Condensed Interim Consolidated Financial Statements

For the nine month period ended September 30, 2018

Berlin

Content

Board of Directors‘ Report 2

Interim consolidated statement of comprehensive income 64

Interim consolidated statement of financial position 66

Interim consolidated statement of changes in equity 68

Interim consolidated statement of cash flows 70

Condensed notes to the interim consolidated financial statements 72

Key Financials

in € millions unless otherwise indicated	1-9/2018	change	1-9/2017
Revenue	539.8	44%	373.7
Net rental income	455.8	42%	320.3
Adjusted EBITDA [1]	440.3	45%	303.4
FFO I [1] [2]	297.4	46%	204.1
FFO I per share (in €)	0.29	12%	0.26
FFO I per share after perpetual notes attribution (in €)	0.26	13%	0.23
FFO II	464.8	95%	238.8

1) including AT's share in GCP and other joint ventures, net of contributions from commercial assets held for sale
2) excluding minorities

in € millions unless otherwise indicated	1-9/2018	change	1-9/2017
EBITDA	1,805.4	32%	1,370.0
Profit for the period	1,387.9	28%	1,081.7
EPS (basic) (in €)	1.20	4%	1.15
EPS (diluted) (in €)	1.15	16%	0.99

in € millions unless otherwise indicated	Sep 2018 including conversions*	Sep 2018	Dec 2017
Total Assets	18,117.0	18,117.0	13,770.4
Total Equity	9,312.0	9,202.6	7,249.9
Equity Ratio	51%	51%	53%
Loan-to-Value	37%	38%	36%

* including the conversions of convertible bonds after the reporting period

For alternative performance measures calculation, please see pages 58 - 61

NET ASSET VALUE

in € millions unless otherwise indicated	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNNAV
Sep 2018	8,746.9	8,369.2	9,935.1	8,232.5
Sep 2018 per share (in €)	7.8	7.5	8.9	7.4
Per share growth (dividend adjusted)	**+13%**	**+19%**	**+20%**	**+23%**
Per share growth (excluding adjustment)	+10%	+15%	+17%	+19%
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

London

Stuttgart

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 September 30, 2018. The figures presented are based on the interim consolidated financial statements as of September 30, 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 in GCP Group. As of September 2018, the Company`s direct holdings in GCP (a publicly traded real estate company that focuses on investing in value-add opportunities predominantly in the German residential real estate market) was 39%. In AT's financials, GCP is accounted for as an equity-accounted investee. The Group's unique business model and experienced management team led the Company to grow continuously since 2004.

Financial Position Highlights

in € millions	Sep 2018	Dec 2017
Cash and liquid assets	**1,390.6**	848.7
Investment property	**13,157.4**	9,804.1
Total Assets	**18,117.0**	13,770.4
Total Equity	**9,202.6**	7,249.9
Total Equity including conversions 1)	**9,312.0**	7,249.9
Convertible bonds	**58.3** 2)	293.8
Straight bonds	**6,185.5**	3,827.0
Loans and borrowings	**1,122.6**	1,127.8 3)

1) including the conversions of convertible bonds after the reporting period
2) due to further conversions after the reporting period, a nominal amount of €4 million is outstanding
3) including loans and borrowings under held for sale.

Berlin

Cologne

Achievements

CONTINUOUSLY HIGH LIKE-FOR-LIKE NET RENT GROWTH

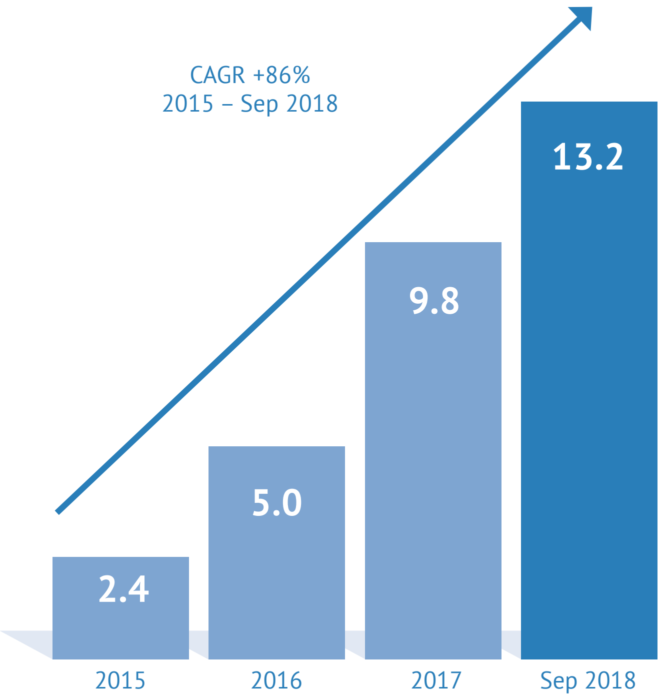
In-place rent
L-F-L
+2.8%
Sep 2018

TOTAL
LIKE-FOR-LIKE
+4.5%
Sep 2018

Occupancy
L-F-L
+1.7%
Sep 2018

CONSISTENTLY STRONG EXTERNAL GROWTH

(INVESTMENT PROPERTY VALUE, IN € BILLIONS)



Value / sqm
€2,092
Sep 2018

Net rental yield
5.2%
Sep 2018

External growth of mainly office and hotel assets, located in top tier cities such as:

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

BUILDING HIGH QUALITY PORTFOLIO AS THE CORNERSTONE OF INVESTMENT STRATEGY

Berlin is the single largest location, with 21% of the portfolio and 90% in top tier locations, including recent additions in Kurfürstendamm and Mitte (Alexanderplatz and Gendarmenmarkt)

BERLIN

Strong addition to Frankfurt high quality office portfolio in top tier location next to the main central train station. Frankfurt makes up 15% of the office portfolio.

FRANKFURT

ACCRETIVE CAPITAL RECYCLING OF NON-CORE ASSETS SUPPORTING CORE BUSINESS AND FURTHER ENHANCING THE PORTFOLIO QUALITY

disposed at 11% over net book value (profit of €76 million) resulted in total disposal gains over cost of approx. 30% (€167 million)

Achievements

OUTPERFORMER 93RD PERCENTILE GLOBALLY AMONG PEERS

Aroundtown is ranked **Outperformer** in the **93rd** percentile globally among 319 real estate peers, received in September 2018. This demonstrates a strong development over the last year ranking which Aroundtown was ranked in the 88th percentile

STRONGER ESG RECOGNITION TESTIFYING THE HIGH COMMITMENT

Aroundtown received the **EPRA BPR Gold** award for the second time in September 2018, the highest standard for financial reporting

Furthermore, Aroundtown received the **EPRA sBPR Gold** award in September 2018, as well as the **sBPR most improved** award

INCREASING MARKET VISIBILITY THROUGH INCLUSION INTO MSCI INDEX FAMILY

AT's strong visibility in the capital markets was underlined by its inclusion into the **MSCI Index series** such as the MSCI ACWI Index, MSCI World Index as well as the MSCI Germany Index and others, which becomes effective as of December 3, 2018.

Aroundtown is already a constituent of key benchmark indexes such as the **MDAX, STOXX 600 and FTSE EPRA Index Series.**

STRENGTHENED EQUITY BASE AT THE BACKBONE OF THE COMPANY, DRIVEN BY HIGH VALUATIONS AND SUPPORTED BY CAPITAL MARKET ACCESS

€1.4 billion contribution to equity base from capital markets in 2018 YTD

€358 million

full conversion of €300 million Series C convertible bonds into equity, completed in October 2018 and €58 million of Series B convertible bonds, further boosting the equity growth

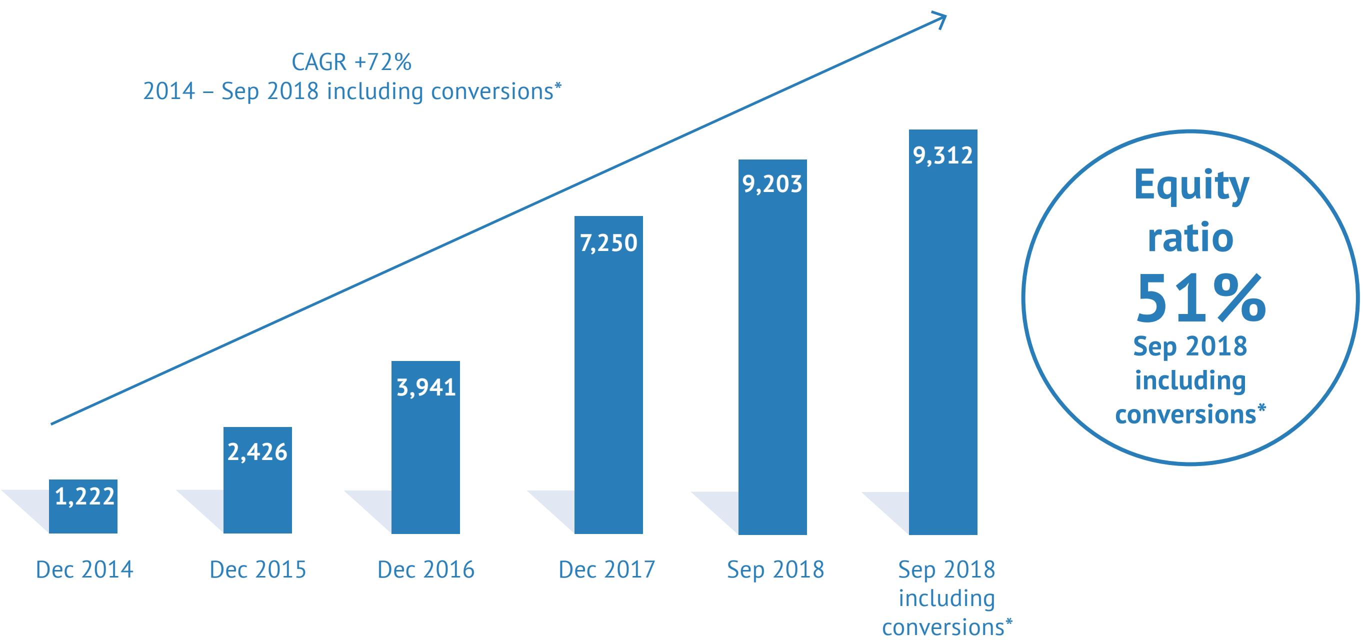
€606 million

capital raise in March 2018, largest equity raise in AT's history, further diversifying and expanding the investor base

€400 million

perpetual notes issuance in January 2018, contributing towards diversification and expansion in the investor base

Strong equity growth (in € millions)

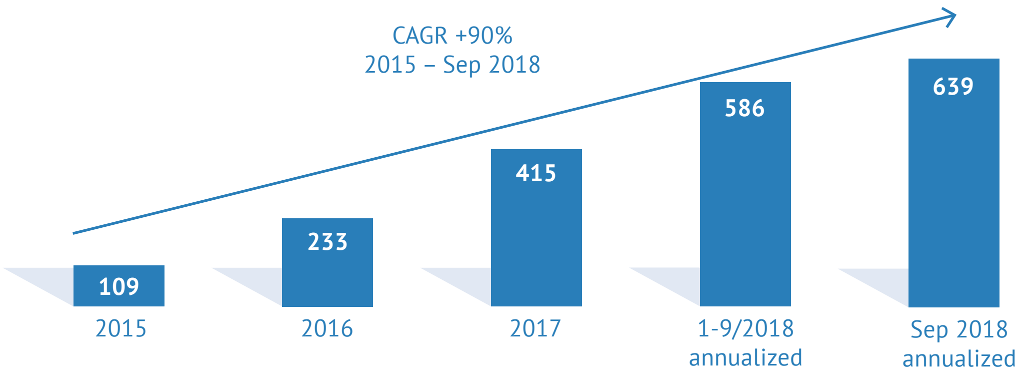


*including the conversions of convertible bonds after the reporting period

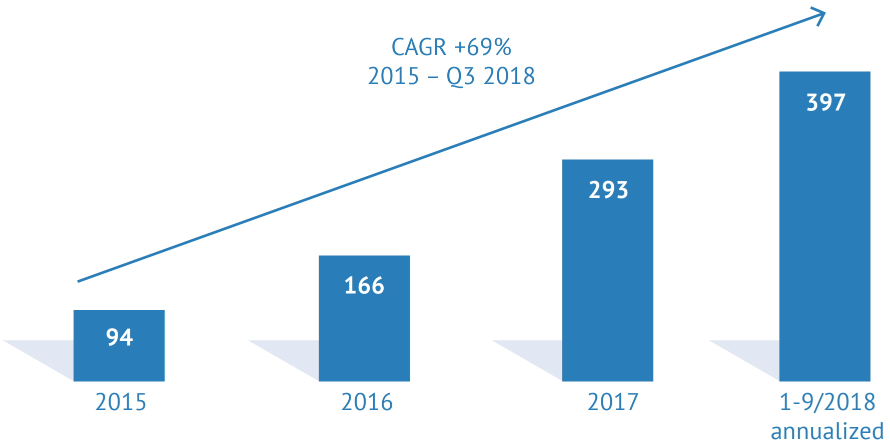
Achievements

STRONG TOP LINE AND OPERATIONAL RESULTS, DRIVEN BOTH INTERNALLY AND EXTERNALLY…

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

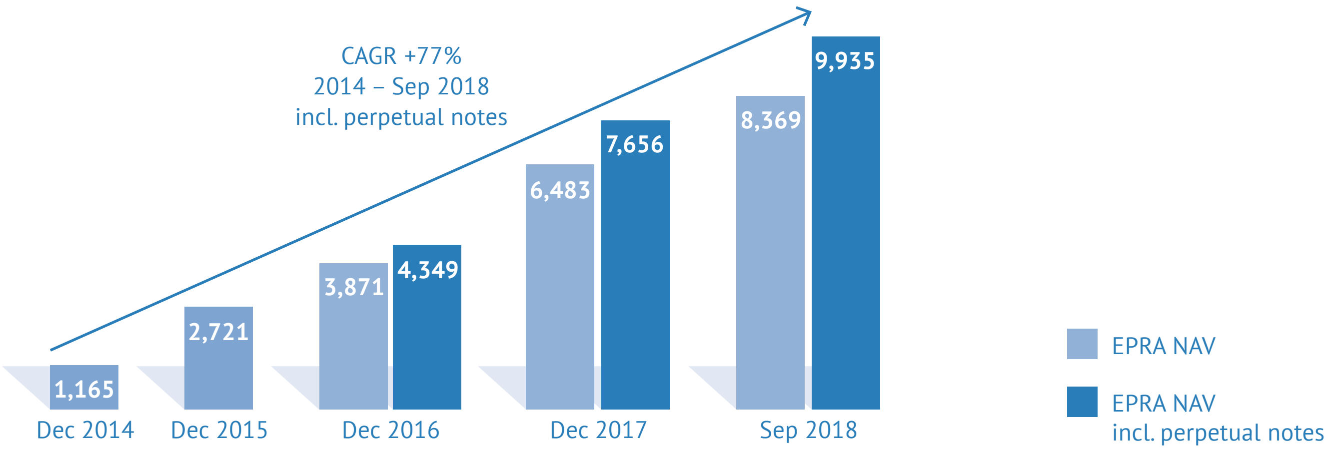


FFO I (in € millions)



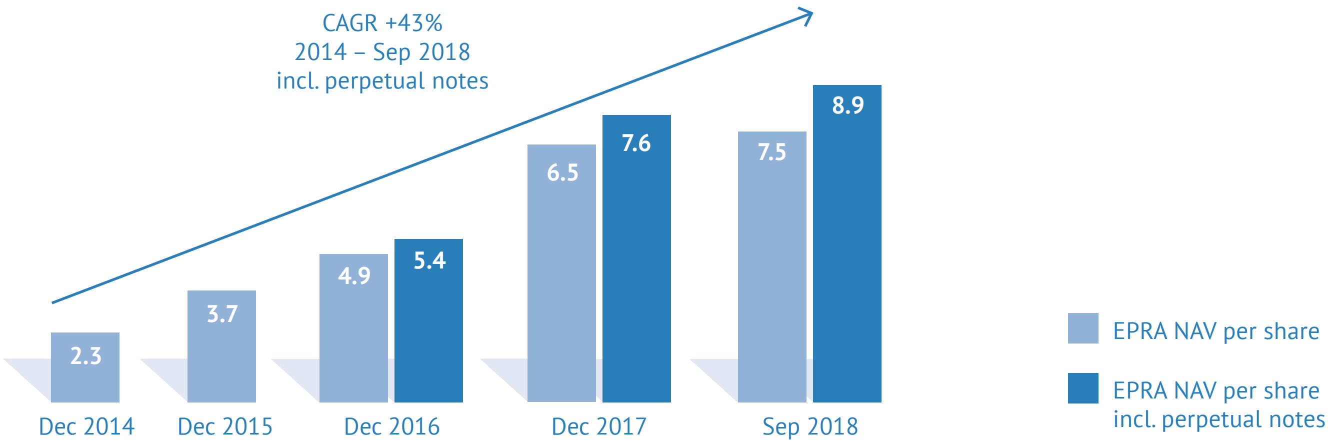
…RESULTING IN HIGH VALUE CREATION

EPRA NAV growth (in € millions)

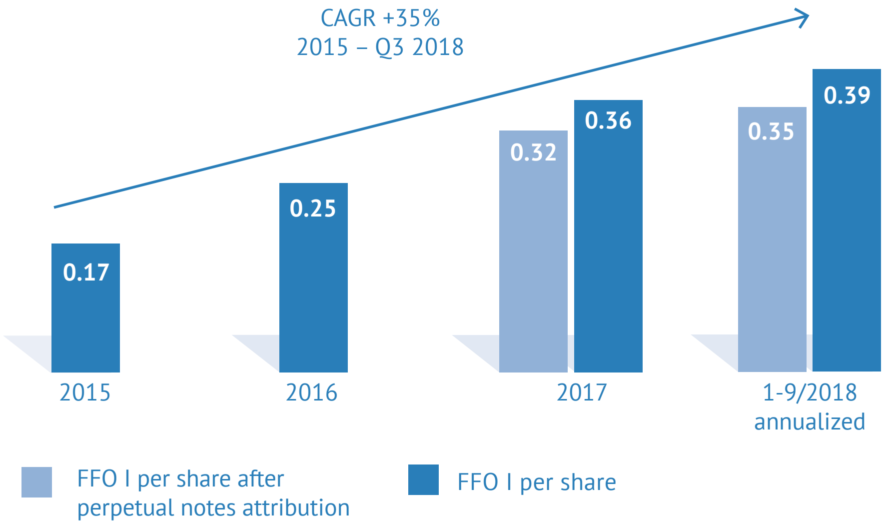


…GENERATING HIGHER VALUE FOR SHAREHOLDERS

EPRA NAV per share growth (in €)

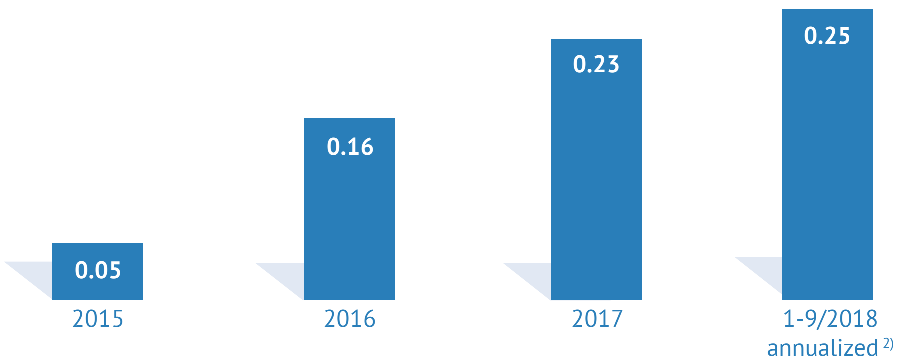


FFO I per share (in €)



FFO I yield 5.3% 1)

Dividend per share (in €)



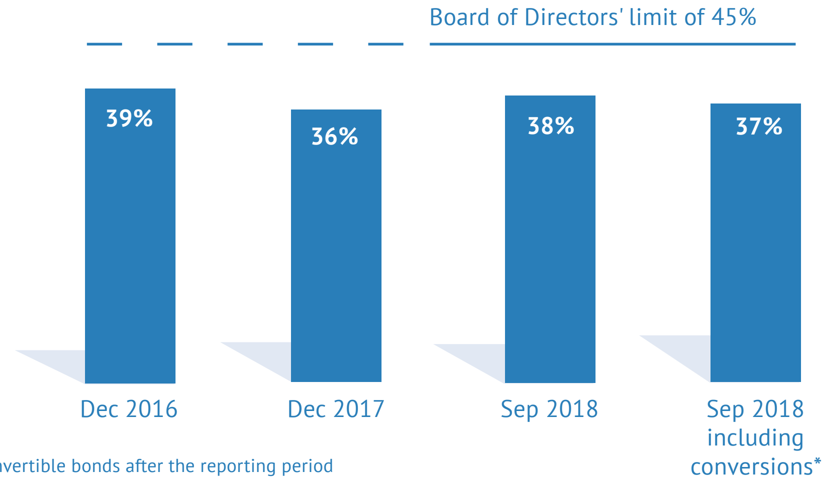
Dividend yield 3.4% 1)

1) based on the share price of €7.3
2) based on a dividend payout policy of 65% of FFO I per share

Achievements

ADHERENCE TO CONSERVATIVE FINANCIAL POLICY, REFLECTED IN CONSISTENLY LOW LEVERAGE AND HIGH LIQUIDITY

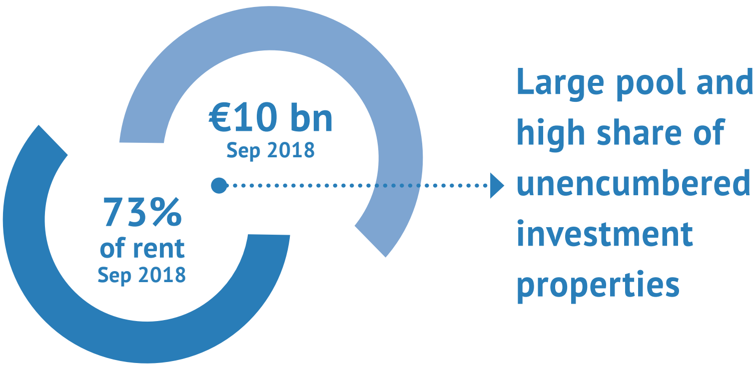
Loan-to-Value (LTV)



*including the conversions of convertible bonds after the reporting period

Solid debt profile with high interest coverage ratio, long average debt maturity and low cost of debt

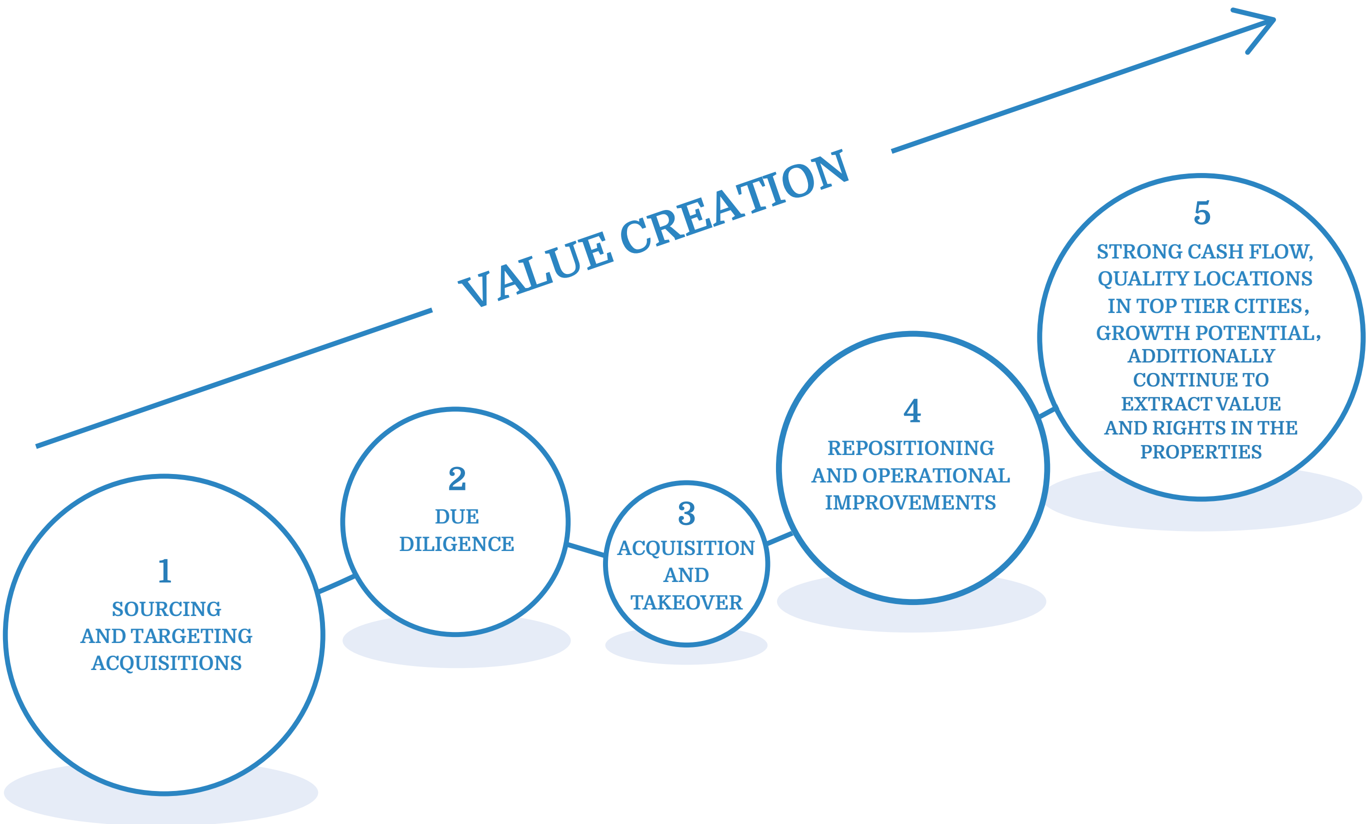
Unencumbered assets



Frankfurt

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 structure 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 align with its business model. These criteria include:

- 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 in the market. The Group believes that its business model provides it with a strong and sustainable competitive advantage.

Hamburg

② DUE DILIGENCE

After a potential property passes an initial screening, the property is further assessed in order to take into account the specific features of each project while ensuring that the acquisition is in line with the group's overall business strategy. AT believes that its experience in 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 benefits strongly from its solid liquidity position and its ability to acquire properties with existing resources and refinance the acquisition at a later stage. The Group also benefits from a strong and experienced legal department, which, combined with close and longstanding relationships with external law firms, enables AT to complete multiple deals simultaneously.

Berlin

Strategy and business model

④ REPOSITIONING AND OPERATIONAL IMPROVEMENTS

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

Operational and marketing initiatives

The initial repositioning activities aim at minimizing the time until the profitability of the acquired properties is improved. Targeted marketing activities are implemented to increase occupancy and thereby rental income. Vacancy reduction initiatives are tailored to the specific property type 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 AT's experienced construction team.

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

Relationship management

Aroundtown puts great emphasis on establishing strong relationships with its tenants to reduce churn rates, to predict as well as strengthen the tenant structure and thereby positively affect its cash flows in the future. The Company aims to offer high quality services for both potential and existing tenants. The Group pays great attention to the industry in which its commercial tenants operate and to their individual success factors. The Group also offers direct support to its tenants through add-on facilities at its rental properties such as parking facilities and other space extensions to facilitate growth and smart space re-design to match modern office layouts. For its residential tenant base, GCP 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

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
Ms. Jelena Afxentiou	Director
Mr. Markus Leininger	Independent Director
Mr. Markus Kreuter	Independent Director
Dr. Axel Froese	Independent Director

SENIOR AND KEY MANAGEMENT

NAME	POSITION
Mr. Shmuel Mayo	CEO
Mr. Andrew Wallis	Deputy CEO
Mr. Eyal Ben David	CFO
Mr. Markus Neurauter	Head of Commercial Operations
Mr. Nikolai Walter	Head of Asset & Property Management
Mr. Alfred Kandl	Head of Construction Management
Ms. Sylvie Lagies	Head of ESG

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.

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. Aroundtown's assets are further diversified into other top cities with strong economic fundamentals, such as Europe's largest financial center and most popular touristic destination, London.

PROPRIETARY IT/SOFTWARE PLATFORM

Aroundtown emphasizes the internalization of relevant skills to support innovation and improve processes. Its operations and growth are supported by scalable proprietary IT/software systems 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 a 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.

MEMBERS OF THE ADVISORY BOARD

NAME	POSITION
Dr. Gerhard Cromme	Chairman of the Advisory Board
Mr. Yakir Gabay	Advisory Board Deputy Chairman
Mr. Claudio Jarczyk	Advisory Board Member

Berlin

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 proudly presented its first full annual sustainability report for the year 2017, which is available for download on the Company's website.

SUSTAINALYTICS

Outperformer 93rd percentile globally among peers

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

EPRA BPR GOLD

EPRA sBPR GOLD

EPRA sBPR MOST IMPROVED AWARD

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

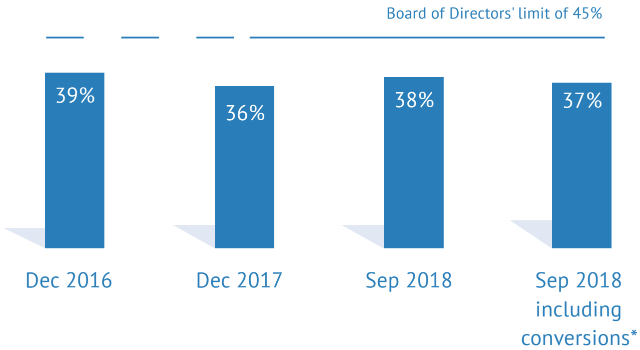
Aroundtown published its first full annual sustainability report for the year 2017

Key strengths

CONSERVATIVE FINANCING STRUCTURE

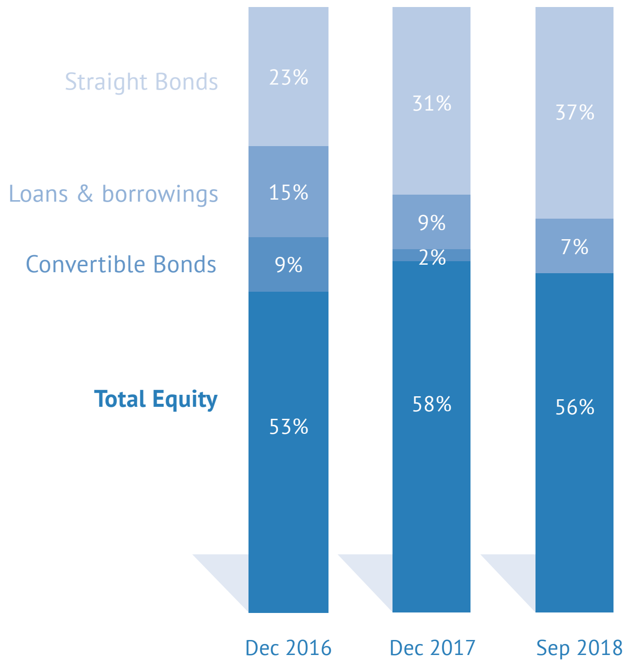
AT's conservative capital structure approach is reflected in a low LTV of 38% as of September 30, 2018. The LTV including the conversions after the reporting period amounted to 37%, well below the limit of 45% established by the Board of Directors. Aroundtown's management views the conservative debt 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



* including the conversions of convertible bonds after the reporting period

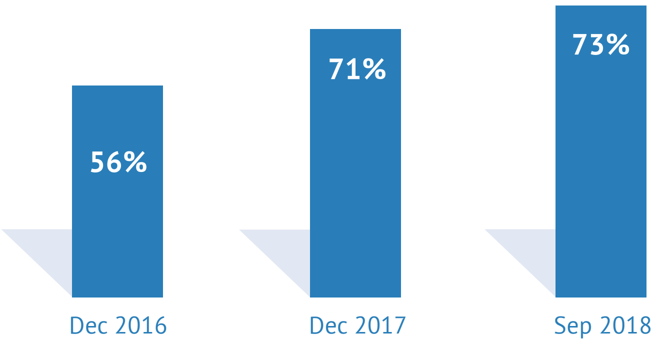
FINANCING SOURCES MIX



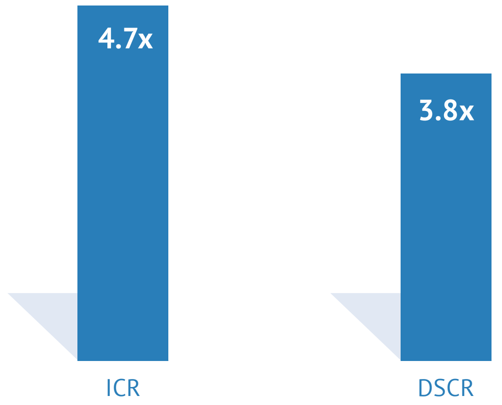
In addition to its conservative capital structure and vast experience in accessing capital markets that enables AT to finance its future growth, the Company maintains a robust liquidity position through a mix of operational cash generation and balance of cash and liquid assets which as of September 30, 2018 amounted to €1.4 billion. Additionally, the high ratio of unencumbered assets of 73% as of September 2018 provides for additional financial flexibility.

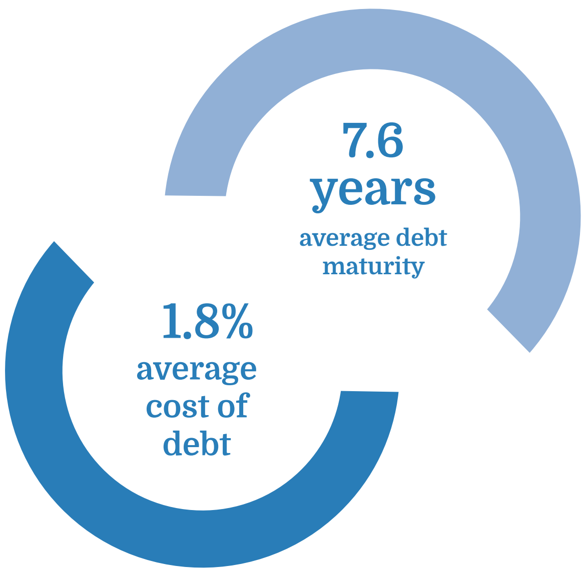
London

HIGH UNENCUMBERED ASSETS RATIO



STRONG FINANCIAL COVER RATIOS (9M 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

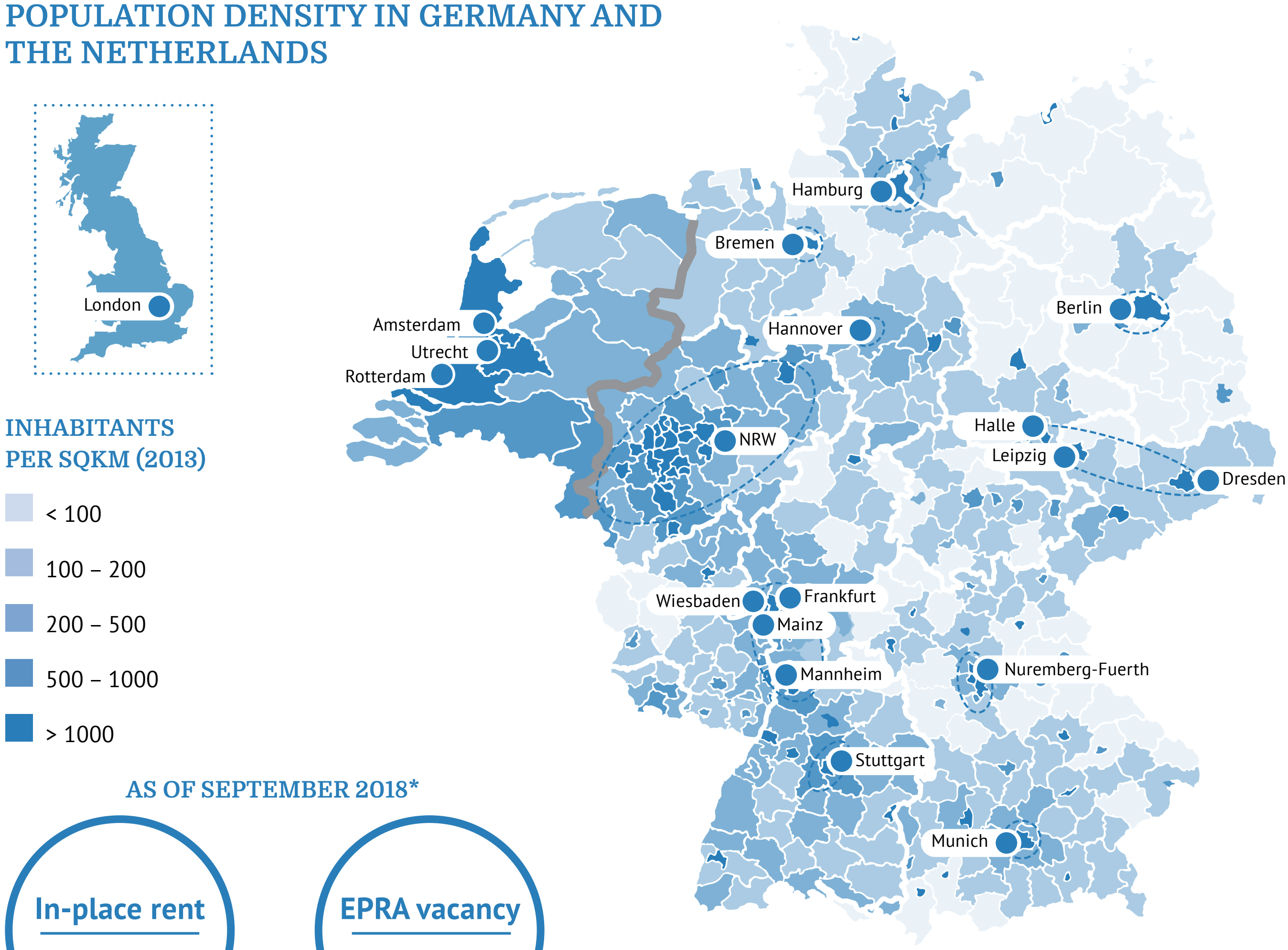
INVESTMENT-GRADE CREDIT RATING

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-**.

Aroundtown's quality portfolio

Group Portfolio Overview

POPULATION DENSITY IN GERMANY AND THE NETHERLANDS



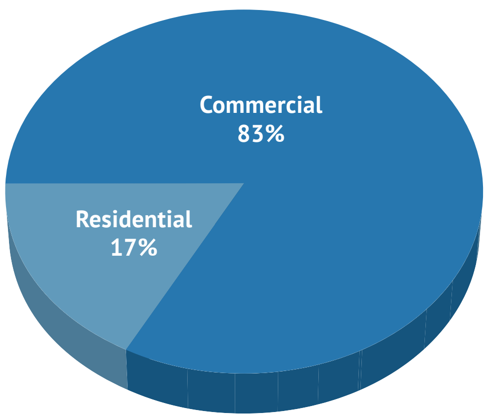
AS OF SEPTEMBER 2018*

In-place rent
€8.7/sqm

EPRA vacancy
8.5%

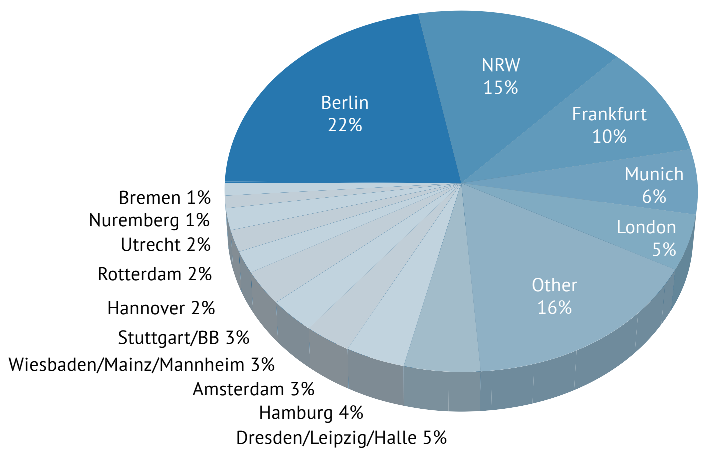
GROUP ASSET TYPE BREAKDOWN

(SEPTEMBER 2018, BY VALUE*)



GROUP REGIONAL DISTRIBUTION

(SEPTEMBER 2018, BY VALUE*)



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

Commercial Portfolio – Top tier cities

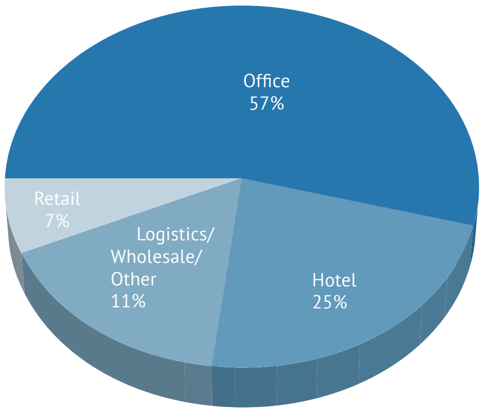
Aroundtown owns a diverse portfolio of commercial assets which focuses on top tier cities with strong demographics and favourable economic fundamentals. The commercial portfolio is diversified over several different asset types including office, hotel, logistics, wholesale, retail and other covering a total of 5.9 million sqm as of September 2018. As of September 2018 and excluding assets held for sale, the Group's commercial portfolio with a value of over €13 billion operates at an in-place rent of 9.7 €/sqm and an EPRA vacancy of 8.7%. The portfolio includes strong growth potential through rent and occupancy increases as well as cost efficiency improvements, generating as of the September 2018 an annualized net rental income of €639 million. Furthermore, AT's portfolio is well diversified and has limited dependency on single tenants, with a tenant base of approx. 3,000 tenants spread across a wide range of sustainable market sectors which further reduces cluster risk. A long portfolio WALT of 7.5 years offers long-term cash flow stability and security. The management believes that its business platform benefits from its skilled personnel, experience and track record, and reliable practices that enable the Company to perform strongly and to further expand in the commercial property market. In addition, the management is extracting new building rights on existing land and buildings, contributing to the value creation process. The Company also believes that the business environment will provide abundant acquisition opportunities in the attractive markets it targets, to support its external growth strategy in the medium to long term. An active deal pipeline and favourable market conditions provide for continued opportunities for accretive external growth.

Munich

PORTFOLIO DISTRIBUTION

Aroundtown's commercial portfolio is spread over many different asset classes, mainly offices and hotels, and is located in quality locations which benefit from strong demographic and economic fundamentals, such as Berlin, Munich, Hamburg, Frankfurt, Düsseldorf, Cologne, London and Amsterdam. Within these regions Aroundtown focuses on assets with favourable micro-locations and various demand drivers.

ASSET TYPE BREAKDOWN
(SEPTEMBER 2018, BY VALUE)



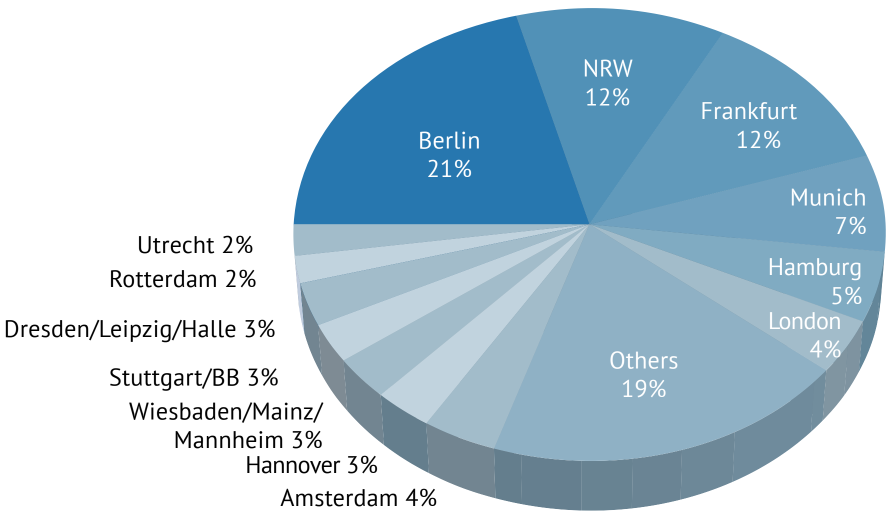
ASSET TYPE OVERVIEW

SEPTEMBER 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	6,945	2,980	10.7%	356	10.7	2,331	5.1%	4.7
Hotel	3,267	1,047	5.3%	159	14.1	3,120	4.8%	14.8
Retail	901	439	8.2%	54	10.4	2,049	6.0%	5.8
Logistics/Wholesale/Other	1,208	1,422	6.2%	70	4.4	850	5.8%	6.9
Land for development & other rights	836							
TOTAL	**13,157**	**5,888**	**8.7%**	**639**	**9.7**	**2,092**	**5.2%**	**7.5**

REGIONAL OVERVIEW

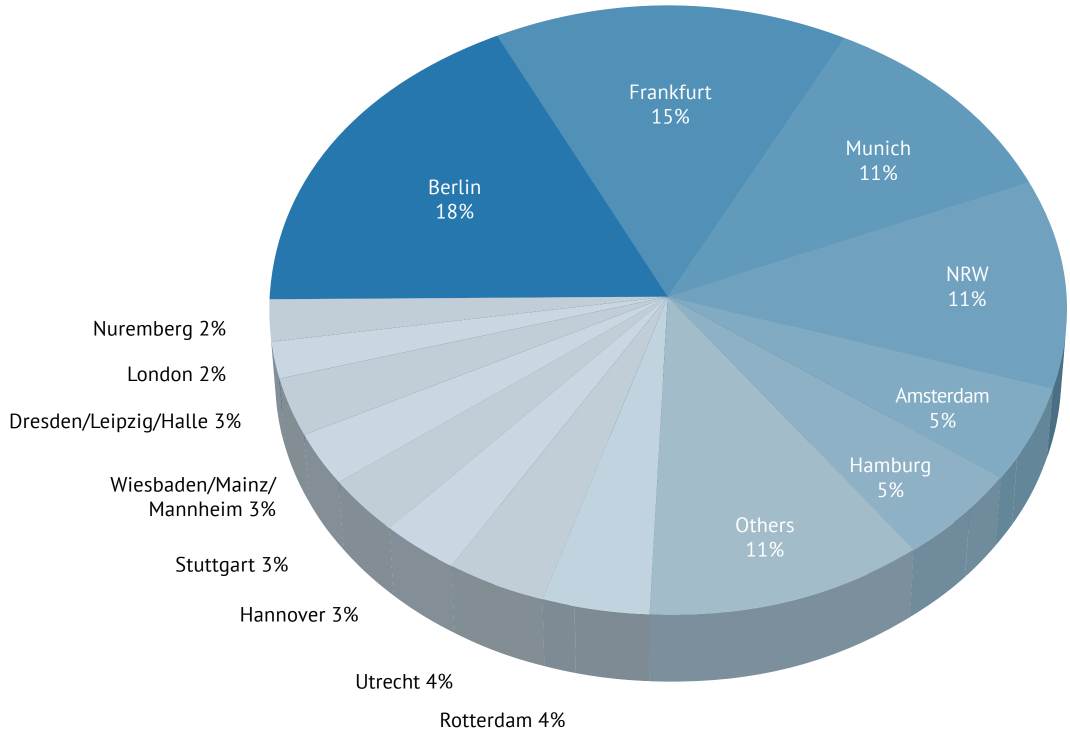
SEPTEMBER 2018	Investment properties (in €M)	Area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield
Berlin	2,477	817	6.0%	96	10.6	3,031	3.9%
Frankfurt	1,415	510	16.7%	57	11.3	2,774	4.0%
Munich	788	267	7.6%	35	11.0	2,950	4.5%
NRW	1,575	1,075	9.8%	93	7.3	1,466	5.9%
Hamburg	459	258	6.1%	24	8.7	1,777	5.3%
London	547	69	6.6%	24	33.1	7,904	4.3%
Amsterdam	446	137	5.6%	24	14.1	3,245	5.3%
Hannover	405	283	8.5%	23	7.6	1,432	5.7%
Wiesbaden/Mainz/Mannheim	375	176	6.4%	23	10.9	2,128	6.1%
Stuttgart/BB	345	160	2.3%	21	10.9	2,162	6.1%
Dresden/Leipzig/Halle	351	202	5.1%	20	8.6	1,739	5.7%
Rotterdam	287	138	6.6%	22	13.4	2,081	7.6%
Utrecht	287	136	6.8%	19	11.2	2,105	6.7%
Other	2,564	1,660	10.1%	158	8.9	1,544	6.1%
Land for development & other rights	836						
TOTAL	**13,157**	**5,888**	**8.7%**	**639**	**9.7**	**2,092**	**5.2%**

REGIONAL DISTRIBUTION
(SEPTEMBER 2018, BY VALUE)

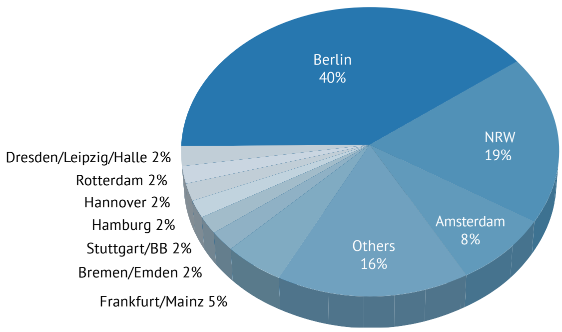


Regional Distribution

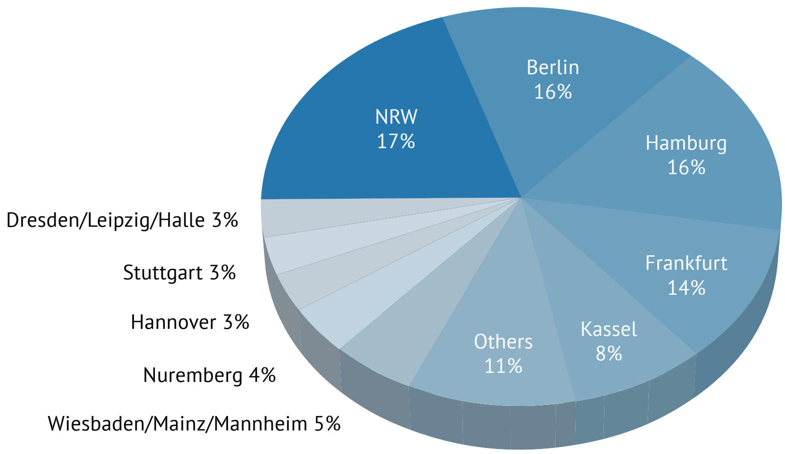
OFFICE – €6.9 BILLION (SEPTEMBER 2018, BY VALUE)



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



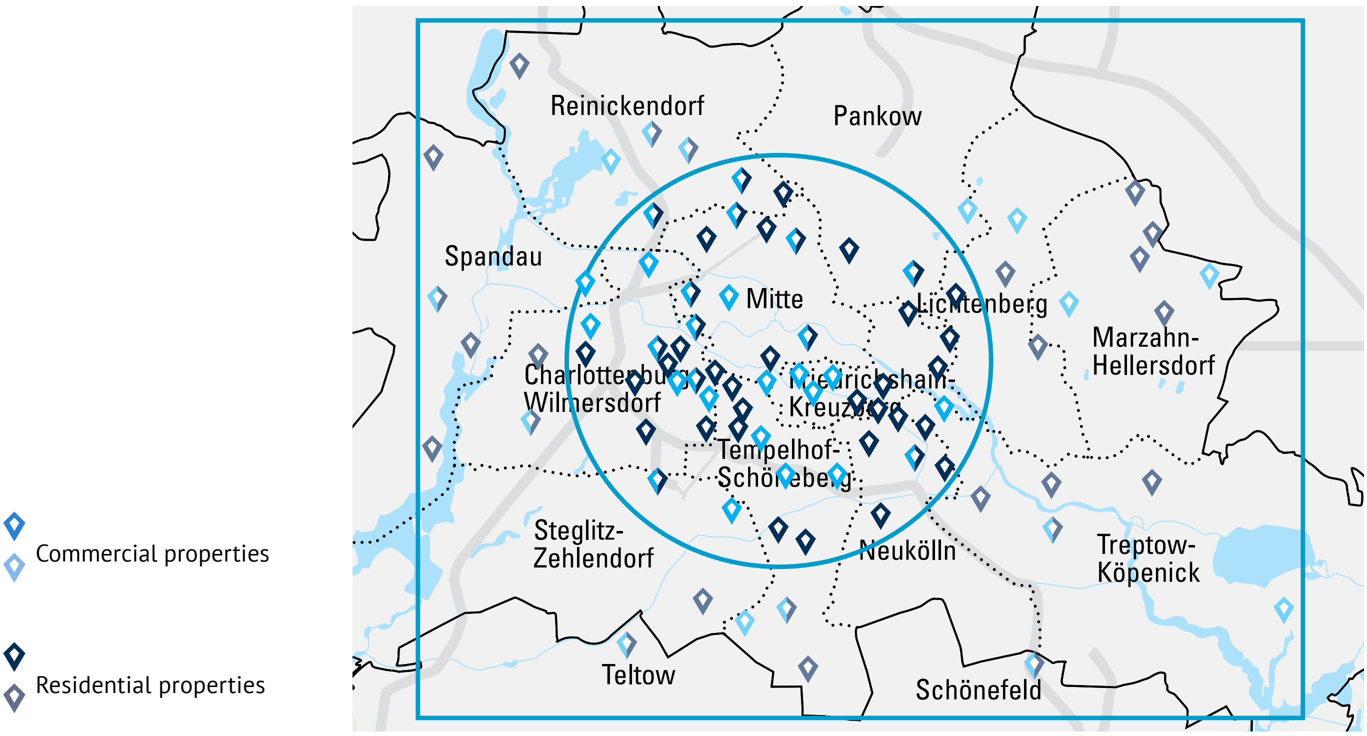
LOGISTICS/WHOLESALE/OTHER – €1.2 BILLION (SEPTEMBER 2018, BY VALUE)



Berlin

BEST-IN-CLASS BERLIN PORTFOLIO

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



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

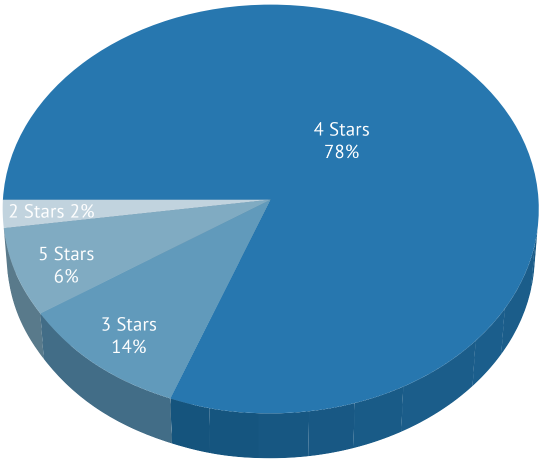
High quality hotels in prime locations

OVER 100 HOTELS ACROSS TOP LOCATIONS

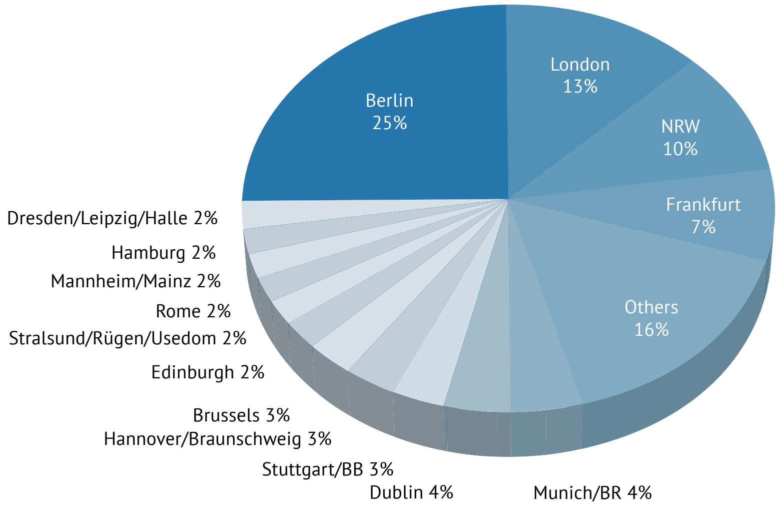
AT's hotel portfolio, valued at €3.3billion as of September 2018, is well diversified and covers a total of over 1m sqm. The largest share of 78% of the portfolio consists of 4-star hotels, meeting the strong market demand which rises from tourism and business travel. The hotels are branded under a range 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.

HOTELS – DISTRIBUTION BY STAR CATEGORY
(SEPTEMBER 2018, BY VALUE)



HOTELS – €3.3 BILLION
(SEPTEMBER 2018, BY VALUE)



Baden Baden

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

Munich

Residential Portfolio
(Grand City Properties)

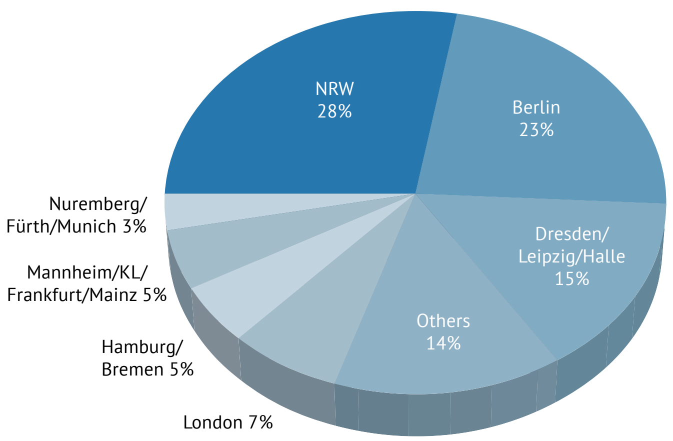
The residential portfolio is mainly held through a 39% interest in Grand City Properties ("GCP"), a leading market player in the German residential market and a specialist in value-add opportunities in densely populated areas in Germany. AT is the largest shareholder in GCP, with the remaining 61% widely distributed and held mainly by many international leading institutional investors. For an additional increase of AT's position in the residential real estate, AT holds minority positions in several subsidiaries of GCP. As of September 2018, GCP holds 83k 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

SEPTEMBER 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	1,936	1,844	7.8%	114	5.5	27,591	1,049	5.9%
Berlin	1,474	629	5.8%	54	7.5	8,011	2,342	3.7%
Dresden/Leipzig/Halle	1,011	1,076	8.6%	58	5.0	18,537	940	5.7%
Mannheim/KL/Frankfurt/Mainz	354	256	5.3%	20	6.7	4,216	1,383	5.6%
Nuremberg/Fürth/Munich	211	102	4.4%	10	7.9	1,471	2,069	4.6%
Hamburg/Bremen	349	297	5.1%	20	5.8	4,272	1,172	5.6%
London	211	27	27.6%	7	29.9	491	7,967	3.1%
Others	933	1,076	6.6%	64	5.5	18,280	868	6.9%
Development rights and new buildings*	445							
TOTAL	**6,924**	**5,307**	**7.5%**	**347**	**5.85**	**82,869**	**1,221**	**5.4%**

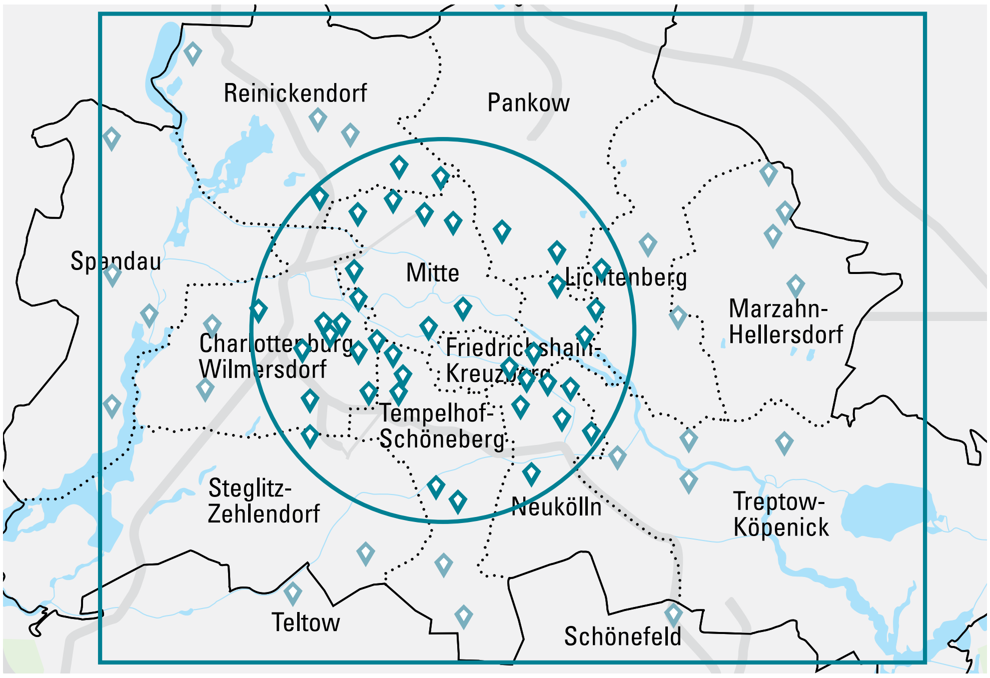
*including land for development, building rights on existing buildings (€164m) and pre-marketed buildings in London (€281m)

REGIONAL DISTRIBUTION
(SEPTEMBER 2018, BY VALUE)



Berlin

BERLIN – BEST IN CLASS PORTFOLIO

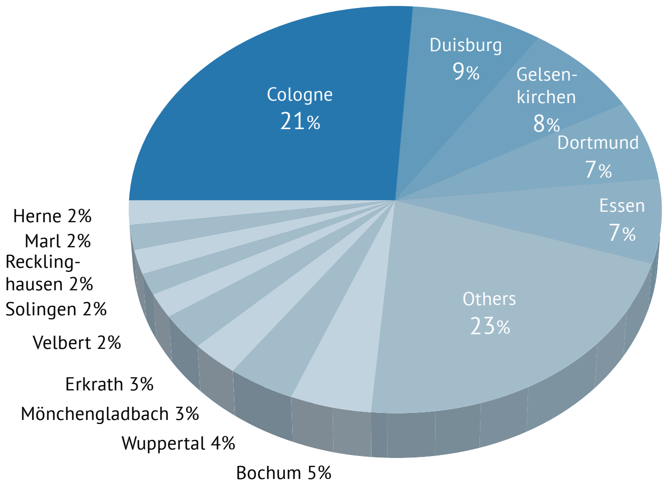


- **2/3** of the Berlin portfolio is located in **top tier neighborhoods:** Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam
- **1/3** is well located in **affordable locations**, primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf

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

(SEPTEMBER 2018, BY VALUE)

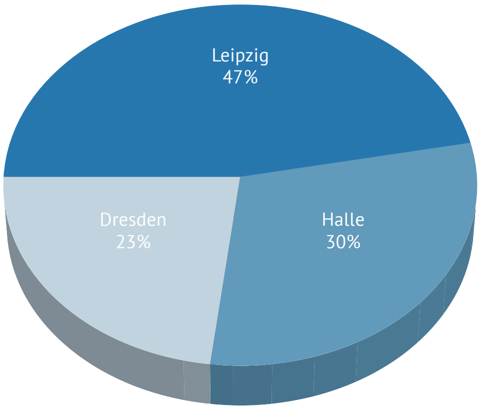
GCP's NRW portfolio distribution is focused on cities with strong fundamentals within the region. 21% of the NRW portfolio is located in Cologne, the largest city in NRW, 9% in Duisburg, 8% in Gelsenkirchen, 7% in Dortmund and 7% in Essen.



QUALITY EAST PORTFOLIO

(SEPTEMBER 2018, BY VALUE)

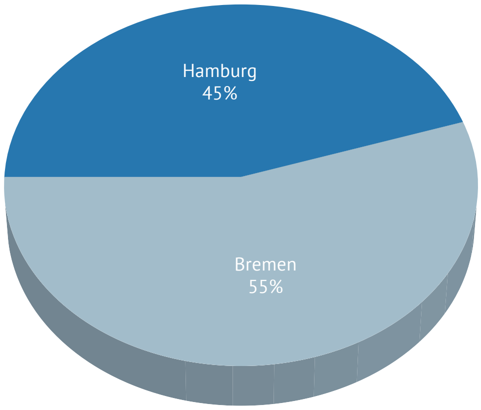
GCP's East portfolio is well distributed in the growing and dynamic cities Dresden, Leipzig and Halle.



QUALITY NORTH PORTFOLIO

(SEPTEMBER 2018, BY VALUE)

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



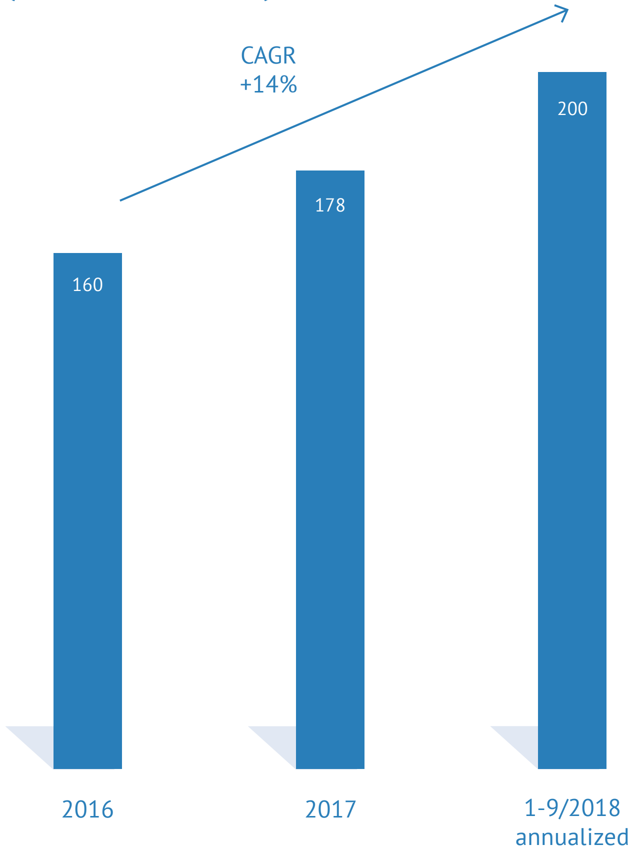
Residential Portfolio
(Grand City Properties)

Grand City Properties' portfolio generates a net rental income of €347 million as of September 2018 annualized and bottom line FFO I of €200 million on a nine months 2018 annualized basis. The current portfolio has an in-place rent of 5.85 €/sqm at an EPRA vacancy rate of 7.5%.

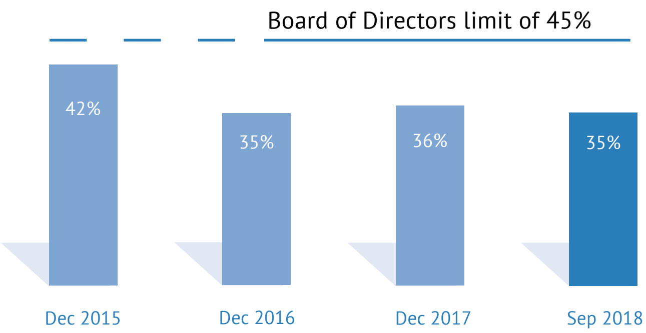
GCP's success is mirrored in its strong performance in the debt and capital markets. GCP is included in the MDAX index of the Deutsche Börse, the FTSE EPRA/NAREIT index series family, GPR 250 and DIMAX, as well as the STOXX All Europe 800 and the MSCI index family. GCP has a dividend policy to distribute 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 8.2 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 an A- rating in the long-term. GCP has a market cap of €3.7 billion as of September 30, 2018 and has outperformed the market continuously since its IPO in 2012, in share, convertible bond, straight bond and perpetual notes performance.

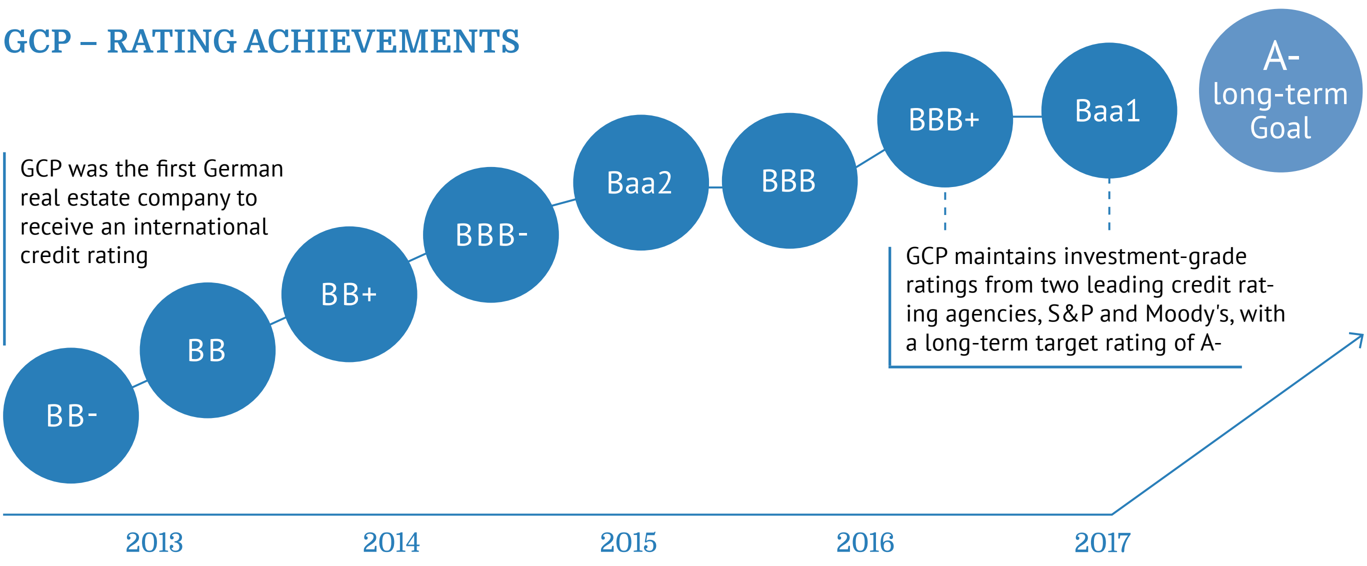
GCP – CONSISTENTLY GROWING FUNDS FROM OPERATIONS (IN € MILLIONS)



GCP – CONSERVATIVE LOAN-TO-VALUE



GCP – RATING ACHIEVEMENTS



Berlin

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 MSCI Index Series STOXX Europe 600 GPR 250 DIMAX

AS OF SEPTEMBER 2018

Number of shares	1,101,541,120
Free Float	65.4%
Avisco	34.6%

AS OF THE DAY OF THIS REPORT

Number of shares	1,120,264,410
Fully diluted number of shares	1,122,504,758
Free float	66%
Market Cap	€8.2 bn

KEY INDEX INCLUSIONS

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

INVESTOR RELATIONS ACTIVITIES

The Group is proactively approaching a large investor audience in order to present its business strategy, provide insight into its progression and create awareness of its overall activities to enhance its perception in the market. AT participates in a vast amount of various national and international conferences, roadshows and one-on-one presentations in order to present a platform for open dialogue. Explaining its unique business strategy in detail and presenting the daily operations allow investors to gain a full overview about the Group's successful business approach. The most recent information is provided on its website and open channels for communication are always provided. Currently, AT is covered by 19 different research analysts on an ongoing basis, with reports updated and published regularly.

Hannover

Capital Markets

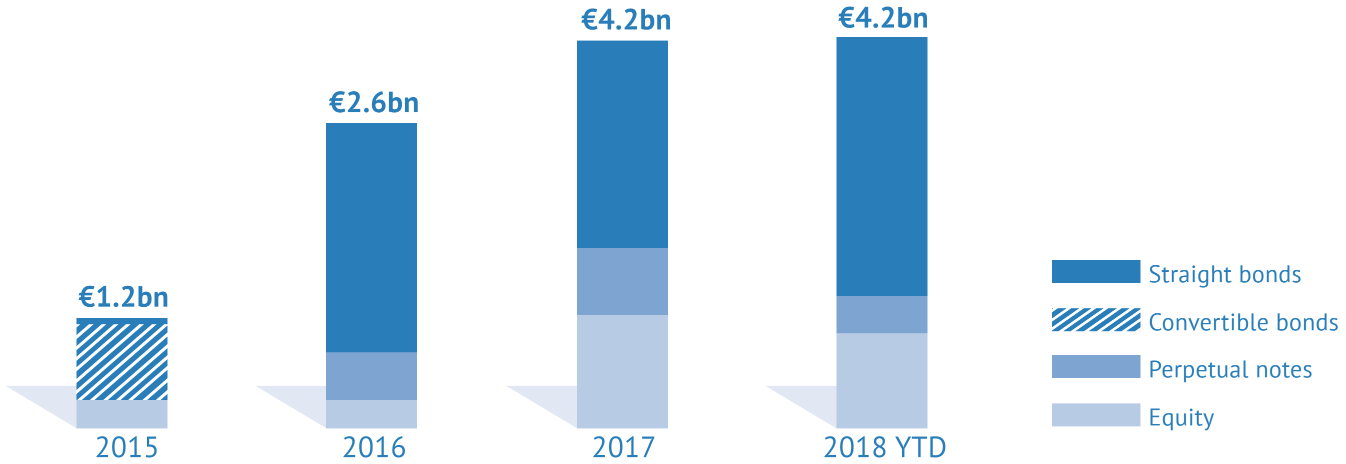
AROUNDTOWN CONTINUES TO DEMONSTRATE ITS PROVEN ABILITY TO ACCESS THE CAPITAL MARKETS

€2.6 billion raised in 2016
€4.2 billion raised in 2017

largest European listed real estate issuer in 2016 and 2017

€4.2 billion raised in 2018 year-to-date

In total, AT raised **€12.5 billion** through diverse issuances of **bonds, perpetual notes and equity**



EQUITY AND BOND BOOKRUNNERS

Deutsche Bank, Morgan Stanley, citi, Goldman Sachs, Jefferies, J.P.Morgan, UBS, RBC, Bank of America Merrill Lynch, HSBC, UniCredit, Societe Generale, Credit Suisse, Berenberg

ACCESS TO GLOBAL CAPITAL VIA BOND EMTN PROGRAMME

£ € $ CAD 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. 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: — PROFOUND ACTIVITY LEVEL IN 2017 AND 2018

Shareholders Equity

€300million — conversion of Series C 1.5% convertible bonds, fully converted in October 2018

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

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

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

€446million — conversion of Series B 3% convertible bonds to an aggregate amount of €446 million

Perpetual Notes (Equity)

€400million — perpetual notes issued in January 2018 at a coupon of 2.125% – AT's lowest perpetual coupon yet

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

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

Straight Bonds

€76million — Series W straight bonds due 2032 issued in November 2018

€50million — Series V straight bonds due 2028 issued in October 2018

€75million — Series U straight bonds due 2033 issued in September 2018

€150million — Series T straight bonds due 2030 issued in September 2018

€100million — Series S Schuldschein due 2023 issued in August 2018

CAD 250million — Series R Canadian dollar straight bonds due 2025 issued in September 2018 with full currency hedge

£400million — Series Q British pound straight bonds due 2027 issued in July 2018

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

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

€800million — Series N straight bonds due 2028 issued in January 2018 – AT's largest single issuance yet

CHF 250million — Series M straight bonds due 2025 issued in January 2018 – AT's lowest coupon yet at 0.7% – with a currency hedge of notional amount to maturity

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

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

£500million — Series J straight bonds due 2029 issued in October 2017

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

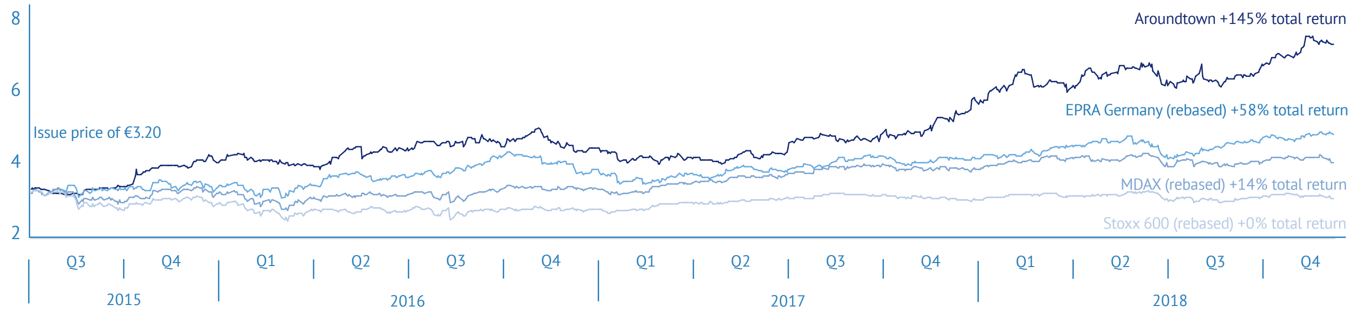
€500million — Series I straight bonds due 2026 issued in July 2017

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

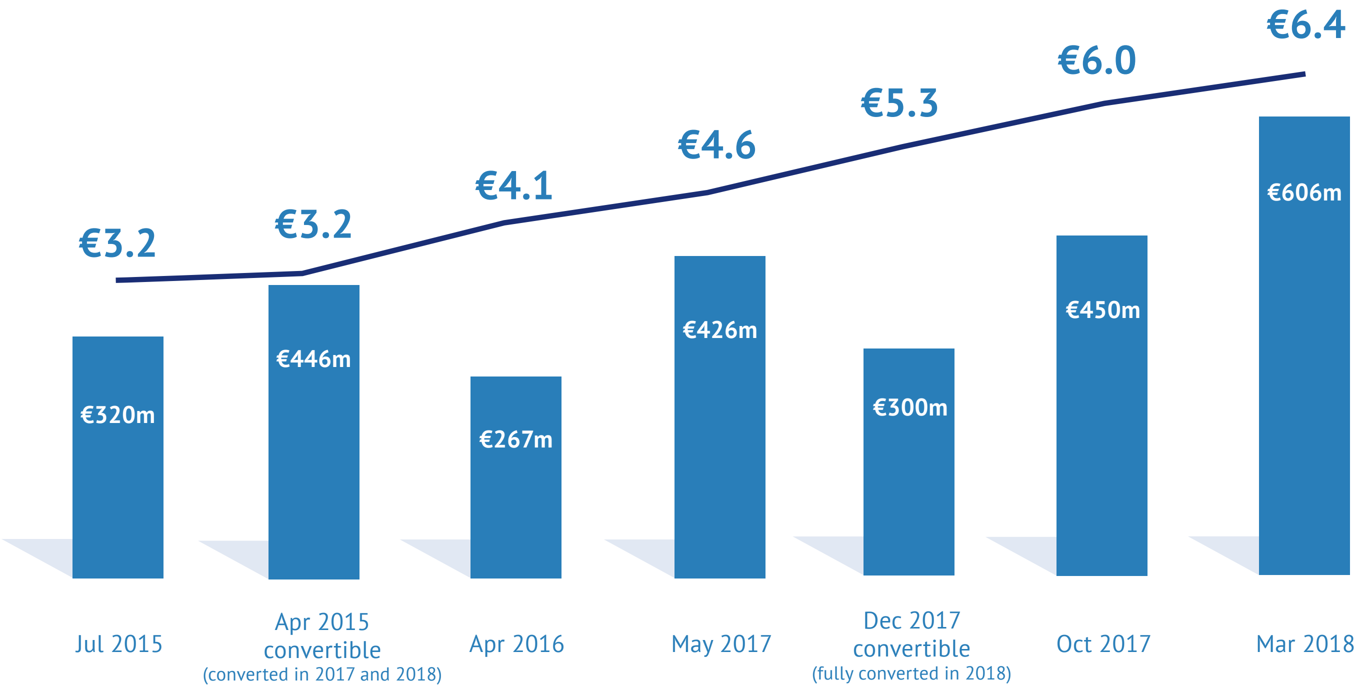
€50million — Series F straight bonds tap issuance to an aggregate amount of €550 million

Stock and bond performance

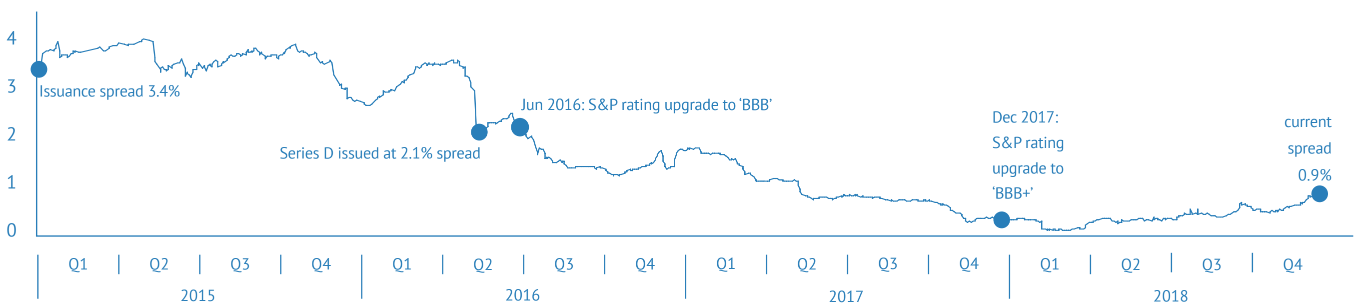
SHARE PRICE PERFORMANCE AND TOTAL RETURN SINCE INITIAL PLACEMENT OF CAPITAL (13.07.2015)



SHARE ISSUE PRICE AND AMOUNT DEVELOPMENT



SPREAD OVER MID-€-SWAP FOR STRAIGHT BONDS A AND D, REMAINING 3.5 YEARS




Frankfurt

Notes on Business Performance

SELECTED CONSOLIDATED INCOME STATEMENT DATA

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
Revenue	539.8	373.7
NET RENTAL INCOME	**455.8**	**320.3**
Property revaluations, capital gains and other income	1,244.6	976.1
Share in profit from investment in equity-accounted investees	191.5	133.5
Property operating expenses	(161.4)	(104.2)
Administrative and other expenses	(15.0)	(10.8)
Operating profit	1,799.5	1,368.3
EBITDA	1,805.4	1,370.0
ADJUSTED EBITDA [1]	**440.3**	**303.4**
Finance expenses	(81.8)	(48.0)
Other financial results	(81.4)	(16.6)
Current tax expenses	(32.9)	(26.5)
Deferred tax expenses	(215.5)	(195.5)
PROFIT FOR THE PERIOD	**1,387.9**	**1,081.7**
FFO I [2] [3]	**297.4**	**204.1**
FFO II	**464.8**	**238.8**

1) including AT's share in GCP's and other joint ventures' adjusted EBITDA, net of contributions from commercial assets held for sale. For more details, see page 58
2) including AT's share in GCP's and other joint ventures' FFO I (after perpetual notes attribution)
3) excluding minorities and contributions from assets held for sale. For more details, see page 58

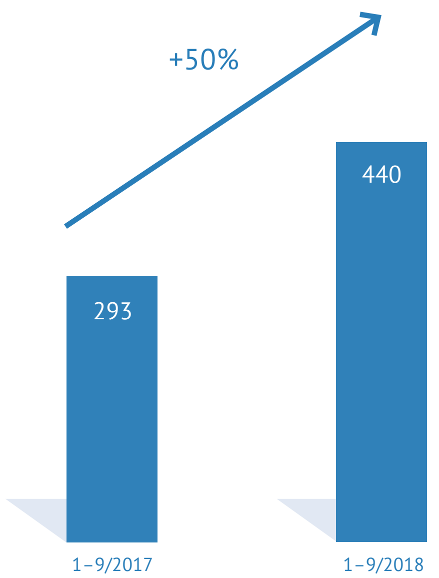
REVENUE

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
RECURRING LONG-TERM NET RENTAL INCOME	**439.7**	**292.7**
Net rental income related to properties marked for disposal	16.1	27.6
NET RENTAL INCOME	**455.8**	**320.3**
Operating and other income	84.0	53.4
REVENUE	**539.8**	**373.7**

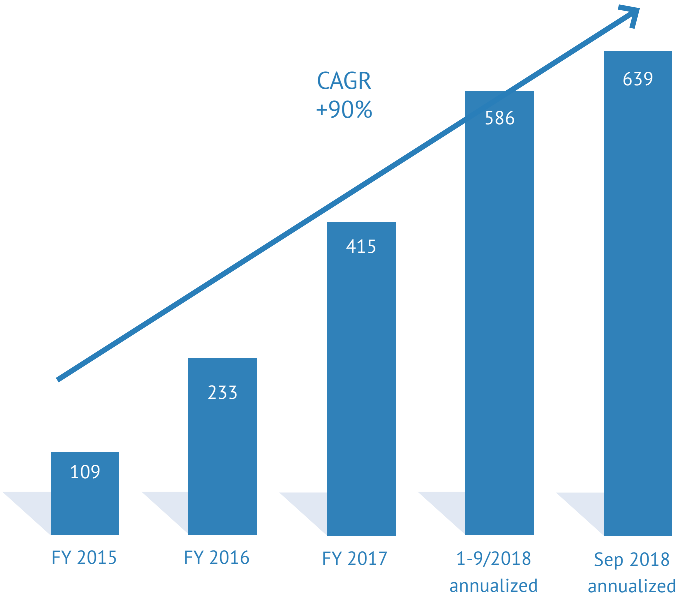
AT recorded revenues of €540 million in the first nine months of 2018, reflecting an increase of 44% from €374 million in the comparable period of 2017. Out of €540 million revenues, net rental income amounted to €456 million, a 42% increase from €320 million recorded in the comparable period of 2017. This strong growth in the net rental income was mainly attributable to the accretive external growth, which is supported by strong operational performance, testified by 4.5% like-for-like net rent growth, 2.8% stemming from in-place rent increases and 1.7% from occupancy increases.

AT additionally presents recurring long-term net rental income which excludes the rents from assets marked for sale. Since these assets are intended to be sold, the net rental income from these assets is seen to be on a non-recurring basis and hence excluded here. Recurring long-term net rental income for the first nine months of 2018 amounted to €440 million, up by 50% from €293 million recorded in the first nine months of 2017.

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



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



Considering Aroundtown's rapid growth over the period, the periodic rental income figure does not fully capture the actual rent generation level in the portfolio since it does not include the full impact of acquisitions and operational improvements carried out during the reporting period. The September 2018 annualized net rental income reflects the full year impact of the portfolio held at the end of September 2018 by annualizing the monthly net rental income. The September portfolio generates an annual net rental income of €639 million, amounting to an increase of 9% compared to the first nine months annualized net rental income and reflects a CAGR of 90% since 2015.

SHARE IN PROFIT FROM INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
SHARE IN PROFIT FROM INVESTMENT IN EQUITY-ACCOUNTED INVESTEES	**191.5**	**133.5**

Share in profit from investments in equity-accounted investees represents AT's share in the earnings from investments in companies over which it does not obtain control or has a minority holding and thus not fully consolidated in its financial statements. These profits relate mainly to the Company's strategic investment in GCP and its subsidiaries and other joint venture investments. GCP is one of the largest German listed real estate companies with a focus on German residential real estate. The profit share amounted to €192 million in the first nine months of 2018, up by 43% compared to €134 million in the first nine months of 2017. This increase reflects GCP's strong bottom line profitability where GCP recorded 13% shareholder profit growth year-over-year as well as higher profits in other joint venture investments. Further supporting the growth in the profit share is AT's increased share in GCP. Mainly driven by participation in the scrip dividend option, AT's share in GCP increased to 39%, as compared to 36% in the first nine months of 2017. The strategic investment in GCP provides AT with enhanced diversification and enables AT to benefit from the positive market movements in the residential real estate sector.

Notes on Business Performance

PROPERTY REVALUATIONS, CAPITAL GAINS AND OTHER INCOME

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
Change in fair value of investment property	1,168.9	975.7
Capital gains and other income	75.7	0.4
PROPERTY REVALUATIONS, CAPITAL GAINS AND OTHER INCOME	**1,244.6**	**976.1**

Property revaluations, capital gains and other income for the first nine months of 2018 amounted to €1,245 million, representing an increase of 28% compared to €976 million recorded in the first nine months of 2017, and of which €1,169 million is attributed to revaluation gains and €76 million to capital gains. This growth is the result of AT's focus on accretive value-add acquisitions and management's expertise to fulfill the assets' potential. The upside potential in the portfolio is constantly realized through effective repositioning efforts and operational improvements, driving the value appreciations. The portfolio's high quality locations embed additional potential via positive market developments and growing demand, further supporting the revaluations.

Capital gains and other income for the first nine months of 2018 amounted to €76 million, mainly driven by the gains from the disposals of non-core asset in the period. AT disposed approx. €740 million of non-core assets at 11% over the net book value, which resulted in the recorded capital gains. Disposals over the book value validate the conservative valuations of the portfolio.

Aroundtown's properties are appraised on an ongoing basis and at least once a year by qualified and independent external valuators which are mainly Jones Lang LaSalle (JLL), Savills, Cushman and Wakefield, NAI Apollo, Gerald Eve and Winters & Hirsh. As of September 2018, the portfolio reflected an average value of €2,092 per sqm and a net rental yield of 5.2%, compared to €1,923 and 5.2% in December 2017, respectively.

PROPERTY OPERATING EXPENSES

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
PROPERTY OPERATING EXPENSES	**(161.4)**	**(104.2)**

AT recorded in the first nine months of 2018 property operating expenses in the amount of €161 million, compared to €104 million in the first nine months of 2017. These operating expenses consist mainly of ancillary costs recoverable from tenants (such as energy, heating and water costs), maintenance and refurbishment expenses, services received, marketing and personnel costs. The increase results from the portfolio's growth since these costs are directly tied to the size of the portfolio and to the rental activity which is being managed by a larger number of employees. Property operating expenses are also effected by a certain cost inflation factor provided by the growing economy in the regions in which AT operates. It should be additionally noted that due to the 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.

Essen

ADMINISTRATIVE AND OTHER EXPENSES

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
ADMINISTRATIVE AND OTHER EXPENSES	(15.0)	**(10.8)**

Administrative and other expenses in the first nine months of 2018 amounted to €15 million, compared to €11 million recorded in the first nine months of 2017. These expenses mainly consist of overhead costs such as administrative personnel expenses, marketing expenses, audit fees as well as legal and consulting fees. These items increase with the Company's growth.

FINANCE EXPENSES

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
FINANCE EXPENSES	(81.8)	**(48.0)**

AT recorded finance expenses of €82 million in the first nine months of 2018, as opposed to €48 million in the comparable period of 2017. This increase is mainly driven by approx. €4 billion bond issuances between the two periods which testifies Aroundtown's strong access to capital markets. Proceeds from the issuances not only funded the Company's growth but were also utilized to pursue refinancing opportunities where AT repurchased €319 million of Series D straight bonds with shorter maturity. Additionally, the Series C €300 million convertible bonds with a 1.5% coupon have been fully converted in 2018. These measures reflect the Company's ability to proactively optimize its debt profile which results in a long average debt maturity of 7.6 years, with no significant upcoming maturities until 2022 at a low cost of debt of 1.8%. All recent issuances were under the EMTN programme which enables Aroundtown to diversify and strengthen its investor base by attracting funds from further markets via various instruments and currencies. AT continuously seeks ways to effectively optimize its debt and credit profile which is reflected in high financial debt coverage ratios, with ICR of 4.7x and DSCR of 3.8x as of the first nine months of 2018.

Notes on Business Performance

OTHER FINANCIAL RESULTS

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
OTHER FINANCIAL RESULTS	**(81.4)**	**(16.6)**

AT recorded an expense of €81 million in its other financial results in the first nine months of 2018, compared to €17 million in the comparable period of 2017, which are mainly non-recurring, non-cash and one-off expenses. The year-over-year increase is mainly due to the costs associated with repurchases of **Series D** straight bonds at a premium, expenses related to the conversion incentives for the **Series C convertible bonds**, bond issuances expenses, bank debt repayment fees, hedging fees and CPI hedging effects as well as fair value changes in traded securities and financial derivative instruments. These expenses vary from one period to another, impacted by the level of capital market activities and changes in the fair values of financial assets and liabilities.

TAXATION

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
Current tax expenses	(32.9)	(26.5)
Deferred tax expenses	(215.5)	(195.5)
TAX AND DEFERRED TAX EXPENSES	**(248.4)**	**(222.0)**

AT's total tax expenses for the first nine months of 2018 amounted to €248 million compared to €222 million recorded in the first nine months of 2017. A large majority of the total tax expenses is the deferred tax expenses with €216 million which are non-cash expenses and their increase is driven by revaluation gains. 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. The current tax expenses totaled to €33 million and consist of property and corporate taxes that grow in line with the operational profits and asset volume.

Munich

PROFIT FOR THE PERIOD

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
PROFIT FOR THE PERIOD	**1,387.9**	**1,081.7**
Profit attributable to:		
Owners of the company	1,238.5	905.4
Perpetual notes investors	34.2	22.8
Non-controlling interests	115.2	153.5

AT recorded a profit of €1,388 million in the first nine months of 2018, up by 28% from €1,082 million recorded in the comparable period of 2017. Accordingly, profit attributable to the owners of the Company increased by 37% to €1,239 million. This substantial year-over-year growth reflects the Company's continuous ability of generating high profits for its shareholders driven by accretive acquisitions, successful value-added provided by effective repositioning plans and improvements, strong operational performance, as well as disposals of non-core assets. Profits attributable to the perpetual notes investors increased to €34 million, mainly due to the issuance of €400 million perpetual notes in January 2018 and the full period effect of perpetual notes issued in the first nine months of 2017. The profit attributable to non-controlling interests decreased by 25% mainly due to several transactions during the year in which the Group increased its holding in existing properties.

EARNINGS PER SHARE

	For the 9 months ended September 30,	
	2018	2017
Basic earnings per share (in €)	1.20	1.15
Diluted earnings per share (in €)	1.15	0.99
Weighted average basic shares (in millions)	1,031.4	785.7
Weighted average diluted shares (in millions)	1,076.0	901.2

AT recorded basic earnings per share of €1.20 and diluted earnings per share of €1.15 in the first nine months of 2018, which increased by 4% and 16% respectively from €1.15 and €0.99 in the comparable period of 2017, reflecting the strong profit generation in the shareholder level. The significant growth in the profits attributable to the owners of the company was offset by the increase in the total share count supporting the growth of the Company. Between the two periods, over €1 billion of equity capital was raised via two offerings, as well as €275 million via conversions of convertible bonds. The full conversion of the Series C convertible bonds was completed after the reporting period. Accordingly, diluted earnings per share saw a larger increase driven by lower dilution effects after the conversions.

COMPREHENSIVE INCOME

	For the 9 months ended September 30,	
	2018	2017
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,341.3**	**1,049.3**

The comprehensive income in the first nine months of 2018 amounted to €1,341 million, up 28% from the comparable period in 2017. The increase is due to the increase in the profit for the period and is offset by €47 million other comprehensive loss mainly in relation to hedge reserve effect.

Amsterdam

Notes on Business Performance

Utrecht

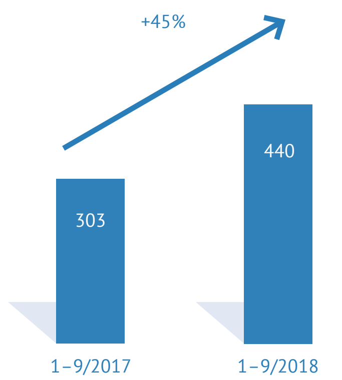
ADJUSTED EBITDA

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
Operating profit	1,799.5	1,368.3
Total depreciation and amortization	5.9	1.7
EBITDA	**1,805.4**	**1,370.0**
Property revaluations, capital gains and other income	(1,244.6)	(976.1)
Share in profit from investment in equity-accounted investees	(191.5)	(133.5)
Other adjustments	(9.5)	(23.1)
ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG-TERM	**359.8**	**237.3**
Adjustment for GCP and other joint venture positions adjusted EBITDA contribution [1)]	80.5	66.1
ADJUSTED EBITDA	**440.3**	**303.4**

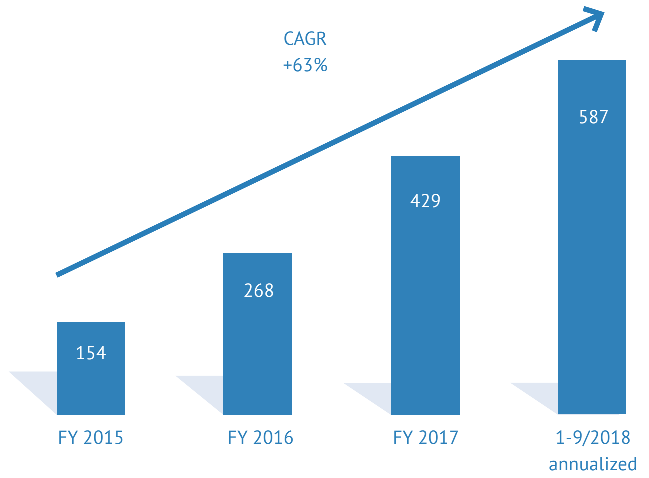
1) the adjustment is to reflect AT's share in GCP's and other joint ventures' adjusted EBITDA. GCP generated an adjusted EBITDA of €204 million in 9M 2018 and €183 million in 9M 2017

The adjusted EBITDA is a key performance measure used to evaluate the operational result of the Company, derived by deducting from the EBITDA non-operational items such as revaluation and capital gains, result from disposal of properties and other adjustments. Additionally, in order to mirror the recurring operational results of the Group, the share in profit from investment in equity-accounted investees is subtracted, as it also includes the Company's share in non-operational profits generated by its equity-accounted investees. Due to the nature of its strategic investment in GCP and for other joint venture positions, AT includes in its adjusted EBITDA calculation its share in the adjusted EBITDA generated by those investments for the period in accordance with its holding rate over the period. AT's holding rate in GCP has increased to 39% as of the first nine months of 2018 from 36% during the first nine months of 2017.

ADJUSTED EBITDA PERIODIC DEVELOPMENT (IN € MILLIONS)



ADJUSTED EBITDA ANNUALIZED DEVELOPMENT (IN € MILLIONS)



The adjusted EBITDA for the first nine months of 2018 amounted to €440 million, representing an increase of 45% from the €303 million recorded in the first nine months of 2017, driven by accretive external growth as well as strong internal growth. Its scalable operating platform and management expertise allow for consistently high operational performance which is reflected in the total like-for-like net rent growth of 4.5%. AT additionally reports the Group's adjusted EBITDA which includes the contributions from GCP's and other joint venture holdings' adjusted EBITDA. Owing to its solid operational performance, GCP was able to achieve 11% adjusted EBITDA growth year-over-year. By increasing its holding rate in GCP from 36% to 39% between two periods, AT was able to benefit further from GCP's high operational performance. The adjusted EBITDA additionally accounts for other adjustments in the amount of €9.5 million. These adjustments are implemented mainly to deduct non-recurring items and add back non-cash items: non-recurring items being mainly the contributions from properties marked for disposal since they are intended to be disposed and therefore not part of the recurring adjusted EBITDA, and non-cash item being mainly the management share incentive plan.

Notes on Business Performance

FUNDS FROM OPERATIONS I (FFO I)

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG-TERM	**359.8**	**237.3**
Finance expenses	(81.8)	(48.0)
Current tax expenses	(32.9)	(26.5)
Contribution to minorities	(4.6)	(7.2)
Other adjustments	6.2	8.1
FFO I COMMERCIAL PORTFOLIO, RECURRING LONG-TERM	**246.7**	**163.7**
Adjustment for GCP's and other joint ventures' FFO I contribution [1]	50.7	40.4
FFO I	**297.4**	**204.1**
Weighted average basic shares (in millions)	1,031.4	785.7
FFO I PER SHARE (IN €)	**0.29**	**0.26**

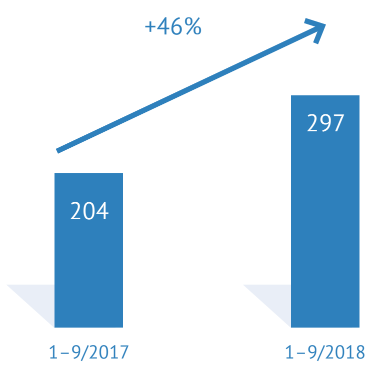
1) the adjustment is to reflect AT's share in GCP's and other joined ventures' FFO I. GCP generated an FFO I after perpetual notes attribution of €128 million in 9M 2018 and €112 million in 9M 2017

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), and the FFO I of other joint venture positions.

The Group's FFO I for the first nine months of 2018 amounted to €297 million, representing an increase of 46% from €204 million recorded in the comparable period of 2017. Growth in FFO I follows the adjusted EBITDA growth and is mainly attributable to the strong top-line results driven by accretive external growth and organic growth, as well as by high operational performance. Benefitting from its strong capital market access, AT continuously seeks ways to strengthen its debt profile and financing structure in line with its conservative financial policy. Therefore, in order to fund the Company's growth and refinance short-term debt, AT raised longer term debt at attractive rates, resulting in higher finance expenses which partially offset the strong top-line growth. As a result, Aroundtown has a long average maturity of 7.6 years. Additionally, GCP's robust bottom-line growth supported the increase in the Group's FFO I, where GCP yet again successfully achieved high operational profitability. Increased holding of 39% in GCP allows AT to tap into the strong residential asset class and capitalize from GCP's ability to realize its high upside potential. In addition, FFO I includes other adjustments in the amount of €6 million, mainly relating to finance and tax expenses from the contribution of properties marked for disposal.

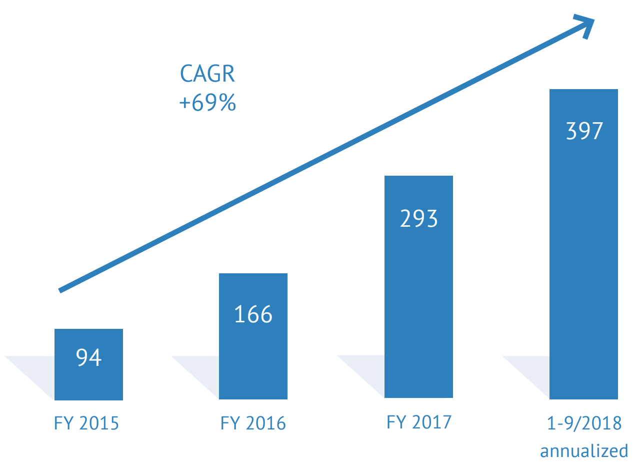
FFO I PERIODIC DEVELOPMENT

(IN € MILLIONS)



FFO I ANNUALIZED DEVELOPMENT

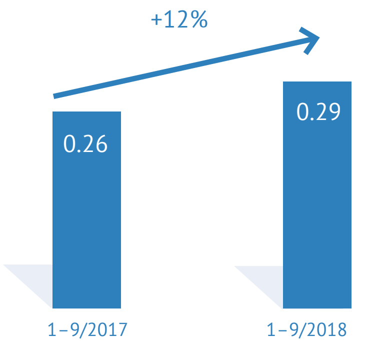
(IN € MILLIONS)



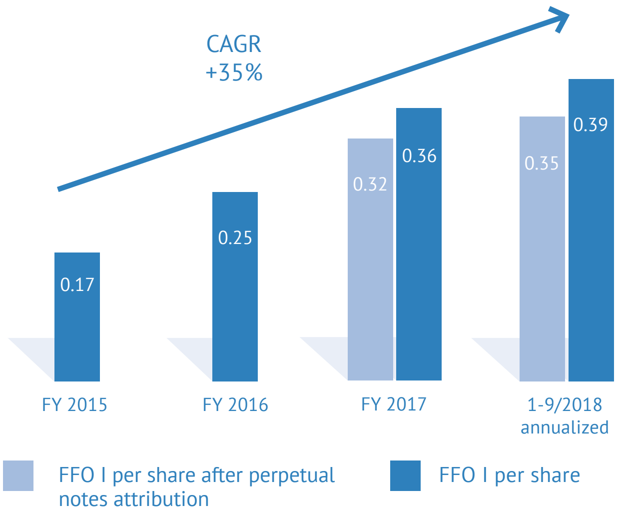
FFO I PER SHARE

Aroundtown's FFO I per share for the first nine months of 2018 amounted to €0.29, increasing by 12% compared to €0.26 per share recorded in the comparable period of 2017. This growth testifies to AT's competency in consistently translating its external and internal growth into shareholder value creation, although being partially offset by higher share count from two equity capital raises and conversions of the convertible bonds between the two periods. The annualized FFO I per share for the first nine months of 2018 amounts to €0.39, resulting in an attractive FFO I yield of 5.3%. Based on the Company's dividend payout policy of 65% of FFO I per share, this reflects a dividend yield of 3.4%.

FFO I PER SHARE PERIODIC DEVELOPMENT (IN €)



FFO I PER SHARE ANNUALIZED DEVELOPMENT (IN €)

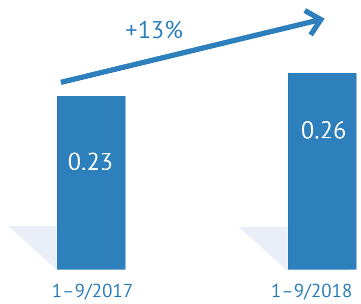


FFO I PER SHARE AFTER PERPETUAL NOTES ATTRIBUTION

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
FFO I	**297.4**	**204.1**
Adjustment for accrued perpetual notes attribution	(34.2)	(22.8)
FFO I AFTER PERPETUAL NOTES ATTRIBUTION	**263.2**	**181.3**
Weighted average basic shares (in millions)	1,031.4	785.7
FFO I PER SHARE AFTER PERPETUAL NOTES ATTRIBUTION (IN €)	**0.26**	**0.23**

According to 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. AT's FFO I after perpetual notes attribution for the first nine months of 2018 amounted to €263 million, up by 45% from €181 million recorded in the comparable period of 2017. On a per share basis, the FFO I after perpetual notes attribution amounted to €0.26 for the first nine months of 2018, up by 13% from €0.23 in the first nine months of 2017, offset by the additional €400 million perpetual notes issued in January 2018.

FFO I PER SHARE AFTER PERPETUAL NOTES ATTRIBUTION PERIODIC DEVELOPMENT



FFO II

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
FFO I	297.4	204.1
Result from disposal of properties [1]	167.4	34.7
FFO II	**464.8**	**238.8**

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

FFO II is an additional key performance indicator used in the real estate industry to evaluate the operational recurring profits including the impact from disposal activities during the reporting period on top of the FFO I. The results from disposal of properties amounted to €167 million in the first nine months of 2018, increasing significantly compared to €35 million recorded in the comparable period of 2017. This led to an FFO II of €465 million, increasing by 95% from €239 million recorded in the first nine months of 2017. During the course of 2018, Aroundtown pursued an accretive capital recycling program by which AT disposed mainly non-core assets with a total value of approx. €740 million, reflecting a gross disposal margin of 11% over the net book value and approx. 30% margin over the cost value. These non-core disposals were channeled into accretive acquisitions which supported the quality increase in the portfolio.

Notes on Business Performance

CASH FLOW

	For the 9 months ended September 30,	
	2018	2017
	in € millions	
Net cash provided by operating activities	346.0	265.1
Net cash used in investing activities	(2,943.4)	(2,126.2)
Net cash provided by financing activities	2,879.2	1,631.6
NET CHANGES IN CASH AND CASH EQUIVALENTS	**281.8**	**(229.5)**

The net cash provided by operating activities for the first nine months of 2018 amounted to €346 million, increasing by 31% compared to €265 million in 2017 which reflects the high external and organic growth, as well as strong operational performance. High operational growth is further reflected in 4.5% total like-for-like net rental income growth year-over-year, highlighting the Company's success in increasing rents and occupancy levels.

The net cash used in investing activities for the first nine months of 2018 amounted to €2.9 billion, compared to €2.1 billion in 2017, driven by the significant level of acquisitions carried out during the year and was offset by the disposals of non-core assets. Furthermore, high cash and liquidity balance enables AT to quickly act upon attractive investment opportunities. In order to maintain the value of its high cash and liquidity balance in the current low interest rate environment, the Company parks some of its cash in traded securities which explains a portion of the increase in net cash used in investing activities.

The net cash provided by financing activities for the first nine months of 2018 increased by 76% to €2.9 billion, compared to €1.6 billion in the first nine months of 2017. This substantial growth was driven by AT's profound level of capital market activities carried out during the period. During the reporting period, AT was able to attract funds from various markets with issuances in different instruments, as well as different currencies, enhancing the diversification of the capital structure and highlighting the high demand towards AT's instruments globally. Accordingly, AT issued over €600 million of equity capital, €400 million of perpetual notes and €2.7 billion of straight bonds. Proceeds from these issuances were utilized to fund the Company's growth, as well as to optimize the debt profile of the Company. Correspondingly, AT repurchased over €300 million of shorter maturity bonds which, combined with issuances of long-term debt at attractive rates, supported the Company in maintaining long average debt maturity with low cost of debt. The increase in the net cash provided by financing activities was offset by the dividends distribution of €225 million for the year 2017, which was paid out in July 2018.


Berlin


Nuremberg

As a result, the net increase in cash and cash equivalents for the first nine months of 2018 amounted to €282 million, compared to a net decrease of €230 million in the first nine months of 2017. This growth further supports the high liquidity balance of the Company which totaled to €1.4 billion as of the end of September 2018. This robust liquidity level provides AT with high degree of financial flexibility and enables the Company to quickly execute attractive acquisition opportunities while sustaining its conservative financial structure.

ASSETS

	Sep 2018	Dec 2017
	in € millions	
NON-CURRENT ASSETS	**16,106.5**	**12,247.3**
Investment property	13,157.4	9,804.1
Equity accounted-investees in publicly traded company - holding in GCP SA [1]	1,757.9	1,609.7
Equity-accounted investees, other	367.9	295.9
CURRENT ASSETS	**2,010.5**	**1,523.1**
Assets held for sale [2]	186.2	500.6
Cash and liquid assets [3]	1,390.6	848.7
TOTAL ASSETS	**18,117.0**	**13,770.4**

1) according to AT's holding rate, the fair market value of GCP SA as of September 2018 is €1.43 billion
2) excluding cash in assets held for sale
3) including cash in assets held for sale

Aroundtown's total assets for the first nine months of 2018 amounted to €18.1 billion, reflecting an increase of 32% from €13.8 billion at year-end 2017. This significant growth is the result of the strong growth in the portfolio through accretive acquisitions and high value appreciations, as well as a substantial liquidity balance from the profound capital market activities carried out during the year.

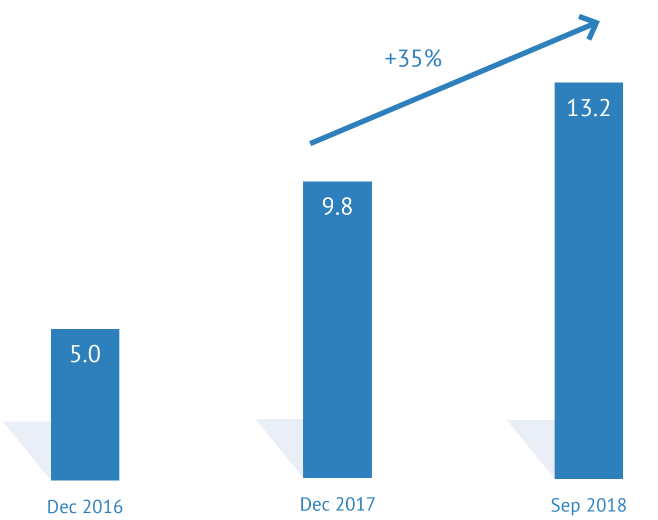
Primary driver of the increase in total assets is the growth in the investment properties. AT's investment properties amounted to €13.2 billion as of the end of September 2018, representing an increase of 34% over the €9.8 billion recorded at the year-end 2017. This growth was driven externally as well as internally. Over the years, AT amassed a strong portfolio through the success of its acquisition strategy and management's expertise in uplifting the embedded potential in the portfolio and in generating value creation, resulting in high asset quality increase. AT's wide deal-sourcing network provides the Company with an extensive reach over numerous market transactions and its strict acquisition criteria enables the Company to selectively identify and cherry pick attractive deals in high quality locations with strong fundamentals. Accordingly, during the first nine months of 2018, AT performed over €2.4 billion of acquisitions with a rent multiple of 20x, primarily located in top tier cities such as Berlin, Frankfurt, Munich, Stuttgart, London, NRW, Utrecht and Rotterdam. Subsequent to an acquisition of a property, AT continuously seeks ways to implement efficient value-add plans and operational improvements which proceeds further into high like-for-like operational performances, an improved tenant structure, extended average lease terms, maximization of cash flows and an increased asset quality, all factors resulting in value creation. A supplementary contributor to the value creation process is the realization and extraction of additional building rights embedded in the portfolio. High value creation in the portfolio is reflected in €1.2 billion valuation gains recorded during the first nine months of 2018.

Investment in equity-accounted investees amounted to €2.1 billion as of the end of September 2018, up by 12% compared to €1.9 billion as of the year-end 2017. This line item represents AT's investment in companies which are not consolidated in it financial accounts and is mainly attributed to the Company's strategic residential portfolio investment via a 39% stake in Grand City Properties S.A. as of the end of September 2018, totaling to €1.8 billion compared to €1.6 billion as of the year-end 2017. This increase is mainly driven by the high profit generation in GCP, the increased stake in GCP including the participation in scrip dividend, as well as from the profits generated in the other joint venture investments. AT has an enhanced diversification into strong asset classes such as office and hotels and GCP advances this diversification strategy further into the strong residential sector with its focus on Germany. GCP's business strategy and operational performance firmly overlaps with AT's investment strategy, providing AT with an opportunity to cash in on the positive movements and strong fundamentals of the residential real estate sector, benefitting from GCP's strong position and high profitability. Non-current assets also include prepayments and advances for real estate transactions which amounted to €349 million as of September 2018, which will materialize in the following periods. Other non-current assets include mainly non-current prepayments, trade receivables, loans which are connected to future real estate transactions as well as tenancy deposits.

Current assets amounted to €2.0 billion as of the end of September 2018, reflecting an increase of 32% from €1.5 billion at year-end 2017, consisting mainly of cash and liquid assets in the amount of €1.4 billion. The cash and liquid assets increased from €0.8 billion in the end of 2017, driven by a number of capital market activities carried out during the period. AT raised over €600 million equity capital, issued €400 million of perpetual notes and €2.7 billion debt through 9 new straight bond issuances and a Schuldschein during the period. Proceeds were partially utilized to repurchase over €300 million of Series D bonds as well as to fund acquisitions, and the remaining balance had significant impact on the growth of the liquidity balance. Due to the high liquidity position which is held to grasp opportunities swiftly when they arise, the Company is utilizing some of the cash through short term holdings in traded securities. The traded securities balance amounted to €361 million as of the end of September 2018. In addition, the trade and other receivables increased in the period by over €260 million, which is mainly attributed to a payment schedule (in the form of a seller loan) given as part of the disposal in the third quarter of 2018. The amount was settled in the fourth quarter of 2018.

Assets held for sale (excluding cash and liquid assets) as of the end of September 2018 amounted to €186 million, decreasing from €501 million at year-end 2017, driven primarily by the disposals during the period. Assets held for sale balance consists of non-core assets that are intended to be sold within the next 12 months.

INVESTMENT PROPERTY (IN € BILLIONS)



Notes on Business Performance

LIABILITIES

	Sep 2018	Dec 2017
	in € millions	
Loans and borrowings [1)]	1,122.6	1,127.8
Straight bonds	6,185.5	3,827.0
Convertible bonds	58.3	293.8
Deferred tax liabilities [2)]	981.9	776.5
Other long-term liabilities and derivative financial instruments	153.5	125.0
Current liabilities [3)]	412.6	370.4
TOTAL LIABILITIES	**8,914.4**	**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 as of the end of September 2018 amounted to €8.9 billion, representing an increase of 37% compared to €6.5 billion at year-end 2017, driven by new debt issuances and partially offset by conversions. During the first nine months of 2018, AT issued €2.7 billion of straight bonds. The straight bond issuances were carried in various currencies (EURO, USD, CHF, CAD, AUD) which were all swapped into Euro, providing a healthy funding diversification. In addition, the Company issued in July 2018 a GBP 400 million straight bond where the currency hedge was seen redundant considering the Company's enhanced portfolio diversification in the UK, providing a natural currency hedge to mitigate the currency fluctuation effects on the asset level. AT's high quality assets in the UK generate strong profits which naturally match its expenses, eliminating the currency risk.

AT's proactive capital market engagements not only provide funds for the Company's growth but also allow for optimization in the debt profile. Therefore, part of the proceeds were utilized to repurchase €319 million Series D straight bonds with shorter maturity. By capturing long-term debt at attractive rates, AT has a long average debt maturity of 7.6 years with no maturities until 2020 and no significant maturities until 2022. Issuances of long maturity bonds contribute towards a smooth repayment schedule by effectively spreading out the debt over long term and allowing to maintain the focus on the operations. The average cost of debt was kept low at 1.8%.

The increase in the total liabilities was partially offset by conversions of convertible bonds into equity. During the reporting period €242 million of Series C convertible bonds were converted into equity. The remaining €58 million nominal amount of Series C convertible bonds were fully converted into equity after the reporting period, in October 2018. Including these conversions, an amount of €4 million Series B convertible bond is outstanding as of the date of this report and the company has announced to redeem these bonds in December 2018 whereas it is expected that these will be converted prior to the redemption date.

Deferred taxes are non-cash items that are tied to revaluation profits. The deferred tax liabilities balance increased to €982 million as of the end of September 2018 from €777 million at year-end 2017, driven by high revaluation gains. AT adopts a conservative accounting approach with regards to the deferred taxes, assuming the theoretical future property disposals in the form of asset deals and as such applies the full corporate 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 significantly.

NET FINANCIAL DEBT

	Sep 2018	Dec 2017
	in € millions	
Total financial debt [1)]	7,366.4	5,248.6
Cash and liquid assets [1)]	1,390.6	848.7
NET FINANCIAL DEBT	**5,975.8**	**4,399.9**
NET FINANCIAL DEBT INCLUDING CONVERSIONS [2)]	**5,921.4**	**4,399.9**

1) including balances held for sale
2) including the conversions of convertible bonds after the reporting period

The net financial debt amounted to €6.0 billion as of the end of September 2018, compared to €4.4 billion at year-end 2017. This growth is driven by new debt issuances during the period and was offset by conversions of convertible bonds and increase in cash and liquid assets. €1.4 billion of cash and liquid assets balance provides a financial cushion and allows for the opportunity to quickly act upon attractive acquisition deals in the market. Net financial debt including the conversions of convertible bonds after the reporting period amounts to €5.9 billion.

LOAN-TO-VALUE

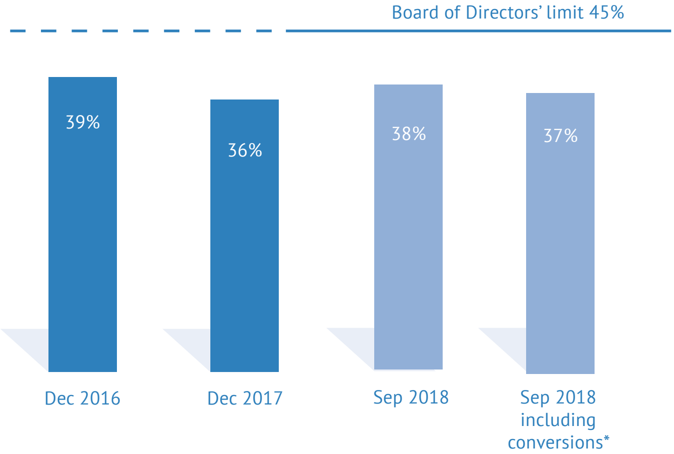
	Sep 2018	Dec 2017
	in € millions	
Investment property [1]	13,506.0	9,874.2
Assets held for sale [2]	165.1	493.1
Investment in equity-accounted investees	2,125.8	1,905.6
TOTAL VALUE	**15,796.9**	**12,272.9**
NET FINANCIAL DEBT [3]	**5,975.8**	**4,399.9**
LTV	**38%**	**36%**
LTV INCLUDING CONVERSION [4]	**37%**	**36%**

1) including advance 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) including the conversions of convertible bonds after the reporting period

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 recorded an LTV of 38% as of the end of September 2018. The LTV including the convertible bonds conversions after the reporting period amounted to 37%, increasing from 36% at year-end 2017, driven by larger proportional increase in the net financial debt due to the new debt issuances during the period. The LTV remains to be well below the Board of Director's limit which provides the Company with significant headroom to initiate further portfolio growth, as well as empowers a high degree of comfort against a potential market downturn.

LOAN-TO-VALUE



* including the conversions of convertible bonds after the reporting period.

Wiesbaden

Notes on Business Performance

EQUITY

	Sep 2018	Dec 2017
	in € millions	
TOTAL EQUITY	**9,202.6**	**7,249.9**
of which equity attributable to the owners of the Company	7,259.0	5,402.3
of which equity attributable to perpetual notes investors	1,565.9	1,173.3
of which non-controlling interests	377.7	674.3
EQUITY RATIO	**50.8%**	**52.6%**
Equity assuming conversion [1)]	9,312.0	7,249.9
EQUITY RATIO INCLUDING CONVERSION [1)]	**51.4%**	**52.6%**

1) including the conversions of convertible bonds after the reporting period

Total equity amounted to €9.2 billion as of the end of September 2018, increasing by 27% from €7.2 billion at year-end 2017. This robust growth was on one hand provided by capital market activities and on the other hand by high revaluations and profits. In 2018 year-to-date, AT raised over €600 million of equity capital, issued €400 million perpetual notes and €358 million of convertible bonds have been converted into equity. Conversions were primarily from the full conversion of the €300 million Series C convertible bonds. These conversions strengthened the equity base and affirmed AT's ability in successfully employing convertibles as a financing source. Additional growth in the equity base was provided by increased profits, supported by the strong valuation creation. This was partially offset by the cash dividend distribution for the year 2017 which was paid out in July 2018 for a total of €225 million. Equity ratio as of September 2018 amounted to 50.8% and equity ratio including the conversions after the reporting period amounted to 51.4%, decreasing from 52.6% at year-end 2017, driven by proportionally larger increase in the liabilities due to debt activities during the first nine months of 2018.

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.

Leipzig

EPRA NAV

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

	Sep 2018		Dec 2017	
	in € millions	per share	in € millions	per share
NAV PER THE FINANCIAL STATEMENTS	**9,202.6**		**7,249.9**	
Equity attributable to perpetual notes investors	(1,565.9)		(1,173.3)	
NAV EXCLUDING PERPETUAL NOTES	**7,636.7**		**6,076.6**	
Effect of conversion of in-the-money convertible bonds	58.3		293.8	
Fair value measurements of derivative financial instruments [1]	70.0		10.4	
Deferred tax liabilities [1]	981.9		776.5	
NAV	**8,746.9**	**€ 7.8**	**7,157.3**	**€ 7.1**
Non-controlling interests	(377.7)		(674.3)	
EPRA NAV	**8,369.2**	**€ 7.5**	**6,483.0**	**€ 6.5**
Equity attributable to perpetual notes investors	1,565.9		1,173.3	
EPRA NAV INCLUDING PERPETUAL NOTES	**9,935.1**	**€ 8.9**	**7,656.3**	**€ 7.6**
Number of shares, including in-the-money dilution effects (in millions)	1,114.7		1,004.5	

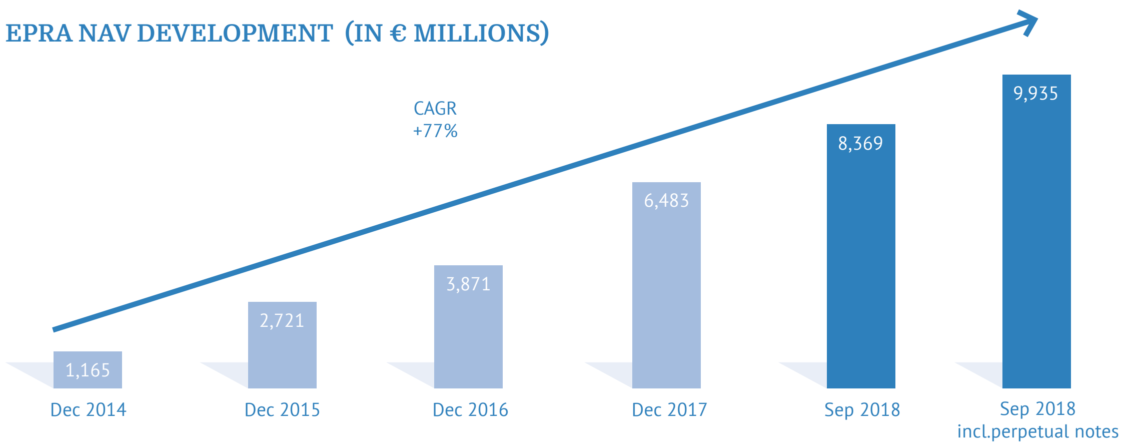
1) including balances in assets held for sale

The EPRA NAV as of the end of September 2018 amounted to €8.4 billion and €7.5 per share, representing an increase of 29% and 15% from €6.5 billion and €6.5 per share recorded at year-end 2017, respectively. The dividend adjusted increase was 33% and 19% on a per share level.

High level of profits, assisted by the value appreciation in the portfolio and combined with an equity capital raise, resulted in the growth in EPRA NAV. This significant growth was partially offset by the dividend distribution of €225 million. The EPRA NAV per share also demonstrated a solid growth, despite the increase in the share count from the equity capital raise. The robust growth in both EPRA NAV and per share basis highlights AT's high level of value creation on the shareholder level.

AT additionally reports the EPRA NAV including perpetual notes since perpetual notes are classified as equity in accordance with IFRS accounting treatment. The EPRA NAV including perpetual notes amounted to €9.9 billion and €8.9 per share, increasing by 30% and 17% from €7.7 billion and €7.6 per share, respectively, driven primarily by the issuance of €400 million perpetual notes in January 2018, with the lowest perpetual coupon rate of the Company yet at 2.125%.

EPRA NAV DEVELOPMENT (IN € MILLIONS)



Alternative Performance Measures

Aroundtown follows the real estate reporting criteria and provides alternative performance measures. These measures provide more clarity on the business and enables benchmarking and comparability to market levels. In the following section, Aroundtown presents a detailed reconciliation for the calculations of its Alternative Performance Measures.

Brussels

ADJUSTED EBITDA

The adjusted EBITDA is a performance measure used to evaluate the operational results of the Company by deducting from the *EBITDA*, which includes the *Total depreciation and amortization* on top of the *Operating Profit*, non-operational items such as the *Property revaluations, capital gains, and other income*, and *Other adjustments*. *Other adjustments* is calculated by (1) deducting the Adjusted EBITDA related to assets held for sale, a non-recurring item and (2) adding back management share based payments, a non-cash item . In order to reflect only the recurring operational results, AT deducts the *Share in profit from investment in equity-accounted investees* as this item also includes non-operational profits generated by AT's equity-accounted investees. Due to the nature of its strategic investment in GCP and in other joint venture positions, AT includes in its adjusted EBITDA calculation its share in the adjusted EBITDA generated by those investments for the period in accordance with its holding rate over the period, labelled as the *Adjustment for GCP and other joint venture positions adjusted EBITDA contribution*.

ADJUSTED EBITDA CALCULATION
Operating Profit
(+) Total depreciation and amortization
(=) EBITDA
(-) Property revaluations, capital gains, and other income
(-) Share in profit from investment in equity-accounted investees
(-) Other adjustments
(=) ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG-TERM
(+) Adjustment for GCP and other joint venture positions adjusted EBITDA contribution*
(=) ADJUSTED EBITDA

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

FUNDS FROM OPERATIONS I (FFO I)

Funds from Operations I (FFO I) is an industry standard performance indicator for evaluating operational recurring profit of a real estate firm. AT calculates FFO I by deducting from the *Adjusted EBITDA Commercial Portfolio, Recurring Long-term*, the *Finance expenses, Current tax expenses* and *Contribution to minorities* and adds back *Other adjustments*. *Other adjustments* refers to finance expenses and current tax expenses related to assets held for sale.

Due to the deduction of the *Share in profit from investment in equity-accounted investees* in the adjusted EBITDA calculation which includes the operational profits from those investments, AT adds back its relative share in GCP's reported FFO I after perpetual notes attribution and the FFO I of other joint venture positions, reflecting the recurring operational profit generated by those investments for the period in accordance with the holding rate over the period.

FFO I CALCULATION
Adjusted EBITDA Commercial Portfolio, Recurring Long-term
(-) Finance expenses
(-) Current tax expenses
(-) Contribution to minorities
(+) Other adjustments
(=) FFO I COMMERCIAL PORTFOLIO, RECURRING LONG-TERM
(+) Adjustment for GCP's and other joint ventures FFO I contribution*
(=) FFO I

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

FFO I AFTER PERPETUAL NOTES ATTRIBUTION

According to IFRS accounting treatment, AT records perpetual notes as equity in its balance sheet and contributions to perpetual notes are recognized through changes in equity, not as a financial expense in the income statement. For the purpose of enhanced transparency, AT additionally provides the FFO I after perpetual notes attribution which is derived by deducting the *Adjustment for accrued perpetual notes attribution* from the *FFO I*.

FFO I AFTER PERPETUAL NOTES ATTRIBUTION CALCULATION
FFO I
(-) Adjustment for accrued perpetual notes attribution
(=) FFO I AFTER PERPETUAL NOTES ATTRIBUTION

FUNDS FROM OPERATIONS II (FFO II)

Funds from Operations II (FFO II) is an additional measurement used in the real estate industry to evaluate operational recurring profits including the impact from disposal activities. To derive to the FFO II, the *Results from disposal of properties* are added to the FFO I. These results from disposals reflect the profit driven from the excess amount of the sale price to cost price plus capex of the disposed properties.

FFO II CALCULATION
FFO I
(+) Result from disposal of properties*
(=) FFO II

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

Berlin

EPRA NET ASSET VALUE (EPRA NAV)

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

AT's EPRA NAV calculation begins with deducting the *Equity attributable to perpetual notes investors* from the *NAV per the financial statements* to arrive at the *NAV excluding perpetual notes*. In compliance with EPRA's guideline to present the NAV on a dilutive basis, AT adds the *Effect of conversion of in-the-money convertible bonds*. After adding the *Fair value measurement of derivative financial instruments* and *Deferred tax liabilities* which both include balances in assets held for sale, this results in the *NAV*. These items are added back in line with EPRA's standards as they are not expected to materialize on an ongoing and long-term basis. Equity attributable to the *Non-controlling interests* is deducted from the *NAV* to arrive at the *EPRA NAV*. *EPRA NAV including the perpetual notes* is calculated by adding back the *Equity attributable to perpetual notes investors* on top of the *EPRA NAV*.

EPRA NAV CALCULATION
NAV per the financial statements
(-) Equity attributable to perpetual notes investors
(=) NAV EXCLUDING PERPETUAL NOTES
(+) Effect of conversion of in-the-money convertible bonds
(+) Fair value measurements of derivative financial instruments [1]
(+) Deferred tax liabilities [1]
(=) NAV
(-) Non-controlling interests
(=) EPRA NAV
(+) Equity attributable to perpetual investors
(=) EPRA NAV INCLUDING PERPETUAL NOTES

1) including balances in assets held for sale

Amsterdam

EPRA TRIPLE NET ASSET VALUE (EPRA NAV)

The EPRA Triple Net Asset Value (EPRA NNNAV) is derived by adjusting the EPRA NAV by marking to market the spot values of the Company's financial debt, derivative financial instruments and deferred taxes. The purpose of the EPRA NNNAV is to provide stakeholders with the most relevant information on the Company's financial liabilities by reporting them at their spot values as of the end of the reporting period. Correspondingly, the *EPRA NNNAV* is calculated by deducting first the *Fair value measurements of derivative financial instruments* and the *Net fair value of debt* which is the difference between the market value of debt to the book value of debt, adjusted for taxes. Lastly, *Deferred tax liabilities* are deducted to reach the *EPRA NNNAV* and in compliance with EPRA standards, the adjustment is based on evidence observed in the market, thus assuming disposal through share deals.

EPRA NNNAV CALCULATION
EPRA NAV
(-) Fair value measurements of derivative financial instruments
(-) Net fair value of debt
(-) Deferred tax liabilities*
(=) EPRA NNNAV

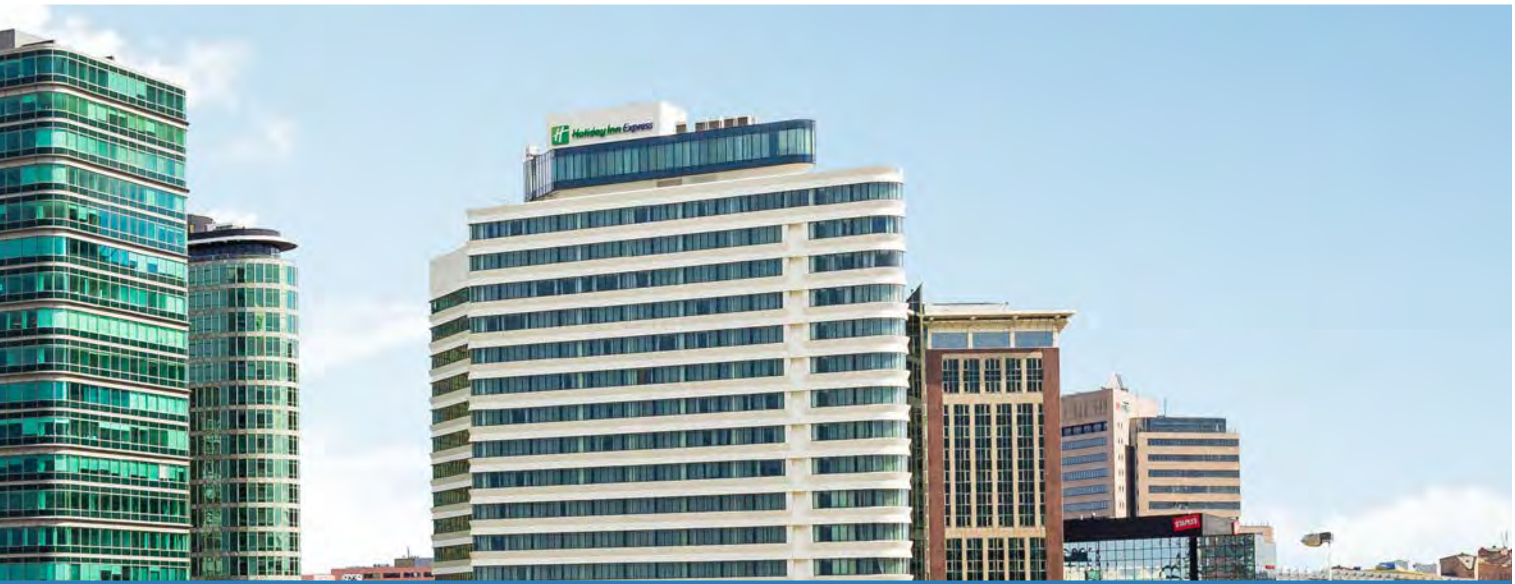
* assuming disposal through share deals

LOAN-TO-VALUE (LTV)

The Loan-to-Value (LTV) is a measurement aimed at reflecting the leverage of a Company. The purpose of this metric is to assess the degree to which the total value of the real estate properties are able to cover financial debt and the headroom against a potential market downturn. With regards to AT's internal LTV limit due to its conservative financial policy, the LTV shows as well the extent to which AT can comfortably raise further debt to finance additional growth. *Total value* is calculated by adding together the *Investment property* which includes *Advance payments for real estate transactions, Assets held for sale* which includes properties held for sale net of cash and *Investment in equity-accounted investees. Net financial debt* is calculated by deducting the *Cash and liquid assets* from the *Total financial debt* which is a sum of *Straight bonds, Convertible Bonds* and *Loans and borrowings. Loans and borrowings* includes short-term loans and borrowings and financial debt held for sale. *Cash and liquid assets* is a sum of *Cash and cash equivalents, Short-term deposits* and *Traded securities at fair value through profit or loss*, as well as cash balances of assets held for sale. AT calculates the *LTV* ratio through dividing the *Net financial debt* by the *Total value.* Additionally, since AT's convertible bonds are deep-in-the-money, AT provides the *LTV assuming conversion* by deducting the *Effect of conversion of in-the-money convertible bonds* from the *Net financial debt.*

LOAN-TO-VALUE CALCULATION
(+) Investment property 1)
(+) Assets held for sale 2)
(+) Investment in equity-accounted investees
(=) (A) TOTAL VALUE
(+) Total financial debt 3) 4)
(-) Cash and liquid assets 4)
(=) (B) NET FINANCIAL DEBT
(=) (B/A) LTV
(c) Effect of conversion of in-the-money convertible bond(s)
(=) (B-C)/(A) LTV ASSUMING CONVERSION

1) including advance payments for investment properties
2) including properties held for sale net of cash
3) total bank loans and bonds
4) including balances held for sale



UNENCUMBERED ASSETS RATIO

The Unencumbered assets ratio is an additional indicator to assess the Company's financial flexibility. As the Company is able to raise secured debt over the unencumbered asset, a high ratio of unencumbered assets provides the Company with additional potential liquidity. Additionally, unencumbered assets provide debt holders of unsecured debt with a headroom. AT derives the *Unencumbered assets ratio* from the division of *Rent generated by unencumbered assets* by *Rent generated by the total Group*. *Rent generated by unencumbered assets* is the contractual rent on an annualized basis generated by assets which are unencumbered, including the contribution of GCP but excluding the contractual rent from assets held for sale. In parallel, *Rent generated by the total Group* is the contractual rent on annualized basis generated by the total Group including GCP's contribution but excluding the contractual rent from assets held for sale.

UNENCUMBERED ASSETS RATIO CALCULATION
(a) Rent generated by unencumbered assets*
(b) Rent generated by the total Group*
(=) (A/B) UNENCUMBERED ASSETS RATIO

* annualized contractual rent including GCP's contribution and excluding the contractual rent from assets held for sale

DEBT COVER RATIOS: ICR AND DSCR

The Interest Cover Ratio (ICR) and Debt Service Cover Ratio (DSCR) are widely used in the real estate industry to assess the strength of a firm's credit profile. These multiples indicate the degree to which the Company's operational results are able to cover its debt servicing.

ICR is calculated by dividing the *Adjusted EBITDA including assets held for sale* by the *Group Finance expenses* which is the sum of AT's finance expenses and AT's share in GCP's finance expenses. The *DSCR* is calculated by dividing the *Adjusted EBITDA including assets held for sale* by the sum of the *Group Finance expenses* and the *Group Amortizations of loans from financial institutions* which is the sum of AT's amortizations and AT's share in GCP's amortizations.

ICR CALCULATION
(a) Group Finance expenses
(b) Adjusted EBITDA including assets held for sale*
(=) (B/A) ICR

* including assets held for sale and GCP adjusted EBITDA contribution

DSCR CALCULATION
(a) Group Finance expenses
(b) Group Amortizations of loans from financial institutions
(c) Adjusted EBITDA including assets held for sale*
(=) [C/(A+B)] DSCR

* including assets held for sale and GCP adjusted EBITDA contribution

Rotterdam

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,
November 28, 2018

Frank Roseen	**Oschrie Massatschi**	**Jelena Afxentiou**
Director	Director	Director

Interim consolidated statement of comprehensive income

	Nine months ended September 30,		Three months ended September 30,	
	2018	2017	2018	2017
	in € millions			
REVENUE	**539.8**	**373.7**	**192.2**	**136.5**
Property revaluations, capital gains and other income	1,244.6	976.1	345.0	228.4
Share in profit from investment in equity-accounted investees	191.5	133.5	78.2	56.8
Property operating expenses	(161.4)	(104.2)	(58.6)	(40.6)
Administrative and other expenses	(15.0)	(10.8)	(6.0)	(3.7)
OPERATING PROFIT	**1,799.5**	**1,368.3**	**550.8**	**377.4**
Finance expenses	(81.8)	(48.0)	(29.5)	(18.2)
Other financial results	(81.4)	(16.6)	(29.9)	1.7
PROFIT BEFORE TAX	**1,636.3**	**1,303.7**	**491.4**	**360.9**
Current tax expenses	(32.9)	(26.5)	(12.7)	(8.0)
Deferred tax expenses	(215.5)	(195.5)	(61.1)	(48.6)
PROFIT FOR THE PERIOD	**1,387.9**	**1,081.7**	**417.6**	**304.3**
PROFIT ATTRIBUTABLE TO:				
Shareholders of the Company	1,238.5	905.4	361.9	250.0
Perpetual notes investors	34.2	22.8	11.9	11.3
Non-controlling interests	115.2	153.5	43.8	43.0
PROFIT FOR THE PERIOD	**1,387.9**	**1,081.7**	**417.6**	**304.3**
NET EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY (IN €)				
Basic earnings per share	1.20	1.15	0.34	0.29
Diluted earnings per share	1.15	0.99	0.32	0.26

The notes on pages 72 to 84 form an integral part of these condensed interim consolidated financial statements

Berlin

	Nine months ended September 30,		Three months ended September 30,	
	2018	2017	2018	2017
	in € millions			
PROFIT FOR THE PERIOD	**1,387.9**	**1,081.7**	**417.6**	**304.3**
OTHER COMPREHENSIVE INCOME (LOSS):				
Items that are or may be reclassified subsequently to profit or loss				
Hedge reserves	(45.8)	(43.3)	(18.6)	(34.2)
Foreign currency translation differences	(5.8)	-	(6.0)	-
Equity-accounted investees – share of OCI	(3.9)	-	0.9	-
Tax related to the other comprehensive income components	8.9	10.9	6.1	7.2
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**(46.6)**	**(32.4)**	**(17.6)**	**(27.0)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,341.3**	**1,049.3**	**400.0**	**277.3**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the Company	1,191.9	873.0	344.3	223.0
Perpetual notes investors	34.2	22.8	11.9	11.3
Non-controlling interests	115.2	153.5	43.8	43.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,341.3**	**1,049.3**	**400.0**	**277.3**

The notes on pages 72 to 84 form an integral part of these condensed interim consolidated financial statements

Interim consolidated statement of financial position

	Note	September 30, 2018	December 31, 2017
		Unaudited	Audited
		in € millions	
ASSETS			
Investment property	5	13,157.4	9,804.1
Advance payments for real estate transactions		348.6	70.1
Investment in equity-accounted investees	6	2,125.8	1,905.6
Equipment and intangible assets		109.5	25.8
Other non-current assets		318.9	392.8
Derivative financial instruments		5.2	34.1
Deferred tax assets		41.1	14.8
NON-CURRENT ASSETS		**16,106.5**	**12,247.3**
Cash and cash equivalents		1,024.1	736.4
Short-term deposits		4.1	17.5
Traded securities at fair value through profit or loss		361.2	87.7
Derivative financial instruments		8.6	10.9
Trade and other receivables	11	425.1	162.9
Assets held for sale	11	187.4	507.7
CURRENT ASSETS		**2,010.5**	**1,523.1**
TOTAL ASSETS		**18,117.0**	**13,770.4**

The notes on pages 72 to 84 form an integral part of these condensed interim consolidated financial statements

	Note	September 30, 2018	December 31, 2017
		Unaudited	Audited
		in € millions	
EQUITY			
Share capital	8	11.0	9.5
Retained earnings and other capital reserves	8	7,248.0	5,392.8
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY		**7,259.0**	**5,402.3**
Equity attributable to perpetual notes investors	8	1,565.9	1,173.3
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY AND PERPETUAL NOTES INVESTORS		**8,824.9**	**6,575.6**
Non-controlling interests		377.7	674.3
TOTAL EQUITY		**9,202.6**	**7,249.9**
LIABILITIES			
Loans and borrowings	7.1	1,096.5	956.9
Convertible bonds	7.2	58.3	293.8
Straight bonds	7.2	6,185.5	3,827.0
Derivative financial instruments		83.8	54.9
Other non-current liabilities		69.7	70.1
Deferred tax liabilities		979.1	752.2
NON-CURRENT LIABILITIES		**8,472.9**	**5,954.9**
Loans and borrowings	7.1	26.1	17.4
Trade and other payables		257.5	266.5
Tax payable		7.1	8.9
Provisions and current liabilities		120.0	87.1
Liabilities held for sale	11	30.8	185.7
CURRENT LIABILITIES		**441.5**	**565.6**
TOTAL LIABILITIES		**8,914.4**	**6,520.5**
TOTAL EQUITY AND LIABILITIES		**18,117.0**	**13,770.4**

The Board of Directors of Aroundtown SA authorized these condensed interim consolidated financial statements for issuance on November 28, 2018

Frank Roseen
Director

Oschrie Massatschi
Director

Jelena Afxentiou
Director

Interim consolidated statement of changes in equity

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

	Attributable to the shareholders of the Company								
	Share capital	Share Premium and other capital reserves	Hedge reserves	Retained earnings	Total	Equity attributable to perpetual notes investors	Equity attributable to sharehol-ders 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	-	-	-	1,238.5	1,238.5	34.2	1,272.7	115.2	1,387.9
Other comprehensive income (loss) for the period, net of tax	-	(9.7)	(36.9)	-	(46.6)	-	(46.6)	-	(46.6)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**-**	**(9.7)**	**(36.9)**	**1,238.5**	**1,191.9**	**34.2**	**1,226.1**	**115.2**	**1,341.3**
Issuance of ordinary shares	0.9	599.6	-	-	600.5	-	600.5	-	600.5
Issuance of shares related to conversion of convertible bonds	0.6	297.9	-	-	298.5	-	298.5	-	298.5
Issuance of perpetual notes	-	-	-	-	-	390.2	390.2	-	390.2
Amount attributed to perpetual notes investors	-	-	-	-	-	(31.8)	(31.8)	-	(31.8)
Non-controlling interests arising from initially consolidated companies and deconsolidations	-	-	-	-	-	-	-	47.5	47.5
Transactions with non-controlling interests	-	-	-	(11.7)	(11.7)	-	(11.7)	(459.3)	(471.0)
Equity settled share-based payment	-	2.2	-	-	2.2	-	2.2	-	2.2
Dividend distribution	(*) 0.0	(224.7)	-	-	(224.7)	-	(224.7)	-	(224.7)
BALANCE AS AT SEPTEMBER 30, 2018 (UNAUDITED)	**11.0**	**2,474.8**	**(37.4)**	**4,810.6**	**7,259.0**	**1,565.9**	**8,824.9**	**377.7**	**9,202.6**

(*) less than €0.1 million.

The notes on pages 72 to 84 form an integral part of these condensed interim consolidated financial statements

Bad Reichenhall

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

	Attributable to the shareholders of the Company								
	Share capital	Share Premium and other capital reserves	Hedge reserves	Retained earnings	Total	Equity attributable to perpetual notes investors	Equity attributable to sharehol-ders 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	-	-	-	905.4	905.4	22.8	928.2	153.5	1,081.7
Other comprehensive income (loss) for the period, net of tax	-	-	(32.4)	-	(32.4)	-	(32.4)	-	(32.4)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**-**	**-**	**(32.4)**	**905.4**	**873.0**	**22.8**	**895.8**	**153.5**	**1,049.3**
Issuance of ordinary shares	0.9	418.9	-	-	419.8	-	419.8	-	419.8
Issuance of shares related to conversion of convertible bonds	1.0	310.2	-	-	311.2	-	311.2	-	311.2
Issuance of perpetual notes	-	-	-	-	-	703.4	703.4	-	703.4
Amount attributed to perpetual notes investors	-	-	-	-	-	(1.0)	(1.0)	-	(1.0)
Non-controlling interests arising from initially consolidated companies and deconsolidations	-	-	-	-	-	-	-	41.7	41.7
Transactions with non-controlling interests	-	-	-	0.9	0.9	-	0.9	3.4	4.3
Equity settled share-based payment	-	1.4	-	-	1.4	-	1.4	-	1.4
BALANCE AS AT SEPTEMBER 30, 2017 (UNAUDITED)	**8.7**	**1,363.7**	**(32.4)**	**3,356.5**	**4,696.5**	**1,203.5**	**5,900.0**	**571.2**	**6,471.2**

The notes on pages 72 to 84 form an integral part of these condensed interim consolidated financial statements

Interim consolidated statement of cash flows

	Nine months ended September 30,	
	2018	2017
	in € millions	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	1,387.9	1,081.7
Adjustments for the profit:		
Depreciation and amortization	5.9	1.7
Property revaluations, capital gains and other income	(1,244.6)	(976.1)
Share in profit from investment in equity-accounted investees	(191.5)	(133.5)
Finance expenses	81.8	(*) 48.0
Other financial results	81.4	(*) 16.6
Tax and deferred tax expenses	248.4	222.0
Equity settled share-based payment	2.2	1.4
Change in working capital	(39.7)	(12.0)
Dividend received	45.9	40.7
Tax paid	(31.7)	(25.4)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**346.0**	**265.1**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of equipment and intangible assets, net	(7.0)	(4.6)
Investments and acquisitions of investment property, capex and advances paid, net	(1,049.5)	(562.2)
(Acquisitions) / disposals of investees and loans, net of cash acquired / (disposed)	(1,436.8)	(1,446.5)
Proceeds from / (investments in) traded securities and other financial assets, net	(450.1)	(112.9)
NET CASH USED IN INVESTING ACTIVITIES	**(2,943.4)**	**(2,126.2)**

(*) reclassified.

The notes on pages 72 to 84 form an integral part of these condensed interim consolidated financial statements

Düsseldorf

	Nine months ended September 30,	
	2018	2017
	in € millions	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares, net	600.5	419.8
Proceeds from issuance of straight bonds, net	2,270.8	923.1
Proceeds from perpetual notes investors, net	352.2	698.7
Redemption and buy-back of convertible bonds	-	(114.4)
Proceeds / (repayments) from / (of) loans from financial institutions and others, net	148.6	(203.7)
Amortizations of loans from financial institutions	(19.4)	(27.6)
Transactions with non-controlling interests	(185.1)	(11.7)
Dividend distribution	(224.8)	-
Interest and other financial expenses, net	(63.6)	(52.6)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**2,879.2**	**1,631.6**
NET CHANGES IN CASH AND CASH EQUIVALENTS	**281.8**	**(229.5)**
Assets held for sale – cash	5.9	(2.0)
Cash and cash equivalents as at January 1	736.4	641.4
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,024.1**	**409.9**

The notes on pages 72 to 84 form an integral part of these condensed interim consolidated financial statements

Condensed notes to the interim consolidated financial statements

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

1. GENERAL

(A) Incorporation and principal activities

Aroundtown SA ("the Company" or "Aroundtown") 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 additionally, as at September 2018, Aroundtown holds a significant interest of approximately 39% 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 nine-month period ended September 30, 2018 consist of the financial statements of Company and its subsidiaries ("the Group").

(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, 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 has an EMTN Programme of €10 billion. For further information please see notes 7 and 8.

(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 Group)
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 nine months ended on September 30, 2018

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 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 November 28, 2018.

(B) Judgments and estimates

In preparing these condensed interim consolidated financial statements, management applies judgments, estimates and special 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) 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.

(D) Going concern

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

(E) Functional and presentation currency

The condensed consolidated financial statements are presented in euro, which is also the functional currency of the Group except for a net investment in foreign operation for which its functional currency is the British Pound (GBP), and reported in millions of euros rounded to one decimal point, except when otherwise indicated. As at September 30, 2018, the Company had financial instruments in British Pound (GBP), US Dollar (USD), Swiss Franc (CHF), Australian Dollar (AUD), Canadian Dollar (CAD) and Norwegian Krone (NOK). The exchange rates versus the euro were as follows:

	EUR/GBP	EUR/USD	EUR/CHF	EUR/AUD	EUR/CAD	EUR/NOK
AS AT SEPTEMBER 30, 2018	0.887	1.158	1.132	1.605	1.506	9.467
As at September 30,2017	0.882	1.181	1.146	1.508	1.469	9.413
As at December 31, 2017	0.887	1.199	1.170	1.535	1.504	9.840
Percentage changes during the respective period:						
NINE MONTHS ENDED SEPTEMBER 30, 2018	0.0%	(3.5%)	(3.3%)	4.5%	0.1%	(3.8%)
Nine months ended September 30, 2017	3.0%	12.0%	6.7%	3.3%	3.6%	3.6%
Year ended December 31, 2017	3.6%	13.8%	9.0%	5.1%	6.0%	8.3%

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. The application of the new standard does not have material impact on the Group's consolidated financial statements.

(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.

London

4. ACQUISITION OF INVESTEES

(A)

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	1,692.0
Equipment	82.1
Working capital, net	4.4
Cash and cash equivalents	33.8
	1,812.3
Bank loans	(34.4)
Other assets (liabilities), net	(66.2)
	(100.6)
TOTAL IDENTIFIABLE NET ASSETS	**1,711.7**
Non-controlling interests arising from initial consolidation	81.2
Total consideration	1,630.5

(B)

During the reporting period, the Group increased its holdings in several subsidiaries. The carrying amount of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries, amounted to €459.3 million and is presented in consolidated statement of changes in equity. The results of the transaction are recognized directly in equity attributed to the owners of the Company.

5. INVESTMENT PROPERTY

	Nine months ended September 30, 2018	Year ended December 31, 2017
	Unaudited	Audited
	in € millions	
Balance as at January 1	9,804.1	5,016.2
Acquisitions of investment property and capex	2,463.1	3,957.8
Transfer investment property to held for sale, net (a)	(278.7)	(*) (485.1)
Fair value adjustment	1,168.9	1,315.2
Balance as at September 30 / December 31	13,157.4	9,804.1

(*) reclassified.

(a) for more information about the assets held for sale and disposals see note 11.

As of September 30, 2018, the balance of the investment property included €836 million of land development and building rights.

The fair value of the investment property of the Group is determined at least once a year by external, independent and certified valuators, who are considered as leading valuators in the European real estate market. When determining the fair value of investment property, the valuators use assumptions in order to reflect properly the specific characteristics of the property. Such assumptions can refer to the use of the property, building rights, re-letting potential and more.

The Group and the valuators confirm that there is no actual or potential conflict of interest that may have influenced the valuators status as external and independent valuators.

The rates applied when determining over 99% of the fair value of the investment property are:

	Minimum	Maximum	Average
Cap rate	3.25%	9.85%	5.13%
Discount rate	2.25%	10.75%	5.47%

6. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

Composition

	Nine months ended September 30, 2018	Year ended December 31, 2017
	Unaudited	Audited
	in € millions	
Balance as at January 1	1,905.6	1,557.0
Additions, net	141.0	120.2
Transfer to held for sale	(108.4)	-
Share of profit from investments in equity accounted investees	191.5	228.4
Changes via OCI	(3.9)	-
BALANCE AS AT SEPTEMBER 30 / DECEMBER 31	**2,125.8**	**1,905.6**

The balance as at September 30, 2018 and December 31, 2017 reflected mainly the Group's investment in residential real estate portfolio through its strategic direct investment in GCP S.A. and amounted to €1,757.9 million and €1,609.7 million, respectively.

In addition, the balance as at September 30, 2018 consisted €65.1 million new investment in equity-accounted investee held 30% by the Group, as well as €302.8 million in other minority investments in subsidiaries of GCP S.A.

During the reporting period, an investment amounted to €108.4 million was classified to held for sale and then disposed.

The fair value of the investment in GCP S.A., based on the quoted share price, on November 27, 2018, September 30, 2018 and December 31, 2017, was €1,322.4 million, €1,433.1 million and €1,219.5 million, respectively.

7. LOANS, BORROWINGS AND BONDS

7.1 Loans and borrowings composition

	September 30, 2018	December 31, 2017
	Unaudited	Audited
	in € millions	
Non-current portion of bank loans (a)	1,026.6	956.9
Credit facility from financial institutions	69.9	-
Total non-current loans and borrowings	1,096.5	956.9
Current portion of bank loans and credit facility	26.1	17.4

(a) The bank loans are non-recourse loans, having the serving assets as their main security. As at September 30, 2018 under the existing loan agreements, the Group is in compliance with its obligations (including loan covenants) to the financing banks.

Dresden

7.2 Straight and convertible bonds composition

Set out below, is an overview of the Group's straight and convertible bonds as at September 30, 2018 and December 31, 2017:

		Currency	Nominal amount	Coupon rate (p.a.)	Issuance - maturity	September 30, 2018	December 31, 2017
						Unaudited	Audited
			In € millions	%		In € millions	
STRAIGHT BONDS							
Series D	(a)	EUR	281	1.5	05/2016-05/2022	267.9	572.5
Series E		EUR	650	1.5	07/2016-07/2024	623.7	620.6
Series F		EUR	550	2.125	12/2016-03/2023	541.7	540.4
Series H		USD	400	1.365 (o) (p)	03/2017-03/2032	325.7	312.8
Series NOK		NOK	750	0.818 (o) (p)	07/2017-07/2027	77.9	74.7
Series I		EUR	500	1.875	07/2017-01/2026	484.6	483.2
Series J	(h)	GBP	500	3.0	10/2017-10/2029	544.4	542.9
Series K		EUR	700	1.0	11/2017-01/2025	681.8	679.9
Series L	(b)	USD	150	1.75 (p)	02/2018-02/2038	128.7	-
Series M	(c)	CHF	250	0.732	01/2018-01/2025	220.0	-
Series N	(d)	EUR	800	1.625	01/2018-01/2028	774.6	-
Series O	(e)	EUR	500	2.0	05/2018-11/2026	488.2	-
Series P	(f)	AUD	250	1.605 (p)	05/2018-05/2025	153.3	-
Series Q	(g)	GBP	400	3.25	07/2018-07/2027	436.0	-
Series R	(j)	CAD	250	1.7 (p)	09/2018-09/2025	164.3	-
Series S	(i)	EUR	100	0.75 + Euribor (6m)	08/2018-08/2023	99.6	-
Series T	(k)	EUR	100	2.0 (p)	09/2018-09/2030	100.0	-
Series U	(l)	EUR	75	2.97	09/2018-09/2033	73.1	-
TOTAL STRAIGHT BONDS						**6,185.5**	**3,827.0**
TOTAL ACCRUED INTEREST ON STRAIGHT BONDS	(q)					**69.2**	**41.7**
CONVERTIBLE BONDS							
Series B	(m)(n)	EUR	4	3.0	05/2015-05/2020	3.9	5.8
Series C	(m)(n)	EUR	58.1 (r)	1.5	12/2015-01/2021	54.4	288.0
TOTAL CONVERTIBLE BONDS						**58.3**	**293.8**
TOTAL ACCRUED INTEREST ON CONVERTIBLE BONDS	(q)					**0.2**	**2.0**

(a) During the first quarter of 2018, the Company bought back €319 million nominal value of straight bond series D for a price of 103.938% of the nominal value 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% p.a. for the first 5 years and 1.78% p.a. 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 until maturity. 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) In May 2018, the Company successfully completed the placement of a €500 million (nominal value) straight bond series O, maturing in 2026 and carrying 2.0% annual coupon, for a consideration that reflected 98.09% of its principal amount. The bond was placed under the EMTN Programme.

(f) In May 2018, the Company successfully completed the placement of a AUD 250 million (€158 million) (nominal value) straight bond series P, maturing in 2025, for a consideration that reflected 98.98% 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 1.6045% p.a. for the first 5 years and 1.244% p.a. plus Euribor (6M) for the following 2 years.

(g) In July 2018, the Company successfully completed the placement of a GBP 400 million (€449 million) (nominal value) straight bond series Q, maturing in 2027 and carrying 3.25% annual coupon, for a consideration that reflected 97.09% of its principal amount. The Company designated the bond as a hedging item on the net investment in the foreign operation in the UK, so that the currency effect from the bond would offset the counter effect from the net foreign investment. The bond was placed under the EMTN Programme.

(h) In August 2018, the Company decided to wind-up the cross-currency swap it had on bond J (interest and principal) and designated the bond as a hedging item on the net investment in the foreign operation in the UK, so that the currency effect from the bond would offset the counter effect from the net foreign investment.

(i) In August 2018, the Company successfully completed the placement of a €100 million (nominal value) Schuldschein series S, maturing in 2023 and carrying semi-annual coupon of 0.75% p.a. plus Euribor (6M), for a consideration that reflected 99.8% of its principal amount.

(j) In September 2018, the Company successfully completed the placement of a CAD 250 million (€164 million) (nominal value) straight bond series R, maturing in 2025, for a consideration that reflected 99.59% 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 1.7% p.a. for the first 5 years and 2.72% p.a. plus Euribor (6M) for the following 2 years. The bond was placed under the EMTN Programme.

(k) In September 2018, the Company successfully completed the placement of a €100 million (nominal value) straight bond series T, maturing in 2030, for a consideration that reflected 100% of its principal amount. and carrying annual coupon linked to the CMS index. The Company hedged the interest rate into fixed 2.0% annual coupon for the first 5 years, and a semi-annual coupon of 2.25% p.a. plus Euribor (6M) for the following 7 years. The bond was placed under the EMTN Programme. After the reporting period, the Company tapped its straight bond series T by additional €50 million (nominal value).

(l) In September 2018, the Company successfully completed the placement of a €75 million (nominal value) straight bond series U, maturing in 2033 and carrying 2.97% annual coupon, for a consideration that reflected 100% of its principal amount. The bond was placed under the EMTN Programme.

(m) During the reporting period, a total amount of €2.0 million nominal value of convertible bond series B and €241.9 million nominal value of convertible bond series C was converted into 0.6 million shares and 45.1 million shares, respectively, as per the bonds' terms and conditions. Additionally, during the reporting period, €31.5 million nominal value of convertible bond series B held by the Company was sold for its fair value (€61 million) and then was converted into 9.6 million shares.

(n) Due to the dividend distribution which took place in July 2018, the conversion price relating to convertible bond series B and convertible bond series C was adjusted from €3.2746 to €3.1671 and from €5.5148 to €5.3338, respectively, effective July 5, 2018.

(o) Coupon and principal are linked to CPI through derivative instruments.

(p) Effective coupon in euro

(q) Presented as part of the provisions and current liabilities in the consolidated statement of financial position.

(r) After the reporting period, the outstanding nominal amount of convertible bond series C was fully converted into the Company's shares. See also note 14.

7.3 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.

8. EQUITY

(A) Share capital

	September 30, 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 increase	95,000,000	0.9	168,000,000	1.7
Exercise of convertible bonds series B and series C into shares	55,324,686	0.6	103,367,565	1.0
Issuance as part of the scrip dividend	3,392,129	(*) 0.0	-	-
Share-based payment	15,664	(*) 0.0	172,603	(*) 0.0
Balance at the end of the period / year	1,101,541,120	11.0	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, 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 at 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, and can be distributed at any time. The account also consists of the equity component of the convertible bonds, the share-based payment reserve, and the other comprehensive income components arising from the hedge accounting and the foreign currency translations, which temporarily cannot be distributed.

(D) Resolution of dividend distribution

On June 27, 2018, the shareholders' Annual General Meeting resolved upon the distribution of a dividend in the amount of €0.234 per share from the share premium in accordance with the proposal of the Board of Directors. The Company provided the shareholders with the option to receive their dividend through a "Scrip Dividend", i.e. the shareholders may elect to receive up to 70% of their dividend in the form of the Company's shares, with the remainder paid in cash. Shareholders of 142.7 million shares opted to receive their dividend in the form of new ordinary shares of the Company. Accordingly, 3.4 million new shares were issued. The cash dividend was paid in July 2018 and amounted to €224.8 million.

9. RELATED PARTY TRANSACTIONS

The transactions and balances with related parties are as follows:

	Nine months ended September 30,	
	2018	2017
	in € millions	
Rental and operating expenses to related party during the period (i)	(0.7)	(0.2)
Consulting service expenses from related party during the period	(0.3)	-
Consulting service income from related party during the period	0.2	-

The balances with related parties are as follows:

	September 30, 2018	December 31, 2017
	Unaudited	Audited
	in € millions	
Loans to associates	8.6	106.7

(i) During the reporting period, the lease expenses between the Group and its related entities amounted to € 0.7 million. As at September 30, 2018, all payments have been carried out.

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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Set out below is an overview of financials assets other than cash and cash equivalents held by the Group as at September 30, 2018 and December 31, 2017:

	September 30, 2018	December 31, 2017
	Unaudited	Audited
	in € millions	
FINANCIAL ASSETS AT AMORTIZED COST:		
Trade and other receivables	425.1	162.9
Other non-current assets	318.9	392.8
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:		
Traded securities at fair value through profit or loss	361.2	87.7
Derivative financial instruments	13.8	45.0
TOTAL ASSETS	**1,119.0**	**688.4**

Set out below is an overview of financials liabilities held by the group as at September 30, 2018 and December 31, 2017:

	September 30, 2018	December 31, 2017
	Unaudited	Audited
	in € millions	
FINANCIAL LIABILITIES AT AMORTIZED COST:		
Trade and other payables	257.5	266.5
Tax payable	7.1	8.9
Loans and borrowings	1,122.6	974.3
Straight bonds	6,185.5	3,827.0
Convertible bonds	58.3	293.8
Other non-current liabilities	69.7	70.1
Accrued interest on straight bonds	69.2	41.7
Accrued interest on convertible bonds	0.2	2.0
Other provisions	24.7	15.2
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS:		
Derivative financial instruments	83.8	54.9
TOTAL LIABILITIES	**7,878.6**	**5,554.4**

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Risk management activities

Currency, interest and inflation risks

As described in note 7.2 to these condensed interim financial statements, the Group issued several straight bonds denominated in foreign currencies other than EUR, which is the functional currency of the Company. In order to mitigate the currency risk, the Group entered into cross-currency swap contracts aimed to hedge the currency impacts. The cross-currency swap contracts also mitigate the interest rate exposure by fixing interest rate fully or partially as described in note 7.2. Furthermore, the Group entered into several cap and swap agreements to hedge interest rate exposure over some of its bank loans. For mitigating the variability in cash flows linked to CPI, the Group also entered into few derivatives linked to CPI.

The total balances as at September 30, 2018 of the outstanding derivatives are liabilities of €83.8 million and assets of €13.8 million. The result of the changes in the derivative financial instruments is presented in the consolidated statement of comprehensive income - loss of €54.6 million in the other financial results, and loss of €45.8 million in other comprehensive income.

The Group is exposed to currency risk arising from its net investment in foreign operation denominated in GBP, and mitigates that by issuing GBP-denominated straight bonds and designating those as hedging instrument reducing the variability of the net currency effect. For further information please see notes 7(g) and 7(h).

Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while increasing the return to owners through striving to keep a low debt to equity ratio. The management closely monitors Loan to Value ratio (LTV), which is calculated, on an entity level or portfolio level, where applicable, in order to ensure that it remains within its quantitative banking covenants and maintain a strong credit rating. The Group seeks to preserve its conservative capital structure with an LTV to remain at a target below 45%. As at September 30, 2018 the LTV ratio was 38% and the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements. LTV covenant ratio may vary between the subsidiaries of the Group. The Group regularly reviews compliance with all relevant regulations regarding restrictions on minimum capital.

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			
SEPTEMBER 30, 2018 (UNAUDITED)				
Derivative financial instruments	-	13.8	-	13.8
Traded securities at fair value through profit or loss	361.2	-	-	361.2
TOTAL ASSETS	**361.2**	**13.8**	**-**	**375.0**
Derivative financial instruments	-	83.8	-	83.8
TOTAL LIABILITIES	**-**	**83.8**	**-**	**83.8**
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**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group applies judgment when selecting the methods and assumptions that are mainly based on market conditions exist at each reporting date. All the Group's derivative financial instruments are linked to the subject financial instrument's maturity.

The calculation of the fair value of interest rate swap hedging instruments is based on the present value of the estimated future cash flows based on observable yield curves. When calculating foreign currency forwards, the present value of future cash flows is based on the forward exchange rates at the balance sheet date.

Financial assets and liabilities not measured at fair value:

	September 30, 2018		December 31, 2017	
	Unaudited		Audited	
	Carrying amount (a)	Fair value (b)	Carrying amount (a)	Fair value (b)
	in € millions			
Convertible bonds	58.5	92.6	295.8	386.0
Straight bonds	6,254.7	6,202.0	3,868.7	4,078.0

(a) Including accrued interest.
(b) The fair value hierarchy of the convertible bonds and straight bonds are at level 1.
The fair value of all other financial assets and liabilities approximately their carrying amount.

11. 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.

During the reporting period, the Company classified additional net investments in total value of €375.5 million. Additionally, the Company completed the sale transactions of several non-core real estate investments in an approximate value of €736 million and recognized capital gain of €75.7 million, presented as Property revaluation, capital gains and other income in the consolidated statement of comprehensive income. An amount of €175.1 million is considered as short-term vendor loan incurred by some of the abovementioned sales and presented as part of the trade and other receivable in the consolidated statement of financial position. This amount was collected after the balance sheet date.

The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:

	Nine months ended September 30, 2018	Year ended December 31, 2017
	Unaudited	Audited
	in € millions	
Assets classified as held for sale		
Investment property	165.1	493.1
Cash and cash equivalents	1.2	7.1
Other assets	21.1	7.5
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**187.4**	**507.7**
Liabilities classified as held for sale		
Loans and borrowings	-	153.5
Deferred tax liabilities	2.8	24.3
Other liabilities	28.0	7.9
TOTAL LIABILITIES CLASSIFIED AS HELD FOR SALE	**30.8**	**185.7**

12. COMMITMENTS

The Group has signed several real estate transactions in a volume of over half a billion which as at September 30, 2018 were not yet completed and are subject to several condition precedents. The Company estimates the completion of the transactions to take place within the next twelve months.

In addition, the Company has approximately €80 million commitments for future capital expenditure on the properties.

13. CONTINGENT ASSETS AND LIABILITIES

The Group had no significant contingent assets and liabilities as at September 30, 2018.

14. EVENTS AFTER THE REPORTING PERIOD

(A) After the reporting date, the outstanding amount of convertible bond series C was fully converted into 10.9 million shares of the Company.

(B) In October 2018, the Company successfully tapped its straight bond series T due 2030 by additional €50 million (nominal value). Following settlement, the aggregate nominal value of the straight bond series T was increased to €150 million.

(C) In October 2018, the Company successfully completed the placement of a €50 million (nominal value) straight bond series V, maturing in 2028 and carrying 2.7% annual coupon. The bond was placed under the EMTN Programme.

(D) In November 2018, the Company successfully completed the placement of a €76 million (nominal value) straight bond series W, maturing in 2032 and carrying 3.25% annual coupon. The bond was placed under the EMTN Programme.

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