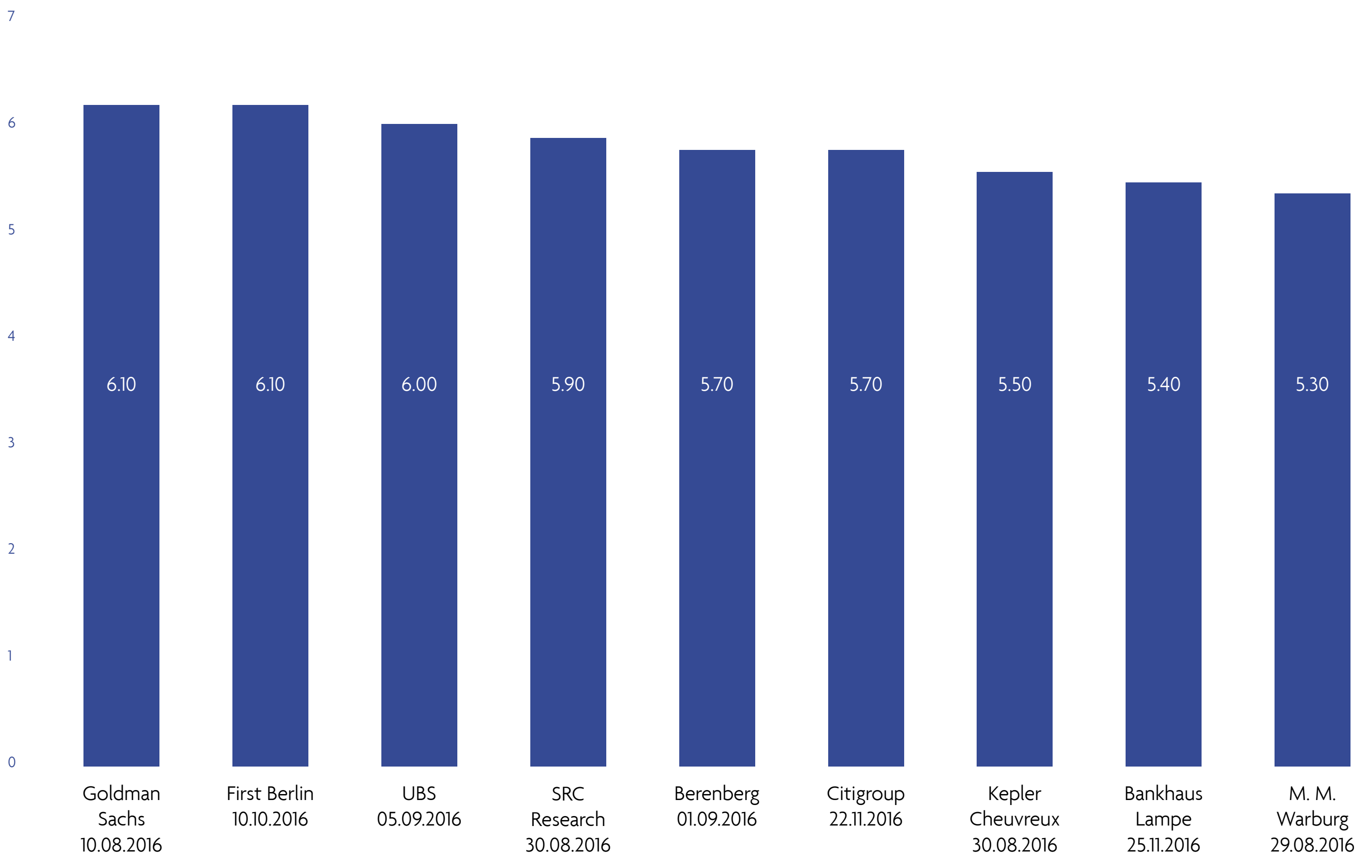


KEY STRENGTHS

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 executing 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 with various value-add drivers and successfully extracting the upside potential. This activity is accompanied by a continuous pipeline and acquisition of attractive properties and the successful transition of the existing properties to mature assets.

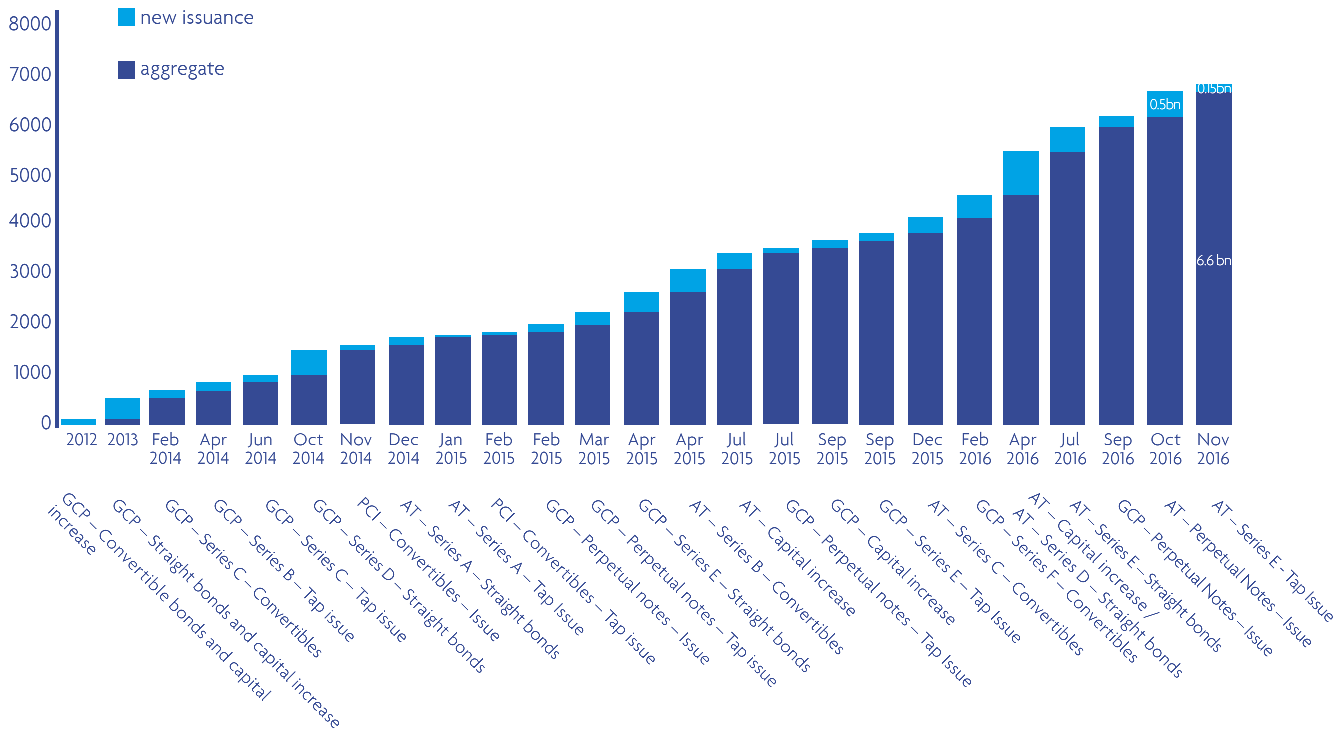
PROPRIETARY IT/SOFTWARE PLATFORM

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 over €6.7 billion. In 2015 and starting 2016 alone, the Group raised in 18 different issuances over €5 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 OVER €6.7 BILLION



PROVEN ABILITY TO ACCESS CAPITAL MARKETS

NOV 2016	AT tap issuance of €150m (nominal value) of Series E, 2024 straight bonds, coupon 1.5% p.a., to a total aggregate amount of €650 million
OCT 2016	AT issuance of €500m perpetual notes, coupon 3.75% p.a.
SEP 2016	GCP issuance of €200m perpetual notes, coupon 2.75% p.a.
JUL 2016	AT issuance of series E, 2024 straight bonds of € 500m (nominal value), coupon of 1.5% p.a.
APR 2016	AT issuance of series D, 2022 straight bonds of € 600m (nominal value), coupon of 1.5% p.a.
APR 2016	AT equity capital increase of €267m at €4.1 per share
FEB 2016	GCP issued Series F, 2022 convertible bonds of € 450m, coupon of 0.25% p.a. conversion price: €26.97
JAN 2016	Completion of the conversion of GCP's Series C convertible bonds (€275m)
DEC 2015	AT issuance of Series C, 2021 convertible bond of €300m, coupon 1.5% p.a., conversion price: €5.69
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 at €15.9 per share
JUL 2015	GCP tap issuance of perpetual notes, (coupon 3.75% p.a.), of additional € 100m
JUL 2015	AT equity capital increase of €320m at €3.2 per share
APR 2015	AT issuance of 5 year convertible bond of € 450m, coupon 3% p.a., conversion price: €3.38
APR 2015	GCP issuance of 10 year straight bond of € 400m with a coupon of 1.5% p.a.

EQUITY AND BOND BOOKRUNNERS

MAR 2015	GCP tap issuance of perpetual notes of additional € 250m
FEB 2015	GCP issuance of €150m perpetual notes, coupon 3.75% p.a.
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 at €6.5 per share
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 at €4.5 per share
OCT 2012	GCP issued 5 year convertible bonds of €100m and a coupon of 8%
JUL 2012	GCP increased capital by € 15m at €2.8 per share

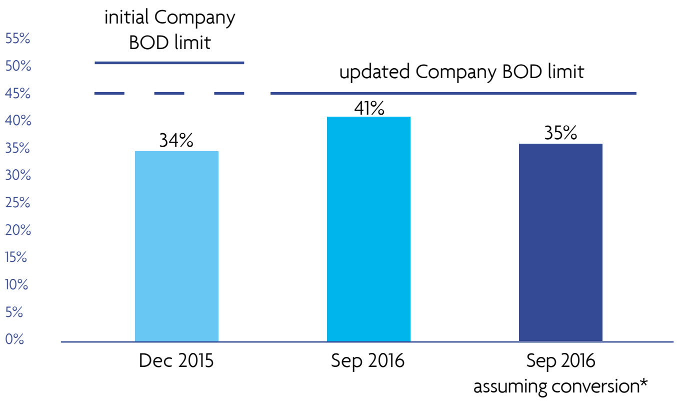
KEY STRENGTHS

CONSERVATIVE FINANCING STRUCTURE

AT's conservative capital structure approach is reflected in an LTV of 41% as of September 30, 2016. LTV assuming conversion of convertible bonds which are in the money is 35%.

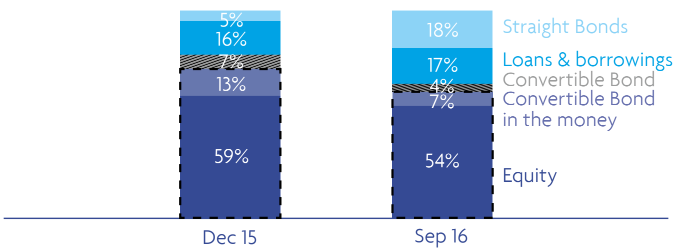
Aroundtown's management views the debt ratios as a key source of competitive advantage and puts policies in place to keep financing costs low and the portion of unencumbered assets high. The low leverage of the Group enables further external growth, while still maintaining a conservative capital structure.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

LOAN-TO-VALUE



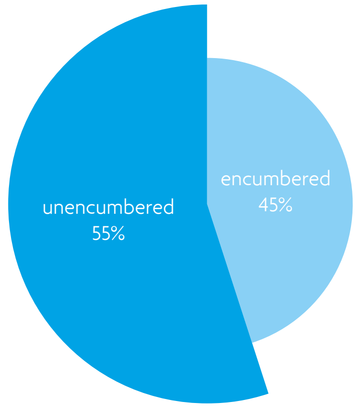
* Assuming conversion of the convertible bonds which are in the money

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 September 30th 2016 amount to €274 million and strong cover ratios. The €500 million perpetual notes issued in October 2016 and the €150 million tap on the Series E straight bond in November 2016 provide additional liquidity. Additionally, the high ratio of unencumbered assets of 55% as of October 2016 provides additional financial flexibility.

UNENCUMBERED ASSETS AS OF OCTOBER 2016

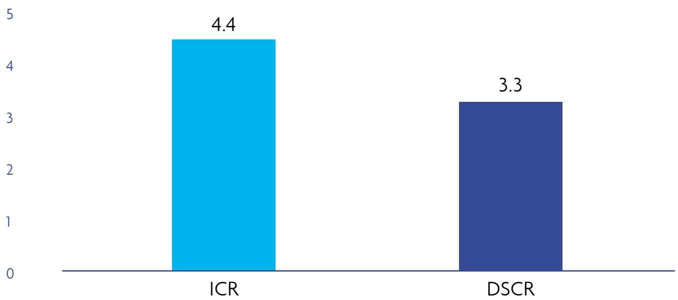


FINANCIAL POLICY

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 per share

STRONG COVER RATIOS – 9M 2016



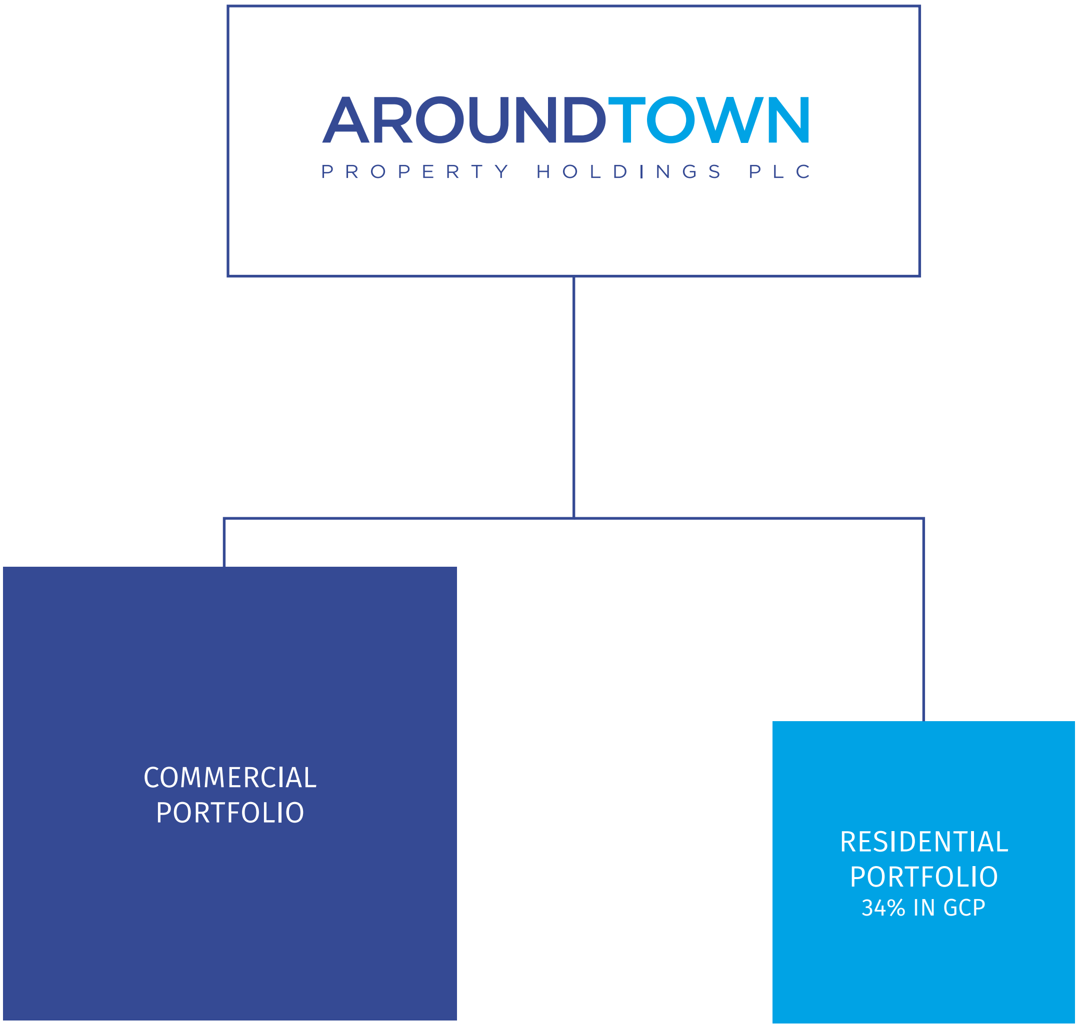
CREDIT RATING ACHIEVEMENT

In June 2016, AT's credit rating was upgraded to 'BBB' by 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 larger portfolio with good scale and diversification. Further, S&P acknowledged AT's well balanced portfolio across multiple property asset types and regions in Germany with no dependency on a single region.


Frankfurt


Hamburg

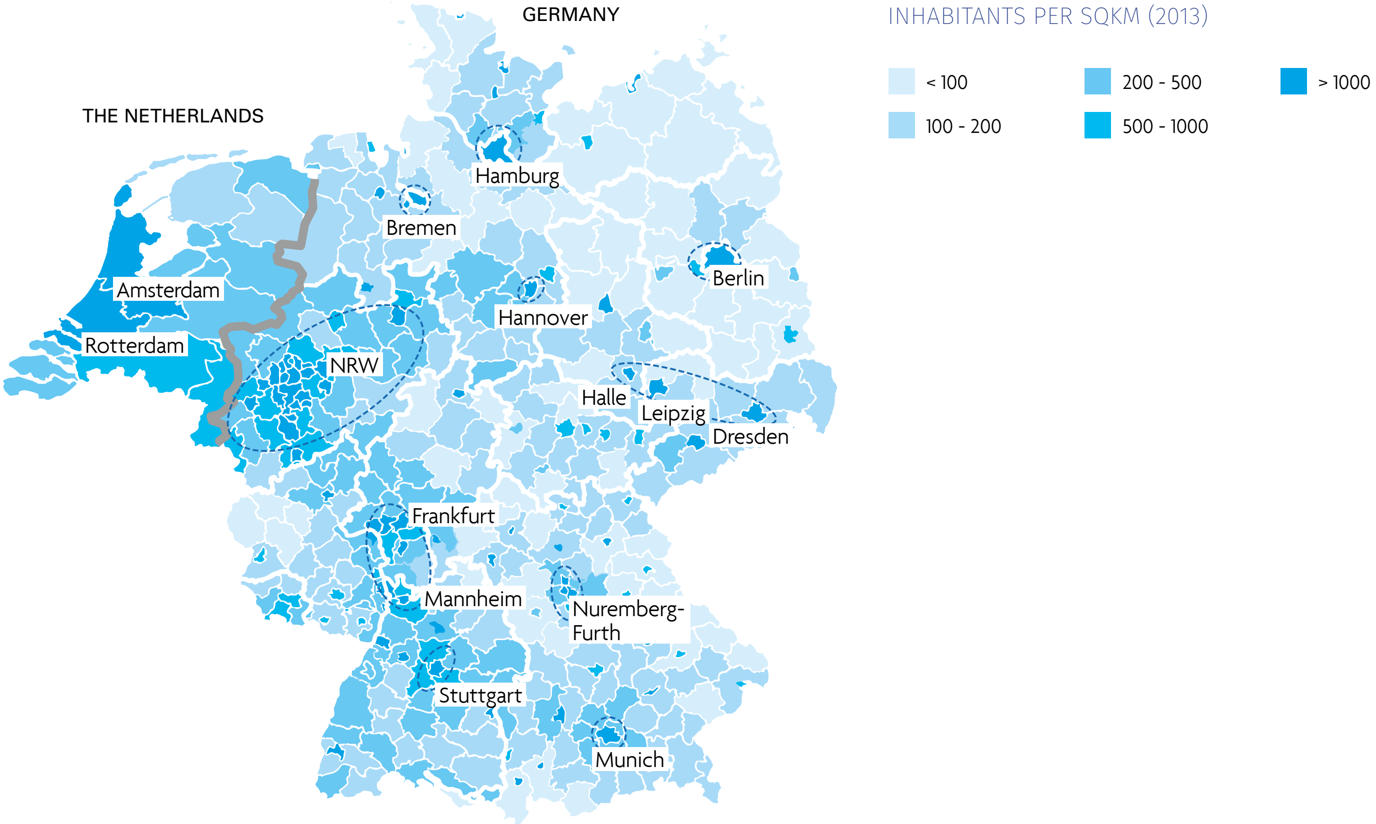

Berlin


AROUNDTOWN
PROPERTY HOLDINGS PLC
COMMERCIAL PORTFOLIO
RESIDENTIAL PORTFOLIO
34% IN GCP

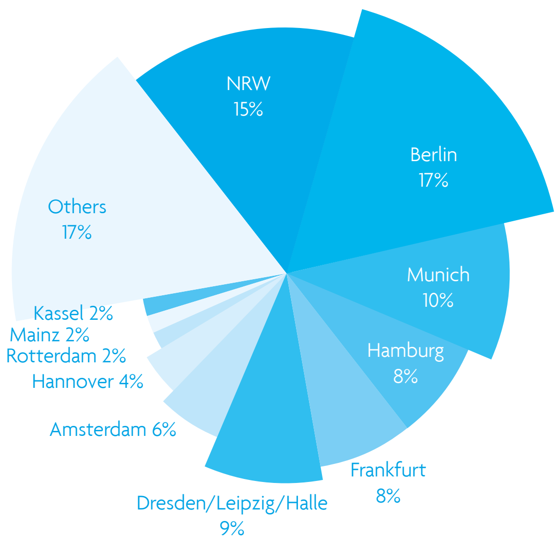

Amsterdam

AROUNDTOWN'S PORTFOLIO

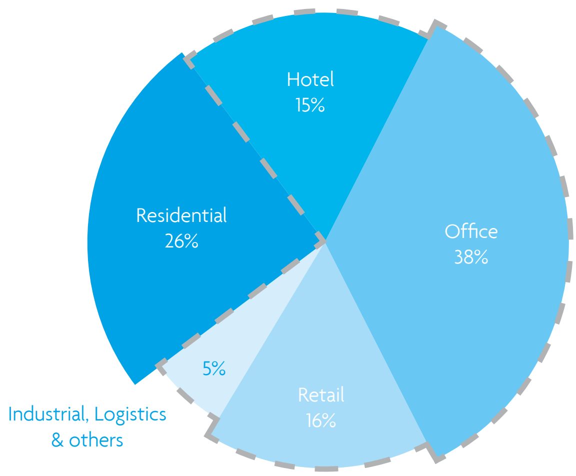
POPULATION DENSITY IN GERMANY AND NETHERLANDS



REGIONAL DISTRIBUTION (BY VALUE) *



ASSET TYPE (BY VALUE)*



*residential portfolio is accounted for at the holding rate of 34%

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 3 million sqm.

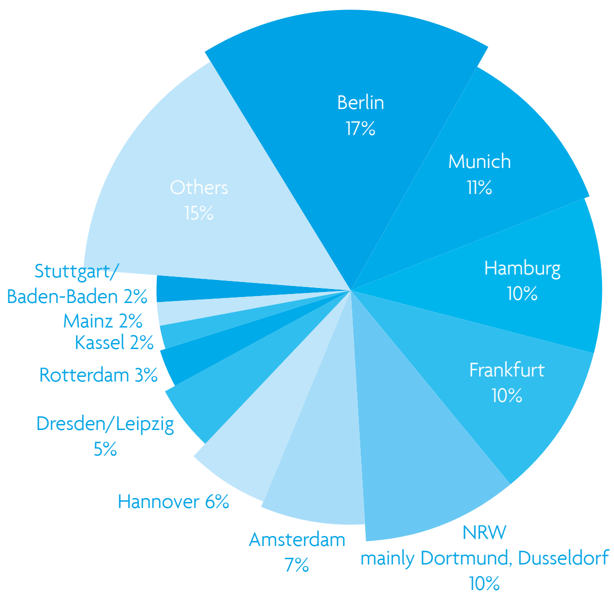
As of October 2016, the Group's commercial portfolio with a value of €4.6 billion generates a rental and operating income run rate (October 2016 annualized) of €303 million and operates at an in-place rent of 7.9 €/sqm at an EPRA vacancy of 7.4%. The portfolio exhibits strong growth potentials through rent and occupancy increase as well as cost efficiency improvements resulting in an EBITDA of €214 million and a bottom line FFO run rate (October 2016 annualized) of €140 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 approx. 2,000 tenants spread across a wide range of sustainable market sectors which further reduces cluster risk while a WALT of 8 years offers long-term cash flow security.

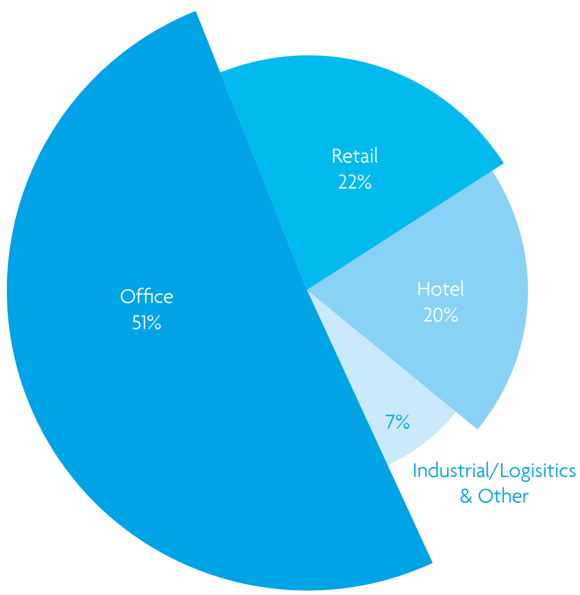
The management believes that its business platform benefits from its skilled personnel, its experience and track record and reliable practices that enable the Company to perform strongly and to further expand in the commercial property market. The Company also believes that the business environment will 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.

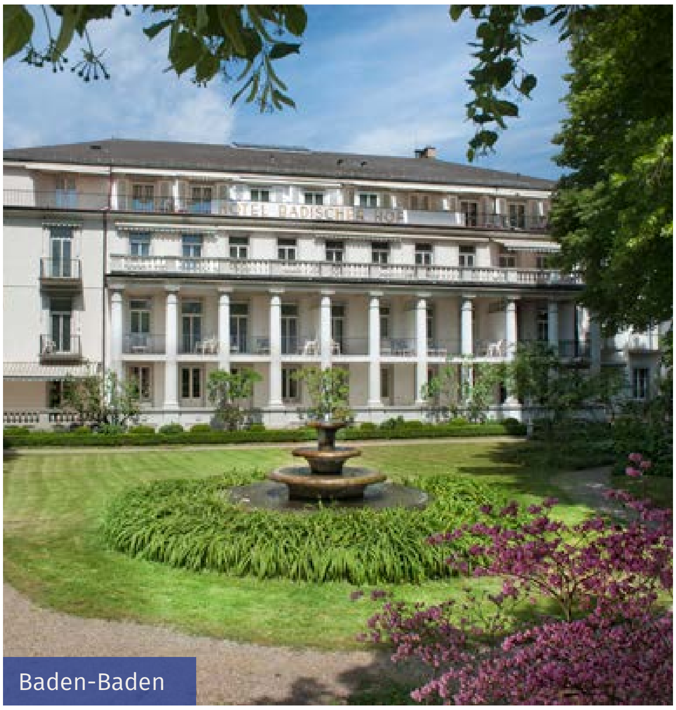
The hotel assets are let to hotel operators which are selected according to their capabilities, track record and experience. The management participates in the branding decision of the hotel, applying its expertise in selecting the optimal brand. An integral component of the business plan is a long-term 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 half a million sqm of hotel assets across 56 hotels with 8,800 rooms. The hotels assets are held through a 93% stake in Primecity Investments PLC ("PCI").

REGIONAL DISTRIBUTION (BY VALUE)



ASSET TYPE (BY VALUE)



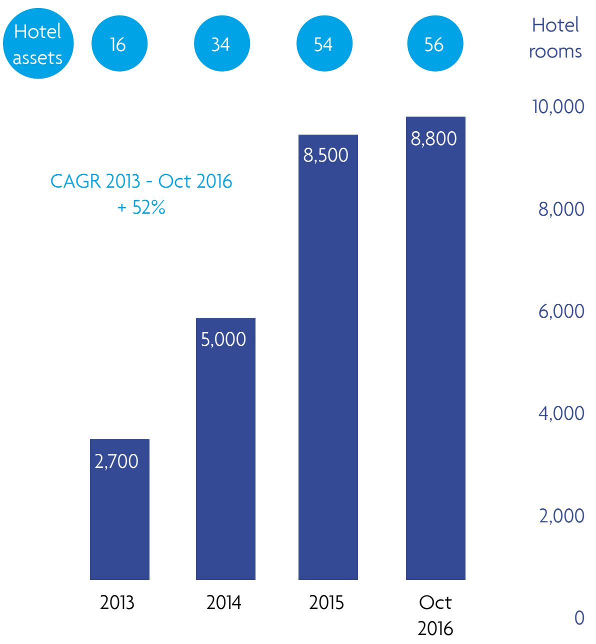

Baden-Baden

Berlin

Munich

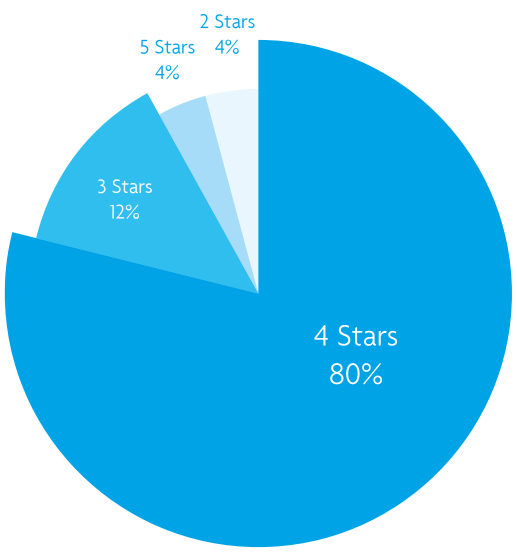
COMMERCIAL INVESTMENT PORTFOLIO (CONTINUED)

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.



Munich

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

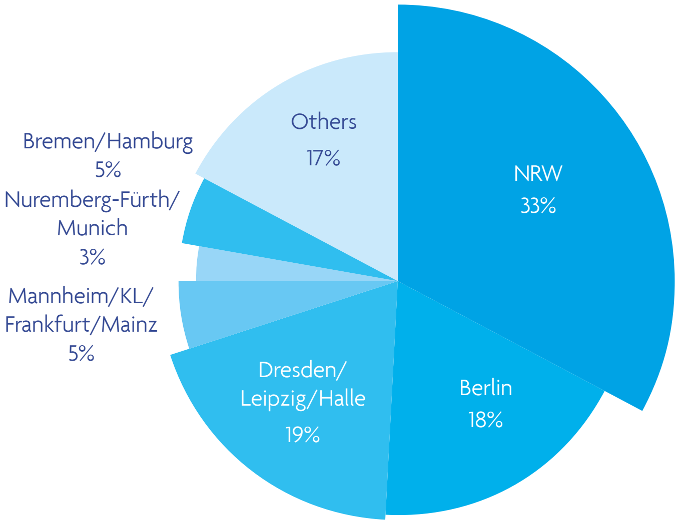
Berlin

Baden-Baden

RESIDENTIAL INVESTMENT PORTFOLIO (GCP)

The residential portfolio is held through a 34% interest in Grand City Properties ("GCP"), a leading market player in the German residential market. AT is the largest shareholder in GCP. The remaining 66% are widely distributed and held mainly by many international leading institutional investors. There is no major single shareholder except for AT. As of October 2016, GCP holds 84k units in its portfolio. 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)

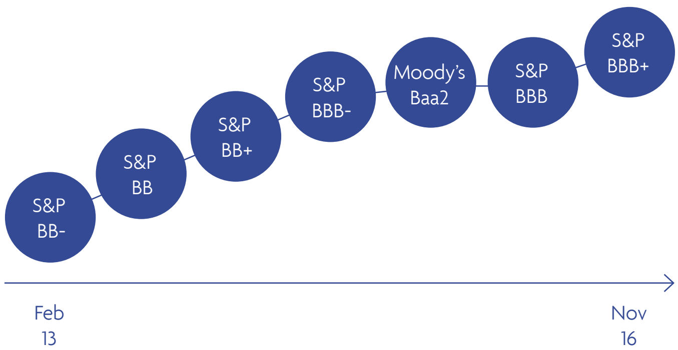


As of October 2016, Grand City Properties' portfolio generates an FFO I run rate (October 2016 annualized) of €164 million and rental income run rate (October 2016 annualized) of €452 million. The current portfolio has an in-place rent of 5.35 €/sqm at an EPRA vacancy rate.

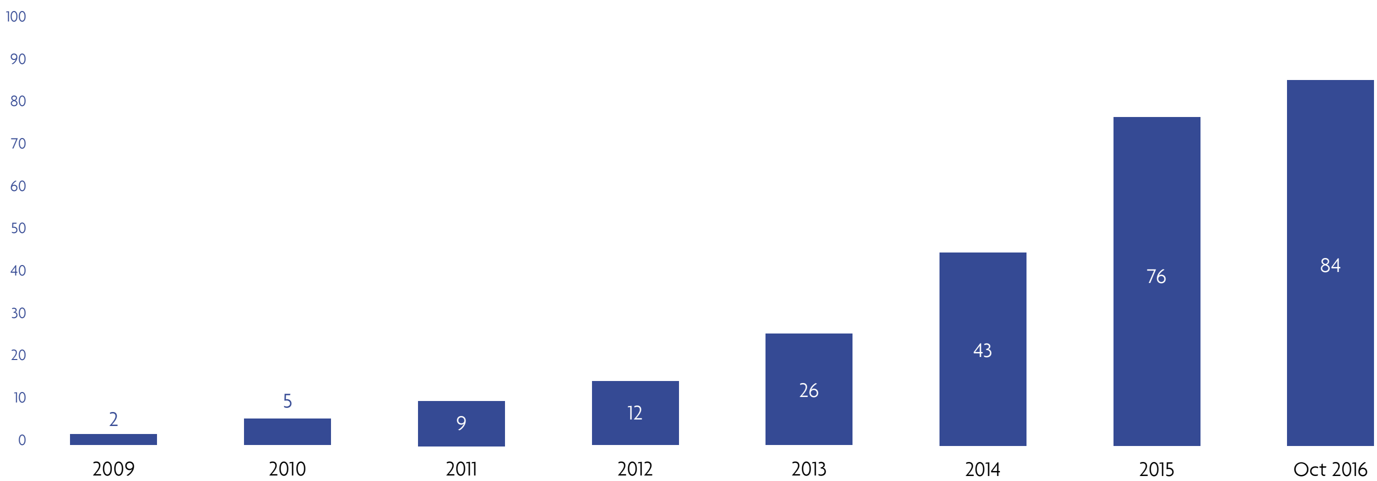
GCP's success is mirrored in the strong performance in the debt and capital markets. Since the beginning of 2016 the Series F convertible bond with a volume of €450 million and €200 million perpetual notes. GCP's average cost of debt is 1.6%.

GCP holds investment grade credit ratings from Standard & Poor's Rating Services at BBB+ and from Moody's Investors Service at Baa2 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 September 2016 has a market cap of €2.7 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 per share.

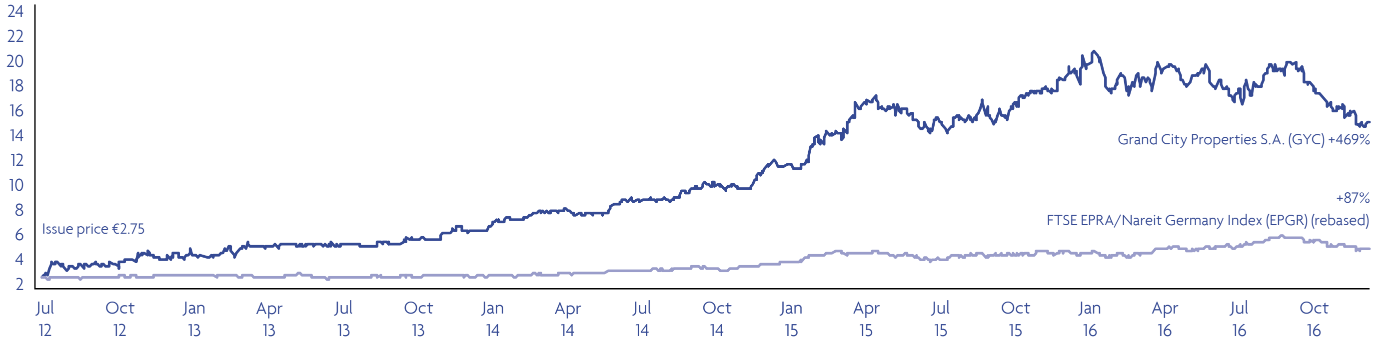
RATING ACHIEVEMENTS



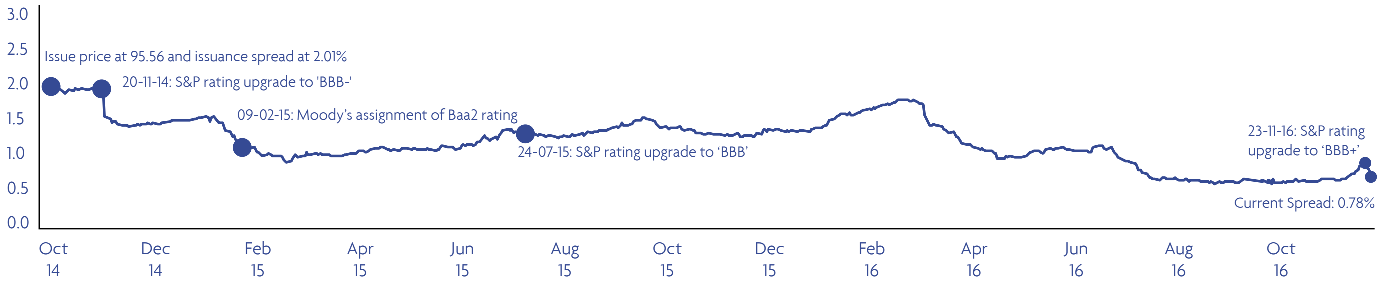
PORTFOLIO DEVELOPMENT IN UNITS ('000)



SHARE PRICE PERFORMANCE COMPARISON SINCE FIRST EQUITY PLACEMENT (19.07.2012)



STRAIGHT BOND SERIES D – SPREAD OVER MID-€-SWAP, REMAINING 5 YEARS



Dresden

CORPORATE GOVERNANCE

ANNUAL GENERAL MEETING

On 18th of November 2016 the Annual General Meeting referring to 2015 convened, in which all of the items on the agenda were carried by a great majority. The main items included appointing 2 new board members, Mr. Andrew Wallis and Mr. Oschrie Massatschi and approved the distribution of a dividend in the amount of €0.051 per share for the holders record on November 23, 2016.

The remuneration of the Board of Directors and the senior management is complemented through an incentive plan with 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 five 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
Mr. Andrew Wallis	Director
Mr. Oschrie Massatschi	Director
Ms. Elena Koushos	Director
Ms. Jelena Afxentiou	Director

SENIOR MANAGEMENT

Name	Position
Mr. Shmuel Mayo	CEO
Mr. Eyal Ben David	CFO
Mr. Markus Neurauter	Head of Commercial Operations
Mr. Philipp Von Bodman	Head of Hotel Operations

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.

Dortmund

NOTES ON BUSINESS PERFORMANCE

SELECTED CONSOLIDATED INCOME STATEMENT DATA

	For the 9 months ended September 30, 2016	2015
	In thousands of euro	
Rental and operating income	183,130	80,706
Capital gains, revaluations and other income	588,094	677,600
Share in profit from investment in equity-accounted investees	153,425	97,791
Property operating expenses	(47,460)	(16,147)
Administrative and other expenses	(6,218)	(3,501)
Operating profit	**870,971**	**836,449**
EBITDA	872,015	836,549
Adjusted EBITDA 1)	**183,789**	**102,507**
Finance expenses	(32,911)	(12,208)
Other financial results	(22,530)	11,688
Current tax expenses	(12,850)	(5,150)
Deferred tax expenses	(87,111)	(79,453)
Profit for the period	**715,569**	**751,326**
FFO I 2)	**113,438**	**63,933**

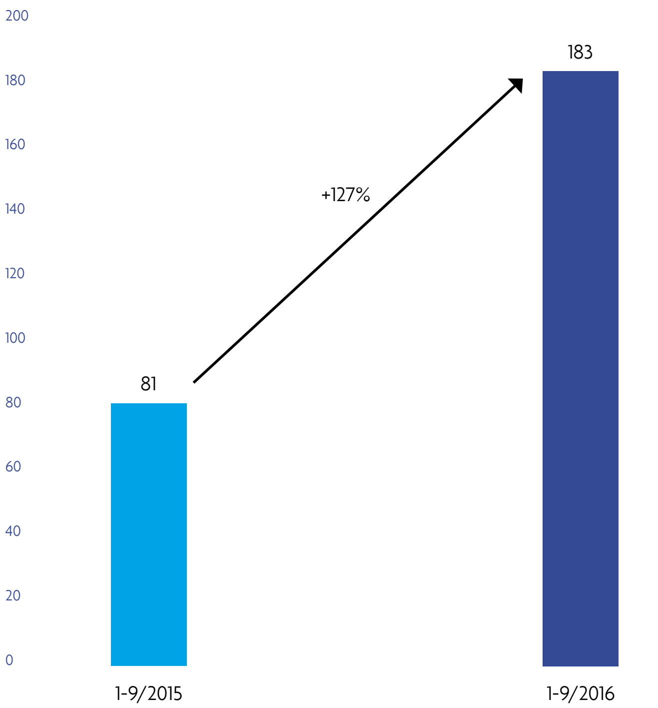
1) including AT's share in GCP's adjusted EBITDA
2) including AT's share in GCP's FFO I. FFO I is net of consolidated minorities

REVENUE

	For the 9 months ended September 30, 2016	2015
	In thousands of euro	
Rental and operating income	**183,130**	**80,706**

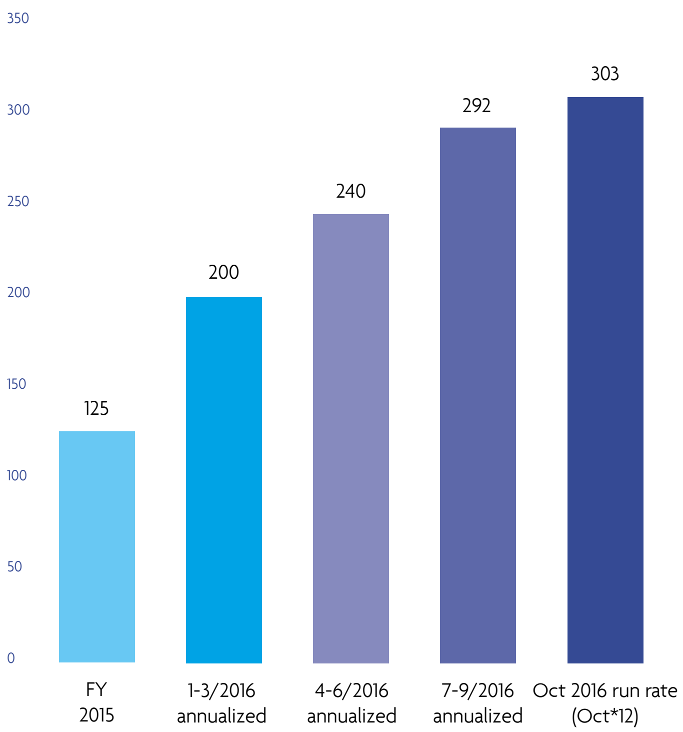
In the first nine months of 2016 AT increased its rental income by 127% compared to the same period in 2015, to a total of €183 million. This strong increase is attributable to the Company's growth in portfolio size during the two periods as well as internal operational growth rising from increasing rents and occupancy levels during the period.

RENTAL AND OPERATING INCOME (IN € MILLIONS)



The rental and operating income increased quarter-over-quarter, reflecting the continuous and strong deal sourcing and operational growth abilities. Due to the large amount of property acquisitions during the first nine months of 2016 the revenue in the period does not reflect the full rental income effect of the portfolio. The quarterly annualized rental income for the third quarter of 2016 is €292 million, and the monthly annualized rental income as of October 2016, reflecting the full rental income generation of the current portfolio, amounts to €303 million.

RENTAL AND OPERATING INCOME DEVELOPMENT (IN € MILLIONS)




Offenbach


Hamburg

NOTES ON BUSINESS PERFORMANCE

SHARE IN PROFIT FROM INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

	For the 9 months ended September 30,	
	2016	**2015**
	In thousands of euro	
Share in profit from investment in equity-accounted investees	**153,425**	**97,791**

The share in profit from investment in equity-accounted investees presents AT' share in GCP's profits. In the first nine months of 2016, the share in profit from investment in equity-accounted investees increased to €153 million, compared to €98 million in the first nine months of 2015. The increase of 57% results from GCP's strong performance over the reporting period and is driven by growth in its portfolio, materialized value creation and excellent operational performance. AT increased its holding in GCP to 33% over the third quarter of 2016, from 32% at the first half of the year, and after the reporting date AT increased its holding further to 34%.

CAPITAL GAINS, PROPERTY REVALUATIONS AND OTHER INCOME

	For the 9 months ended September 30,	
	2016	**2015**
	In thousands of euro	
Capital gains, property revaluations and other income	**588,094**	**677,600**

Capital gains, property revaluations and other income reflect the value captured by AT's operational achievements in its portfolio, such as increasing rent and occupancy levels, securing longer and more stable lease contracts with quality tenants, implementing efficient operating costs measures, identifying valuable capex investments and deal sourcing capabilities. In the first nine months of 2016 capital gains amounted to €588 million, compared to €678 million over the same period last year. The values of the Group's assets are appraised by external, independent and professionally qualified valuators. Out of the €588 million, €515 million refer to revaluations gains and €73 million refer to profit arising from business combination (see also note4).

The high profits, recorded period over period, reflect the Company's sustainable ability to materialize the upside potential in its portfolio which rises from both, the experienced management paired with the tailored operational platform and from the Company's abilities to identify acquisition opportunities with various value-add drivers.

PROPERTY OPERATING EXPENSES

	For the 9 months ended September 30,	
	2016	**2015**
	In thousands of euro	
Property operating expenses	**(47,460)**	**(16,147)**

Property operating expenses are mainly related to ancillary costs recoverable by the tenants, such as heating water 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 nine months of 2016 to €47 million compared to €16 million in the first nine months of 2015. The increase is mainly resulting from the extraordinary growth of the portfolio between the two periods, as well as the mix of asset and lease types. Generally, commercial assets differ in the lease structure as tenants either arrange the operating expenses themselves, in some cases only partially and in other cases not at all. All ancillary costs paid by the Company are recovered by the tenants through the operating income (except of vacant space). 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 assets, such as hotels, the tenant covers almost fully all operating expenses and the landlord usually only covers the so-called "roof and façade" works. In the first nine months of 2015 the proportion of the income from hotel assets of the total income was higher than in the first nine months of 2016 which resulted in a different property operating expenses ratio over the income.

Hannover

ADMINISTRATIVE AND OTHER EXPENSES

	For the 9 months ended September 30,	
	2016	**2015**
	In thousands of euro	
Administrative and other expenses	**(6,218)**	**(3,501)**

Administrative and other expenses mainly consist of administrative personnel, audit, accounting, legal, and marketing expenses. In the first nine months of 2016 the expenses amounted to €6.2 million, compared to €3.5 million in the respective in the prior year. This increase of 78% is significantly lower than the increase of 127% in revenue over the same period, a direct result of AT's ability to efficiently incorporate new acquisitions into its existing management platform, reflecting a considerable competitive advantage of the Group in realizing economies of scale also on the corporate cost level.

Berlin

FINANCE EXPENSES

	For the 9 months ended September 30,	
	2016	**2015**
	In thousands of euro	
Finance expenses	**(32,911)**	**(12,208)**

Finance expenses in the first nine months of 2016 amounted to €32.9 million, increasing from €12.2 million in the comparable period in 2015. The increase in finance expenses is a result of the increased balance of debt used in financing the portfolio's growth over the period. AT's favourable financing structure and low leverage are reflected in its low cost of debt of 2%, further highlighted by its BBB investment grade credit rating by S&P. The cost of debt has decreased between the two periods due to lower marginal cost on new debt and conversions. The conservative financial matrix and the strong operational growth over the interest expenses are mirrored in AT's high interest coverage ratio of 4.4.

OTHER FINANCIAL RESULTS

	For the 9 months ended September 30,	
	2016	**2015**
	In thousands of euro	
Other financial results	**(22,530)**	**11,688**

Other financial results amounted to an expense of €22.5 million in the first nine months of 2016 in comparison to an income of €12 million in the comparable period in 2015 and refer primarily to non-recurring results. The main expense item in the first nine months of 2016 is the effect of the Group purchasing back €130 million principle value of its straight bond Series A in an amount higher than the book value following the considerable reduction in the bond's yield since its issuance. Additional effects are changes in fair values of financial assets, derivatives, traded securities, and other related fees.

NOTES ON BUSINESS PERFORMANCE

TAXATION

	For the 9 months ended September 30, 2016	2015
	In thousands of euro	
Current tax expenses	(12,850)	(5,150)
Deferred tax expenses	(87,111)	(79,453)
Tax and deferred tax expenses	**(99,961)**	**(84,603)**

Tax and deferred tax expenses amounted to €100 million in the first nine months of 2016, in comparison to €85 million in the first nine months of 2015, of which current tax expenses amounted to €12.9 million, compared to €5.2 million in the first nine months of 2015. This increase is in line with the overall larger portfolio size and increase in operational profits.

Deferred taxes are a non-cash item and are the result from the revaluation gains of the Company's portfolio. AT practices a conservative approach in the calculation of the deferred tax expenses, applying the statutory tax rate for the theoretical future disposals through asset deals.

PROFIT FOR THE PERIOD

	For the 9 months ended September 30, 2016	2015
	In thousands of euro	
Profit for the period	**715,569**	**751,326**

In the first nine months of 2016 the Company generated a profit of €716 million, in comparison to €751 million in the comparable period in 2015. The strong profitability is attributable to strong operational profits, along high value creation rising from the repositioning of the portfolio.

EARNINGS PER SHARE

	For the 9 months ended September 30, 2016	2015
	In euro	
Basic earnings per share in €	0.87	1.08
Diluted earnings per share in €	0.66	0.90
Weighted average basic shares in thousands	645,368	529,092
Weighted average diluted shares in thousands	823,334	598,408

In the first nine months of 2016 AT's basic earnings per share amounted to €0.9 and the diluted earnings per share to €0.7, reflecting the significant increase in share count rising from two equity increases and the full dilution effect of the two convertible bonds issued in 2015.

ADJUSTED EBITDA

	For the 9 months ended September 30, 2016	2015
	In thousands of euro	
Operating profit	870,971	836,449
Total depreciation and amortization	1,044	100
EBITDA	**872,015**	**836,549**
Capital gains, revaluations and other income	(588,094)	(677,600)
Share in profit from investment in equity-accounted investees	(153,425)	(97,791)
Adjustment for GCP operational contribution*	53,293	41,349
Adjusted EBITDA	**183,789**	**102,507**

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

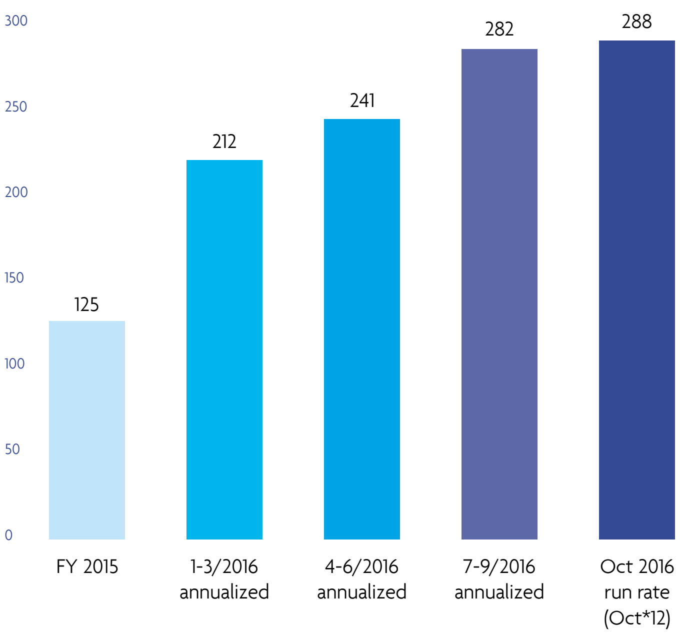
The adjusted EBITDA is a measure of the operational performance of the Company, calculated by deducting from the EBITDA non-operational and non-recurring items, such as capitals gains, revaluations and profit from disposals. In order to mirror the recurring operational results, the share of profit from investment in equity-accounted investees is subtracted, as this derives from AT's share in GCP's total profit, and replaced by AT's share in GCP's operational contribution, which is accounted for a share of 32% during the first half of 2016, and 33% during the third quarter of 2016. AT's holding rate in GCP increased to 34% after the reporting period.

The adjusted EBITDA of €184 million for the first nine months of 2016 marks the Company's excellent operational performance over the period. The increase of 79% compared to the same period last year is a result of significant operational achievement in increasing rent and occupancy levels, as well as the overall increase in portfolio size.

Due to the portfolio growth during the first nine months of 2016 and operational improvements achieved during the period, the periodic result does not reflect the full profit generating capability of the portfolio. The October 2016 monthly annualized adjusted EBITDA, reflecting the current monthly run rate amounts to €288 million.

Potsdam

ADJUSTED EBITDA DEVELOPMENT (IN € MILLIONS)



Berlin

NOTES ON BUSINESS PERFORMANCE

FUNDS FROM OPERATIONS I (FFO I)

	For the 9 months ended September 30,	
	2016	**2015**
	In thousands of euro	
Adjusted EBITDA	**183,789**	**102,507**
Finance expenses	(32,911)	(12,208)
Current tax expenses	(12,850)	(5,150)
FFO I adjustment for AT holding rate in consolidated minorities*	(4,333)	(6,302)
FFO I adjustment for AT holding rate in GCP**	(20,257)	(14,915)
FFO I	**113,438**	**63,933**
Weighted average basic shares in thousands	645,368	529,092
FFO I per share (in €)	**0.18**	**0.12**

* The adjustment is to reflect the minority share in PCI and additional minorities in the amount of €859 thousand in 1-9/2016 and €95 thousand in 1-9/2015.

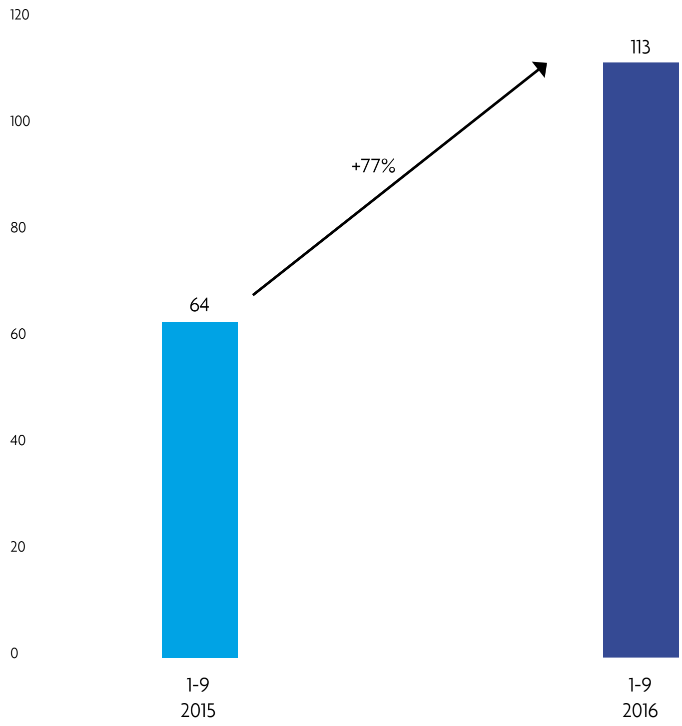
** The adjustment is to reflect AT's share in the tax and finance expenses of GCP

Funds from Operation I (FFO I) is a measure of the materialized bottom line operational profits, calculated by deducting current tax and finance expenses from the adjusted EBITDA. The calculation includes further adjustments to consider minorities and the relative part of AT in the finance and tax expenses of GCP, which are not consolidated.

In the first nine months of 2016 the FFO I increased to €113 million, compared to €64 million in the same period of 2015. This increase of 77% is a result of the strong operational profitability of the Group during the period. The FFO growth is supported by lower marginal cost of debt.

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 nine months of 2016 was 86% and currently is 93%.

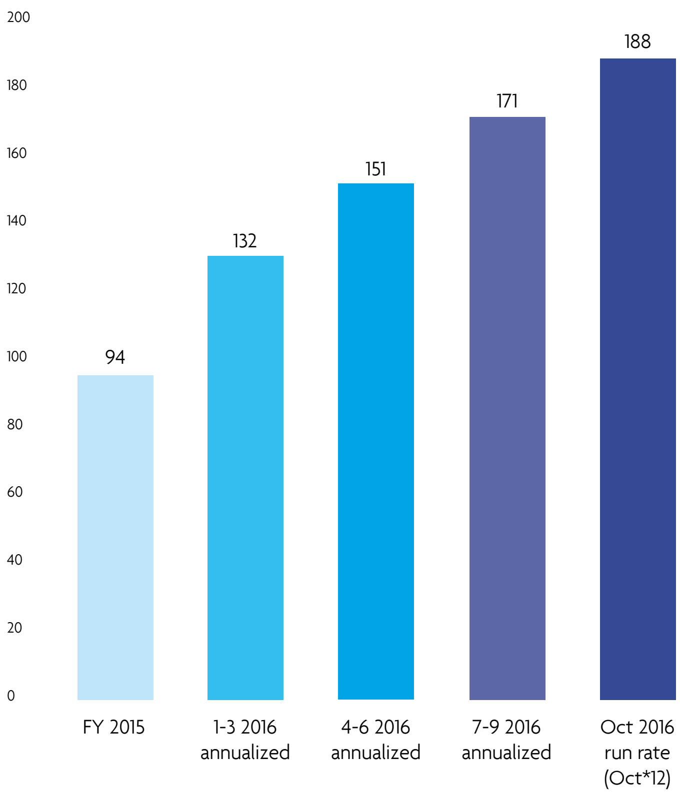
FFO I (IN € MILLIONS)



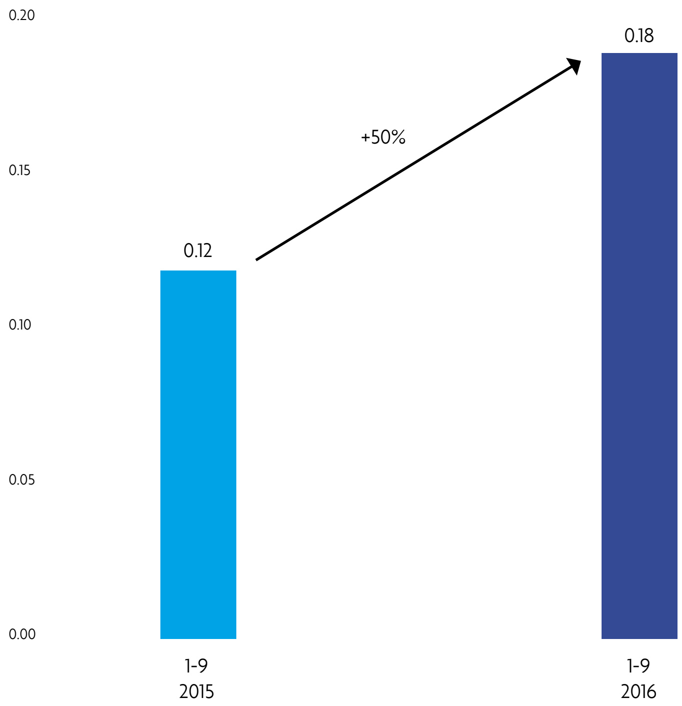
The periodic results do not fully reflect the current income generating capabilities of the portfolio. Taking into consideration the full impact of the current operational performance level of the larger portfolio, the monthly annualized FFO I as of October 2016 amounts to €188 million. The quarterly annualized FFO I for the third quarter of 2016 amounted to €171 million, in-line with the strong operational profit growth in the first nine months of 2016.

Hamburg

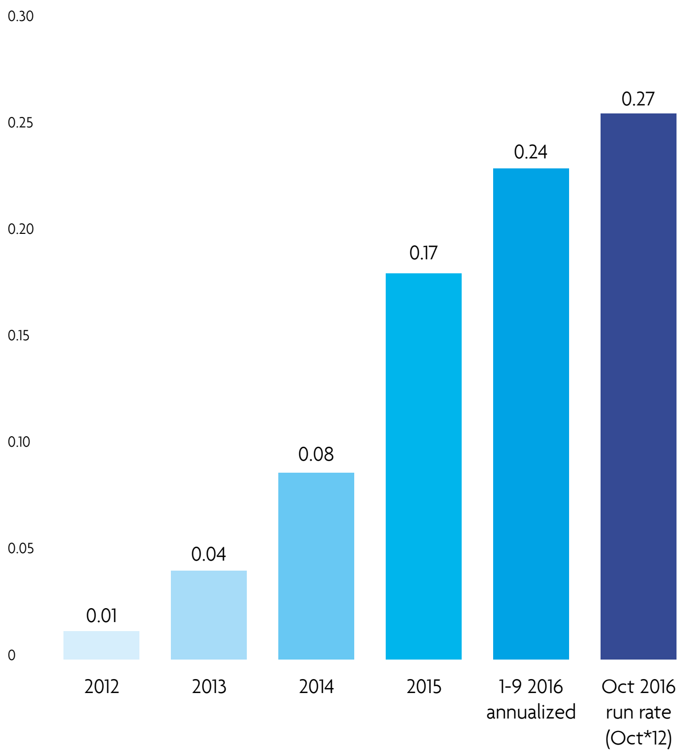
FFO I DEVELOPMENT (IN € MILLIONS)



FFO I PER SHARE (IN €)



FFO I PER SHARE ANNUAL DEVELOPMENT (IN €)



In the first nine months of 2016 FFO I per share increased to €0.18 per share. The average share amount has increased significantly between the two periods due to two equity increases and bond conversions, offsetting the periodic growth of the total FFO I. This increase of 50% compared to the same period in 2015 reflects AT ability to continuously create accretive value for its shareholders.


Bad Reichenhall / Salzburg

NOTES ON BUSINESS PERFORMANCE

CASH FLOW

	For the 9 months ended September 30,	
	2016	**2015**
	In thousands of euro	
Net cash provided by operating activities	133,346	67,593
Net cash used in investing activities	(1,357,459)	(1,028,624)
Net cash provided by financing activities	1,245,008	1,039,828
Net changes in cash and cash equivalents	**20,895**	**78,797**

Over the first nine months of 2016 the Company's cash flow amounted to an increase of €21 million in the balance of cash and cash equivalents.

The operational cash flow over the first nine months has increased to €133 million compared to €68 million in the same period in 2015. This is due to the increase in portfolio size as well as the cash results of the operational improvements achieved over the period.

Cash used in investing activities reflects the amounts directed to fund the portfolio's growth and the capital expenditures during the period. The net amount of €1.4 billion is 32% higher in comparison to the same period in 2015.

AT financed its acquisitions through the proceeds from various issuances of equity and debt: equity issuance of €266.5 million in April 2016, straight bonds €600 million Series D in April 2016 and €500 million Series E in July 2016. Offsetting part of this amount are funds directed by AT to purchase back during the period €130 million principle value of its 3% Series A bond. Another amount of over €290 million has been raised through bank loans from several financial institutions, net from loans repaid and amortization of loans.

ASSETS

	Sep 16	**Dec 2015**
	In thousands of euro	
Non-current assets	**6,468,494**	**4,007,602**
Investment property*	4,901,971	2,482,085
Equity accounted investees	1,381,115	1,183,148
Current assets	**371,720**	**432,545**
Total assets	**6,840,214**	**4,440,147**

*includes advanced payments for invesment properties

Total assets as of September 2016 amounted to €6.8 billion, an increase of 54% from year-end 2015, following the Group's significant growth over the first nine months of 2016. The increase is mainly due to the increase of investment property and advanced payments for investment property to €4.9 billion in September 2016, an increase of 97% from year-end 2015. The increase in investment property is a result of numerous new properties added to the Group's portfolio over the period across the different asset types and core geographic locations, improving its diversification and further contributing to improve the portfolio's quality. The increase in investment property is also brought about by value captured in the existing assets, following the success of repositioning the portfolio. The increase in assets is mainly facilitated by funds from debt and equity issuances made by the Company along the period: €267 million equity capital increase in April 2016, €600 million straight bond Series D and €500 million straight bond Series E, issued in April and July 2016 respectively.

The balance of investment in equity-accounted investees amounted to €1.4 billion in September 2016, a 17% increase from year-end 2015. This item represents AT's investment in residential properties through its strategic holding in GCP, which increased from 32% to 33% during the third quarter of 2016. The increase is also supported by GCP's strong performance over the period with profits amounting to €495 million, and total assets increasing to €6.1 billion as of September 2016. The increase to €1.4 billion is mainly due to AT's proportional share from GCP's net profit.

Current assets decreased by €61 million from year-end 2015, mainly following the decrease in cash and liquid assets utilized in financing the Company's growth over the period.
AT has maintained the growth momentum after the balance sheet date, with a €500 million perpetual notes issued at 96.4% in Oct 2016, and additional €150m straight bond Series E tap-up in November 2016.


Frankfurt

NOTES ON BUSINESS PERFORMANCE

LIABILITIES

	Sep 16	Dec 15
	In thousands of euro	
Total loans and borrowings*	1,063,783	645,339
Straight bonds	1,102,303	187,923
Convertible bonds	712,062	817,721
Deferred tax liabilities	347,627	185,774
Other long term liabilities and derivative financial instruments	55,578	66,026
Current liabilities**	186,200	111,852
Total liabilities	**3,467,553**	**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 strong growth over the first nine months of 2016 is supported by the development of its liabilities, with the most prominent increase in the balance of straight bonds, following the issuance of the 6-year, €600 million principle value Series D in April 2016 and of the 8-year, €500 million principle value Series E in July 2016. Both bond series bear a coupon of 1.5%. The Series E bond was tapped up by a further issuance of €150 million in November 2016. With part of the funds directed to replace part of the Company's 3% straight bond Series A, the total increase in straight bonds since December 2015 amounts to €914 million. As of September 30 2016, 66% of the Series A bonds are held in treasury by the Company, increasing to over 80% after the balance sheet date.

The Group strives to form a highly diverse and well balanced financing structure, accessing bank loans alongside the issuance of straight and convertible bonds as well as equity. The increase in total loans and borrowings of €418 million since December 2015 is largely a product of the vast network of professional contacts to financial institutions maintained by AT, allowing it to optimally finance specific assets where it identifies significant advantage in the loan terms provided by its counterparties, fully reflecting the stability and quality of the assets.

AT's in the money convertible bond Series B is being continuously converted. As of September 30, 2016, 9% of the total €450 million principle value have been converted into equity. In addition, PCI's €150 million convertible bond series is also being converted, with conversions of €75 million during the first nine months of 2016. The current outstanding part of the PCI's convertible bonds is less than 20%.

Reflecting the strong momentum in AT's operational and corporate position in 2016, and in view of AT's achievements in scale and diversification, as well as material reduction of vacancy, S&P increased the Group's credit rating to BBB in June 2016.

AT practices a conservative approach with regard to its deferred tax liabilities, accounting for the full real estate tax on hypothetical future disposal of assets. This increase of €162 million in deferred tax liabilities is a result of the strong valuations gains and profits from business combination achieved during the first nine months of 2016.

NET DEBT

	Sep 16	Dec 15
	In thousands of euro	
Total debt	2,878,148	1,650,983
Cash and liquid assets	273,953	386,983
Total net debt	**2,604,195**	**1,264,000**
Convertible bond*	(428,697)	(536,136)
Total net debt assuming conversion	**2,175,498**	**727,864**

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

The Group strategically maintains an ample balance of cash and liquid assets, allowing it to realize further growth opportunities quickly and be in a favourable position while negotiating financing of its acquisitions. The strong balance of liquid assets is also reflected in the mitigation of the total net debt of the Group. The Company's net debt as of September 30, 2016 amounts to €2.6 billion. Including conversion of the convertible bonds which are in the money, the net debt amounts to €2.2 billion.


Stuttgart

LOAN-TO-VALUE

	Sep 16	Dec 15
	In thousands of euro	
Investment property*	4,901,971	2,482,085
Investment in equity-accounted investees	1,381,115	1,183,148
Total Value	**6,283,086**	**3,665,233**
Total Loans and borrowings	1,063,783	645,339
Straight bonds	1,102,303	187,923
Convertible bonds	712,062	817,721
Minus:		
Cash and liquid assets	273,953	386,983
Net Debt	**2,604,195**	**1,264,000**
LTV	**41%**	**34%**
Net debt without convertible bond	2,175,498	727,864
LTV assuming conversion **	**35%**	**20%**

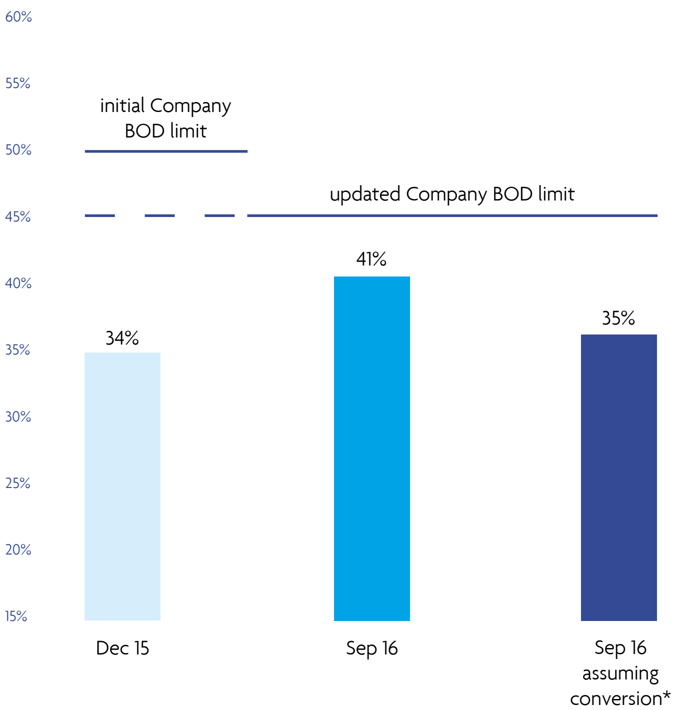
* including advanced payments
** Assuming conversion of the convertible bonds which are in the money

Loan-To-Value ("LTV") is the ratio of the financial debt, net of cash and liquid assets, to the value of investment property, including advanced payments, and investments in equity accounted investees.

AT follows a conservative financial policy with an LTV limit of 45% set by the Board of Director's, recently updated from 50%. The Group successfully maintains a low leverage level along its strong growth path by having its acquisition volume correspond to the generated profit volume and amounts raised in equity.
AT's LTV is at 41% as of September 30 2016. Including conversion of in-the-money convertibles the LTV is down to 35% as of September 30 2016. The low leverage position provides substantial headroom for financial comfort and the basis for further growth.

NOTES ON BUSINESS PERFORMANCE

LOAN-TO-VALUE



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

Dresden

Berlin

EPRA NAV

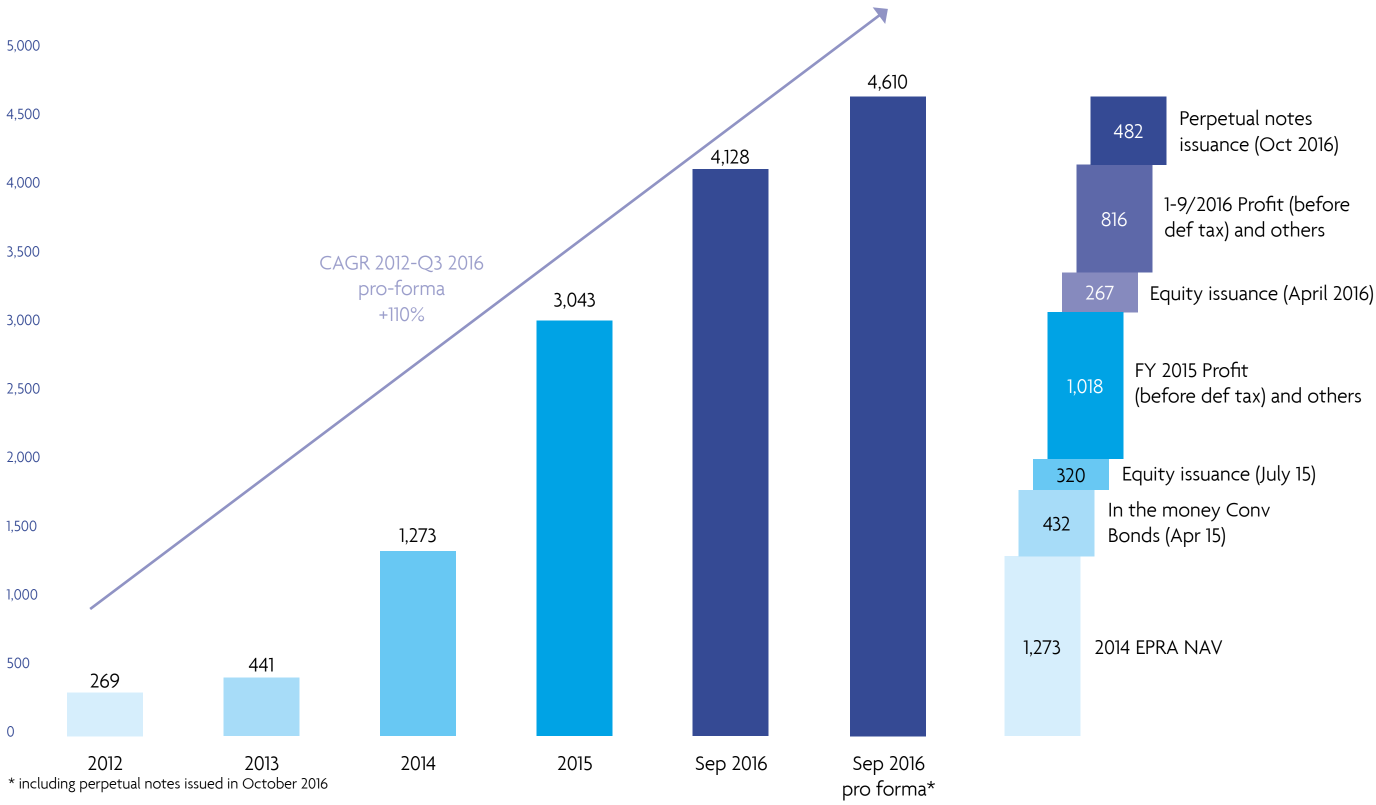
	Sep 16	Dec 15
	In thousands of euro	
Total Equity	3,372,661	2,425,512
Fair Value measurements of derivative financial instruments	9,579	3,590
Deferred tax liabilities	347,627	185,774
Convertible bond Series B *	398,165	427,988
EPRA NAV	**4,128,032**	**3,042,864**
Equity attributable to perpetual capital investors **	481,960	
EPRA NAV inc perpetual notes pro forma	**4,609,992**	

* The convertible bond Series B are in the money and includes accrued interest
** perpetual notes issuance of October 2016

EPRA NAV amounted as of September 30, 2016 to €4.1 billion, an increase of €1.1 billion from year-end 2015. The increase is mainly the result of the €716 million profit generated in the period and the equity capital increase of €267 million in April 2016. The increase in deferred tax liabilities also contributes to the increase, as this liability reduces the profit but is added back in the EPRA NAV calculation.

As the convertible bond Series B is in the money and considered equity in the EPRA NAV, the conversions over the period had no effect on the total EPRA NAV as bond balances shifted into equity. Including the perpetual notes issued in October 2016, EPRA NAV amounts to €4.6 billion. IFRS considers the perpetual notes as an equity instrument, consequently the balance is included in the EPRA NAV calculation.

EPRA NAV (IN € MILLIONS)



* including perpetual notes issued in October 2016

	EPRA NAV	EPRA NNNAV	EPRA NAV net of minorities	EPRA NAV including perpetual notes, pro forma 1)	# of shares incl. conv bond B "in the money" 2)	Fully diluted EPRA NAV incl perpetual notes and conv bond B & C 3)	Fully diluted number of shares
Sep 16	**4,128,032**	**4,015,509**	**3,697,821**	**4,609,992**	**795,829**	**4,894,269**	**847,619**
Sep 16 per share	**5.2**	**5.0**	**4.6**	**5.8**		**5.8**	
Dec 15	3,042,864	2,995,120	2,722,761	3,042,864	730,829	3,324,609	782,619
Dec 15 per share	4.2	4.1	3.7	4.2		4.2	

1) including perpetual notes issued in October 2016
2) including convertible bond Series B "in the money", current conversion price is €3.38
3) includes convertible bond Series C, current conversion price is €5.69

DISCLAIMER

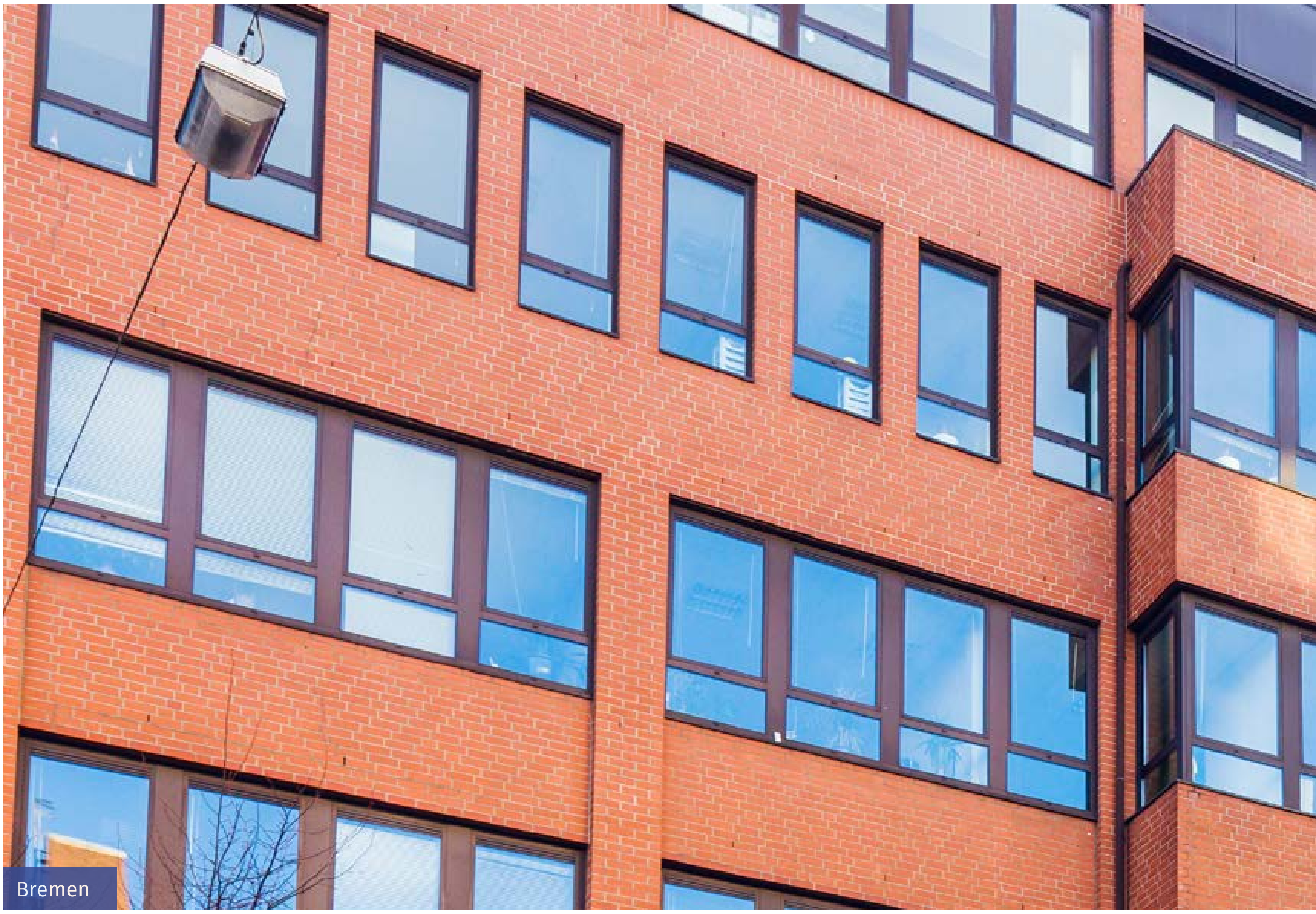
The financial data and results of the Group are affected by financial and operating results of its subsidiaries. Significance of the information presented in this report is examined from the perspective of the Company including its portfolio with the joint ventures. In several cases, additional information 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,
November 28, 2016

Jelena Afxentiou
Director

Reshef Ish-Gur
Director

Elena Koushos
Director


Bremen

Munich

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the nine months ended September 30,		For the three months ended September 30,	
	2016	**2015**	**2016**	**2015**
	In thousands of euro		In thousands of euro	
Revenue	**183,130**	**80,706**	**73,114**	**34,534**
Capital gains, property revaluations and other income	588,094	677,600	178,367	239,112
Share in profit from investment in equity-accounted investees	153,425	97,791	32,426	35,631
Property operating expenses	(47,460)	(16,147)	(19,327)	(8,029)
Administrative and other expenses	(6,218)	(3,501)	(2,522)	(1,138)
Operating profit	**870,971**	**836,449**	**262,058**	**300,110**
Finance expenses	(32,911)	(12,208)	(14,087)	(6,239)
Other financial results	(22,530)	11,688	(16,183)	397
Profit before tax	**815,530**	**835,929**	**231,788**	**294,268**
Current tax expenses	(12,850)	(5,150)	(4,953)	(2,702)
Deferred tax expenses	(87,111)	(79,453)	(21,347)	(45,621)
Tax and deferred tax expenses	**(99,961)**	**(84,603)**	**(26,300)**	**(48,323)**
Profit for the period	**715,569**	**751,326**	**205,488**	**245,945**
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**715,569**	**751,326**	**205,488**	**245,945**

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

	For the nine months ended September 30,		For the three months ended September 30,	
	2016	2015	2016	2015
	In thousands of euro		In thousands of euro	
Profit attributable to:				
Owners of the Company	562,556	573,967	184,451	157,565
Non-controlling interests	153,013	177,359	21,037	88,380
Total comprehensive income for the period	**715,569**	**751,326**	**205,488**	**245,945**
Net earnings per share attributable to the owners of the Company (in euro):				
Basic earnings per share	**0.87**	**1.08**	**0.27**	**0.27**
Diluted earnings per share	**0.66**	**0.90**	**0.22**	**0.20**

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Duisburg

		September 30 2016 Unaudited	December 31 2015 Audited
Assets	Note	In thousands of euro	
Equipment and intangible assets		8,593	5,123
Investment property	5	4,645,917	2,430,595
Advanced payments for investment property		256,054	51,490
Equity-accounted investees		1,381,115	1,183,148
Other long term assets		168,636	335,741
Deferred tax assets		8,179	1,505
Non-current assets		**6,468,494**	**4,007,602**
Cash and cash equivalents		142,138	121,243
Short term deposits		9,380	4,213
Traded securities at fair value through profit or loss		122,435	261,527
Trade and other receivables		97,767	45,562
Current assets		**371,720**	**432,545**
Total Assets		**6,840,214**	**4,440,147**

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

Equity	Note	September 30 2016 Unaudited	December 31 2015 Audited
		In thousands of euro	
Share capital	7	6,762	6,001
Retained earnings and capital reserves	7	2,935,688	2,099,408
Equity attributable to the owners of the Company		**2,942,450**	**2,105,409**
Non-controlling interests		430,211	320,103
Total Equity		**3,372,661**	**2,425,512**
Liabilities			
Loans and borrowings	6A	1,003,607	515,913
Convertible bonds	6B,6C,6D	712,062	817,721
Straight bonds	6E,6F,6G	1,102,303	187,923
Derivative financial instruments		9,579	3,590
Other long term liabilities		45,999	62,436
Deferred tax liabilities		347,627	185,774
Non-current liabilities		**3,221,177**	**1,773,357**
Credit from financial institutions		34,085	36,134
Loans and borrowings	6A	22,882	(*) 15,142
Loan Redemption	6A	3,209	(*) 78,150
Trade and other payables		163,242	95,971
Tax payable		4,447	2,674
Provisions and current liabilities		18,511	13,207
Current liabilities		**246,376**	**241,278**
Total Liabilities		**3,467,553**	**2,014,635**
Total Equity and Liabilities		**6,840,214**	**4,440,147**

(*) Reclassified.

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

Munich

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	-	-	562,556	562,556	153,013	715,569
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**562,556**	**562,556**	**153,013**	**715,569**
Issuance of ordinary shares	650	262,249	-	262,899	-	262,899
Issuance of shares related to conversion of convertible bond	111	36,249	-	36,360	-	36,360
Non-controlling interests arising from initially consolidated companies and other transactions	-	-	-	-	52,409	52,409
Transactions with non-controlling interests	-	-	(24,774)	(24,774)	(95,314)	(120,088)
Balance as at September 30, 2016 (Unaudited)	**6,762**	**631,248**	**2,304,440**	**2,942,450**	**430,211**	**3,372,661**
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	-	-	573,967	573,967	177,359	751,326
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**573,967**	**573,967**	**177,359**	**751,326**
Issuance of ordinary shares	4,962	-	-	4,962	-	4,962
Capital increase	1,000	313,768	-	314,768	-	314,768
Issuance of convertible bonds	-	4,029	-	4,029	-	4,029
Conversions of convertible bonds to ordinary shares	1	461	-	462	-	462
Equity component related to tap issue of convertible bonds in a subsidiary	-	-	-	-	486	486
Non-controlling interests arising from initially consolidated companies and other transactions	-	-	-	-	7,053	7,053
Transactions with non-controlling interests	-	-	(1,938)	(1,938)	(38,154)	(40,092)
Balance as at September 30, 2015 (Unaudited)	**6,001**	**325,674**	**1,678,144**	**2,009,819**	**254,836**	**2,264,655**

(*) 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

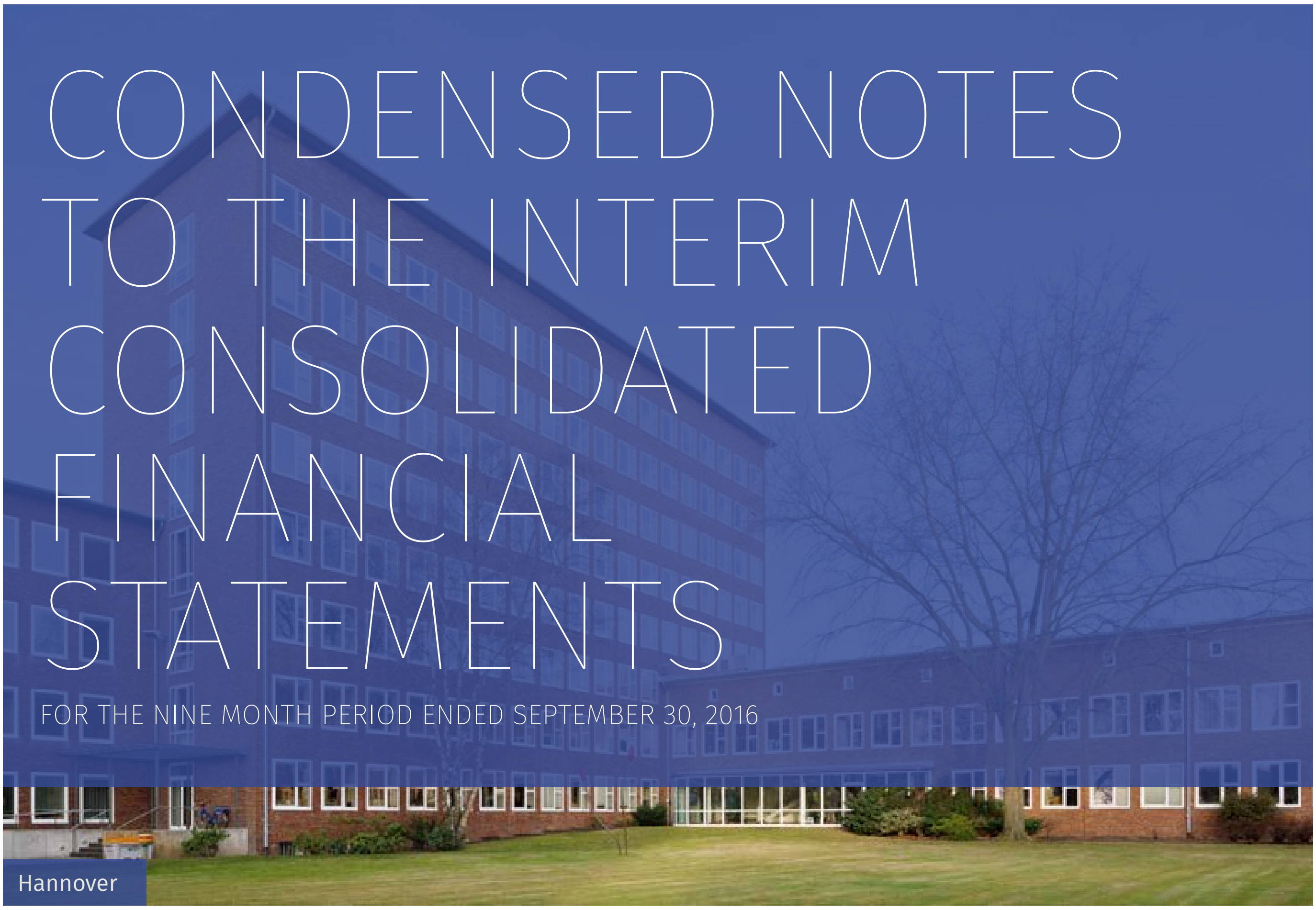
Hamburg

	For the nine months ended September 30,	
	2016	**2015**
	In thousands of euro	
Cash flows from operating activities		
Profit for the period	**715,569**	**751,326**
Adjustments for the profit:		
Depreciation and amortization	1,044	100
Capital gains, property revaluations and other income	(588,094)	(677,600)
Share in profit from investment in equity-accounted investees	(153,425)	(97,791)
Finance expenses, net	55,441	520
Tax and deferred tax expenses	99,961	84,603
	130,496	**61,158**
Changes in:		
Trade and other receivables	(21,935)	(22,909)
Trade and other payables	27,175	26,713
Provisions for other liabilities and charges	(8,551)	(2,213)
	127,185	**62,749**
Dividend received	17,521	7,445
Tax paid	(11,360)	(2,601)
Net cash provided by operating activities	**133,346**	**67,593**
Cash flows from investing activities		
Acquisitions and disposals of equipment and intangible assets, net	(2,198)	(858)
Investments and acquisitions of investment property, capex and advances paid, net	(798,875)	(595,836)
Acquisition/disposal of investees and loans, net of cash acquired/disposed	(780,723)	(372,831)
Disposal (investment) of (in) trade securities and other financial assets, net	224,337	(59,099)
Net cash used in investing activities	**(1,357,459)**	**(1,028,624)**

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

		For the nine months ended September 30,	
		2016	**2015**
	Note	In thousands of euro	
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		262,899	319,731
Proceeds from issuance of straight and convertible bonds, net	6	1,037,674	567,982
Acquisition of Straight bond series A		(140,114)	-
Amortization of loans from financial institutions		(11,437)	(5,898)
Proceeds of loans from financial institutions and others, net		304,303	218,854
Transactions with non-controlling interests		(173,968)	(50,187)
Finance expenses paid, net		(34,349)	(10,654)
Net cash provided by financing activities		**1,245,008**	**1,039,828**
Net changes in cash and cash equivalents		**20,895**	**78,797**
Cash and cash equivalents at the beginning of the period		121,243	27,994
Cash and cash equivalents at the end of the period		**142,138**	**106,791**

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 NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016

Hannover

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 nine month period ended September 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.

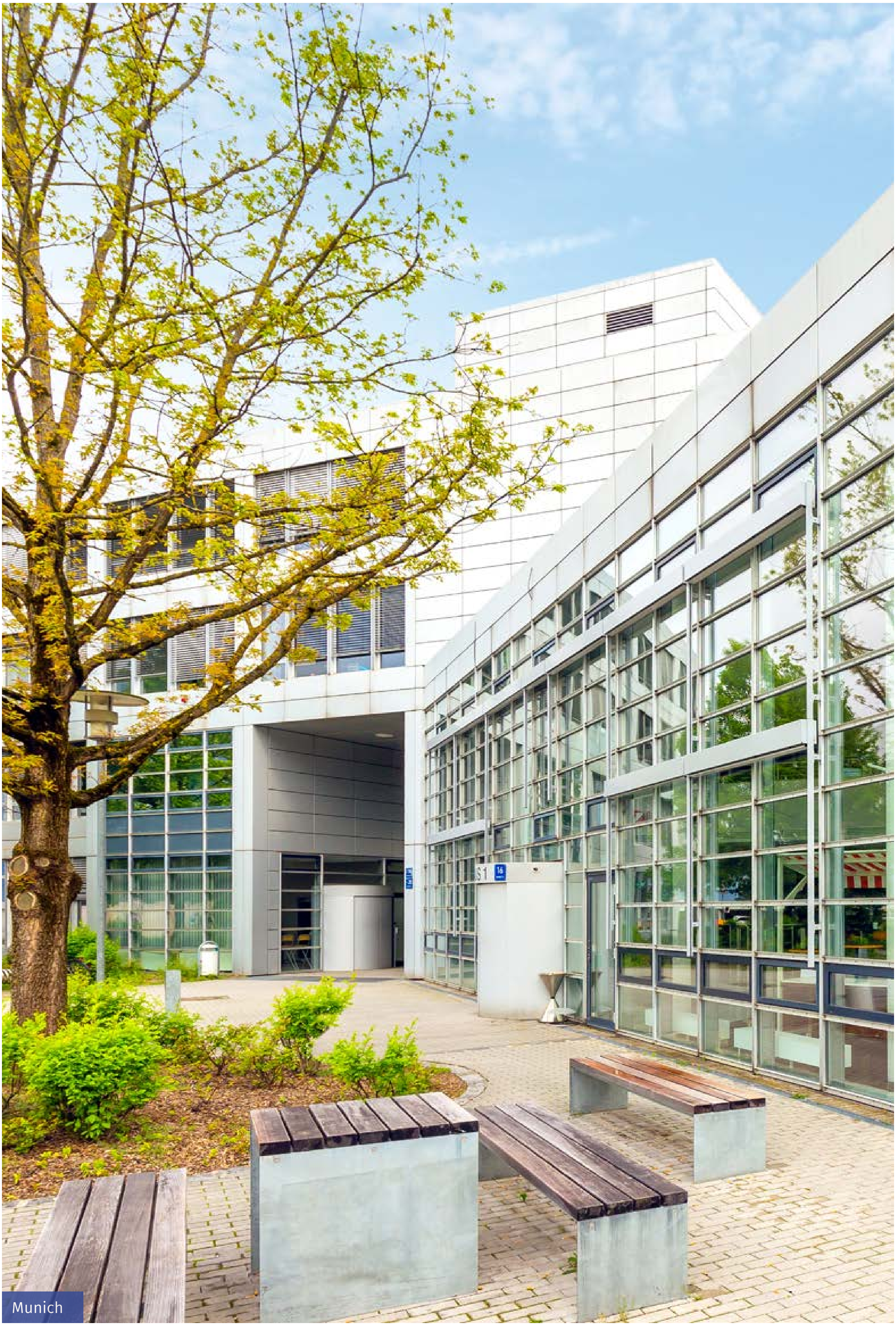
(D) CAPITAL AND BONDS INCREASES

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 nine months ended on September 30, 2016



Munich

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 November 28, 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.

Hamburg

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.


Frankfurt

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	1,106,287
Cash and Cash equivalents	9,412
	1,115,699
Working capital, net	(1,482)
Other liabilities, net	(145,199)
Loans from banks	(124,666)
	(271,347)
Total identifiable net assets	**844,352**
Non-controlling interests arising from initial consolidation	(52,409)
Consideration paid regarding acquisition of subsidiaries	(718,507)
Profit arising from business combinations	**73,436**


Rotterdam

5. INVESTMENT PROPERTY

	Nine months ended September 30 **2016** Unaudited	Year ended December 31 **2015** Audited
	In thousands of euro	
Balance at the beginning of the period / year	2,430,595	426,303
Additions (disposals), fair value adjustments and capex, net during the period / year	1,109,035	1,356,707
Investment property arising from initial consolidations	1,106,287	647,585
Balance at the end of the period / year	**4,645,917**	**2,430,595**


Berlin

6. LOANS AND BORROWINGS

A. COMPOSITION

		September 30 2016	December 31 2015
		Unaudited	Audited
		In thousands of euro	
Long term			
Bank loans		1,003,607	515,913
Convertible bonds	B, C, D	712,062	817,721
Straight bonds	E, F	1,102,303	187,923
Total long term		**2,817,972**	**1,521,557**
Short term			
Bank loans		22,882	15,142
Loans and notes redemption		3,209	78,150
Total short term		**26,091**	**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 September 30, 2016, a total amount of euro 115 million nominal value of the convertible bond was converted into shares (out of which euro 75.2 million in the reporting period).

	Nine months ended September 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)	-	52,500
Transaction costs	-	(835)
Net proceeds during the period / year	-	51,665
Amount classified as non-controlling interests	-	(489)
Expenses for the period / year	844	7,145
Expenses paid	(1,818)	(4,534)
Conversion to ordinary shares of PCI	(74,194)	(38,599)
Carrying amount of liability at the end of the period / year	**37,274**	**112,442**
Non-current portion of Convertible bond of PCI	35,817	110,222
Accrued interest	533	581
Total Convertible bond of PCI	36,350	110,803
Deferred income	**924**	**1,639**

6. LOANS AND BORROWINGS (CONTINUED)

C. CONVERTIBLE BONDS SERIES B OF THE COMPANY

On April 27, 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 7B (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 September 30, 2016, a total amount of euro 38.7 million nominal value of the convertible bond was converted into shares (out of which euro 38.2 million in the reporting period). Please see also note 7B (6).

	Nine months ended September 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	13,681	11,999
Expenses paid	(6,856)	(6,750)
Conversion to ordinary shares	(36,360)	(462)
Carrying amount of liability at the end of the period / year	398,165	427,988
Non-current portion of Convertible bond series B	392,880	425,914
Accrued interest	5,285	2,074
Total Convertible bond series B	398,165	427,988

As an outcome of the dividend distribution announcement on November 22 (see note 12d for further information), the company adjusted the conversion price of its Convertible bond series B from euro 3.4395 to euro 3.3763 per share, in accordance with the applicable terms and conditions of the Bonds.

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.

	Nine months ended September 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	6,060	280
Expenses paid	(2,626)	
Carrying amount of liability at the end of the period / year	284,277	281,745
Non-current portion of Convertible bond series C	283,365	281,585
Accrued interest	912	160
Total Convertible bond series C	284,277	281,745

As an outcome of the dividend distribution announcement on November 22 (see note 12d for further information), the company adjusted the conversion price of its Convertible bond series C from euro 5.7926 to euro 5.6862 per share, in accordance with the applicable terms and conditions of the Bonds.

Berlin

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 135.9 million nominal value Straight bond series A par value. see also note 12b.

	Nine months ended September 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	4,902	7,679
Expenses paid	(3,000)	(6,000)
Held in Group treasury	(128,848)	-
Carrying amount of liability at the end of the period / year	61,161	188,284
Non-current portion of Straight bond series A	60,566	187,923
Accrued interest	595	361
Total Straight bond series A	**61,161**	**188,284**

F. STRAIGHT BONDS SERIES D OF THE COMPANY

On April 26, 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.

	Nine months ended September 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 (6,000 notes at euro 100,000 par value)	573,252	-
Transaction costs	(5,177)	-
Net proceeds during the period / year	568,075	-
Expenses for the period / year	5,711	-
Expenses paid	-	-
Carrying amount of liability at the end of the period / year	573,786	-
Non-current portion of Straight bond series D	570,087	-
Accrued interest	3,699	-
Total Straight bond series D	**573,786**	**-**


Amsterdam

6. LOANS AND BORROWINGS (CONTINUED)

G. STRAIGHT BONDS SERIES E OF THE COMPANY

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

	Nine months ended September 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 E (5,000 notes at euro 100,000 par value)	476,560	-
Transaction costs	(5,594)	-
Net proceeds during the period / year	470,966	-
Expenses for the period / year	2,266	-
Carrying amount of liability at the end of the period / year	473,232	-
Non-current portion of Straight bond series E	471,650	-
Accrued interest	1,582	-
Total Straight bond series E	**473,232**	**-**

For a tap issue of series E see note 12c.

Potsdam

H. (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.

Leipzig

7. EQUITY

A. SHARE CAPITAL

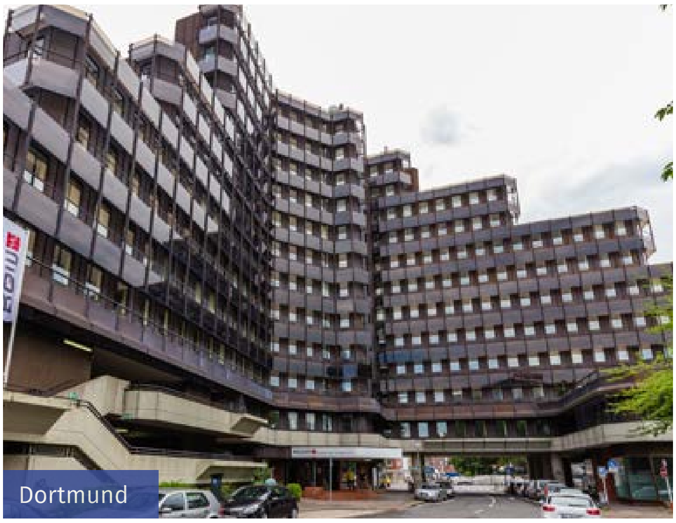
	September 30, 2016		December 31, 2015	
	Unaudited		Audited	
	Number of shares	In thousands of euro	Number of shares	In thousands of euro
Authorized				
Ordinary shares of euro 0.01 each	1,500,000,000	15,000	1,500,000,000	15,000
Issued and fully paid				
Balance as at January 1	600,141,641	6,001	22,200	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 series B into shares during the period / year	11,106,261	111	141,641	1
Balance at the end of the period / year	676,247,902	6,762	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 B and until September 30, 2016, according to the convertible bond's terms, 11,247,902 ordinary shares were issued (out of which 11,106,261 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.


Dortmund

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 nine months ended September 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			
September 30, 2016 (Unaudited)				
Traded securities at fair value through profit or loss	122,435	-	-	122,435
Total assets	**122,435**	**-**	**-**	**122,435**
Derivative financial instruments	-	9,579	-	9,579
Total liabilities	**-**	**9,579**	**-**	**9,579**
December 31, 2015 (Audited)				
Traded securities at fair value through profit or 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 and after the reporting period the Group signed several real estate transactions which as at September 30, 2016 are not yet completed and are subject to standard condition precedents.

11. CONTINGENT ASSETS AND LIABILITIES

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

Munich

Berlin

12. EVENTS AFTER THE REPORTING PERIOD

A) On October 17, 2016, the Company has successfully completed with the placement of euro 500 million (nominal value) of perpetual subordinated notes with a coupon of 3.75% p.a., and were offered exclusively to institutional investors at an issue price of 96.392%.

B) On October 21, 2016 the Company has reached over 80% holding of the principal amount of the euro 200 million 3.00% Bonds due 2021 (Series A Bonds) , and therefore the Company is entitled to redeem the Series A Bonds pursuant to section 5.2(b) of the Terms and Conditions of the Series A Bonds.

C) On November 2, 2016, the Company successfully placed additional euro 150 million (nominal value) tap issue of its 1.5% coupon Straight bond series E. The issue price for the further Straight bond was set to 96.297% of the nominal value.

D) On November 18, 2016, the shareholders' annual general meeting resolved upon the distribution of cash dividend in the amount of euro 0.051 per share (total gross amount of euro 34.5 million) in accordance with the proposal of the board of directors. Ex-date and payment date were set to be on November 22, 2016 and December 23, 2016, respectively.

Berlin

Berlin

Dortmund

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