AROUNDTOWN SA

Condensed Interim Consolidated Financial Statements

For the three month period ended March 31, 2018

Berlin

Düsseldorf

Content

Key Financials

in € millions unless otherwise indicated	1–3/2018	change	1–3/2017
Rental and operating income	**166.3**	46%	114.2
Net rental income	**139.0**	43%	97.0
Adjusted EBITDA [1)]	**133.6**	43%	93.2
FFO I	**91.2**	54%	59.2
FFO I per share (in €)	**0.094**	8%	0.087
FFO I per share after perpetual notes attribution (in €)	**0.083**	4%	0.080
FFO II	**93.5**	58%	59.2

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

in € millions unless otherwise indicated	1–3/2018	change	1–3/2017
EBITDA	**520.1**	61%	323.5
Net Profit	**370.6**	50%	247.0
EPS (basic) (in €)	**0.33**	0%	0.33
EPS (diluted) (in €)	**0.31**	19%	0.26

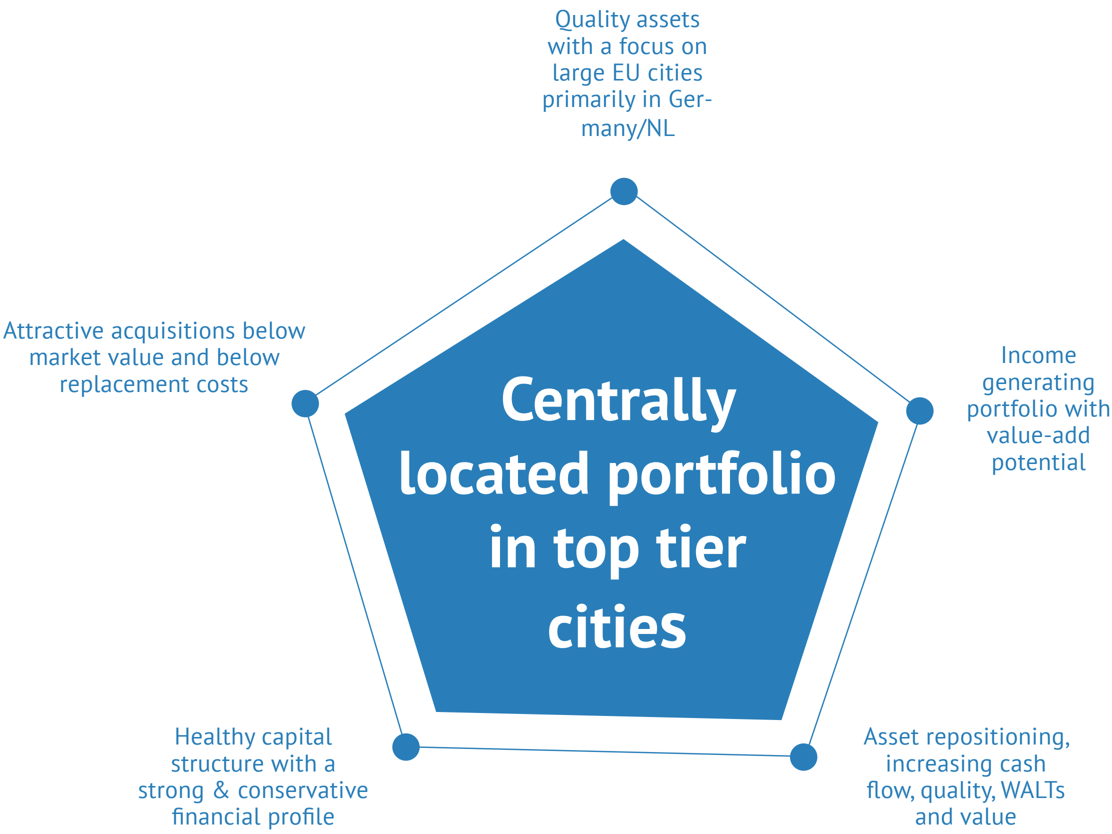
in € millions unless otherwise indicated	Mar 2018	Dec 2017	Dec 2016
Total Assets	**16,078.9**	13,770.4	8,089.0
Total Equity	**8,464.9**	7,249.9	3,941.1
Equity Ratio	**53%**	53%	49%
Loan-to-Value	**35%**	36%	39%

NET ASSET VALUE

in € millions unless otherwise indicated	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNNAV
Mar 2018	8,155.7	7,618.6	9,188.7	7,346.2
Mar 2018 per share (in €)	7.4	6.9	8.3	6.6
Per share growth	+ 4%	+ 6%	+ 9%	+ 6%
Dec 2017	7,157.3	6,483.0	7,656.3	6,243.1
Dec 2017 per share (in €)	7.1	6.5	7.6	6.2

Cologne

Frankfurt



The Company

The Board of Directors of Aroundtown SA and its investees (the "Company" or "AT"), including associates and in particular Grand City Properties S.A. ("GCP") (the "Group"), hereby submits the interim report as of March 31, 2018. The figures presented are based on the interim consolidated financial statements as of March 31, 2018, unless stated otherwise.

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

Financial Position Highlights

in € millions	Mar 2018	Dec 2017
Cash and liquid assets	**1,407.8**	848.7
Investment property	**10,919.3**	9,804.1
Total Assets	**16,078.9**	13,770.4
Total Equity	**8,464.9**	7,249.9
Convertible bonds [1)]	**293.4**	293.8
Straight bonds	**4,631.3**	3,827.0
Loans and borrowings	**1,294.6**	1,127.8

1) the convertible bonds are deep-in-the-money

Munich

Hamburg

Achievements

STRONG LIKE-FOR-LIKE IMPROVEMENTS

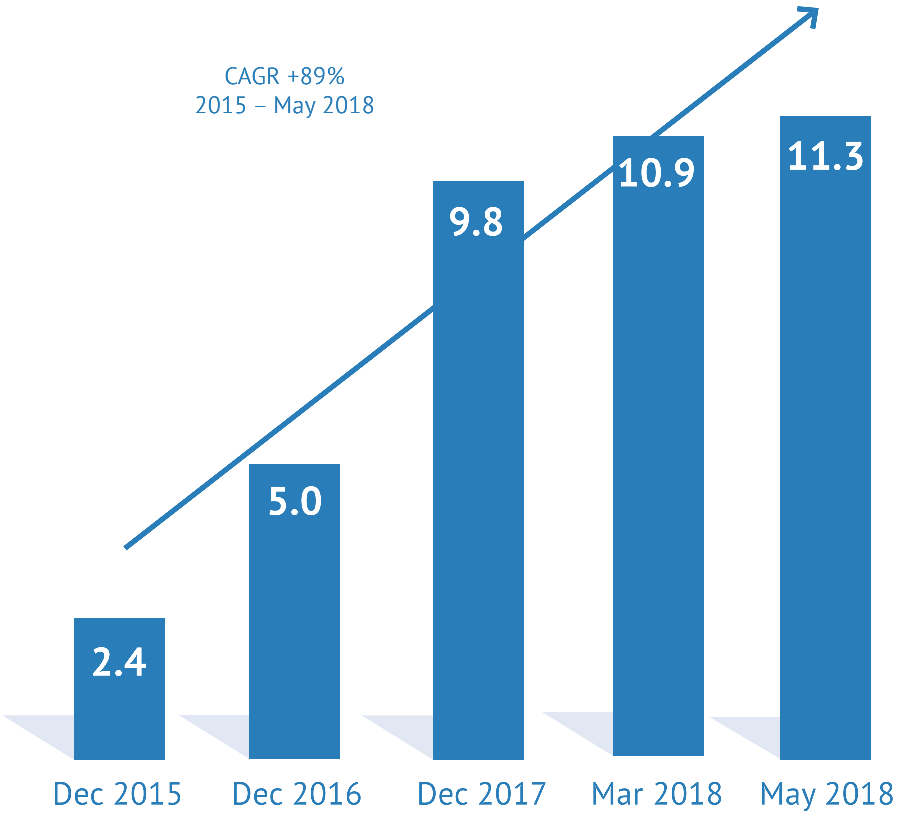
In-place rent
L-F-L
+3.3%
Mar 2018

TOTAL
LIKE-FOR-LIKE
+4.8%
Mar 2018

Occupancy
L-F-L
+1.5%
Mar 2018

CONTINUOUS PACE OF ACCRETIVE EXTERNAL GROWTH

(INVESTMENT PROPERTY VALUE, IN €BN)



Addition of high quality office & hotel assets with further embedded potential in attractive central locations such as:

+ Berlin
+ Frankfurt
+ Utrecht
+ Rotterdam
+ NRW
+ London
+ Stuttgart
+ Munich

Further additions of top quality assets in key central locations

HILTON BERLIN GENDARMENMARKT

★★★★

The Hilton Gendarmenmarkt is a landmark asset encompassing an entire city block with a total of 67k sqm in the best location in Berlin

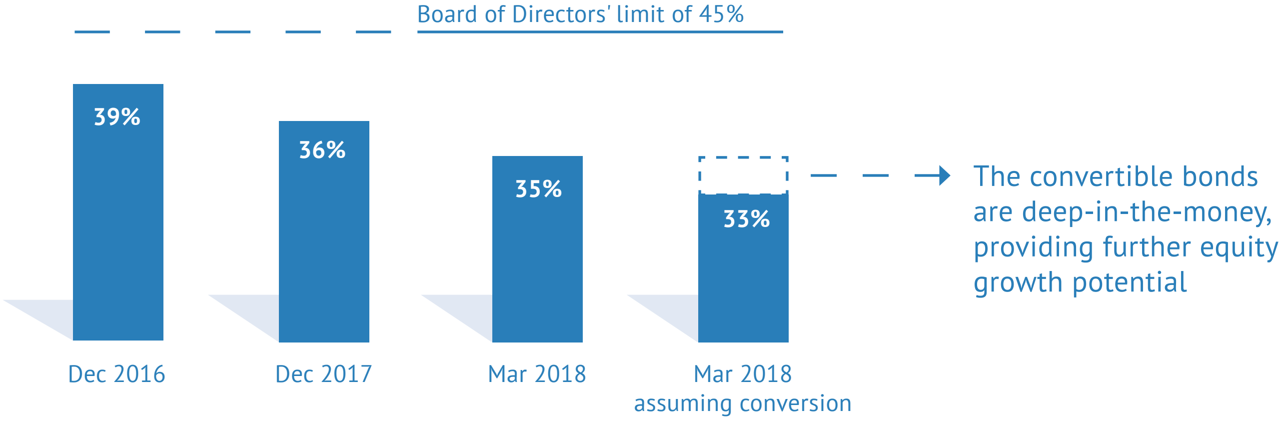
...WHILE ENGAGING IN ACCRETIVE CAPITAL RECYCLING TO FURTHER INCREASE PORTFOLIO QUALITY

In 2018 year-to-date, AT sold (including signed deals) non-core assets at an amount of €720 million at 12% over book value (€75 million) for total disposal gains over cost of 30% (€165 million)

...WITH SIGNIFICANT ROOM AND POTENTIAL FOR FURTHER GROWTH

Strong, diversified equity base resulting in conservative leverage level and significant room for future growth

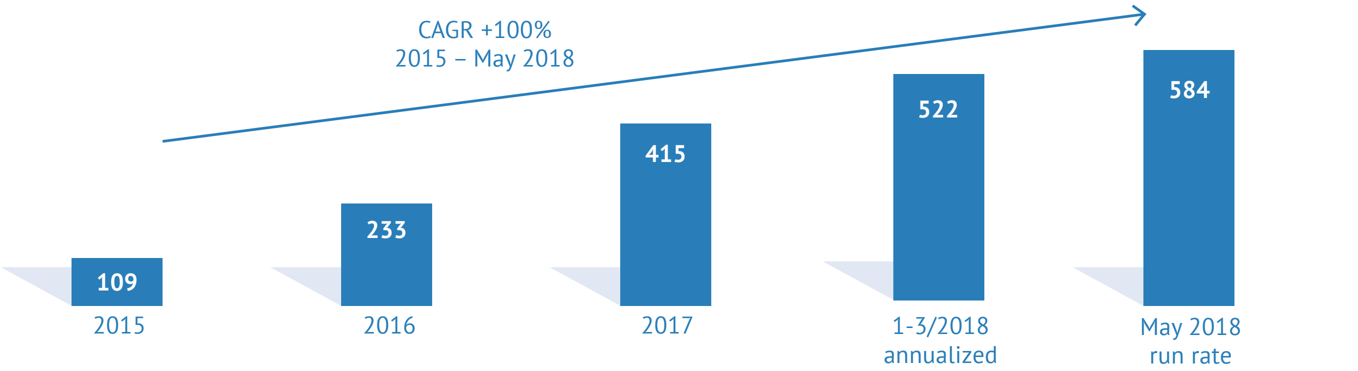
Loan-to-Value (LTV)



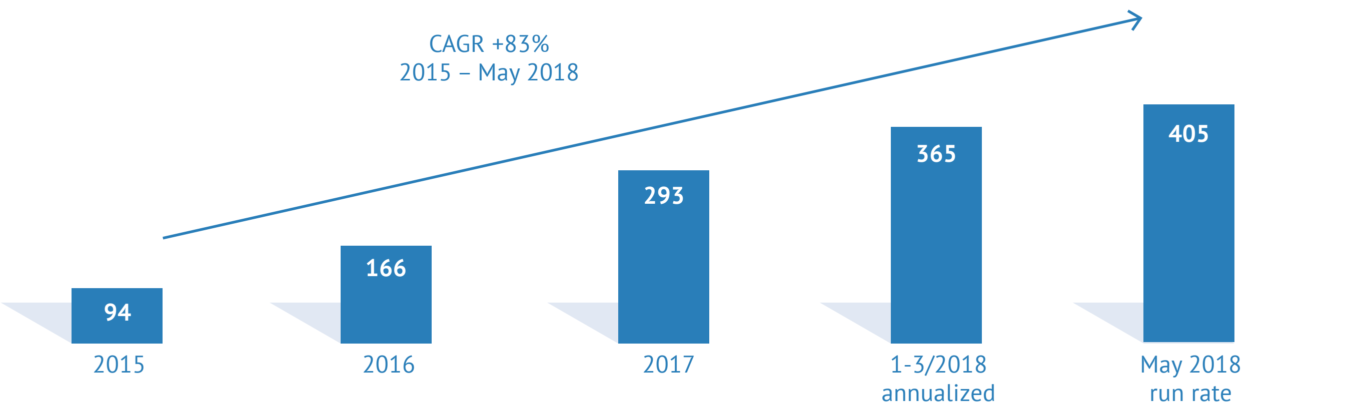
Achievements

MAINTAINING THE RAPID PACE OF REVENUE GROWTH THROUGH EXTERNAL AND INTERNAL SOURCES...

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

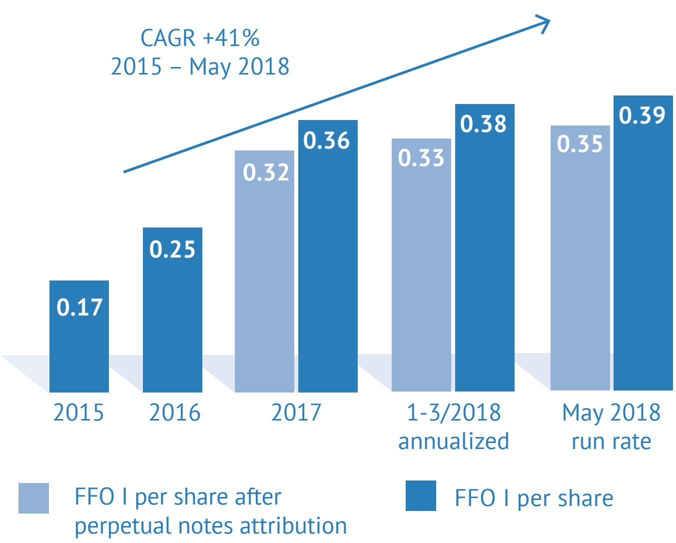


FFO I (in €mn)

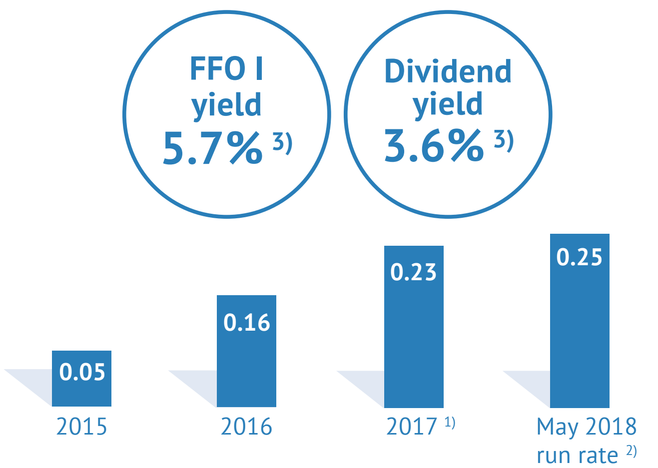


...TRANSLATING TO CONSISTENT SHAREHOLDER VALUE CREATION

FFO I per share (in €)



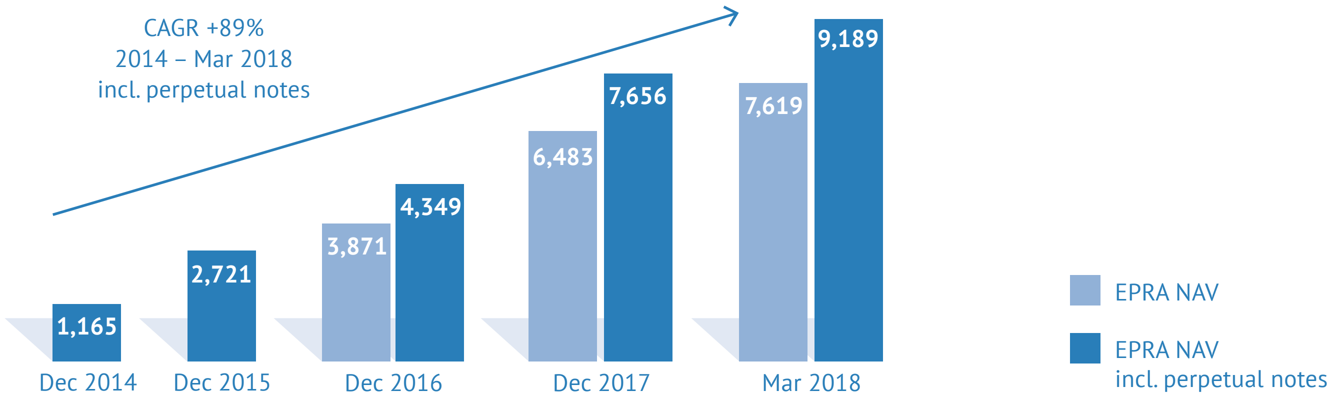
Dividend per share (in €)



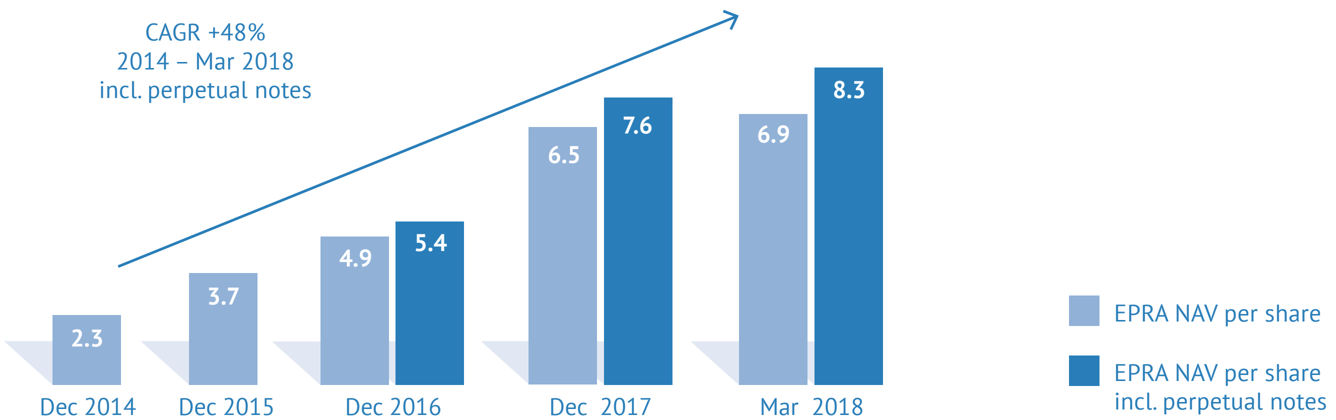
1) the dividend for 2017 is subject to AGM approval
2) based on a payout ratio of 65% of FFO I per share
3) based on a share price of €6.9

GROWING EQUITY BASE AT THE BASE OF THE CONSERVATIVE FINANCIAL & CAPITAL STRUCTURE, ALONG WITH A STRONG CREDIT PROFILE

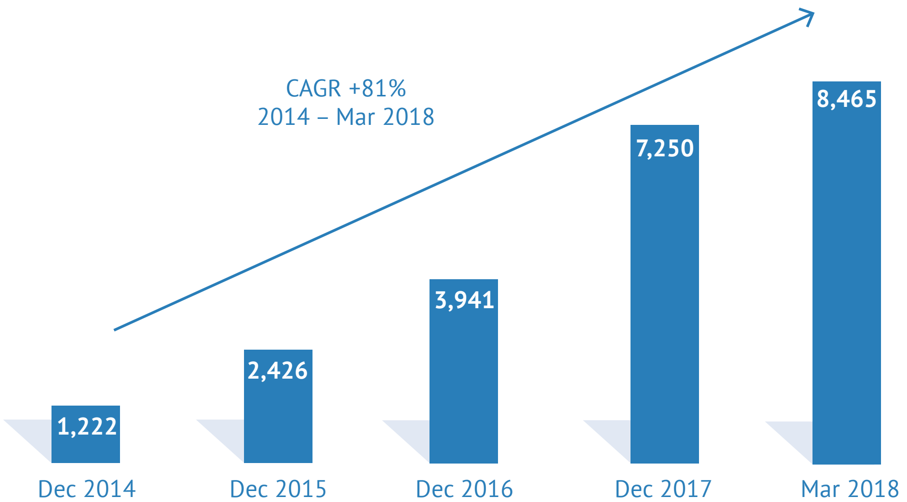
EPRA NAV growth (in €mn)



EPRA NAV per share growth (in €)



Strong and growing equity base (in €mn)

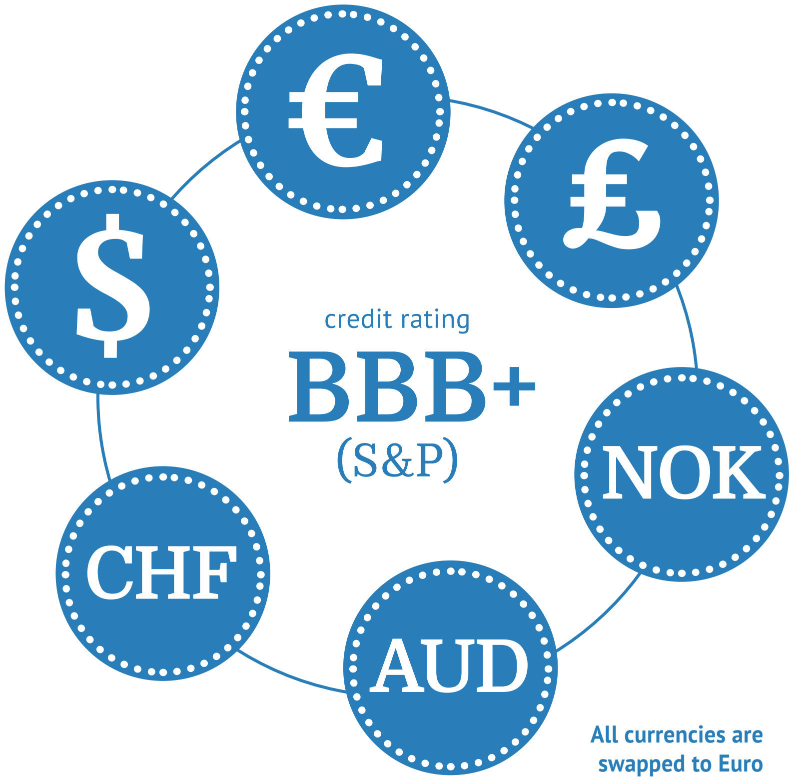


Achievements

ROBUST CAPITAL MARKETS ACTIVITY AND STRONG CREDIT POSITION

€606 million

Further boost to the equity base with the €606 million equity capital increase carried out in March 2018 - the largest equity raise in the Company's history - resulting in a larger and further diversified investor base



All currencies are swapped to Euro

nearly **€10BN** raised since **2016** across all major capital market instruments

A DIVERSIFIED, GLOBAL INVESTOR BASE:

AT's extensive track record and reputation in global capital markets, combined with its strong credit profile and investment-grade credit rating, contribute to high demand for the Company's capital issuances from investors worldwide - executed in various global currencies through its established debt issuances platforms, with currency hedges to euro in place

MAJOR INDEX INCLUSIONS CONFIRMING STRONG MARKET POSITION

MDAX

STOXX EUROPE 600

EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION

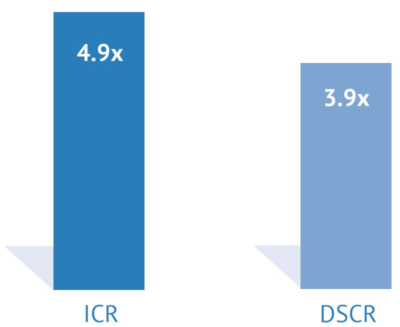
Global property research

SOLID FINANCIAL & CREDIT STRUCTURE AT THE BASE

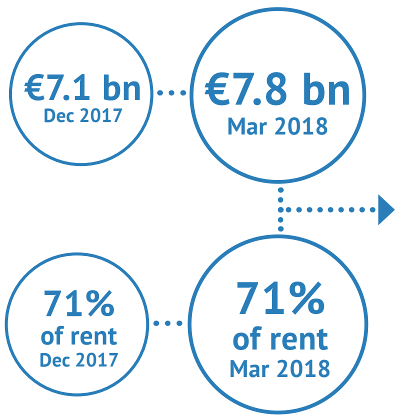
1.6% average cost of debt

7.5 years average debt maturity

High Financial Coverage Ratios (Q1 2018)



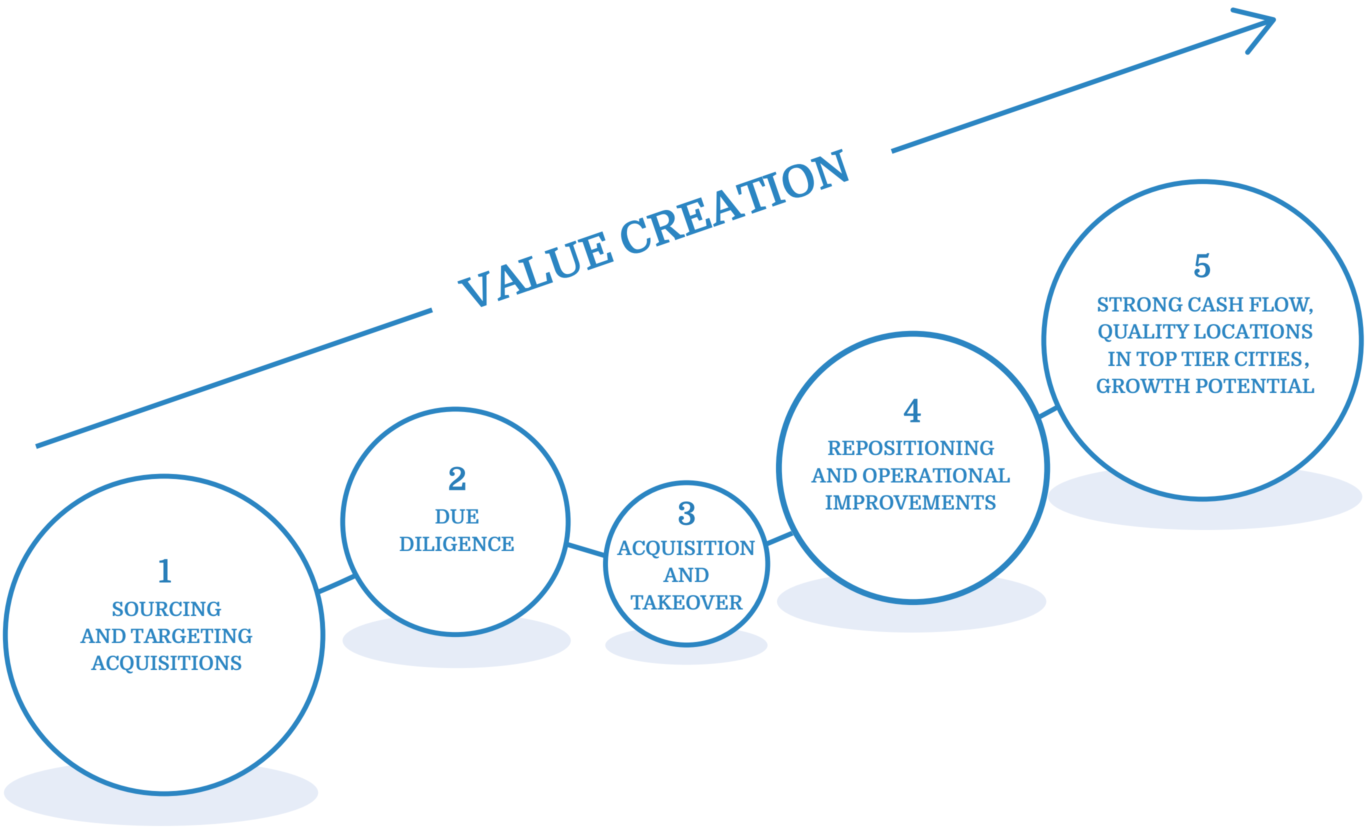
Unencumbered assets



Large pool and high share of unencumbered investment properties

Strategy and business model

AT'S VALUE CREATION STARTS PRIOR TO ACQUISITION



① SOURCING AND TARGETING ACQUISITIONS

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

The Group follows acquisition criteria which ensure that newly acquired properties are aligned with its business model. These criteria are as follows:

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

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

Stuttgart

② DUE DILIGENCE

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

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

③ ACQUISITION AND TAKEOVER

Due to a thorough cross-organizational process in the due diligence phase, once a property is acquired the actual takeover occurs swiftly and efficiently. Because liquidity plays a significant role in the acquisition of value-add properties, AT strongly benefits 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.


MANGO
SHOPPINGCENTER
MAGNA PLAZA
MAGNA PLAZA
SHOPPING
GVB
2113
Amsterdam

Strategy and business model

④ REPOSITIONING AND OPERATIONAL IMPROVEMENTS

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

Operational and marketing initiatives

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

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

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

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

Smart capex investments when required

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

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

Relationship management

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

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

⑤ STRONG CASH FLOW, QUALITY PORTFOLIO WITH GROWTH POTENTIAL

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

Key strengths

DEAL SOURCING AND THE ABILITY TO CREATE ACCRETIVE GROWTH

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

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

EXPERIENCED BOARD AND MANAGEMENT

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

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

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

MEMBERS OF THE BOARD OF DIRECTORS

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

*After the upcoming AGM on June 27, 2018, Mr. Wallis is proposed to hold the position of Deputy CEO to focus his responsibilities on capital markets, operational strategy and ESG. Mr Wallis will therefore not be re-elected as a member of the Board of Directors. The Board of Directors will then hold an equal amount of independent and executive directors.

QUALITY LOCATIONS IN TOP TIER CITIES

Aroundtown's assets are primarily located in two of Europe's best performing economies with AAA sovereign ratings: Germany and the Netherlands. Within these countries, the Company mainly focuses on central locations in top tier cities including Germany's capital, Berlin, the large metropolitan area of North Rhine-Westphalia, the wealthiest cities Hamburg and Munich, the financial center Frankfurt, as well as the Netherlands' financial center and capital Amsterdam and Europe's biggest port, Rotterdam.

PROPRIETARY IT/SOFTWARE PLATFORM

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

SENIOR AND KEY 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
Mr. Nikolai Walter	Head of Asset & Property Management
Mr. Alfred Kandl	Head of Construction Management
Ms. Sylvie Lagies	Head of ESG

Mr. Andrew Wallis proposed to be appointed as Deputy CEO at the upcoming AGM on June 27, 2018.

Frankfurt

COMMITMENT TO SUSTAINABILITY

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

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

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

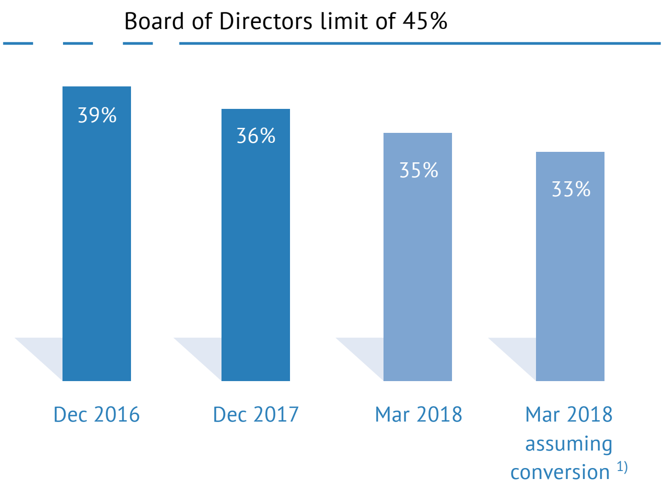
Aroundtown published its first full annual sustainability report for the year 2017

Key strengths

CONSERVATIVE FINANCING STRUCTURE

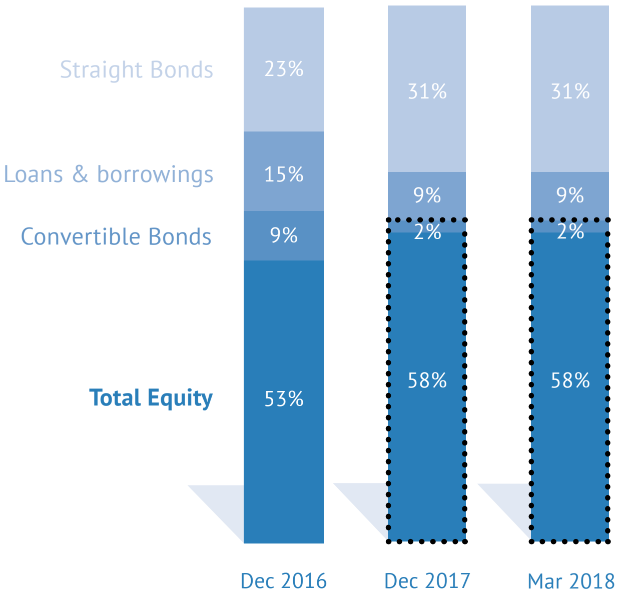
AT's conservative capital structure approach is reflected in a low LTV of 35% as of March 31, 2018, and 33% when considering the full conversion into equity of the convertible bonds, both of which are in-the-money, well below the limit of 45% established by the Board of Directors. Aroundtown's management views the conservative debt metrics as a key source of competitive advantage and implements policies to keep financing costs low and the share of unencumbered assets high. The low leverage of the Group enables further external growth, while still maintaining a conservative capital structure. This conservative capital structure stems from AT's diversified financing sources with long debt maturities.

LOAN-TO-VALUE



1) assuming conversion into equity of the convertible bonds, which are in-the-money

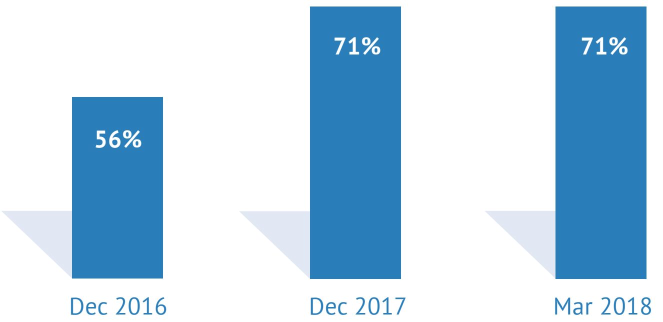
FINANCING SOURCES MIX



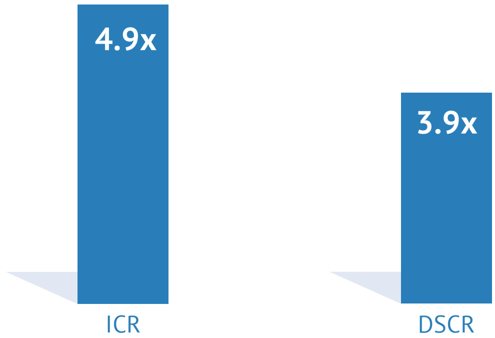
In addition to its conservative capital structure and vast experience in accessing capital markets that enables AT to finance its future growth, the Company maintains a robust liquidity position through a mix of operational cash generation and balance of cash and liquid assets which as of March 31, 2018 amounted to €1.4 billion. Additionally, the high ratio of unencumbered assets of 71% as of March 2018 provides for additional financial flexibility.

Wiesbaden

HIGH UNENCUMBERED ASSETS RATIO



STRONG FINANCIAL COVER RATIOS (Q1 2018)



FINANCIAL POLICY

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

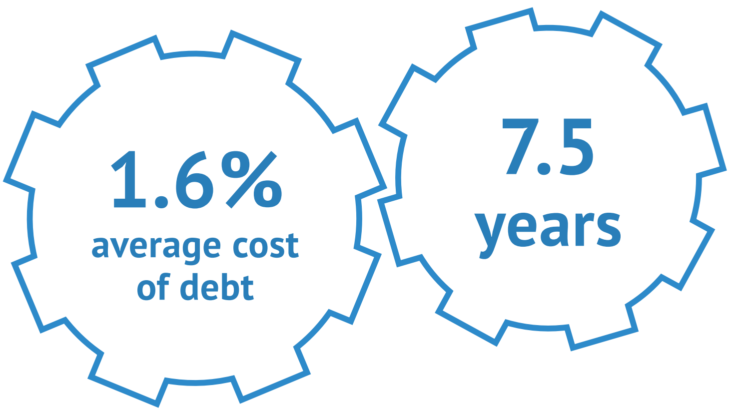
- **Strive to achieve A- global rating in the long-term**
- LTV limit at 45%
- Debt to debt-plus-equity ratio at 45% (or lower) on a sustainable basis
- Maintaining conservative financial ratios with a strong ICR
- Unencumbered assets above 50% of total assets
- Long debt maturity profile
- Good mix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

INVESTMENT-GRADE CREDIT RATING

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

LOW COST OF DEBT

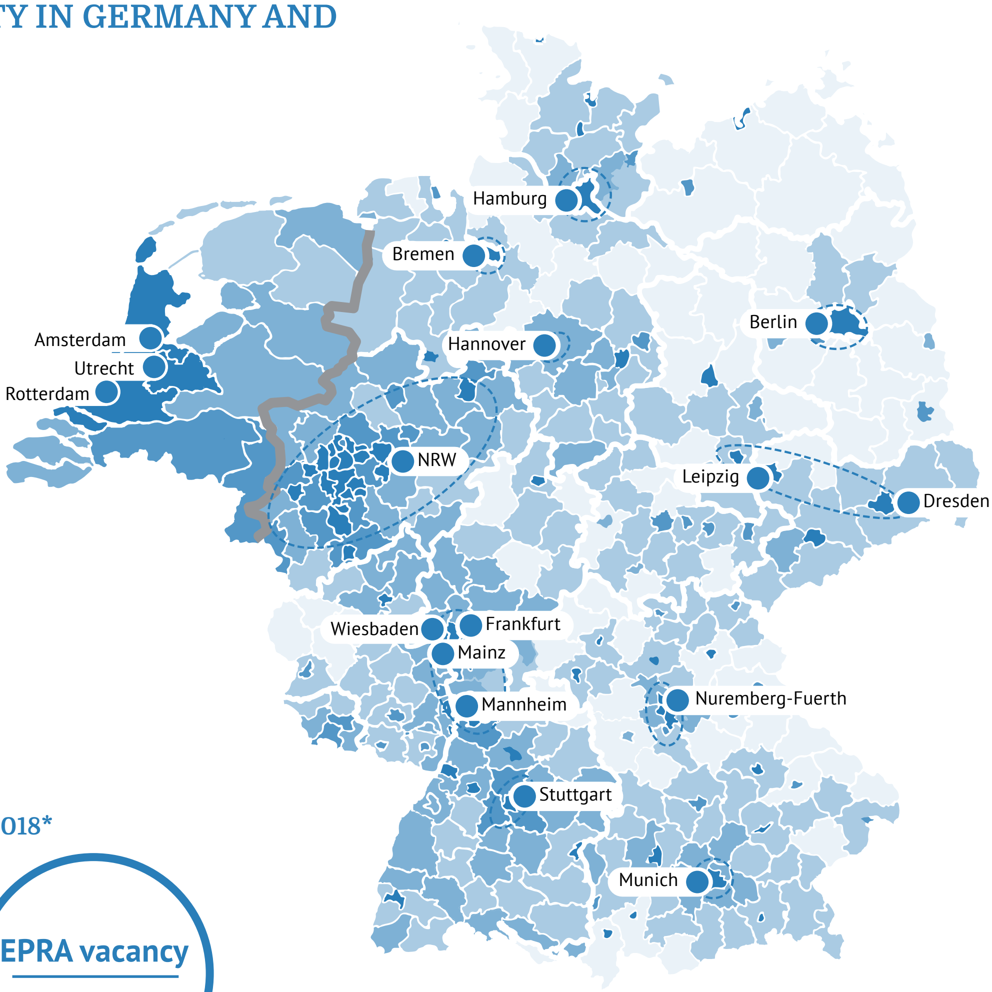
LONG DEBT MATURITY



Aroundtown's quality portfolio

Group Portfolio Overview

POPULATION DENSITY IN GERMANY AND THE NETHERLANDS



INHABITANTS PER SQKM (2013)

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

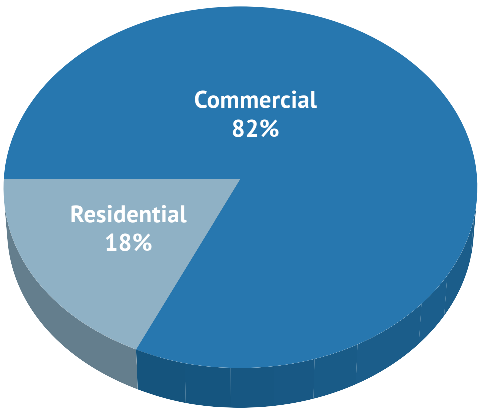
AS OF MARCH 2018*

In-place rent
€8.4/sqm

EPRA vacancy
8.7 %

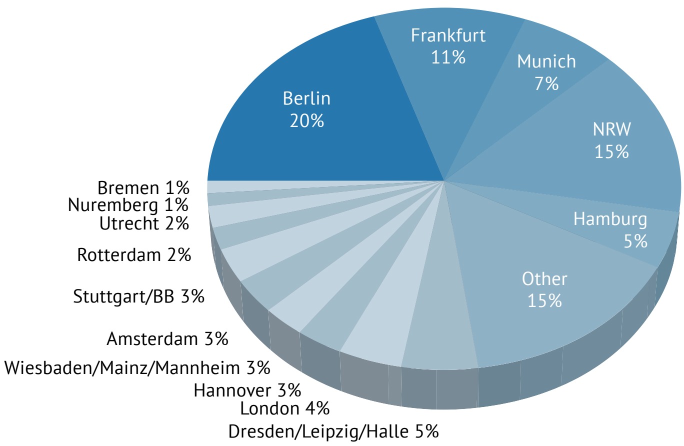
GROUP ASSET TYPE BREAKDOWN

(MARCH 2018, BY VALUE*)



GROUP REGIONAL DISTRIBUTION

(MARCH 2018, BY VALUE*)



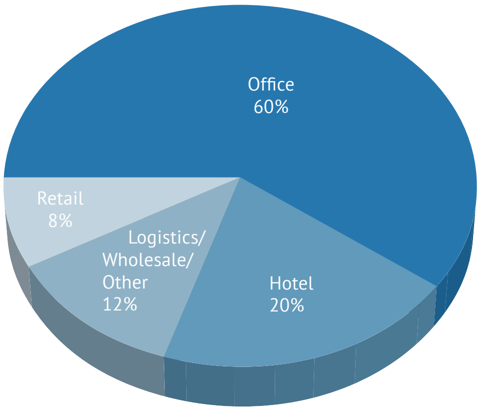
* the residential portfolio is accounted for at the holding rate of 38%

Commercial Portfolio – Top tier cities

Aroundtown owns a diverse portfolio of commercial assets which focuses on top tier cities with strong demographics and favourable economic fundamentals. The commercial portfolio is diversified over several different asset types including office, hotel, logistics, wholesale, retail and other covering a total of 5.55 million sqm as of May 2018, including additional acquisitions and deals signed after the reporting period. As of May 2018 and excluding assets held for sale, the group's commercial portfolio with a value of €11.3 billion operates at an in-place rent of 9.5 €/sqm and an EPRA vacancy of 9.4%. The portfolio embodies strong growth potential through rent and occupancy increases as well as cost efficiency improvements, generating as of the May 2018 run rate an annualized net rental income of €584 million, resulting in an annualized adjusted EBITDA of €482 million and an annualized bottom-line FFO I of €339 million. Furthermore, AT's portfolio is well diversified and has limited dependency on single tenants, with a tenant base of over 2,800 tenants spread across a wide range of sustainable market sectors which further reduces cluster risk. A long portfolio WALT of approx. 7 years offers long-term cash flow stability and security. The management believes that its business platform benefits from its skilled personnel, experience and track record, and reliable practices that enable the company to perform strongly and to further expand in the commercial property market. The company also believes that the business environment will provide abundant acquisition opportunities in the attractive markets it targets, to support its external growth strategy in the medium to long term. An active deal pipeline and favourable market conditions provide for continued opportunities for accretive external growth.


London

ASSET TYPE BREAKDOWN
(MARCH 2018, BY VALUE)



PORTFOLIO DISTRIBUTION

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

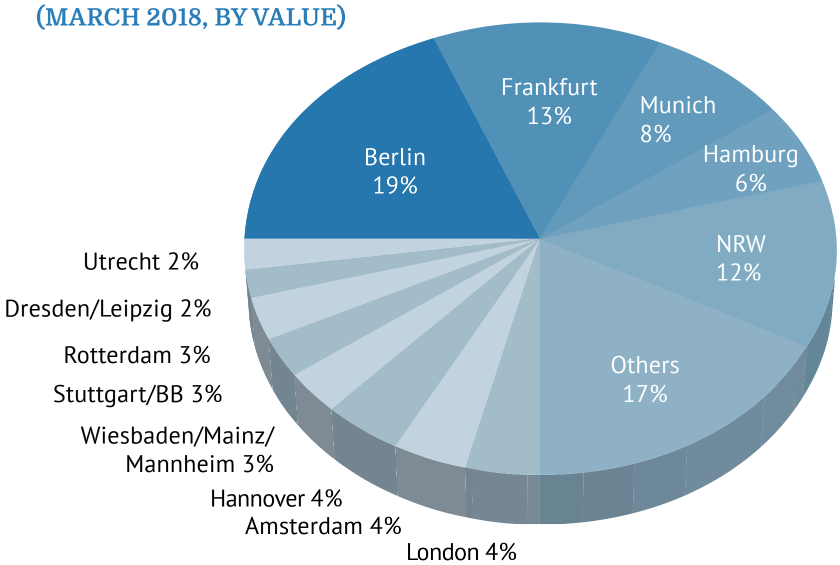
ASSET TYPE OVERVIEW

MARCH 2018	Investment properties (in €M)	Area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield	WALT (in years)
Office	6,341	2,670	9.7%	324	10.8	2,375	5.1%	4.6
Hotel	2,184	896	6.3%	118	12.6	2,439	5.4%	15.4
Retail	896	468	13.3%	57	10.8	1,915	6.4%	4.8
Logistics/Wholesale/Other	1,213	1,339	7.0%	67	4.4	905	5.6%	7.1
Land for development & building rights	285	-	-	-	-	-	-	-
TOTAL	**10,919**	**5,373**	**9.1%**	**566**	**9.4**	**1,979**	**5.3%**	**7.2**
TOTAL MAY 2018	**11,300**	**5,550**	**9.4%**	**584**	**9.5**	**1,985**	**5.3%**	**7**

REGIONAL OVERVIEW

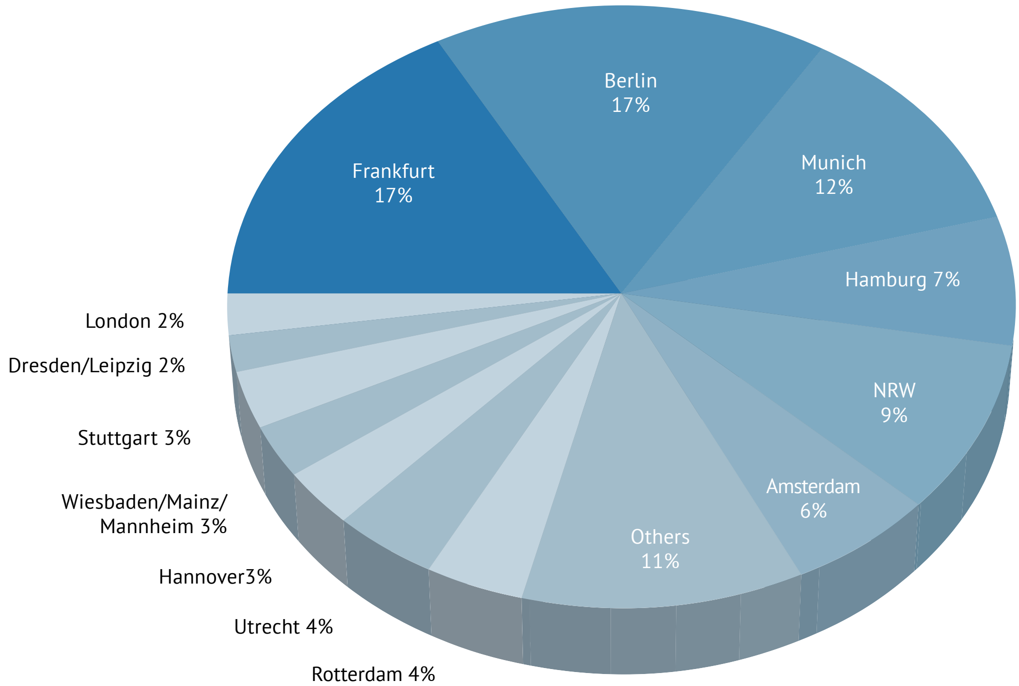
MARCH 2018	Investment properties (in €M)	Area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield
Berlin	1,894	722	7.9%	78	9.5	2,623	4.1%
Frankfurt	1,366	508	13.6%	59	11.6	2,688	4.3%
Munich	835	263	6.8%	36	11.1	3,179	4.3%
NRW	1,291	959	10.2%	82	7.2	1,347	6.3%
Hamburg	518	258	7.5%	24	8.8	2,004	4.6%
London	485	68	11.8%	19	29.1	7,179	3.9%
Amsterdam	427	137	7.0%	22	13.9	3,103	5.2%
Hannover	367	258	7.5%	22	7.7	1,419	6.1%
Wiesbaden/Mainz/Mannheim	354	168	5.6%	22	10.9	2,113	6.2%
Stuttgart/BB	318	154	1.8%	21	11.0	2,071	6.5%
Dresden/Leipzig	239	131	4.6%	13	8.9	1,828	5.6%
Rotterdam	267	135	6.6%	21	13.3	1,983	7.9%
Utrecht	240	110	3.2%	15	10.7	2,180	6.4%
Other	2,033	1,502	11.3%	132	8.3	1,354	6.5%
Land for development & building rights	285	-	-	-	-	-	-
TOTAL	**10,919**	**5,373**	**9.1%**	**566**	**9.4**	**1,979**	**5.3%**
TOTAL MAY 2018	**11,300**	**5,550**	**9.4%**	**584**	**9.5**	**1,985**	**5.3%**

REGIONAL DISTRIBUTION
(MARCH 2018, BY VALUE)

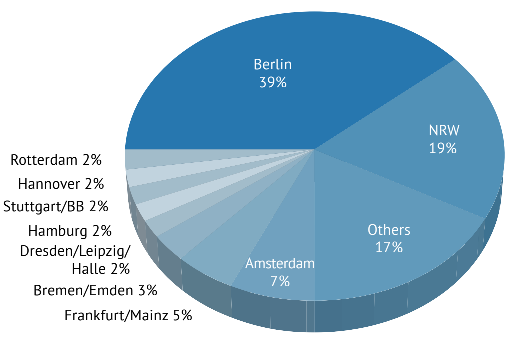


Regional Distribution

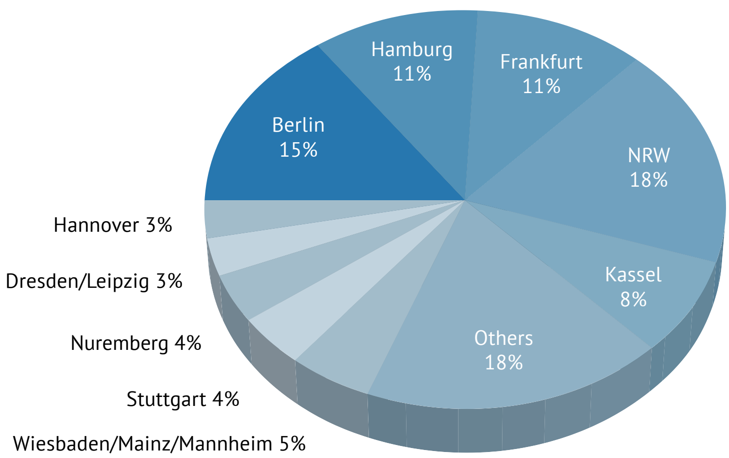
OFFICE – €6.3 BILLION (MARCH 2018, BY VALUE)



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



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



Berlin

BEST-IN-CLASS BERLIN PORTFOLIO

- **87%** of the commercial portfolio is located in top tier neighborhoods including Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam
- **13%** of the commercial portfolio is well located primarily in Reinickendorf, Spandau, Treptow, Köpenick and Marzahn-Hellersdorf

Commercial properties

Residential properties

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

High quality hotels in prime locations

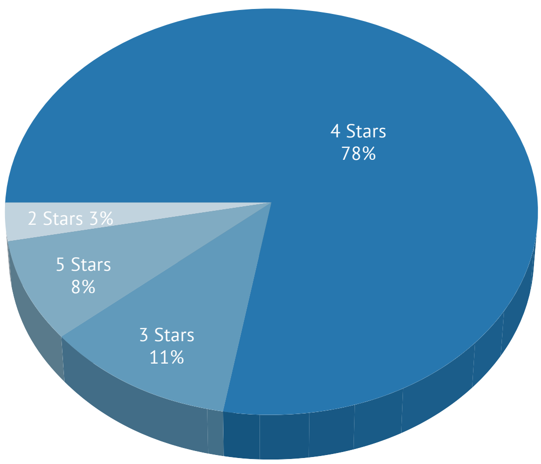
APPROXIMATELY 100 HOTELS ACROSS TOP LOCATIONS

AT's hotel portfolio, valued at €2.2 billion as of March 2018, is well diversified and covers a total of 896k sqm. The largest share of 78% of the portfolio consists of 4-star hotels, meeting the strong market demand which rises from tourism and business travel. The hotels are branded under a range of globally leading branding partners which offer key advantages such as worldwide reservation systems, global recognition, strong loyalty programs, quality perception and benefits from economies of scale. Furthermore, the hotels have long-term fixed leases with third-party hotel operators, providing stable cash flows.

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

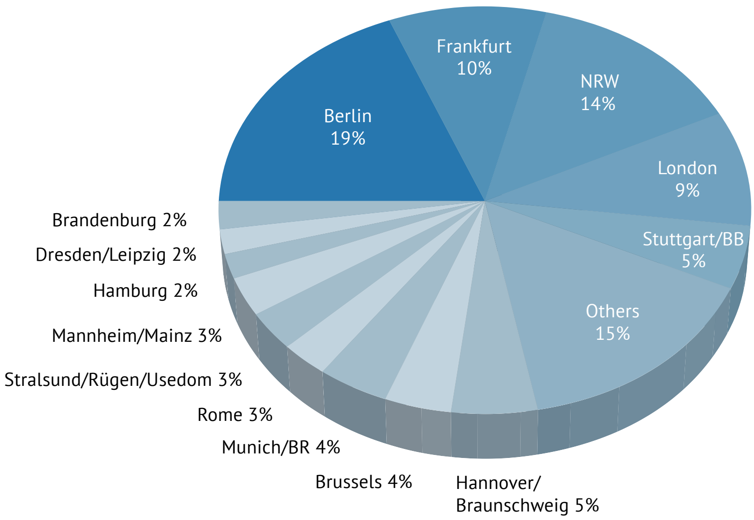
HOTELS – DISTRIBUTION BY STAR CATEGORY

(MARCH 2018, BY VALUE)



HOTELS – €2.2 BILLION

(MARCH 2018, BY VALUE)



ADDITIONS OF HIGH QUALITY, WELL-BRANDED HOTELS IN PRIME LOCATIONS: HILTON BERLIN GENDARMENMARKT AND HILTON DOUBLETREE LONDON ANGEL / KING'S-CROSS, WITH STRONG UPSIDE POTENTIAL TO BE CAPTURED

London

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

Hilton HOTELS & RESORTS
INTERCONTINENTAL HOTELS & RESORTS
Sheraton HOTELS & RESORTS
Marriott
CROWNE PLAZA HOTELS & RESORTS
DOUBLETREE BY HILTON
Radisson BLU HOTELS & RESORTS
MELIÃ HOTELS INTERNATIONAL
ACCORHOTELS Feel Welcome
NH HOTEL GROUP
WYNDHAM Hotels and Resorts
WYNDHAM GARDEN
Best Western
ibis HOTELS
Holiday Inn
Mercure HOTELS
NOVUM group hotels
TRYP BY WYNDHAM
CARLSON REZIDOR HOTEL GROUP
Days Inn
SEMINARIS

Berlin

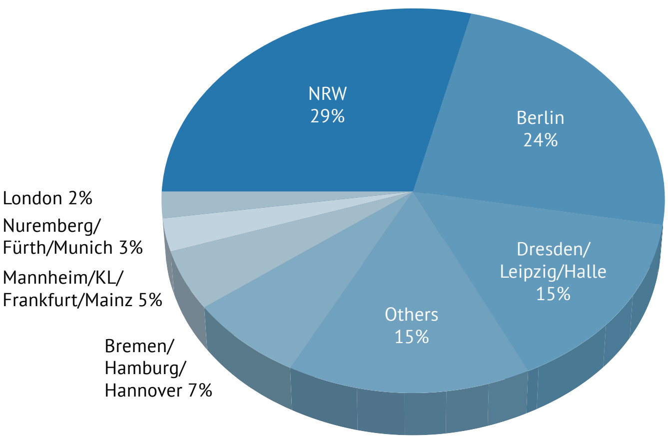
Residential Portfolio
(Grand City Properties)

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

REGIONAL OVERVIEW

MARCH 2018	Value (in €M)	Area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield
NRW	1,850	1,831	8.1%	111	5.4	27,386	1,010	6.0%
Berlin	1,521	627	5.3%	53	7.3	8,076	2,424	3.5%
Dresden/Leipzig/Halle	948	1,076	8.5%	57	4.9	18,537	881	6.1%
Mannheim/KL/Frankfurt/Mainz	332	251	4.8%	18	6.1	4,146	1,325	5.4%
Nuremberg/Fürth/Munich	197	102	4.0%	10	7.7	1,471	1,935	4.9%
Bremen/Hamburg/Hannover	462	364	4.8%	25	6.0	5,445	1,268	5.3%
Others	1,129	1,185	8.0%	74	5.8	19,962	953	6.5%
TOTAL	**6,439**	**5,436**	**7.2%**	**348**	**5.75**	**85,023**	**1,184**	**5.4%**

REGIONAL DISTRIBUTION
(MARCH 2018, BY VALUE)




Berlin

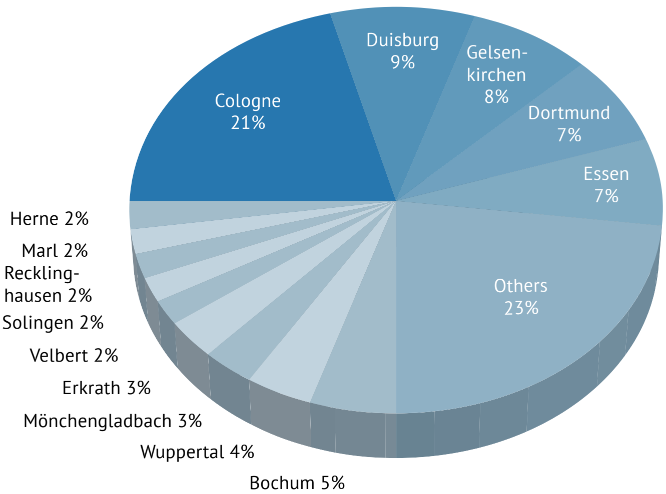
BERLIN – BEST IN CLASS PORTFOLIO

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

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

(MARCH 2018, BY VALUE)

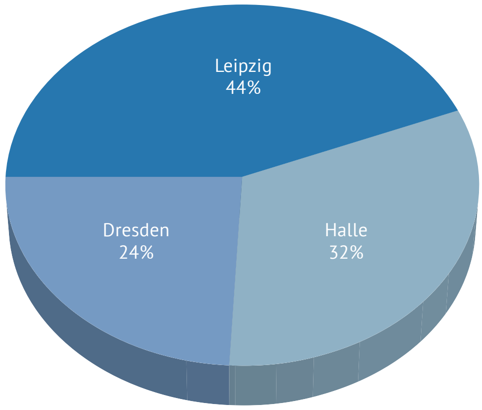
GCP's NRW portfolio distribution is focused on cities with strong fundamentals within the region. 21% of the NRW portfolio is located in Cologne, the largest city in NRW, 9% in Duisburg, 8% in Gelsenkirchen, 7% in Dortmund and 7% in Essen.



QUALITY EAST PORTFOLIO

(MARCH 2018, BY VALUE)

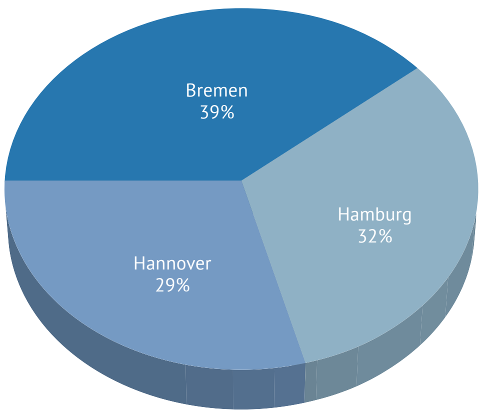
GCP's East portfolio is well distributed in the growing and dynamic cities Dresden, Leipzig and Halle.



QUALITY NORTH PORTFOLIO

(MARCH 2018, BY VALUE)

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

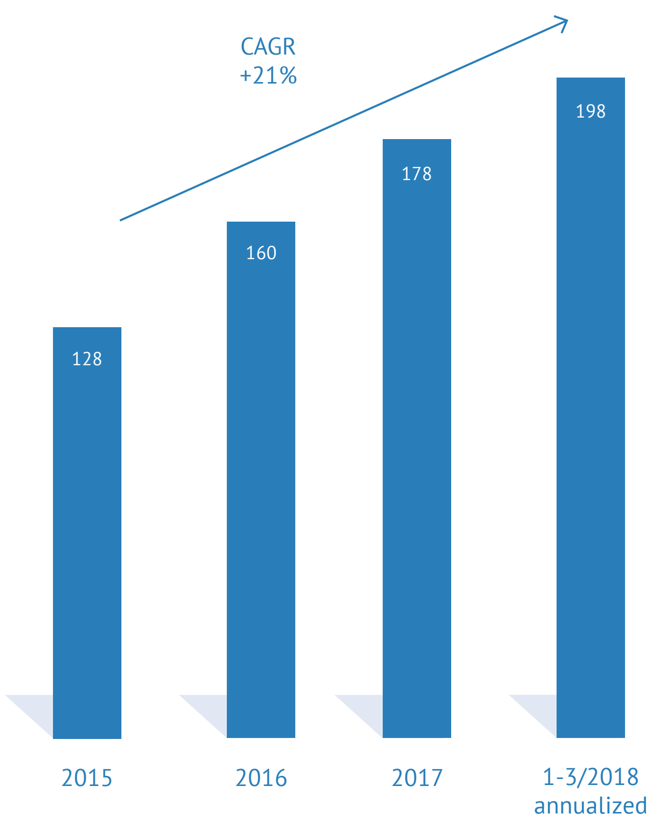


Residential Portfolio
(Grand City Properties)

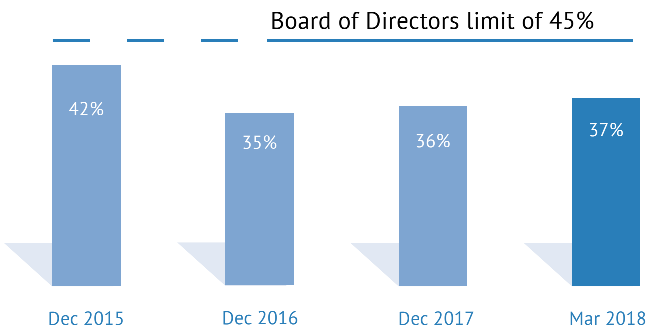
Grand City Properties' portfolio generates a net rental income of €361 million and bottom line FFO I of €198 million on a three months 2018 annualized basis. The current portfolio has an in-place rent of 5.75 €/sqm at an EPRA vacancy rate of 7.2%. GCP's success is mirrored in its strong performance in the debt and capital markets. GCP is included in the MDAX index of the Deutsche Börse, the FTSE EPRA/NAREIT Index Series family, GPR 250 and DIMAX, as well as the Stoxx All Europe 800 and the MSCI index family. GCP has a dividend policy to distribute 65% of its FFO I per share.

GCP follows a conservative financial approach with low leverage and a diversified capital structure, with a long weighted average debt maturity of 8.3 years and an average cost of debt of 1.6%. GCP carries two investment-grade credit ratings: BBB+ from Standard & Poor's rating services (S&P) and Baa1 from Moody's Investors Service (Moody's) – and as part of its strategy aims to achieve a rating of A- in the long-term. GCP has a market cap of €3.5 billion and has outperformed the market continuously since its IPO in 2012, in share, convertible bond, straight bond and perpetual notes performance.

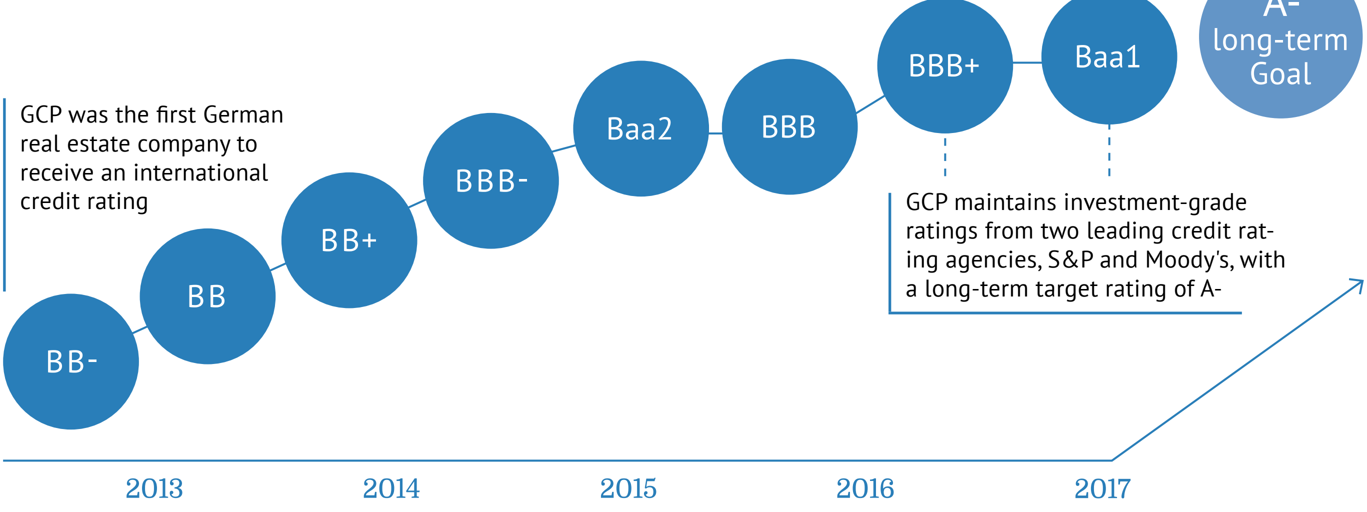
GCP – CONSISTENTLY GROWING FUNDS FROM OPERATIONS (IN €MN)



GCP – CONSERVATIVE LOAN-TO-VALUE



GCP – RATING ACHIEVEMENTS



Hamburg

Capital Markets

TRADING DATA AND ANALYST COVERAGE

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

AS OF MARCH 2018

Number of shares	1,043,205,635
Free Float	63.4%
Avisco	36.6%

AS OF THE DAY OF THIS REPORT

Number of shares	1,053,054,560
Fully diluted number of shares	1,116,959,271
Free float	63.8%
Free float incl. conversion of Series B	64.1%
Fully diluted free float	65.8%
Market Cap	€7.3 bn

KEY INDEX INCLUSIONS

In March 2018, Aroundtown was included via the Fast Entry route in the **MDAX** index of the Deutsche Börse and the **FTSE EPRA/NAREIT Index Series,** owing to its large market capitalization and strong trading volume, as well as the GPR 250 and DIMAX indices. AT was additionally included into the **Stoxx Europe 600** index in October 2017, ranking the Company among the largest publicly traded companies in Europe.

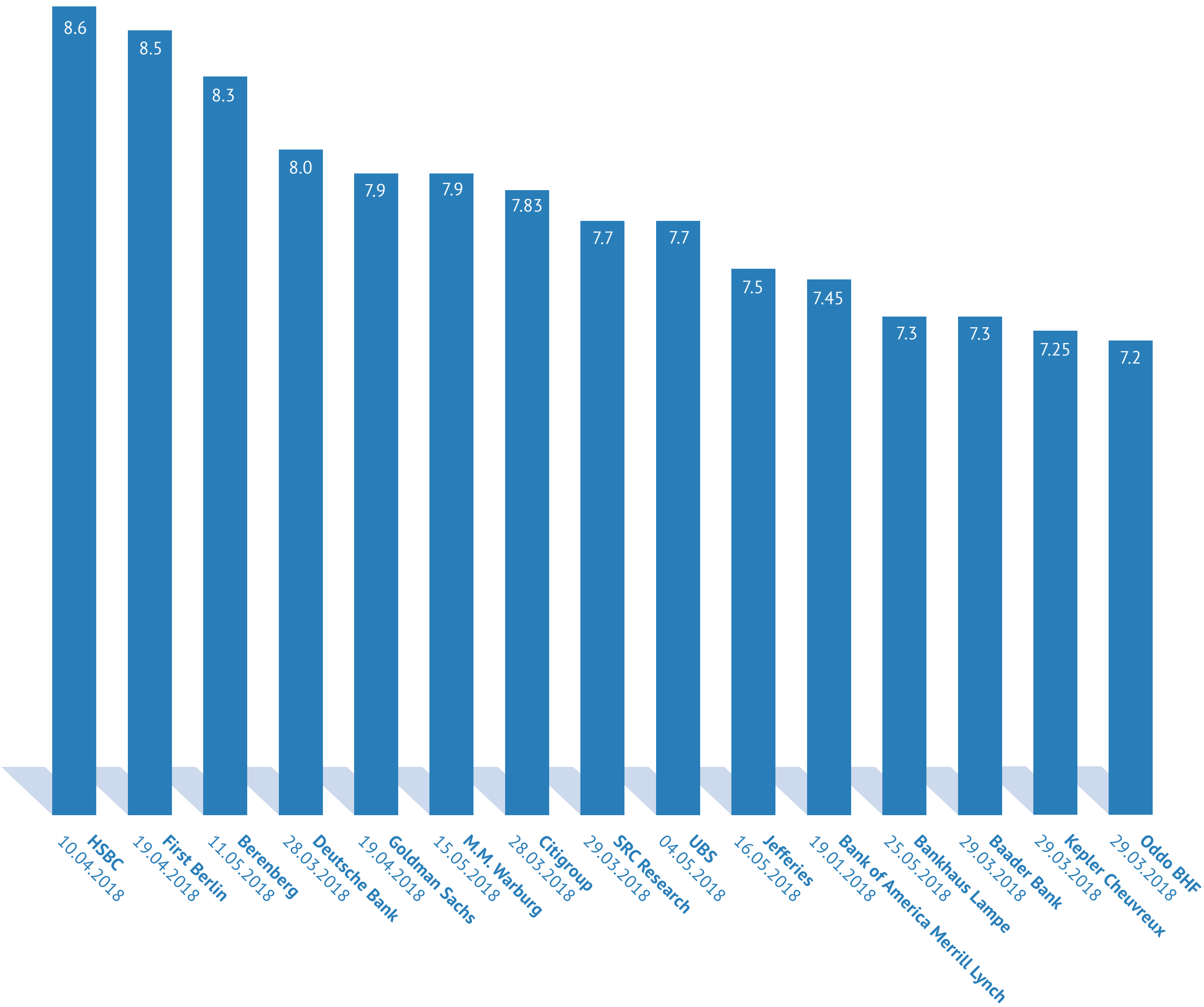
These achievements mark an important milestone for the Company as it further increases its market visibility and share liquidity, reinforcing the Company's strong market position as the largest publicly-listed commercial real estate player in Germany and among the largest in Europe. These important index inclusions were facilitated by the numerous corporate initiatives undertaken by the Company throughout 2017, including the uplisting to the Prime Standard of the Frankfurt Stock Exchange, migration of the corporate seat to Luxembourg, and consolidation of trading liquidity in Frankfurt by delisting from Euronext Paris.

INVESTOR RELATIONS ACTIVITIES

The Group is proactively approaching a large investor audience in order to present its business strategy, provide insight into its progression and create awareness of its overall activities in order to enhance its perception in the market. AT participates in a vast amount of various national and international conferences, roadshows and one-on-one presentations in order to present a platform for open dialogue. Explaining our unique business strategy in detail and presenting the daily operations allows investors to gain a full overview about the Group's successful business approach. The most recent information is provided on its website and open channels for communication are always provided. Currently, AT is covered by 15 different research analysts on an ongoing basis, with reports updated and published regularly.

AROUNDTOWN IS CONTINUOUSLY COVERED BY LEADING EQUITY RESEARCH HOUSES

ANALYST RESEARCH TARGET PRICES



Capital Markets

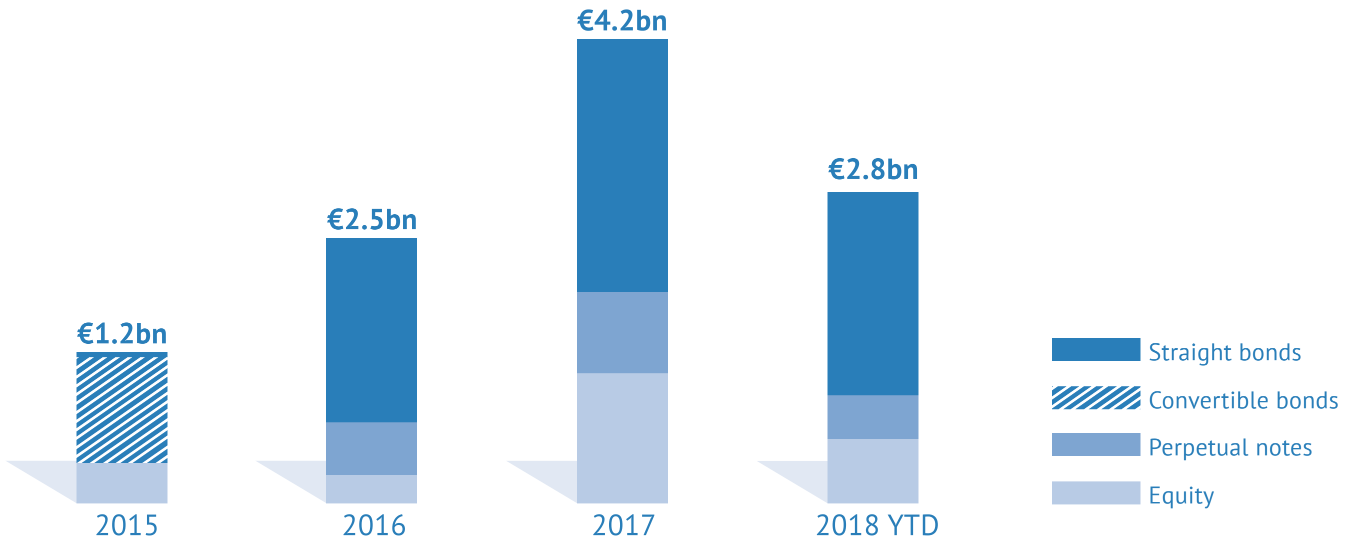
AROUNDTOWN CONTINUES TO DEMONSTRATE ITS PROVEN ABILITY TO ACCESS THE CAPITAL MARKETS

€2.5 billion raised in 2016
€4.2 billion raised in 2017

largest European listed real estate issuer in 2016 and 2017

€2.8 billion raised in 2018 year-to-date

In total, AT raised **€11 billion** through diverse issuances of **bonds, perpetual notes and equity**



EQUITY AND BOND BOOKRUNNERS

J.P.Morgan, UBS, citi, Goldman Sachs, BERENBERG PRIVATBANKIERS SEIT 1590, Morgan Stanley, Bank of America Merrill Lynch, HSBC, UniCredit, SOCIETE GENERALE, CREDIT SUISSE, Deutsche Bank

ACCESS TO GLOBAL CAPITAL VIA BOND EMTN PROGRAMME

£ € $ CHF AUD NOK

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

PROVEN TRACK RECORD IN THE CAPITAL MARKETS

Shareholders Equity

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

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

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

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

Perpetual Notes (Equity)

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

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

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

Straight Bonds

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

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

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

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

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

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

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

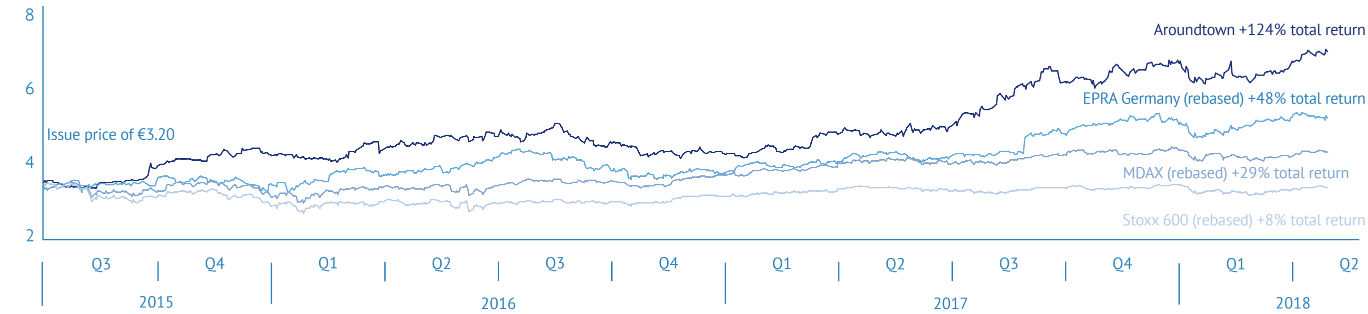
NOK 750 million – Norwegian Krone straight bonds due 2027 issued in July 2017, with a currency hedge to maturity

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

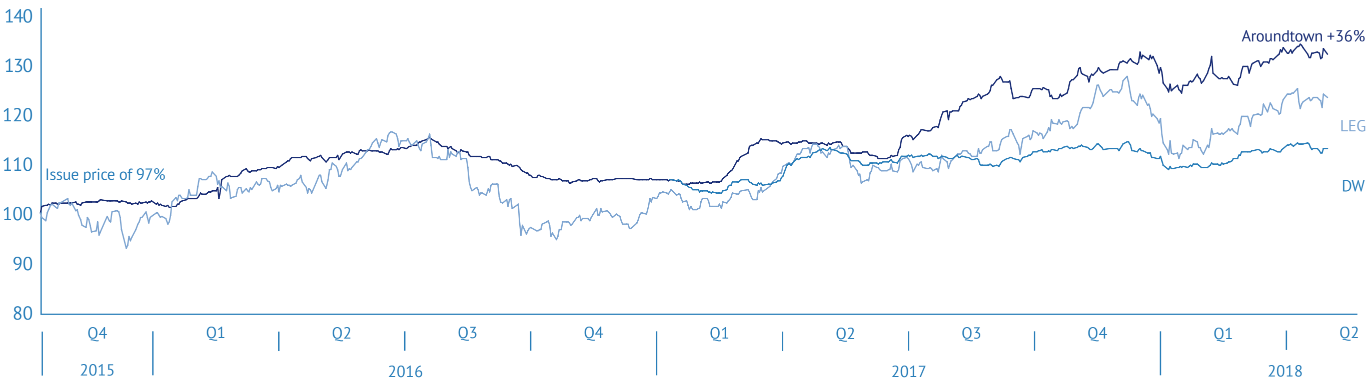
$400 million – Series H straight bonds due 2032 issued in March 2017 and placed with anchor investors in Asia, with a currency hedge to maturity

Aroundtown: Stock and bond performance

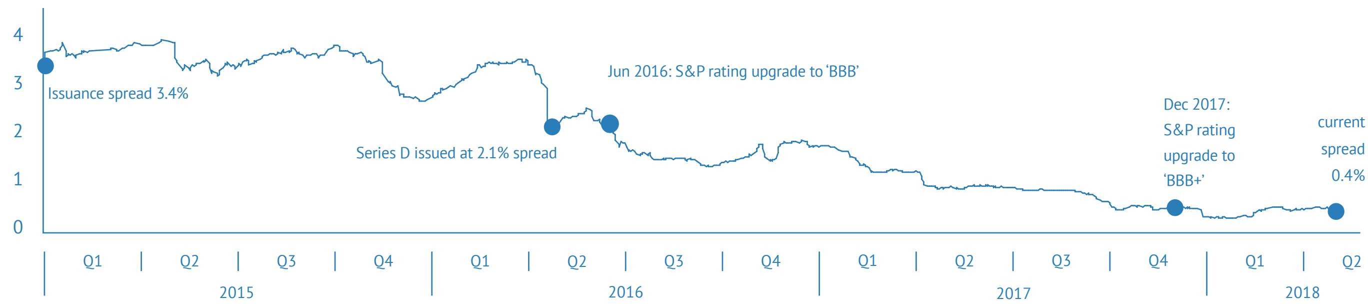
SHARE PRICE PERFORMANCE AND TOTAL RETURN SINCE INITIAL PLACEMENT OF CAPITAL (13.07.2015)



CONVERTIBLE BOND SERIES C PERFORMANCE SINCE PLACEMENT (15.12.2015)



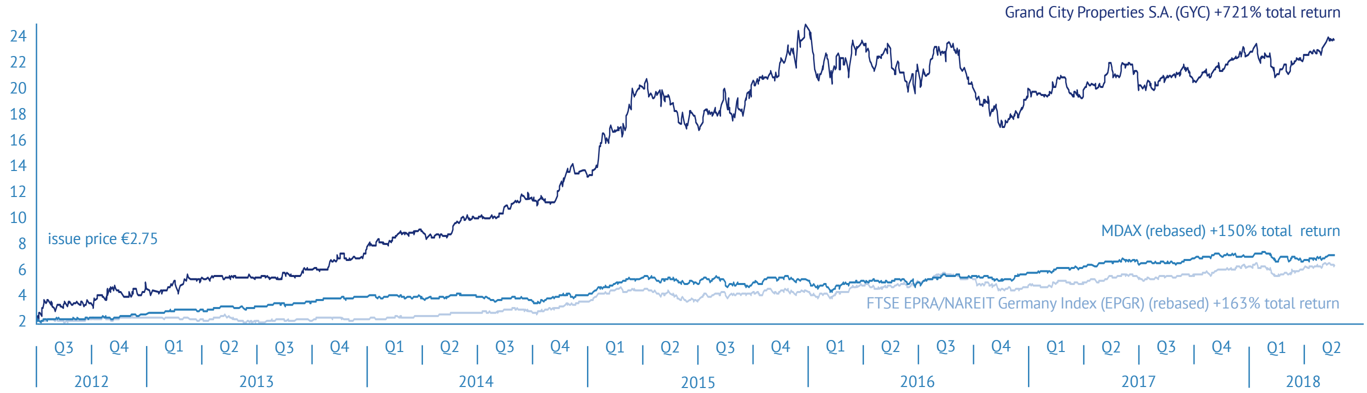
SPREAD OVER MID-€-SWAP FOR STRAIGHT BONDS A AND D, REMAINING 4 YEARS



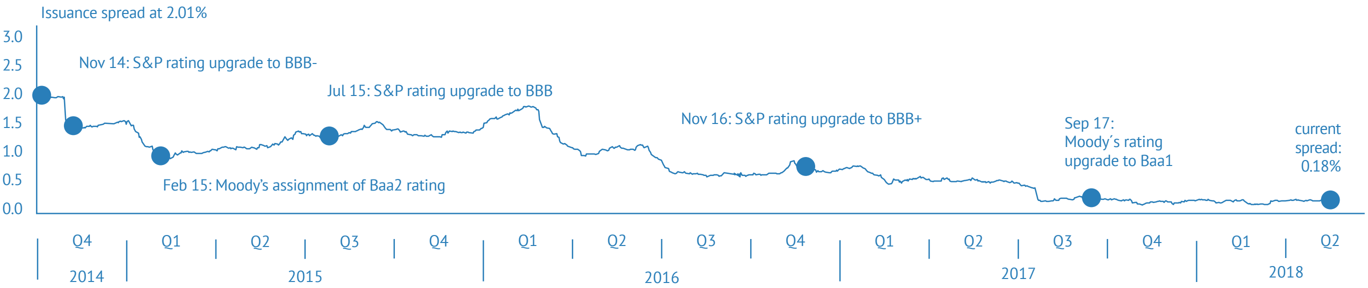
SPREAD OVER MID-€-SWAP FOR 3.75% PERPETUAL NOTES

Grand City Properties: Stock and bond performance

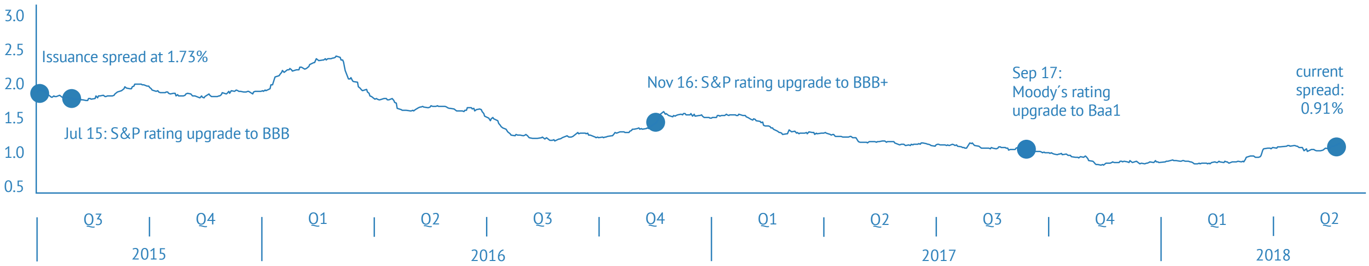
SHARE PRICE PERFORMANCE AND TOTAL RETURN COMPARISON SINCE FIRST EQUITY PLACEMENT (19.07.2012)



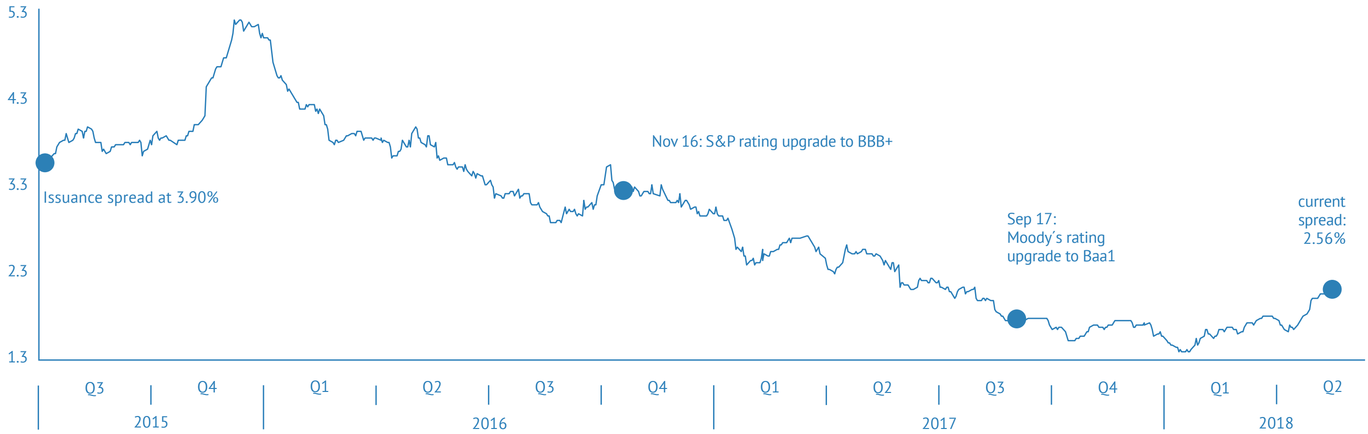
STRAIGHT BOND SERIES D – SPREAD OVER MID-€-SWAP, REMAINING 3.5 YEARS



STRAIGHT BOND SERIES E – SPREAD OVER MID-€-SWAP, REMAINING 7 YEARS



3.75% PERPETUAL NOTES SPREAD OVER MID-€-SWAP



Notes on Business Performance

SELECTED CONSOLIDATED INCOME STATEMENT DATA

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
Rental and operating income	166.3	114.2
NET RENTAL INCOME	**139.0**	**97.0**
Fair value adjustments, capital gains and other income	346.6	212.3
Share in profit from investment in equity-accounted investees	59.7	31.1
Property operating expenses	(48.4)	(31.0)
Administrative and other expenses	(4.6)	(3.6)
Operating profit	519.6	323.0
EBITDA	520.1	323.5
ADJUSTED EBITDA [1)]	**133.6**	**93.2**
Finance expenses	(24.4)	(14.8)
Other financial results	(42.0)	1.4
Current tax expenses	(9.7)	(10.2)
Deferred tax expenses	(72.9)	(52.4)
PROFIT FOR THE PERIOD	**370.6**	**247.0**
FFO I [2)]	**91.2**	**59.2**
FFO II	**93.5**	**59.2**

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

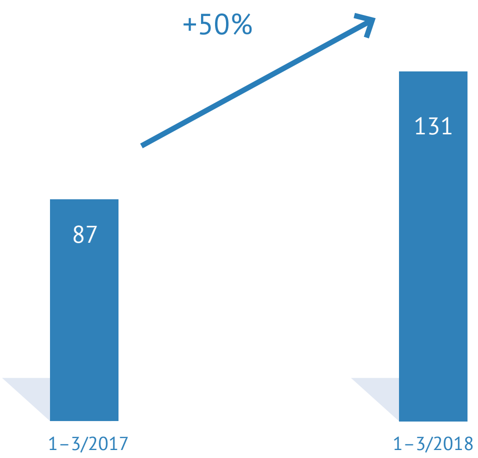
REVENUE

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
RECURRING LONG-TERM NET RENTAL INCOME	**130.5**	**86.8**
Net rental income related to properties marked for disposal	8.5	10.2
NET RENTAL INCOME	**139.0**	**97.0**
Operating and other income	27.3	17.2
REVENUE	**166.3**	**114.2**

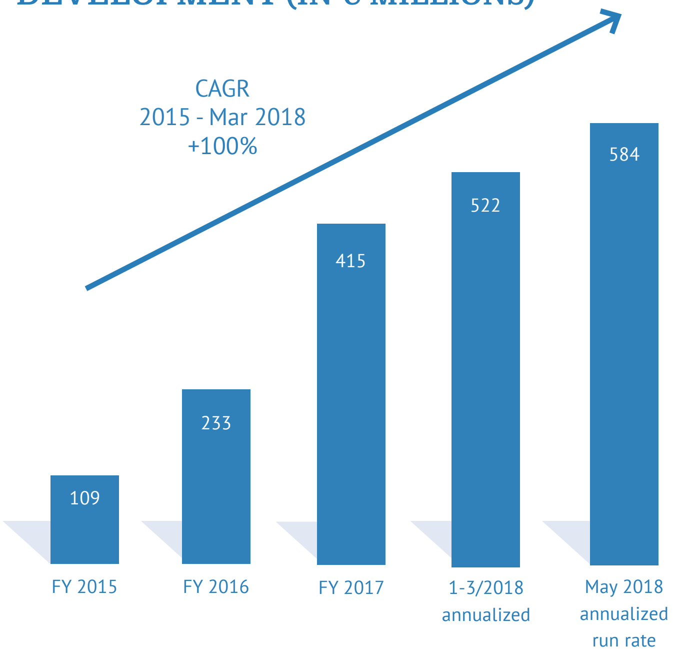
AT generated total revenue of €166 million in the first quarter of 2018, representing an increase of 46% from €114 million in the first quarter of 2017, comprising entirely of rental and operating income. Net rental income amounted to €139 of the total, increasing by 43% from €97 million in the comparable period in 2017 as a result of the strong portfolio growth achieved in the last twelve months, both external and internal. Through dozens of accretive acquisitions sourced by the Company's wide deal network and conforming to the established acquisition criteria, AT was able to significantly grow its portfolio with high quality assets across its main portfolio locations, embedding great value potential to be achieved in future periods. Additionally, by consistently realizing on the upside within the existing portfolio through effective repositioning and operational improvements, strong like-for-like rental income gains are achieved and further boost the year-over-year top line growth. As of March 2018, the total like-for-like rental income growth amounted to 4.8%, with 3.3% stemming from in-place rent increases and 1.5% from occupancy improvements.

Excluding rents from assets marked for disposal in the amount of €8.5 million, as they are intended to be sold and thus not part of the Company's long-term portfolio, the recurring net rental income for the first quarter of 2018 amounted to €131 million an increase of 50% compared to €87 million in Q1 2017.

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



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



As Aroundtown experiences continuous successful portfolio growth, the above reported net rental income figure does not fully reflect the portfolio's current rent generation level as it does not include contributions from assets acquired following the reporting period, as well as only partially reflecting rents from those acquired during the reporting period. The monthly annualized net rental income as of March 2018 amounted to €566 million, excluding assets marked for disposal. Furthermore, as of the May 2018 run rate, AT's portfolio generates net rent in the amount of €584 million on an annualized basis, reflecting an increase of 12% over the three months 2018 annualized level.

SHARE IN PROFIT FROM INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
SHARE IN PROFIT FROM INVESTMENT IN EQUITY-ACCOUNTED INVESTEES	**59.7**	**31.1**

Share in profit from investments in equity-accounted investees represents AT's share in the earnings of the first quarter from investments in companies over which it does not obtain control and that are not consolidated in its financial statements. These profits are primarily attributable to the Company's strategic residential portfolio investment in the form of a 38% holding in GCP, one of the largest German listed real estate companies, as well as other joint venture investments. The profit share amounted to €60 in the first three months of 2018, an increase of 92% compared to €31 million in the first three months of 2017. This period-over-period increase is mainly driven by the strong performance of GCP, which produced period-over-period bottom line earnings growth of over 40% in the first quarter of 2018, as well as due to AT's increased stake in GCP as compared to 36% in the first quarter of 2017.

Notes on Business Performance

FAIR VALUE ADJUSTMENTS, CAPITAL GAINS AND OTHER INCOME

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
FAIR VALUE ADJUSTMENTS, CAPITAL GAINS AND OTHER INCOME	**346.6**	**212.3**

Fair value adjustments, capital gains and other income amounted to €347 million in the first three months of 2018, an increase of 63% compared to the €212 million recorded in the first three months of 2017. This item is attributed to fair value gains on investment property recorded during the period as Aroundtown continues to deliver strong value creation through its proven business strategy. The valuation uplifts are mainly the results of the success of the repositioning process and extracting the upside potential embedded in the portfolio. AT targets and acquires properties that display high reversionary potential, providing with significant value creation headroom. Prior to acquisitions, the Company tailors repositioning plans and various operational improvements implemented in the subsequent periods to achieve the potential. The resulting rent and occupancy increases, higher asset quality, improved tenant structures and longer average WALTs serve as the primary drivers behind the value accretion. Additionally, as AT's portfolio is concentrated primarily in markets characterized by strong economic fundamentals and high investor demand, the Company's portfolio further benefits from positive market value trends and developments.

Aroundtown's portfolio is appraised on an ongoing basis and at least once a year by qualified and independent external valuations, primarily Jones Lang LaSalle (JLL), as well as Knight Frank, Cushman & Wakefield, NAI Apollo and Gerald Eve. As of March 2018, the portfolio reflected an average value of €1,979 per sqm and a net rental yield of 5.3%, compared to €1,923 and 5.2% in December 2017, respectively.

PROPERTY OPERATING EXPENSES

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
PROPERTY OPERATING EXPENSES	**(48.4)**	**(31.0)**

Property operating expenses consist mainly of ancillary costs recoverable from tenants (such as energy, heating, and water costs). Further expenses included are maintenance and refurbishment expenses, operational personnel wages, and other non-recoverable expenses related to property management. Total property operating expenses amounted to €48 million in the first three months of 2018. The year-over-year increase in operating expenses from €31 million in the first three months of 2017 is the result of the rapid portfolio growth experienced over the past twelve months, as the portfolio grew nearly two-fold to €10.9 billion as of March 2018. The largest component under operating expenses are ancillary costs, which are directly tied to the size of the portfolio and as such increased accordingly year-over-year. It should be additionally noted that due to the dynamic nature of commercial real estate, with significant variances across property types, tenant and lease structures, and the resulting operating and maintenance cost structures, fluctuations in the expense ratios can occur between periods where the asset type or lease structure composition within the portfolio changed materially.

Bad Reichenhall

ADMINISTRATIVE AND OTHER EXPENSES

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
ADMINISTRATIVE AND OTHER EXPENSES	(4.6)	**(3.6)**

Administrative and other expenses resulted to €5 million in the first three months of 2018, increased from €4 million in the comparable period in 2017 in line with AT's increased scale and scope of operations. The largest contribution to the total is attributable to administrative personnel expenses, which increased with the rapid growth and corporate transformation of the Company over the past twelve months, which saw the addition of three new Board members for additional oversight and governance, as well as the formation of a dedicated ESG team as part of the Company's increased sustainability measures and reporting, which resulted in the publication of the Company's first full annual sustainability report for 2017. The proportion of total overhead costs to revenues remains low at below 3%, highlighting the Company's lean cost structure and effective organizational platform. The remaining administrative expenses include legal, accounting, marketing, and other overhead expenses, including one-off costs.

FINANCE EXPENSES

	For the 3 months ended March 31,	
	2018	2016
	in € millions	
FINANCE EXPENSES	(24.4)	**(14.8)**

The Company's finance expenses amounted to €24 million in the first three months of 2018, increasing from €15 million in the respective period in 2017 as a result of the significantly higher level of total financial debt outstanding, which was used to fund AT's growth over the past twelve months. AT is able to quickly and efficiently access the capital markets for debt issuances of various maturities, currencies and coupons. The strong track record is the result of large and diverse global investor base, a large and highly efficient debt issuance platform, and a strong credit profile as evidenced in a high investment-grade credit rating of BBB+ from S&P. The first quarter of 2018 saw AT once again actively tap the debt markets with three straight bonds issued across three difference currencies under the EMTN programme in January 2018, with the 20-year Series L USD 150 million bonds (with currency hedge to euro until maturity), the Series M CHF 250 million Swiss Franc bonds (with currency hedge to euro until maturity) at the Company's lowest yet coupon of 0.73%, and the 10-year €800 million Series N bonds – so far the Company's largest single issuance. Furthermore, in the first quarter of 2018 AT repurchased €319 million nominal amount of the shorter maturity Series D straight bonds, extending the overall debt maturity. In addition to funding the Company's continuous growth and securing low interest funding for the long-term, AT has greatly diversified its financing structure and further widened its international investor base. AT currently has a low average cost of debt of 1.6% and long average debt maturity of 7.5 years . With an even lower marginal cost of borrowing, AT is able to achieve higher operational profit margins and thus further increase the bottom line. The Company's successful business model of acquiring accretive assets and realizing strong organic rental income growth is reflected in its high financial coverage ratios with an ICR of 4.9x and DSCR of 3.9x for the first quarter of 2018, highlighting the Company's strong credit position.

Notes on Business Performance

OTHER FINANCIAL RESULTS

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
OTHER FINANCIAL RESULTS	**(42.0)**	**1.4**

Other financial results amounted to an expense of €42 million in the first three months of 2018 compared to an income of €1 million in the first three months of 2017. This item is composed of expenses that are primarily non-recurring effects. The expense in the first quarter of 2018 is mainly attributable to the repurchase of €319 million nominal value of the shorter maturity Series D straight bond, including fair value changes in financial derivatives and traded securities, one-off expenses related to financing and capital market activities, including issuance and bond repurchase costs and bank and prepayment fees.

TAXATION

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
Current tax expenses	(9.7)	(10.2)
Deferred tax expenses	(72.9)	(52.4)
TAX AND DEFERRED TAX EXPENSES	**(82.6)**	**(62.6)**

The total tax expenses amounted to €83 million in the first quarter of 2018, compared to €63 million in the first quarter of 2017. The year-over-year increase was driven by higher deferred taxes, a non-cash expense resulting from the larger revaluation gains recorded during the reporting period in comparison to the respective period in 2017, which amounted to €73 million and thus accounted for the majority of the total tax expenses. The Company uses a conservative accounting method for the treatment of deferred taxes, assuming the theoretical future disposal of properties in the form of asset deals, triggering the full real estate tax rate. In practice, AT generally conducts disposals via share deals as the assets are mainly held in separate SPV's, significantly reducing the effective tax rate on capital gains. Current tax expenses, composed of property taxes and corporate taxes, relate to the Company's recurring operational business operations and resulted to €10 million in the first quarter of 2018.

Frankfurt

PROFIT FOR THE PERIOD

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
PROFIT FOR THE PERIOD	**370.6**	**247.0**
Profit attributable to:		
Owners of the company	322.5	226.4
Perpetual notes investors	10.9	5.3
Non-controlling interests	37.2	15.3

The Company generated a profit of €371 million in the first quarter of 2018, an increase of 50% from €247 million in the first quarter of 2017. The year-over-year growth in the bottom line is attributable to the strong internal and external portfolio growth achieved over the past twelve months, unlocking significant value within the portfolio and testifying to AT's proven and successful business model as well as its effective implementation by management and staff throughout the value creation chain. The profit attributable to shareholders of the Company amounted to €323 million, increasing 42% from €226 million in the first quarter of 2017. The profit share attributable to perpetual notes investors increased to €11 million from €5 million in the first quarter of 2017 as a result of the USD 700 million perpetual notes issued in 2017, as well as the €400 million perpetual notes issued during the reporting period in January 2018..

EARNINGS PER SHARE

	For the 3 months ended March 31,	
	2018	2017
Basic earnings per share (in €)	0.33	0.33
Diluted earnings per share (in €)	0.31	0.26
Weighted average basic shares (in millions)	966.2	676.7
Weighted average diluted shares (in millions)	1,022.2	850.8

Aroundtown generated a basic earnings per share of €0.33 in the first three months of 2018, calculated based on the profit attributable to the owners of the Company, in line with the amount generated in the first three months of 2017. The per share earnings level was maintained year-over-year, with the higher net profit being equally offset by the dilutive effect of the three equity capital issuances conducted between the two periods to fund the Company's growth, as well as the conversion into shares of the majority of the Series B convertible bonds. The diluted earnings per share, taking into consideration the fully diluted share base, increased by 19% to €0.31 from €0.26 in the first quarter of 2017, reflecting the lower dilutive effect resulting from the Series B conversions over the past year. The consistently high per share earnings continues to speak to the successful business model of the Company and its ability to continuously generate shareholder value.

Notes on Business Performance

Rotterdam

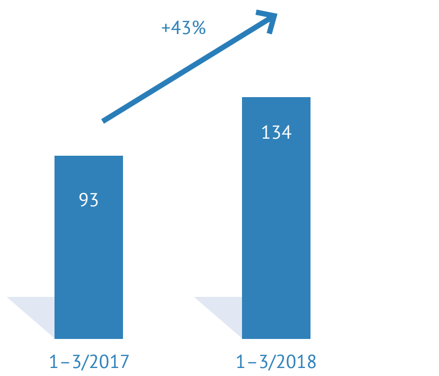
ADJUSTED EBITDA

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
Operating profit	519.6	323.0
Total depreciation and amortization	0.5	0.5
EBITDA	**520.1**	**323.5**
Fair value adjustments, capital gains and other income	(346.6)	(212.3)
Share in profit from investment in equity-accounted investees	(59.7)	(31.1)
Other adjustments	(6.0)	(8.3)
ADJUSTED EBITDA COMMERCIAL, RECURRING LONG-TERM	**107.8**	**71.8**
Adjustment for GCP adjusted EBITDA contribution [1]	25.8	21.4
ADJUSTED EBITDA	**133.6**	**93.2**

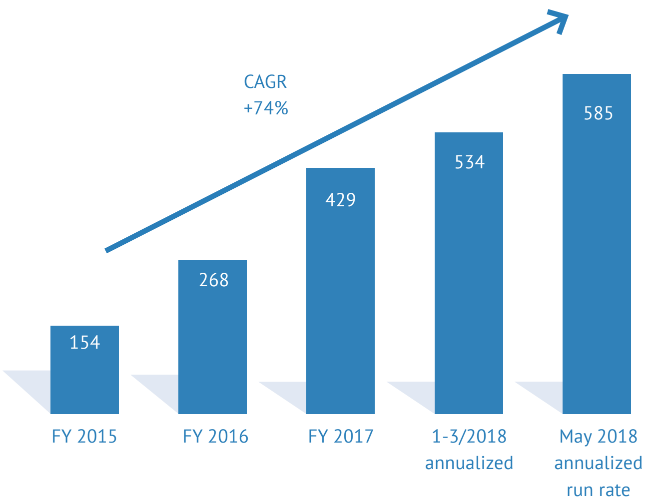
1) the adjustment is to reflect AT's share in GCP's adjusted EBITDA. GCP generated an adjusted EBITDA of €68 million in Q1 2018 and €60 million in Q1 2017

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

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



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



Aroundtown's adjusted EBITDA amounted to €134 million in the first quarter of 2018, representing an increase of 43% from the €93 million generated in the first quarter of 2017. The increase was driven by the Company's successful growth between the two periods, as it was able to utilize its large deal sourcing network and strong market position to conduct accretive acquisitions at favourable valuations throughout its portfolio locations, significantly increasing rental income while benefitting from proportionally lower operating and overhead expenses, owing to the Company's strong economies of scale, efficient operating platform and lean cost structure. In addition to the strong external growth, AT generated impressive internal value creation through successful asset repositioning and materializing on the high reversionary rent potential within its portfolio, with a total net rental income like-for-like increase of 4.8% as of March 2018. The year-over-year growth in the Group's adjusted EBITDA was further supplemented by likewise strong operational performance of GCP, which generated a year-over-year adjusted EBITDA increase of 14%. The adjusted EBITDA includes other adjustments in the amount of €6 million, such as contributions of properties marked for disposal and the management share incentive plan.

As AT continues to grow, the Company additionally reports a recent, annualized monthly adjusted EBITDA run rate to provide the most up-to-date view of the Company's operational profit generation, fully reflecting the contributions from properties acquired throughout and after the reporting period, including signed deals. The May 2018 adjusted EBITDA run rate amounted to €585 million, excluding contributions from properties marked for disposal, representing an increase of 9% over the three months 2018 annualized figure.

Notes on Business Performance

FUNDS FROM OPERATIONS I (FFO I)

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
ADJUSTED EBITDA COMMERCIAL, RECURRING LONG-TERM	**107.8**	**71.8**
Finance expenses	(24.4)	(14.8)
Current tax expenses	(9.7)	(10.2)
Contribution from minorities	(2.1)	(2.1)
Other adjustments	3.0	1.5
FFO I COMMERCIAL PORTFOLIO, RECURRING LONG-TERM	**74.6**	**46.2**
Adjustment for GCP FFO I contribution [1)]	16.6	13.0
FFO I	**91.2**	**59.2**
Weighted average basic shares (in millions)	966.2	676.7
FFO I PER SHARE (IN €)	**0.094**	**0.087**

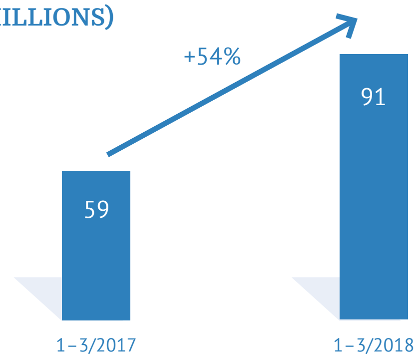
1) the adjustment is to reflect AT's share in GCP's FFO I. GCP generated an FFO I after perpetual notes attribution of €43 million in Q1 2018 and €36 million in Q1 2017.

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

Aroundtown generated a Group FFO I of €91 for the first quarter of 2018, an increase of 56% compared to €59 million in the first quarter of 2017. This strong growth in operational profits is the combined result of increasing rental income through successful portfolio growth and the Company's low cost of borrowing, with a current average cost of debt of 1.6%, which results in a high bottom line profitability margin. AT enjoys a favourable borrowing position thanks to its strong credit profile, high investment-grade credit rating, an established track record and easy access to capital markets through its debt programmes, allowing the Company to issue debt at attractive interest rates and secure low cost debt for the long term, providing financial and planning security. The residential portfolio further contributed to the increase in FFO I as GCP recorded an impressive year-over-year FFO I growth of 18% in the first quarter of 2018, highlighting the attractiveness and solid profitability of the strategic residential investment in GCP, which increased to a 38% holding rate compared to 36% a year ago. GCP similarly benefits from a strong credit profile with two investment-grade credit ratings and a low average cost of debt of 1.6%. The FFO I includes an additional €3 million mainly related to the finance and tax expenses from properties marked for disposal, which are not included in the adjusted EBITDA due to their non-recurring nature.

FFO I RECURRING LONG-TERM PERIODIC DEVELOPMENT

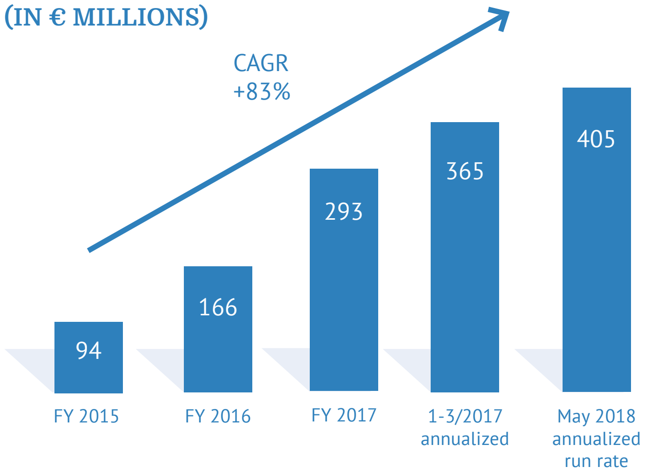
(IN € MILLIONS)



As with the net rental income and adjusted EBITDA reporting, the Company also presents a recent annualized FFO I run rate figure that incorporates the contributions from assets acquired throughout and after the reporting period, including signed deals, reflecting as such the current level of recurring operational profits. As of the May 2018 run rate the Group FFO I amounted to €405 million, representing an increase of 11% over the three months 2018 annualized figure. The FFO I run rate figure likewise does not include the contribution from the assets marked for disposal.

FFO I RECURRING LONG-TERM ANNUALIZED DEVELOPMENT

(IN € MILLIONS)



FFO I PER SHARE

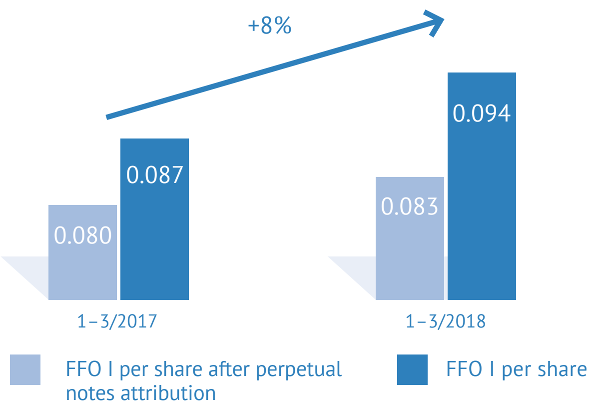
The Company's FFO I per share amounted to 9.4 € cents for the first quarter of 2018, reflecting an increase of 8% compared to 8.7 € cents per share in the first quarter of 2017. The strong year-over-year gains on a per share basis, achieved despite the significant dilution effects from the three equity capital increases carried out between the two periods as well as Series B bond conversion into equity, highlight AT's ability to consistently produce accretive shareholder value through its scalable and profitable platform and successful implementation of the business strategy. Taking into account the additional growth following the reporting period, the May 2018 annualized FFO I per share run rate of €0.39 reflecting an attractive FFO I yield of 5.7%

FFO I PER SHARE AFTER PERPETUAL NOTES ATTRIBUTION

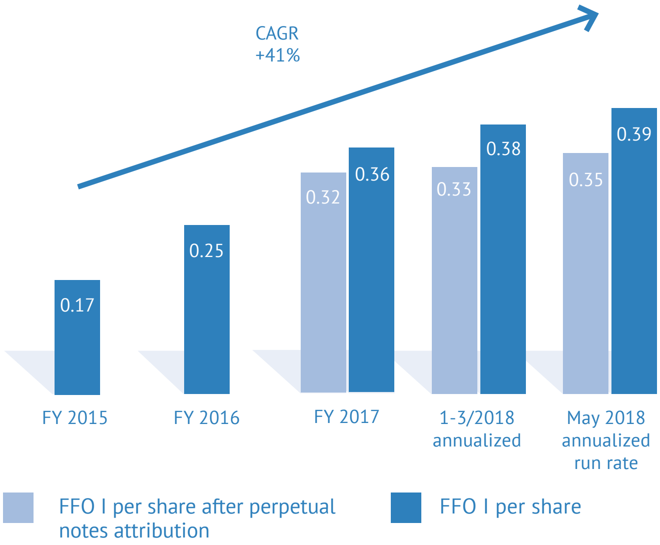
Per IFRS accounting treatment, contributions to perpetual notes are recorded through changes in equity and not as a financial expense in the income statement. In order to ensure a high level of transparency, the Company additionally presents an adjusted FFO I per share figure factoring in these accrued distributions. Including the perpetual notes attribution, the FFO I for the first quarter of 2018 amounted to €80 million, an increase of 49% from €54 million in the first quarter 2017. On a per share basis the FFO I amounted to 8.3 € cents for the first quarter of 2018, representing an increase of 5% from 8.0 € cents in the first quarter of 2017.

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
FFO I	**91.2**	**59.2**
Adjustment for accrued perpetual notes attribution	(10.9)	(5.3)
FFO I AFTER PERPETUAL NOTES ATTRIBUTION	**80.3**	**53.9**
Weighted average basic shares (in millions)	966.2	676.7
FFO I PER SHARE AFTER PERPETUAL NOTES ATTRIBUTION (IN €)	**0.083**	**0.080**

FFO I PER SHARE PERIODIC DEVELOPMENT (IN €)



FFO I PER SHARE ANNUALIZED DEVELOPMENT (IN €)



FFO II

FFO II is an additional performance metric that incorporates on top of the FFO I the profits generated from asset disposals during the period. The disposal profit amounted to €2 million in the first quarter of 2018, following the sale of a non-core asset at a disposal margin of approx. 50%, resulting in an FFO II of €95 million in the first quarter of 2018, compared to no disposal activity in the respective period in 2017. The Company actively seeks to increase the quality its portfolio through capital recycling, disposing of assets designated as held for sale or where the upside potential has been maximized. Year-to-date, AT disposed of non-core assets in the amount of over €720 million at 12% above book value, generating a disposal gain of 30% over total cost. The main effect of these sales will be recorded in Q2 2018.

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
FFO I	91.2	59.2
Result from disposal of properties [1]	2.3	-
FFO II	**93.5**	**59.2**

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

Notes on Business Performance

CASH FLOW

	For the 3 months ended March 31,	
	2018	2017
	in € millions	
Net cash provided by operating activities	100.2	64.0
Net cash used in investing activities	(1,354.6)	(279.7)
Net cash provided by financing activities	1,686.7	313.9
NET CHANGES IN CASH AND CASH EQUIVALENTS	**432.3**	**98.2**

Net cash provided by operating activities amounted to €100 million in the first quarter of 2018, increasing 57% from €64 million in the first quarter of 2017. The higher amount year-over-year reflects the increase in the Company's scale following the strong growth momentum experienced over the past year, while maintaining high profitability levels. The growth in operational cash flows stems from external growth through acquisitions, with a significantly increased portfolio size over the first quarter of 2017, as well as impressive organic growth achieved through operational improvements and realizing on the portfolio's high reversionary potential, with like-for-like net rental income growth of 4.8% as of March 2018.

Net cash used in investing activities amounted to €1.4 billion in the first quarter of 2018, increasing significantly from €280 million in the respective period in 2017 as a result of strong acquisition activity conducted during the quarter. Fueled by its extensive deal pipeline and long-established deal sourcing network, Aroundtown is able to continuously identify and acquire high quality assets containing strong upside potential, which is subsequently realized upon through repositioning efforts and operational improvements in the following periods. AT's strong financial and market position means the Company is able to seize on attractive opportunities quickly as they arise given the consistently high liquidity position, while also being able to raise funds in the capital markets quickly if required given AT's superior access to capital markets and established debt issuance platform.

Net cash provided by financing activities amounted to €1.7 billion in the first quarter of 2018, increasing significantly from €314 million in the first quarter of 2017 accordingly with the increased acquisition activity during the quarter. To fund the Company's continuing growth, AT accessed the capital markets on five occasions during the quarter across several markets – equity, perpetual notes and straight bonds – as well as across various currencies. The equity base was further expanded by over €1 billion through the issuance of €400 million perpetual notes in January 2018 and the €606 million equity capital increase in March 2018. Via the Company's EMTN programme, AT actively tapped the debt market in January 2018 with three straight bond series issued for an aggregate nominal amount of over €1.1 billion: the 20-year Series L USD 150 million bonds (with currency hedge to euro until maturity), the Series M CHF 250 million Swiss Franc bonds (with currency hedge to euro until maturity) at the Company's lowest yet coupon of 0.73%, and the 10-year €800 million Series N bonds – the Company's largest single issuance. Offsetting these cash inflows, in the first quarter of 2018 AT repurchased €319 million nominal amount of the shorter maturity Series D straight bonds, as part of its proactive debt management approach, resulting in the extension of the debt maturity schedule and maintenance of a low average cost of debt.

As a result of the significant funds raised in the capital markets during the first three months of 2018, the net increase in cash and cash equivalents resulted to over €430 million, further increasing the Company's large liquidity position with a total of €1.4 billion of cash and liquid assets available as of March 2018. The significant amount of liquidity on hand is reflective of the Company's conservative financial approach, allowing for quick executions of deals while providing a high degree of financial flexibility and comfort.

ASSETS

	Mar 2018	Dec 2017
	in € millions	
NON-CURRENT ASSETS	**13,639.0**	**12,247.3**
Investment property	10,919.3	9,804.1
Equity-accounted investees, holding in GCP SA	1,663.0	1,609.7
Equity-accounted investees, other	324.2	295.9
CURRENT ASSETS	**2,439.9**	**1,523.1**
Assets held for sale [1]	825.2	500.6
Cash and liquid assets [2]	1,407.8	848.7
TOTAL ASSETS	**16,078.9**	**13,770.4**

1) excluding cash and liquid assets held for sale
2) including cash and liquid assets held for sale

Total assets increased during the first quarter of 2018 to €16.1 billion, an increase of 17% from €13.8 billion at year-end 2017, as the Company has carried its strong growth momentum into 2018 through further portfolio additions as well as various capital markets issuances that increased the balance sheet size.

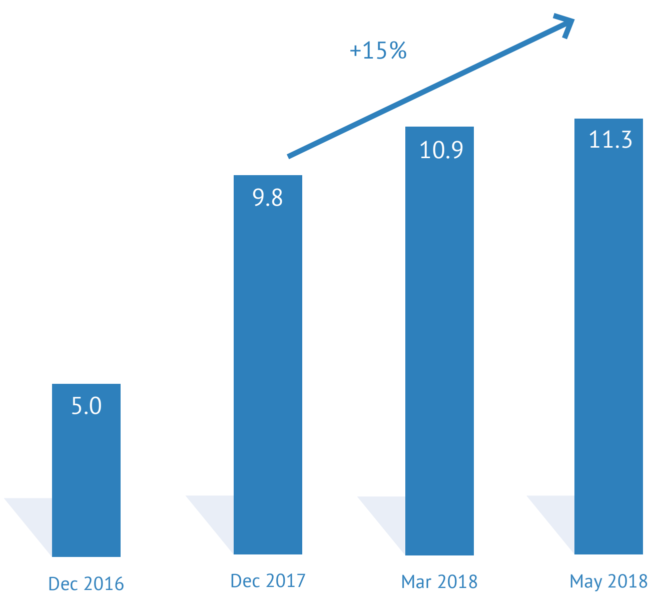
The growth since the beginning of 2018 is mainly reflected in the investment property, which increased by 11% to €10.9 billion as of the end of March 2018 from €9.8 billion at year-end 2018. The increase was primarily driven by acquisitions during the first quarter of 2018, at an amount of nearly €1 billion with a rent multiple of 19x, as AT continues to identify attractive acquisition opportunities containing large upside potential across its key portfolio locations, owing to its extensive deal-sourcing network established over the past 14 years. The properties acquired in the first quarter of 2018 were located primarily in Berlin, Frankfurt, Utrecht, Rotterdam, NRW cities and London. The value of investment property was further boosted by valuation gains in the amount of €347 million recorded during the period, stemming from internal value creation within the existing portfolio through successful repositioning efforts, organic rental income growth, occupancy increases, investments in properties, improved tenant structures and longer average lease maturities. The valuation uplifts serve as testament to the Company's successful operational model, as management is consistently able to realize on the strong inherent potential of the assets.

Investment in equity-accounted investees, which reflects AT's investment in entities not consolidated in its financial accounts, amounted to €2.0 billion as of March 2018, increasing from €1.9 billion at year-end 2017. The balance is predominantly attributed to the Company's residential portfolio investment via a 38.1% stake in Grand City Properties S.A. as of March 2018, amounting to €1.7 billion. GCP represents an important factor in Aroundtown's portfolio diversification approach, as it provides exposure to the strong and defensive fundamentals of the German residential market. GCP is one of the leading players in the German listed residential market with a large and mature property portfolio primarily across key German locations, drawing upon highly experienced and specialized management and a track record of achieving successful accretive growth and value creation. The remaining balance of investees represents various small minority interests. Other non-current assets include mainly non-current prepayments, seller loans as well as loans which are connected to future real estate transactions.

Current assets amounted to €2.4 billion as of March 2018, increasing 60% from €1.5 billion at year-end 2017 as a result of a significantly increased cash balance following a handful of capital market issuances and repayments carried out during the reporting period. During the first quarter of 2018, AT issued €400 million in perpetual notes, carried out an equity capital increase of over €600 million, and issued three series of straight bonds with an aggregate nominal amount of over €1.1 billion, offset through the repayment of over €300 million of the Series D straight bonds. The resulting net cash increase was largely deployed towards acquisitions during the quarter while also resulting in a significant increase in the balance of current assets. The resulting cash and liquid assets balance of balance amounted to €1.4 billion as of March 2018, increasing from €849 million at year-end 2017. The large amount of liquidity on hand is consistent with the Company's conservative financial approach, allowing AT to swiftly capture attractive acquisition opportunities with cash purchases and without the need to arrange financing, which also results in a high proportion of unencumbered assets.

Assets held for sale (excluding cash and liquid assets) amounted to €825 million as of March 2018, increasing from €501 million at year-end 2017 as a result of the reclassification of assets from investment properties to assets held for sale. Year-to-date as of the publication of this report and including signed deals, AT disposed of over €720 million of non-core assets held for sale at above book value, generating substantial disposal gains.

INVESTMENT PROPERTY DEVELOPMENT (IN € BILLIONS)



Notes on Business Performance

LIABILITIES

	Mar 2018	Dec 2017
	in € millions	
Loans and borrowings [1]	1,294.6	1,127.8
Straight bonds	4,631.3	3,827.0
Convertible bonds	293.4	293.8
Deferred tax liabilities [2]	848.8	776.5
Other long-term liabilities and derivative financial instruments	247.0	125.0
Current liabilities [3]	298.9	370.4
TOTAL LIABILITIES	**7,614.0**	**6,520.5**

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

Total liabilities increased to €7.6 billion, up 17% from €6.5 billion at year-end 2017 as a result of AT's continued growth, mainly driven by the additional debt instruments issued during the first quarter of 2018 to fund property acquisitions and further optimize the debt structure, while additionally further boosting the Company's strong liquidity position and allowing for further growth in the coming periods. Additionally contributing to the increase in total liabilities is a higher balance of deferred taxes arising from the revaluation gains recorded during the period.

The large majority of the liabilities balance represents the AT's diversified financing structure, with financial debt in the form of straight bonds, convertible bonds and bank debt used to finance the Company's continued growth and operations along with a strong equity base. The most significant movements during the first quarter of 2018 are visible in the balance of straight bonds, as three straight bonds series were issued in January 2018 in three different currencies under the Company's flexible EMTN programme: the 20-year USD 150 million Series L (with currency hedge to euro until maturity) – AT's longest maturing bond yet, the Swiss Franc CHF 250 million Series M (with currency hedge to euro until maturity) at the Company's lowest yet coupon of 0.73%, and the 10-year €800 million Series N – the Company's largest single issuance to date. Offsetting these issuances was the repayment of €319 million of the shorter maturity Series D straight bond. These robust capital market activities are a key component of the Company's proactive debt management approach, seeking to maintain low borrowing costs while extending the average debt maturity and ensuring a smoothened maturity schedule curve with no large maturities in the short term. As a result, AT enjoys a low average cost of debt of 1.6% with an average debt maturity of 7.5 years, providing long-term planning security and securing cheap funding for years to come. Additionally contributing to the higher liabilities is a 15% increase in loans and borrowings from financial institutions to €1.3 billion, resulting from bank loans received to fund certain acquisitions and bank loans acquired with the acquisitions of assets.

Deferred tax liabilities are a non-cash item that result from the revaluation gains recorded in the current and previous periods. As a result of the strong revaluation gains achieved during the first quarter of 2018, the deferred tax balance increased to €849 million as of March 2018 from €777 million at year-end 2017. AT adopts a conservative accounting approach with regard to deferred taxes, assuming the theoretical future property disposals in the form of asset deals and as such incurring the full real estate tax rate as a result. In practice, as the Company's assets are mainly held in separate SPVs, sales can be structured as share deals, reducing the effective capital gains tax to be paid to less than 1%.

NET FINANCIAL DEBT

	Mar 2018	Dec 2017
	in € millions	
Total financial debt [1]	6,219.3	5,248.6
Cash and liquid assets [1]	1,407.8	848.7
NET FINANCIAL DEBT	**4,811.5**	**4,399.9**

1) including balances held for sale

The net financial debt amounted to €4.8 billion as of March 2018, increasing 9% from €4.4 billion at year-end 2017 as a result of the Company's growth through acquisitions during the period which was largely backed by financial debt in the form of straight bonds, with three bond series issued during the first quarter of 2018 for an aggregate nominal amount of over €1.1 billion, as well as a net increase in loans and borrowing from financial institutions of over €160 million. The gross financial debt was offset partially through the buyback of €319 million nominal amount of the shorter maturity Series D straight bonds during the quarter. The increase in the net financial debt during the period was significantly offset by cash proceeds from the €400 million perpetual notes issued in January 2018 and €606 million equity capital increase in March 2018, resulting in a net increase of over €400 million. With cash and liquid assets in the amount of €1.4 billion as of March 2018, AT continues to maintain a significant liquidity position in line with its conservative financial approach, providing for high financial flexibility and ability to move quickly in the market when the right acquisition opportunities emerge.

LOAN-TO-VALUE

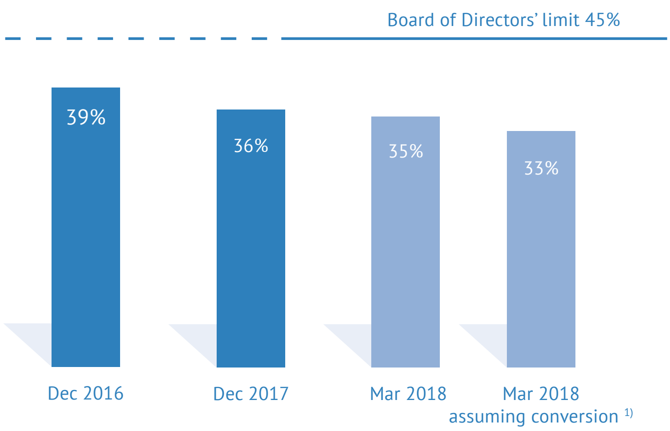
	Mar 2018	Dec 2017
	in € millions	
Investment property [1]	11,045.8	9,874.2
Assets held for sale [2]	798.9	493.1
Investment in equity-accounted investees	1,987.2	1,905.6
TOTAL VALUE	**13,831.9**	**12,272.9**
NET FINANCIAL DEBT [3]	**4,811.5**	**4,399.9**
LTV	**35%**	**36%**
LTV ASSUMING CONVERSION [4]	**33%**	**33%**

1) including advanced payments for investment properties
2) including properties held for sale net of cash
3) including financial debt and cash and liquid assets held for sale
4) assuming the conversion into shares of the remaining convertible bonds, which are deep-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 advance payments and investments in equity-accounted investees. Maintaining a conservative level of leverage is a key component of Aroundtown's financial policy, with an internal LTV limit of 45% set by the Board of Directors, and results in a strong financial and credit profile.

Aroundtown's LTV resulted to 35% as of March 31, 2018, decreased from 36% at year-end 2017 owing to the strengthened equity base during the first quarter of 2018, and as such is well below the Company's internal policy limit of 45%. Additionally, assuming the full conversion into shares of AT's remaining Series B and Series C convertible bonds, which are deep-in-the-money, the LTV decreases further to 33%. In addition to the significant headroom afforded for future growth through issuance of additional debt, the current conservative level of leverage provides a high degree of comfort and protection.

LOAN-TO-VALUE



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

Dresden

Notes on Business Performance

EQUITY

	Mar 2018	Dec 2017
	in € millions	
TOTAL EQUITY	**8,464.9**	**7,249.9**
of which equity attributable to the owners of the Company	6,357.7	5,402.3
of which equity attributable to perpetual notes investors	1,570.1	1,173.3
of which non-controlling interests	537.1	674.3
EQUITY RATIO	**53%**	**53%**

Total equity grew to €8.5 billion as of the end of March 2018, reflecting an increase of 17% from €7.25 billion at year-end 2017, with the strong equity growth primarily driven by capital market issuances undertaken during the first quarter of 2018. Aroundtown raised equity capital twice during the reporting period with €400 million of perpetual notes issued in January 2018 and a €606 million equity capital increase carried out in March 2018, for an aggregate issuance amount of over €1 billion. Further contributing to the increase in equity are the retained earnings recorded as a result of the strong profit generated during the period. The Company's equity ratio amounted to 53% as of March 2018, remaining in line with year-end 2017 and reflecting a strong and well diversified equity base. Following IFRS accounting treatment, perpetual notes are classified as equity as they do not have a repayment date, coupon payments are deferrable at the Company's discretion, they are subordinated to debt and do not have any default rights nor covenants.

EPRA NAV

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

	Mar 2018		Dec 2017	
	in € millions	per share	in € millions	per share
NAV PER THE FINANCIAL STATEMENTS	**8,464.9**		7.249.9	
Equity attributable to perpetual notes investors	(1,570.1)		(1,173.3)	
NAV EXCLUDING PERPETUAL NOTES	**6,894.8**		6,076.6	
Effect of conversion of in-the-money convertible bonds	293.4		293.8	
Fair value measurements of derivative financial instruments 1)	118.7		10.4	
Deferred tax liabilities 2)	848.8		776.5	
NAV	**8,155.7**	**€7.4**	**7,157.3**	**€7.1**
Non-controlling interests	(537.1)		(674.3)	
EPRA NAV	**7,618.6**	**€6.9**	**6,483.0**	**€6.5**
Equity attributable to perpetual notes investors	1,570.1		1,173.3	
EPRA NAV INCLUDING PERPETUAL NOTES	**9,188.7**	**€8.3**	**7,656.3**	**€7.6**
Number of shares, including in-the-money dilution effects (in millions)	1,109.4		1,004.5	

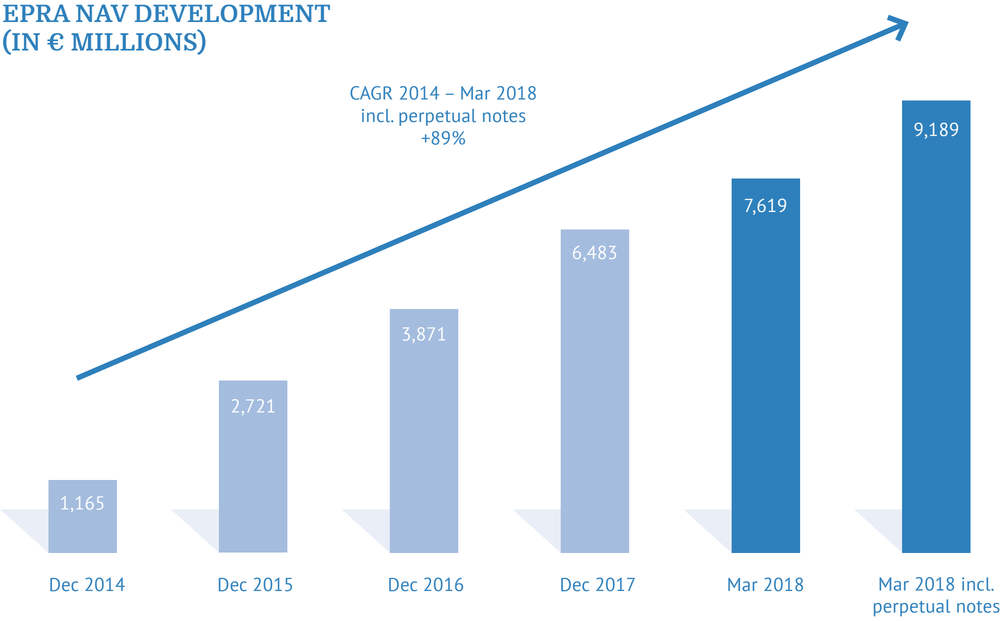
1) including hedge reserves and balances in assets held for sale
2) including balances in assets held for sale

Berlin

Aroundtown's EPRA NAV amounted to €7.6 billion and €6.9 per share as of the end of March 2018, increased by 18% and 6%, respectively, from €6.5 billion and €6.5 per share at year-end 2017. The growth in EPRA NAV over the quarter is reflective of the Company's continued pace of growth and consistently proven value generation capabilities. The growth on a per share basis was achieved despite the dilution effect from the equity capital increase carried out in March 2018, highlighting the Company's ability to create shareholder value through accretive growth and continuous operational improvements. In contrast with the equity figure, the EPRA NAV additionally incorporates the Company's convertible bonds as they are deep-in-the-money as a result of AT's strong share price performance since issuance.

The EPRA NAV including perpetual notes amounted to €9.2 billion and €8.3 per share, increasing 20% and 9% from €7.7 billion and €7.6 per share at year-end 2017, respectively. In addition to the equity capital increase in March 2018, Aroundtown issued €400 million of perpetual notes in January 2018 as additional equity support – its third series of perpetual notes following issuances in 2016 and 2017 – allowing for further growth to be achieved.

EPRA NAV DEVELOPMENT (IN € MILLIONS)



Dortmund

Responsibility statement

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

Disclaimer

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

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

Andrew Wallis
Director

Frank Roseen
Director

Oschrie Massatschi
Director

Jelena Afxentiou
Director

Interim consolidated statement of comprehensive income

	Three months ended March 31,	
	2018	2017
	in € millions	
REVENUE	**166.3**	**114.2**
Property revaluations, capital gains, and other income	346.6	212.3
Share in profit from investment in equity-accounted investees	59.7	31.1
Property operating expenses	(48.4)	(31.0)
Administrative and other expenses	(4.6)	(3.6)
OPERATING PROFIT	**519.6**	**323.0**
Finance expenses	(24.4)	(14.8)
Other financial results	(42.0)	1.4
PROFIT BEFORE TAX	**453.2**	**309.6**
Current tax expenses	(9.7)	(10.2)
Deferred tax expenses	(72.9)	(52.4)
TAX AND DEFERRED TAX EXPENSES	**(82.6)**	**(62.6)**
PROFIT FOR THE PERIOD	**370.6**	**247.0**
PROFIT ATTRIBUTABLE TO:		
Shareholders of the Company	322.5	226.4
Perpetual notes investors	10.9	5.3
Non-controlling interests	37.2	15.3
PROFIT FOR THE PERIOD	**370.6**	**247.0**
NET EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY (IN €)		
Basic earnings per share	**0.33**	**0.33**
Diluted earnings per share	**0.31**	**0.26**

The notes on pages 66 to 76 form an integral part of these interim consolidated financial statements

Munich

	Three months ended March 31,	
	2018	2017
	in € millions	
PROFIT FOR THE PERIOD	**370.6**	**247.0**
OTHER COMPREHENSIVE INCOME (LOSS):		
Items that are or may be reclassified subsequently to profit or loss		
Results of cash flow hedges	(41.2)	(10.8)
Results of foreign currency translation	(2.8)	-
Tax related to the other comprehensive income components	10.7	2.2
Total other comprehensive income (loss)	**(33.3)**	**(8.6)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**337.3**	**238.4**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Shareholders of the Company	289.2	217.8
Perpetual notes investors	10.9	5.3
Non-controlling interests	37.2	15.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**337.3**	**238.4**

Interim consolidated statement of financial position

	Note	March 31, 2018 Unaudited	December 31, 2017 Audited
		in € millions	
ASSETS			
Equipment and intangible assets		27.8	25.8
Investment property	5	10,919.3	9,804.1
Advance payments for real estate transactions		126.5	70.1
Investment in equity-accounted investees		1,987.2	1,905.6
Derivative financial instruments		25.9	34.1
Other non-current assets		522.7	392.8
Deferred tax assets		29.6	14.8
NON-CURRENT ASSETS		**13,639.0**	**12,247.3**
Cash and cash equivalents		1,163.3	736.4
Short-term deposits		4.0	17.5
Traded securities at fair value through profit or loss		228.0	87.7
Derivative financial instruments		6.4	10.9
Trade and other receivables		200.5	162.9
Assets held for sale	10	837.7	507.7
CURRENT ASSETS		2,439.9	1,523.1
TOTAL ASSETS		**16,078.9**	**13,770.4**

The notes on pages 66 to 76 form an integral part of these interim consolidated financial statements

	Note	March 31, 2018	December 31, 2017
		Unaudited	Audited
		in € millions	
EQUITY			
Share capital	7	10.4	9.5
Retained earnings and capital reserves		6,347.3	5,392.8
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY		**6,357.7**	**5,402.3**
Equity attributable to perpetual notes investors	7	1,570.1	1,173.3
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY AND PERPETUAL NOTES INVESTORS		**7,927.8**	**6,575.6**
Non-controlling interests		537.1	674.3
TOTAL EQUITY		**8,464.9**	**7,249.9**
LIABILITIES			
Loans and borrowings	6.1	1,059.6	956.9
Convertible bonds	6.2	293.4	293.8
Straight bonds	6.2	4,631.3	3,827.0
Derivative financial instruments		119.9	54.9
Other non-current liabilities		127.1	70.1
Deferred tax liabilities		817.2	752.2
NON-CURRENT LIABILITIES		**7,048.5**	**5,954.9**
Loans and borrowings	6.1	37.5	17.4
Trade and other payables		216.8	266.5
Tax payable		6.6	8.9
Provisions and current liabilities		59.7	87.1
Liabilities held for sale	10	244.9	185.7
CURRENT LIABILITIES		**565.5**	**565.6**
TOTAL LIABILITIES		**7,614.0**	**6,520.5**
TOTAL EQUITY AND LIABILITIES		**16,078.9**	**13,770.4**

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

Andrew Wallis
Director

Frank Roseen
Director

Oschrie Massatschi
Director

Jelena Afxentiou
Director

Interim consolidated statement of changes in equity

	Attributable to the shareholders of the Company								
	Share capital	Share Premium and other capital reserves	Hedge reserve	Retained earnings	Total	Equity attributable to perpetual notes investors	Equity attributable to shareholders of the company and perpetual notes investors	Non-controlling interests	Total equity
	in € millions								
BALANCE AS AT DECEMBER 31, 2017 (AUDITED)	**9.5**	**1,809.5**	**(0.5)**	**3,583.8**	**5,402.3**	**1,173.3**	**6,575.6**	**674.3**	**7,249.9**
Profit for the period	-	-	-	322.5	322.5	10.9	333.4	37.2	370.6
Other comprehensive income (loss) for the period, net of tax	-	(2.8)	(30.5)	-	(33.3)	-	(33.3)	-	(33.3)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**-**	**(2.8)**	**(30.5)**	**322.5**	**289.2**	**10.9**	**300.1**	**37.2**	**337.3**
Issuance of ordinary shares	0.9	599.7	-	-	600.6	-	600.6	-	600.6
Issuance of shares related to conversion of convertible bonds	(*) 0.0	62.2	-	-	62.2	-	62.2	-	62.2
Issuance of perpetual notes	-	-	-	-	-	390.8	390.8	-	390.8
Amount attributed to perpetual notes investors	-	-	-	-	-	(4.9)	(4.9)	-	(4.9)
Non-controlling interests arising from initially consolidated companies and other transactions	-	-	-	2.9	2.9	-	2.9	(174.4)	(171.5)
Equity settled share-based payment	-	0.5	-	-	0.5	-	0.5	-	0.5
BALANCE AS AT MARCH 31, 2018 (UNAUDITED)	**10.4**	**2,469.1**	**(31.0)**	**3,909.2**	**6,357.7**	**1,570.1**	**7,927.8**	**537.1**	**8,464.9**

(*) less than €0.1 million.

The notes on pages 66 to 76 form an integral part of these interim consolidated financial statements

Berlin

	Attributable to the shareholders of the Company								
	Share capital	Share Premium and other capital reserve	Hedge reserve	Retained earnings	Total	Equity attributable to perpetual notes investors	Equity attributable to shareholders of the Company and perpetual notes investors	Non-controlling interests	Total equity
	in € millions								
BALANCE AS AT DECEMBER 31, 2016 (AUDITED)	**6.8**	**633.2**	**-**	**2,450.2**	**3,090.2**	**478.3**	**3,568.5**	**372.6**	**3,941.1**
Profit for the period	-	-	-	226.4	226.4	5.3	231.7	15.3	247.0
Other comprehensive income (loss) for the period, net of tax	-	-	(8.6)	-	(8.6)	-	(8.6)	-	(8.6)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**-**	**-**	**(8.6)**	**226.4**	**217.8**	**5.3**	**223.1**	**15.3**	**238.4**
Issuance of shares related to conversion of convertible bonds	(*) 0.0	8.0	-	-	8.0	-	8.0	-	8.0
Issuance of perpetual notes	-	-	-	-	-	93.2	93.2	-	93.2
Amount attributed to perpetual notes investors	-	-	-	-	-	(1.0)	(1.0)	-	(1.0)
Equity settled share-based payment	-	0.3	-	-	0.3	-	0.3	-	0.3
Non-controlling interests arising from initially consolidated companies and other transactions	-	-	-	0.9	0.9	-	0.9	9.9	10.8
BALANCE AS AT MARCH 31, 2017 (UNAUDITED)	**6.8**	**641.5**	**(8.6)**	**2,677.5**	**3,317.2**	**575.8**	**3,893.0**	**397.8**	**4,290.8**

(*) less than €0.1 million.

The notes on pages 66 to 76 form an integral part of these interim consolidated financial statements

Interim consolidated statement of cash flows

	Three months ended March 31,	
	2018	2017
	in € millions	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	370.6	247.0
Adjustments for the profit:		
Depreciation and amortization	0.5	0.5
Property revaluations, capital gains and other income	(346.6)	(212.3)
Share in profit from investment in equity-accounted investees	(59.7)	(31.1)
Finance expenses, net	66.4	13.4
Tax and deferred tax expenses	82.6	62.6
Equity settled share-based payment	0.5	0.3
	114.3	80.4
Changes in:		
Trade and other receivables	(20.9)	(6.7)
Trade and other payables	13.8	2.9
Provisions for other liabilities and charges	1.9	(0.8)
	109.1	75.8
Tax paid	(8.9)	(11.8)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**100.2**	**64.0**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of equipment and intangible assets, net	(1.8)	(2.0)
Investments and acquisitions of investment property, capex and advances paid, net	(386.3)	(138.3)
Acquisition/disposals of investees and loans, net of cash acquired/disposed	(709.8)	(210.2)
Proceeds from / (investments in) traded securities and other financial assets, net	(256.7)	70.8
NET CASH USED IN INVESTING ACTIVITIES	**(1,354.6)**	**(279.7)**

The notes on pages 66 to 76 form an integral part of these interim consolidated financial statements

Hannover

	Three months ended March 31,	
	2018	2017
	in € millions	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares, net	600.6	-
Proceeds from issuance of straight bonds, net	778.2	400.5
Proceeds from perpetual notes investors, net	368.2	88.6
Redemption and buy-back of convertible bonds	-	(22.5)
Proceeds (repayments) from/(of) loans from financial institutions and others, net	164.4	(118.3)
Amortizations of loans from financial institutions	(6.1)	(7.0)
Transactions with non-controlling interests	(185.1)	(11.6)
Interest and other financial expenses, net	(33.5)	(15.8)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**1,686.7**	**313.9**
NET CHANGES IN CASH AND CASH EQUIVALENTS	**432.3**	**98.2**
Assets held for sale – cash	(5.4)	(1.4)
Cash and cash equivalents as at January 1	736.4	641.4
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,163.3**	**738.2**

The notes on pages 66 to 76 form an integral part of these interim consolidated financial statements

Condensed notes to the interim consolidated financial statements

FOR THE THREE MONTHS ENDED MARCH 31, 2018

1. GENERAL

(A) Incorporation and principal activities

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

Aroundtown is a specialist real estate company, with a focus on value-add and income generating properties primarily in the German and Dutch real estate markets. Aroundtown invests in commercial and residential real estate which benefits from strong fundamentals and growth prospects. The commercial properties are held by Aroundtown and in addition Aroundtown holds a substantial interest of currently 38.1% in Grand City Properties S.A., a publicly traded real estate company that focuses on investing in value-add opportunities in the German residential real estate market. Aroundtown's investment in Grand City Properties S.A. is accounted for as equity-accounted investee in its financials.

These condensed interim consolidated financial statements for the three month period ended March 31, 2018 consist of the financial statements of the Company and its subsidiaries ("the Group" or "Aroundtown").

(B) Listing on the Stock Exchange

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

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

(C) Capital and bonds increases

Since December 2014, the Company undertook several capital market transactions which include the issuance of straight bonds, convertible bonds, perpetual notes and equity. In addition, the Company established an EMTN program in March 2017. For further information please see notes 6 and 7.

(D) Group rating

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

(E) Definitions

Throughout these notes to the interim consolidated financial statements:

The Company	Aroundtown SA
The Group	The Company and its investees
Subsidiaries	Companies that are controlled by the Company (as defined in IFRS 10) and whose financial statements are consolidated with those of the Company
Associates	Companies over which the Company has significant influence (as defined in IAS 28) and that are not subsidiaries. The Company's investment therein is included in the consolidated financial statements of the Company using equity method of accounting
Investees	Subsidiaries, jointly controlled entities and associates
GCP S.A.	Grand City Properties S.A. (an associate of the Company)
PCI, Camelbay, ATF, ATS	Primecity Investment PLC, Camelbay Limited, ATF Netherlands B. V. and AT Securities B. V. (subsidiaries of the Company)
Related parties	As defined in IAS 24
The reporting period	The three months ended on March 31, 2018

Rotterdam

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 for an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2017. These condensed interim consolidated financial statements have not been reviewed by an auditor.

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

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

(b) Use of estimates and judgments

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, 2017.

(c) Operating segments

The Group meets the definition of operating in one operating segment in one operating segment which refers to rental income from owned investment properties.

An operating segments 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.

(f) Functional and presentation currency

The consolidated financial statements are presented in euro, which is also the functional currency of the Group, and reported in millions of euros rounded to one decimal point, except when otherwise indicated. As at March 31, 2018, the Company has financial instruments in US Dollars (USD), Norwegian Krone (NOK), British Pound (GBP) and Swiss Franc (CHF). The exchange rates versus the euro were as follows:

	EUR/ USD	EUR/ GBP	EUR/ NOK	EUR/ CHF
AS OF MARCH 31, 2018	1.232	0.875	9.677	1.178
As of March 31,2017	1.074	0.856	9.168	1.070
As of December 31, 2017	1.199	0.887	9.840	1.170
Percentage changes during the respective period:				
THREE MONTHS ENDED MARCH 31, 2018	2.8%	(1.4%)	(1.7%)	0.5%
Three months ended March 31, 2017	1.4%	(0.1%)	0.9%	(0.1%)
Year ended December 31, 2017	13.8%	3.6%	8.3%	9.2%

3. ACCOUNTING POLICIES

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

(I) IFRS 9 - Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after January 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

(II) IFRS 15 - Revenue from Contracts with Customers

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

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

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

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

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

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

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

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

(VI) IFRS 16 - Leases

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

Hamburg

4. ACQUISITION OF SUBSIDIARIES

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

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

	in € millions
Investment property	729.3
Working capital, net	(0.7)
Cash and cash equivalents	6.5
	735.1
Bank loans	(18.7)
Other liabilities, net	(30.6)
	(49.3)
TOTAL IDENTIFIABLE NET ASSETS	**685.8**
Non-controlling interests arising from initial consolidation	(15.0)
Consideration paid	(670.8)

5. INVESTMENT PROPERTY

	Three months ended March 31,	Year ended December 31,
	2018	2017
	Unaudited	Audited
	in € millions	
Balance as at January 1	9,804.1	5,016.2
Acquisitions of investment property and capex	975.3	3,957.8
Disposal of investment property	(8.7)	(140.6)
Transfer to Assets held for sale	(197.4)	(344.5)
Fair value adjustment	346.0	1,315.2
BALANCE AS AT MARCH 31 / DECEMBER 31	**10,919.3**	**9,804.1**

Essen

6. LOANS, BORROWINGS AND BONDS

6.1 Bank loans composition

	March 31,	December 31,
	2018	2017
	Unaudited	Audited
	in € millions	
Total non-current bank loans (a)	1,059.6	956.9
Total current bank loans	37.5	17.4
TOTAL BANK LOANS	1,097.1	974.3

(a) All bank loans are non-recourse loans from banks with the related assets serving as their only security. As of March 31, 2018 under the existing loan agreements, the Group is fully compliant with its obligations (including loan covenants) to the financing banks. For the security condition over the bonds please see note 6.3.

6.2 Straight and convertible bonds composition

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

		Currency	Nominal amount	Coupon	Issuance - maturity	March 31, 2018	December 31, 2017
						Unaudited	Audited
	Sub-note		In € millions	%		In € millions	
STRAIGHT BONDS							
Series D	(a)	EUR	281	1.5	05/2016-05/2022	266.5	572.5
Series E		EUR	650	1.5	07/2016-07/2024	621.6	620.6
Series F		EUR	550	2.125	12/2016-03/2023	540.9	540.4
Series H		USD	400	1.365 (f)	03/2017-03/2032	303.9	312.8
Series NOK		NOK	750	0.818 (f)	07/2017-07/2027	76.1	74.7
Series I		EUR	500	1.875	07/2017-01/2026	483.6	483.2
Series J		GBP	500	1.5	10/2017-10/2029	551.3	542.9
Series K		EUR	700	1.0	11/2017-01/2025	680.5	679.9
Series L	(b)	USD	150	1.75	02/2018-02/2038	121.6	-
Series M	(c)	CHF	250	0.74	01/2018-01/2025	211.4	-
Series N	(d)	EUR	800	1.625	01/2018-01/2028	773.9	-
TOTAL STRAIGHT BONDS						4,631.3	3,827.0
ACCRUED INTEREST ON STRAIGHT BONDS						29.1	41.7
CONVERTIBLE BONDS							
Series B	(e)	EUR	6	3.0	05/2014-05/2020	4.5	5.8
Series C		EUR	300	1.5	12/2015-01/2021	288.9	288.0
TOTAL CONVERTIBLE BONDS						293.4	293.8
ACCRUED INTEREST ON CONVERTIBLE BONDS						1.0	2.0

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

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

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

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

(e) During the first quarter of 2018, a total amount of €1.3 million nominal value was converted into 397 thousands shares as per the bond's terms and conditions.

(f) Linked to CPI.

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

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

Under the terms of its outstanding series of bonds, the Company has undertaken that it will not, and will procure that none of its Restricted Subsidiaries will, incur any Indebtedness if, immediately after giving effect to the incurrence of such additional Indebtedness and the application of the net proceeds of such incurrence: the sum of:

(i) the Consolidated Indebtedness (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Indebtedness (less Cash and Cash Equivalents) incurred since the Last Reporting Date would exceed 50 per cent or 60 per cent. (depending on the relevant series of bonds) of the sum of (without duplication): (i) the Total Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the purchase price of any Real Estate Property acquired or contracted for acquisition by the Group since the Last Reporting Date; and (iii) the proceeds of any Indebtedness incurred since the Last Reporting Date (but only to the extent that such proceeds were not used to acquire Real Estate Property or to reduce Indebtedness); and

(i) the Consolidated Secured Indebtedness (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Secured Indebtedness (less Cash and Cash Equivalents) incurred since the Last Reporting Date shall not exceed 45 per cent. of the sum of (without duplication): (i) the Total Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; (ii) the purchase price of any Real Estate Property acquired or contracted for acquisition by the Group since the Last Reporting Date; and (iii) the proceeds of any Indebtedness incurred since the Last Reporting Date (but only to the extent that such proceeds were not used to acquire Real Estate Property or to reduce Indebtedness).

The Company has also undertaken that the sum of: (i) the Unencumbered Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Unencumbered Assets (less Cash and Cash Equivalents) newly recorded since the Last Reporting Date will at no time be less than 125 per cent. of the sum of: (i) the Unsecured Indebtedness (less Cash and Cash Equivalents) at the Last Reporting Date; and (ii) the Net Unsecured Indebtedness (less Cash and Cash Equivalents) incurred since the Last Reporting Date.

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

The Company's outstanding series of bonds also generally prohibit the Company from issuing additional bonds with the benefit of security interests unless the same security is granted to the Company's outstanding unsecured bonds equally and rateably.

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

7. EQUITY

A. Share capital

	March 31, 2018		December 31, 2017	
	Unaudited		Audited	
	Number of shares	in € millions	Number of shares	in € millions
AUTHORIZED				
Ordinary shares of €0.01 each	2,000,000,000	20.0	2,000,000,000	20.0
ISSUED AND FULLY PAID				
Balance as at January 1	947,808,641	9.5	676,268,473	6.8
Capital increases	95,000,000	0.9	168,000,000	1.7
Exercise of options under share plan incentive	-	-	172,603	(*) 0.0
Exercise of Convertible bond series B into shares during the year	396,994	(*) 0.0	103,367,565	1.0
Balance at the end of the period / year	1,043,205,635	10.4	947,808,641	9.5

(*) less than €0.1 million.

B. Issuance of perpetual notes

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

C. Share premium and other capital reserves

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

8. RELATED PARTY TRANSACTIONS

The transactions and balances with related parties are as follows:

	Three months ended March 31, 2018	2017
	in € millions	
Rental and operating expenses to related party during the period	0.2	0.1

During the reporting period, the lease expenses between the Group and its related entities amounted to €0.2 million. As of March 31, 2018, all payments related to the lease agreements have been carried out.

Except for the above mentioned transaction, regular director fees and the management share incentive plan, there are no further transactions with related parties.

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 assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

	Level 1	Level 2	Level 3	Total
	in € millions			
MARCH 31, 2018 (UNAUDITED)				
Derivative financial instruments	-	32.3	-	32.3
Traded securities at fair value through profit or loss	228.0	-	-	228.0
TOTAL ASSETS	**228.0**	**32.3**	**-**	**260.3**
Derivative financial instruments	-	119.9	-	119.9
TOTAL LIABILITIES	**-**	**119.9**	**-**	**119.9**
DECEMBER 31, 2017 (AUDITED)				
Derivative financial instruments	-	45.0	-	45.0
Traded securities at fair value through profit or loss	87.7	-	-	87.7
TOTAL ASSETS	**87.7**	**45.0**	**-**	**132.7**
Derivative financial instruments	-	54.9	-	54.9
TOTAL LIABILITIES	**-**	**54.9**	**-**	**54.9**

10. DISPOSAL GROUP HELD FOR SALE

The Group resolved an intention to sell several properties, some of them through the sale of subsidiaries. Accordingly, assets and liabilities relating to this disposal group are presented as a disposal group held for sale. Efforts to sell the disposal group have started and a sale is expected within twelve months from the reporting date. No impairment loss was recognized on the reclassification of the disposal group as held for sale.

As of March 31, 2018, the total assets classified as held for sale amounted to €838 million, and the total liabilities classified held for sale amounted to €245 million. For disposals occurred after the reporting period, see note 13(c) below.

11. COMMITMENTS

During and after the reporting period, the Group signed several real estate transactions which as at March 31, 2018 were not yet completed and are subject to standard condition precedents.

12. CONTINGENT ASSETS AND LIABILITIES

The Group had no significant contingent assets and liabilities as at March 31, 2018.

13. EVENTS AFTER THE REPORTING PERIOD

a) In April 2018, the Company successfully completed the placement of a €500 million (nominal value) 2.00% fixed rate straight bond maturing in 2026, at an issue price of 98.09% of the principal amount. The bond was placed under the EMTN programme.

b) In May 2018, the Company successfully completed the placement of an AUD (Australian Dollar) 250 million (nominal value) (€157.6 million) straight bond maturing in 2025, at an issue price of 98.98% of the principal amount. The Company hedged the currency risk of the principal amount, and hedged the interest with a cross-currency swap; the effective semi–annual euro coupon is 1.6045% for the first 5 years and 1.244% plus Euribor (6M) for the following 2 years. The bond was placed under the EMTN programme.

c) After the reporting period, the group sold non-core held for sale assets, at an amount of over €700 million. The sales are at €75 million above the book value.

Frankfurt