QUARTERLY REPORT

Q2

AS OF 30.06.2018

KEY FACTS Q2 / 2018

T1 – Key facts

		Q2 2018	Q2 2017	+/– %/bp	01.01.–30.06.2018	01.01.–30.06.2017	+/– %/bp
RESULTS OF OPERATIONS							
Rental income	€ million	**138.9**	131.8	5.4	**277.4**	263.7	5.2
Net rental and lease income	€ million	**107.9**	100.0	7.9	**206.3**	202.7	1.8
EBITDA	€ million	**484.5**	572.9	–15.4	**576.6**	668.5	–13.7
EBITDA adjusted	€ million	**105.1**	96.0	9.5	**199.9**	193.8	3.1
EBT	€ million	**450.0**	513.3	–12.3	**544.4**	560.5	–2.9
Net profit or loss for the period	€ million	**344.8**	390.5	–11.7	**423.0**	423.3	–0.1
FFO I	€ million	**82.2**	73.6	11.7	**156.4**	148.8	5.1
FFO I per share	€	**1.30**	1.17	11.1	**2.48**	2.36	5.1
FFO II	€ million	**82.2**	72.8	12.9	**155.7**	148.1	5.1
FFO II per share	€	**1.30**	1.15	12.9	**2.46**	2.34	5.1
AFFO	€ million	**41.3**	52.4	–21.2	**93.5**	118.6	–21.2
AFFO per share	€	**0.65**	0.83	–21.2	**1.48**	1.88	–21.2

PORTFOLIO		30.06.2018	30.06.2017	+/– %/bp
Number residential units		**130,224**	127,063	2.5
In-place rent	€/sqm	**5.59**	5.39	3.7
In-place rent (l-f-l)	€/sqm	**5.54**	5.39	2.7
EPRA vacancy rate	%	**3.9**	3.7	+20 bp
EPRA vacancy rate (l-f-l)	%	**3.4**	3.5	–10 bp

STATEMENT OF FINANCIAL POSITION		30.06.2018	31.12.2017	+/– %/bp
Investment property	€ million	**9,941.5**	9,460.7	5.1
Cash and cash equivalents	€ million	**152.9**	285.4	–46.4
Equity	€ million	**4,353.0**	4,112.4	5.9
Total financing liabilities	€ million	**4,324.5**	4,299.6	0.6
Current financing liabilities	€ million	**387.7**	478.2	–18.9
LTV	%	**41.9**	42.3	–40 bp
Equity ratio	%	**41.9**	41.1	+80 bp
Adj. EPRA NAV, diluted	€ million	**6,088.2**	5,753.0	5.8
Adj. EPRA NAV per share, diluted	€	**88.46**	83.81	5.5

bp = basis points

CONTENTS

PORTFOLIO

PORTFOLIO SEGMENTATION AND HOUSING STOCK

The LEG portfolio is divided into three market clusters using a scoring system: high-growth markets, stable markets und higher-yielding markets. The indicators for the scoring system are described in the 2017 annual report.

LEG's portfolio is spread across around 170 locations in North Rhine-Westphalia. As of 30 June 2018 it included 130,224 residential units with 64 square metres on average as well as 1,245 commercial units and 32,736 garages or parking spaces.

PERFORMANCE OF THE LEG PORTFOLIO

Operational development

In-place rent on a like-for-like basis was EUR 5.54 per square metre as of 30 June 2018, 2.7% up on the previous year (30 June 2017: EUR 5.39 per square metre/month).

In the free-financed segment which accounts for around 74% of LEG's portfolio rents rose significantly by 3.5% to EUR 5.86 per square metre on average (on a like-for-like basis). All of LEG market segments contributed to this development. In-place rent in the high-growth markets increased by 3.6% to EUR 6.68 per square metre (on a like-for-like basis). In the stable markets an increase of 3.4% to an average in-place rent of EUR 5.54 per square metre (on a like-for-like basis) was achieved. The higher-yielding markets recorded a plus of 3.5% to 5.41 Euro per square metre against previous year's reporting date. Rent growth also gained momentum in the second quarter due to the gradual effects of LEG's modernisation programme.

In the year 2018, there is no cost rent adjustment. Thus, the average rent in the restricted segment increased only marginally to EUR 4.76 per square metre (on a like-for-like basis; previous year: EUR 4.74 per square metre).

With 3.4% the EPRA vacancy rate on a like-for-like basis was slightly below the previous year's level. The LEG portfolio in the high-growth markets kept being almost fully let with an occupancy rate of 98.1% (on a like-for-like basis). In the stable markets the occupancy rate rose by 20 basis points to 96.9% (on a like-for-like basis). In the higher-yielding markets, as well, the occupancy rate rose by 20 basis points to 94.2% (on a like-for-like basis), benefitting amongst others from vacancy reduction at LEG's two largest locations (District of Recklinghausen, Duisburg).

T2 – Portfolio segments – Top 3 locations

	30.06.2018				
	Number of LEG apartments	*Share of LEG portfolio %*	*Living space sqm*	*In-place rent €/sqm*	*EPRA vacancy rate %*
HIGH-GROWTH MARKETS	**41,341**	**31.7**	**2,735,144**	**6.26**	**2.6**
District of Mettmann	8,494	6.5	590,681	6.28	2.0
Muenster	6,125	4.7	403,337	6.51	1.6
Dusseldorf	5,258	4.0	341,609	7.60	5.2
Other locations	21,464	16.5	1,399,518	5.86	2.3
STABLE MARKETS	**47,565**	**36.5**	**3,057,680**	**5.27**	**3.5**
Dortmund	13,397	10.3	875,721	5.09	3.0
Moenchengladbach	6,445	4.9	408,421	5.58	1.9
Hamm	4,164	3.2	250,309	5.09	3.1
Other locations	23,559	18.1	1,523,230	5.32	4.3
HIGHER-YIELDING MARKETS	**39,468**	**30.3**	**2,409,889**	**5.20**	**6.3**
District of Recklinghausen	9,202	7.1	572,285	5.08	6.0
Duisburg	6,565	5.0	408,131	5.44	3.9
Maerkisch District	4,567	3.5	281,419	5.08	3.0
Other locations	19,134	14.7	1,148,054	5.20	8.1
OUTSIDE NRW	**1,850**	**1.4**	**124,044**	**5.96**	**2.0**
TOTAL	**130,224**	**100.0**	**8,326,757**	**5.59**	**3.9**

T3 – Performance LEG portfolio

		High-growth markets			*Stable markets*		
		30.06.2018	*31.03.2018*	*30.06.2017*	**30.06.2018**	*31.03.2018*	*30.06.2017*
Subsidised residential units							
Units		11,946	12,040	12,622	13,874	13,875	13,949
Area	sqm	831,590	839,888	887,298	938,599	938,674	944,133
In-place rent	€/sqm	5.03	5.00	4.99	4.67	4.67	4.66
EPRA vacancy rate	%	0.9	0.9	0.7	2.4	2.6	2.7
Free-financed residential units							
Units		29,395	29,258	26,318	33,691	33,694	33,064
Area	sqm	1,906,273	1,895,256	1,688,857	2,118,693	2,119,006	2,080,199
In-place rent	€/sqm	6.80	6.73	6.51	5.54	5.48	5.35
EPRA vacancy rate	%	3.1	2.9	2.2	3.9	4.0	3.8
Total residential units							
Units		41,341	41,298	38,940	47,565	47,569	47,013
Area	sqm	2,737,864	2,735,144	2,576,154	3,057,292	3,057,680	3,024,332
In-place rent	€/sqm	6.26	6.19	5.98	5.27	5.23	5.13
EPRA vacancy rate	%	2.6	2.5	1.8	3.5	3.6	3.5
Total commercial							
Units							
Area	sqm						
Total parking							
Units							
Total other							
Units							

	30.06.2017						
	Number of LEG apartments	Share of LEG portfolio %	Living space sqm	In-place rent €/sqm	EPRA vacancy rate %	Change in-place rent % like-for-like	Change (basis points) vacancy rate like-for-like
	38,940	**30.6**	**2,576,154**	**5.98**	**1.8**	**2.6**	**20**
	8,418	6.6	585,874	6.13	1.7	2.5	40
	6,075	4.8	403,395	6.36	0.6	2.0	0
	3,541	2.8	227,862	6.68	1.0	4.4	100
	20,906	16.5	1,359,024	5.69	2.3	2.6	–10
	47,013	**37.0**	**3,024,332**	**5.13**	**3.5**	**2.6**	**–20**
	13,164	10.4	862,626	4.98	2.1	2.0	40
	6,447	5.1	408,462	5.41	2.2	3.1	–40
	4,133	3.3	248,543	4.97	2.1	2.4	80
	23,269	18.3	1,504,701	5.17	4.8	2.8	–70
	39,215	**30.9**	**2,393,003**	**5.05**	**6.4**	**3.0**	**–20**
	9,136	7.2	568,455	4.97	6.6	2.2	–50
	6,549	5.2	406,666	5.25	5.0	3.6	–100
	4,552	3.6	280,622	4.88	3.2	4.0	–20
	18,978	14.9	1,137,260	5.05	7.5	2.8	30
	1,895	**1.5**	**127,321**	**5.73**	**2.6**	**3.4**	**–40**
	127,063	**100.0**	**8,120,811**	**5.39**	**3.7**	**2.7**	**–10**

		Higher-yielding markets			Outside NRW			Total		
		30.06.2018	*31.03.2018*	*30.06.2017*	**30.06.2018**	*31.03.2018*	*30.06.2017*	**30.06.2018**	*31.03.2018*	*30.06.2017*
		8,082	8,090	8,376	98	98	112	34,000	34,103	35,059
	sqm	531,386	531,864	549,551	7,733	7,733	8,910	2,309,308	2,318,159	2,389,892
	€/sqm	4.47	4.47	4.44	4.56	4.56	4.58	4.76	4.75	4.73
	%	4.9	4.9	5.3	1.0	0.0	0.0	2.3	2.5	2.5
		31,386	31,401	30,839	1,752	1,752	1,783	96,224	96,105	92,004
	sqm	1,877,412	1,878,025	1,843,452	116,311	116,311	118,412	6,018,689	6,008,598	5,730,919
	€/sqm	5.41	5.34	5.23	6.05	6.02	5.82	5.92	5.85	5.67
	%	6.6	6.7	6.7	2.0	1.7	2.8	4.3	4.3	4.0
		39,468	39,491	39,215	1,850	1,850	1,895	130,224	130,208	127,063
	sqm	2,408,797	2,409,889	2,393,003	124,044	124,044	127,321	8,327,997	8,326,757	8,120,811
	€/sqm	5.20	5.15	5.05	5.96	5.93	5.73	5.59	5.54	5.39
	%	6.3	6.3	6.4	2.0	1.6	2.6	3.9	3.9	3.7
								1,245	1,245	1,163
	sqm							205,459	205,356	198,704
								32,736	32,735	31,482
								2,376	2,334	2,176

Value development

The following table shows the distribution of assets by market segment. Given the continuing market momentum an interim revaluation of the portfolio had been scheduled and was conducted at the end of June as in the previous year. This resulted in an increase of the gross asset value by EUR 383.9 million or 4.1% compared to the property portfolio as at the beginning of the financial year (excluding acquisitions). On a per square metre basis, the average value of the total residential portfolio amounted to EUR 1,144 at the end of the first half (31 December 2017: EUR 1,091 per square metre).

The rental yield of the portfolio based on in-place rents was 5.7% as of 30 June 2018 (rent multiplier: 17.5). The valuation of the residential portfolio corresponds to an EPRA net initial yield of 4.3%.

T4 – Market segments

	Residential units	Residential assets € million [1]	Share residential assets %	Value €/sqm	In-place rent multiplier	Commercial/ other assets € million [2]	Total assets € million
HIGH GROWTH MARKETS	**41,341**	**4,439**	**47**	**1,620**	**21.8x**	**216**	**4,655**
District of Mettmann	8,494	895	9	1,518	20.3x	66	961
Muenster	6,125	800	8	1,968	25.2x	43	843
Dusseldorf	5,258	706	7	2,070	23.4x	41	746
Other locations	21,464	2,038	21	1,452	20.9x	66	2,105
STABLE MARKETS	**47,565**	**2,945**	**31**	**962**	**15.5x**	**101**	**3,046**
Dortmund	13,397	924	10	1,050	17.5x	31	955
Moenchengladbach	6,445	410	4	1,002	15.0x	11	421
Hamm	4,164	221	2	881	14.4x	4	225
Other locations	23,559	1,390	15	914	14.6x	56	1,445
HIGHER-YIELDING MARKETS	**39,468**	**2,004**	**21**	**828**	**14.0x**	**59**	**2,062**
District of Recklinghausen	9,202	473	5	814	14.1x	17	489
Duisburg	6,565	387	4	944	14.8x	22	409
Maerkisch District	4,567	209	2	743	12.4x	2	211
Other locations	19,134	935	10	814	14.0x	18	953
SUBTOTAL NRW	**128,374**	**9,387**	**98**	**1,142**	**17.5x**	**376**	**9,763**
Portfolio outside NRW	1,850	156	2	1,251	17.7x	2	158
TOTAL PORTFOLIO	**130,224**	**9,543**	**100**	**1,144**	**17.5x**	**378**	**9,921**
Leasehold + Land Values							36
Balance Sheet property valuation assets (IAS 40/IFRS 5) [3]							**9,957**
Inventories (IAS 2)							3
Owner-occupied property (IAS 16)							22
Construction Costs (IAS 40 AIB)							0
Prepayments for property held as an investment property							0
Finance Lease (outside property valuation)							3
Consolidation effects							0
TOTAL BALANCE SHEET [3]							**9,986**

[1] Excluding 375 residential units in commercial buildings; including 418 commercial and other units in mixed residential assets.
[2] Excluding 418 commercial units in mixed residential assets; including 375 residential units in commercial buildings, commercial, parking, other assets as well as IAS 16 assets.
[3] Thereof assets held for sale in the amount of EUR 19.2 million.

ANALYSIS OF NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Please see the glossary in the 2017 annual report for a definition of individual key figures and terms.

Results of operations

T5 – Condensed income statement

€ million	Q2 2018	Q2 2017	01.01. – 30.06.2018	01.01. – 30.06.2017
Net rental and lease income	107.9	100.0	206.3	202.7
Net income from the disposal of investment properties	–0.2	–0.8	–0.5	–0.7
Net income from the remeasurement of investment properties	383.9	480.1	383.9	480.1
Net income from the disposal of real estate inventory	–0.5	–0.5	–1.2	–1.6
Net income from other services	0.7	1.3	2.2	2.7
Administrative and other expenses	–9.9	–9.4	–19.3	–19.3
Other income	0.2	0.1	0.4	0.2
OPERATING EARNINGS	**482.1**	**570.8**	**571.8**	**664.1**
Interest income	0.2	0.2	0.3	0.2
Interest expenses	–23.1	–25.7	–47.4	–64.5
Net income from investment securities and other equity investments	0.2	0.1	2.6	2.7
Net income from the fair value measurement of derivatives	–9.4	–32.1	17.1	–42.0
NET FINANCE EARNINGS	**–32.1**	**–57.5**	**–27.4**	**–103.6**
EARNINGS BEFORE INCOME TAXES	**450.0**	**513.3**	**544.4**	**560.5**
Income taxes	**–105.2**	**–122.8**	**–121.4**	**–137.2**
NET PROFIT OR LOSS FOR THE PERIOD	**344.8**	**390.5**	**423.0**	**423.3**

In the reporting period (1 January to 30 June 2018) income from net cold rent increased by 5.2% (+ EUR 13.7 million) against the comparative period (1 January to 30 June 2017). Due to higher scheduled maintenance expenses compared to a very low basis of comparison in the previous year net rental and lease income developed disproportionately with an increase by 1.8% to EUR 206.3 million.

Adjusted EBITDA increased by 3.1% to EUR 199.9 million. Due to the effect of higher scheduled maintenance expenses the adjusted EBITDA margin decreased slightly from 73.5% (comparative period) to 72.1% in the reporting period.

The decrease of operating earnings by EUR 92.3 million in the reporting period was mainly due to EUR 96.2 million lower net income from the remeasurement of investment properties.

The decrease in interest expenses related mainly to refinancings completed in the comparative period, which caused higher interest expenses in the form of redemption fees for fixed and floating-rate loans and additional loan amortisation amounted to approximately EUR 12 million.

In spite of the increase in average net debt cash interest expenses dropped by EUR 1.7 million to EUR –38.8 million year-on-year in the reporting period.

In the first half of 2018, current income tax expenses of EUR –4.1 million were recorded affecting net income.

Net rental and lease income

T6 – Net rental and lease income

€ million	Q2 2018	Q2 2017	01.01.–30.06.2018	01.01.–30.06.2017
Net cold rent	138.9	131.8	277.4	263.7
Profit from operating expenses	–1.4	–2.4	–4.2	–3.5
Maintenance for externally procured services	–11.2	–11.1	–26.7	–20.9
Staff costs	–15.3	–13.2	–30.3	–26.6
Allowances on rent receivables	–1.9	–1.8	–4.3	–3.7
Depreciation and amortisation expenses	–1.5	–1.4	–3.0	–2.8
Other	0.3	–1.9	–2.6	–3.5
NET RENTAL AND LEASE INCOME	**107.9**	**100.0**	**206.3**	**202.7**
NET OPERATING INCOME-MARGIN (IN %)	**77.7**	**75.9**	**74.4**	**76.9**
Non-recurring project costs – rental and lease	2.4	0.2	3.7	0.4
Depreciation	1.5	1.4	3.0	2.8
ADJUSTED NET RENTAL AND LEASE INCOME	**111.8**	**101.6**	**213.0**	**205.9**
ADJUSTED NET OPERATING INCOME-MARGIN (IN %)	**80.5**	**77.1**	**76.8**	**78.1**

In the reporting period, the LEG Group increased its net rental and lease income by EUR 3.6 million compared to the same period of the previous year. The main driver of this development was the EUR 13.7 million rise in net cold rents. In-place rent per square metre on a like-for-like basis rose by 2.7% in the reporting period. Acting in the opposite direction is the increase in maintenance expenses with EUR 5.8 million as well as the increase in personnel expenses with EUR 3.7 million. The latter was mainly attributable to project-related expenses with a one-time character.

Adjusted by the effect of the own provided maintenance services the rental-related staff costs developed at a slightly slower rate (2.0%) than the net cold rent (increase of 5.2%).

As a result of higher maintenance expenses the adjusted NOI margin of 76.8% is slightly lower than in the comparative period (78.1%). The NOI margin before maintenance expenses, however, increased further.

The EPRA vacancy rate, which is the ratio of rent lost due to vacancy to potential rent in the event of full occupancy, was 3.4% on a like-for-like basis as at 30 June 2018.

T7 – EPRA vacancy rate

€ million	30.06.2018	30.06.2017
Rental value of vacant space – like-for-like	19.6	18.7
Rental value of vacant space – total	23.3	19.8
Rental value of the whole portfolio – like-for-like	577.3	538.9
Rental value of the whole portfolio – total	600.7	541.6
EPRA VACANCY RATE – LIKE-FOR-LIKE (IN %)	**3.4**	**3.5**
EPRA VACANCY RATE – TOTAL (IN %)	**3.9**	**3.7**

Value enhancing measures increased significantly in the second quarter of 2018 due to the current strategic investment programme. Total investment therefore increased to EUR 11.3 per square metre with a capitalisation rate of 63.2%.

T8 – Maintenance and modernisation of investment properties

€ million	Q2 2018	Q2 2017	01.01.–30.06.2018	01.01.–30.06.2017
Maintenance expenses for investment properties	17.3	16.8	35.6	29.7
Capital expenditure	40.0	21.2	61.2	30.2
TOTAL INVESTMENT	**57.3**	**38.0**	**96.8**	**59.9**
Area of investment properties in million sqm	8.53	8.30	8.54	8.31
AVERAGE INVESTMENT (€/SQM)	**6.7**	**4.6**	**11.3**	**7.2**

A further increase in investments in major projects is scheduled for the further course of the financial year.

Portfolios acquired since the beginning of the comparative period accounted for EUR 2.3 million of total investment.

Net income from the disposal of investment properties

T9 – Net income from the disposal of investment properties

€ million	Q2 2018	Q2 2017	01.01.–30.06.2018	01.01.–30.06.2017
Income from the disposal of investment properties	3.5	0.1	13.6	57.3
Carrying amount of the disposal of investment properties	–3.5	–0.8	–13.7	–57.7
Costs of sales of investment properties sold	–0.2	–0.1	–0.4	–0.3
NET INCOME FROM THE DISPOSAL OF INVESTMENT PROPERTIES	**–0.2**	**–0.8**	**–0.5**	**–0.7**

There were fewer disposals of investment property in the reporting period. Sales of investment property amounted to EUR 13.6 million and relate mainly to objects, which were reported as assets held for sale and were remeasured up to the agreed property value as of 31 December 2017.

Net income from remeasurement of investment property

Net income from remeasurement of investment property amounted to EUR 383.9 million in the reporting period which corresponds to a 4.1% rise compared to the start of the financial year.

The average value of investment property (incl. IFRS 5 objects) is EUR 1,144 per square metre including acquisitions (31 December 2017: EUR 1,091 per square metre).

The increase in property value in the reporting period is EUR 96.2 million below the figure for the comparative period, which mainly resulted from a lower change in the development of the in-place and target rents.

Net income from the disposal of real estate inventory

The disposal of the remaining properties of the former "Development" division continued as planned in the reporting period.

The remaining real estate inventory held as at 30 June 2018 amounted to EUR 2.5 million, of which EUR 1.1 million related to land under development.

Administrative and other expenses

T10 – Administrative and other expenses

€ million	Q2 2018	Q2 2017	01.01.–30.06.2018	01.01.–30.06.2017
Other operating expenses	–3.1	–4.0	–6.3	–7.6
Staff costs	–6.3	–5.1	–12.0	–10.8
Purchased services	–0.2	–0.2	–0.5	–0.6
Depreciation and amortisation	–0.3	–0.1	–0.5	–0.3
ADMINISTRATIVE AND OTHER EXPENSES	**–9.9**	**–9.4**	**–19.3**	**–19.3**
Depreciation and amortisation	0.3	0.1	0.5	0.3
Non-recurring project costs and extraordinary and prior-period expenses	1.5	1.6	1.9	2.8
ADJUSTED ADMINISTRATIVE AND OTHER EXPENSES	**–8.1**	**–7.7**	**–16.8**	**–16.2**

In the first half of 2018, administrative and other expenses at EUR 19.3 million were unchanged against the comparative period.

Current administrative expenses increased slightly compared with the comparative period.

Net finance earnings

T11 – Net finance earnings

€ million	Q2 2018	Q2 2017	01.01.–30.06.2018	01.01.–30.06.2017
Interest income	0.2	0.2	0.3	0.2
Interest expenses	–23.1	–25.7	–47.4	–64.5
NET INTEREST INCOME	**–22.9**	**–25.5**	**–47.1**	**–64.3**
Net income from other financial assets and other investments	0.2	0.1	2.6	2.7
Net income from associates	–	–	–	–
Net income from the fair value measurement of derivatives	–9.4	–32.1	17.1	–42.0
NET FINANCE EARNINGS	**–32.1**	**–57.5**	**–27.4**	**–103.6**

Interest expense from loan amortisation dropped by EUR 8.8 million year on year to EUR 5.8 million. This includes the measurement of the convertible and corporate bonds at amortised cost in the amount of EUR 5.0 million (comparative period: EUR 3.7 million). One-time, additional amortisation expense as part of the refinancing amounted to EUR 0 million (EUR 4.9 million in the comparative period). The conducted refinancings of the previous year reduced amortisation effects in the reporting period.

Year-on-year a further reduction in the average interest rate to 1.75% was achieved as at 30 June 2018 (1.85% as at 30 June 2017) based on an average term of around 7.83 years (8.98 years as at 30 June 2017).

Dividends received from equity investments in non-consolidated and non-associated companies decreased by EUR 0.3 million year-on-year to EUR 2.4 million in the reporting period.

In the reporting period, net income from the fair value measurement of derivatives resulted primarily from changes in the fair value of embedded derivatives from the convertible bond in the amount of EUR 16.9 million (comparative period: EUR 42.3 million).

Income tax expenses

An effective Group tax rate of 22.7% was assumed in the reporting period in accordance with Group tax planning (comparative period: 22.5%).

The lower gain from the remeasurement of investment property is the main driver of the year-on-year decrease in income tax expense by EUR 15.8 million to EUR 121.4 million.

T12 – Income tax expenses

€ million	Q2 2018	Q2 2017	01.01.–30.06.2018	01.01.–30.06.2017
Current tax expenses	–2.7	–1.9	–4.1	–3.3
Deferred tax expenses	–102.5	–120.9	–117.3	–133.9
INCOME TAX EXPENSES	**–105.2**	**–122.8**	**–121.4**	**–137.2**

Reconciliation to FFO

FFO I is a key financial performance indicator of the LEG Group. The LEG Group distinguishes between FFO I (not including net income from the disposal of investment properties), FFO II (including net income from the disposal of investment properties) and AFFO (FFO I adjusted for capex). The calculation methods for these key figures can be found in the glossary in the annual report.

FFO I, FFO II and AFFO were calculated as follows in the reporting period and the same period of the previous year:

T13 – Calculation of FFO I, FFO II and AFFO

€ million	Q2 2018	Q2 2017	01.01.–30.06.2018	01.01.–30.06.2017
Net cold rent	138.9	131.8	277.4	263.7
Profit from operating expenses	–1.4	–2.4	–4.2	–3.5
Maintenance for externally procured services	–11.2	–11.1	–26.7	–20.9
Staff costs	–15.3	–13.2	–30.3	–26.6
Allowances on rent receivables	–1.9	–1.8	–4.3	–3.7
Other	0.1	–1.9	–2.7	–3.5
Non-recurring project costs (rental and lease)	2.4	0.2	3.7	0.4
CURRENT NET RENTAL AND LEASE INCOME	**111.6**	**101.6**	**212.9**	**205.9**
CURRENT NET INCOME FROM OTHER SERVICES	**1.4**	**1.9**	**3.4**	**3.8**
Staff costs	–6.3	–5.1	–12.0	–10.8
Non-staff operating costs	–3.3	–4.2	–6.7	–8.2
Non-recurring project costs (admin.)	1.5	1.6	1.9	2.8
Extraordinary and prior-period expenses	0.0	0.0	0.0	0.0
CURRENT ADMINISTRATIVE EXPENSES	**–8.1**	**–7.7**	**–16.8**	**–16.2**
Other income and expenses	0.2	0.2	0.4	0.3
ADJUSTED EBITDA	**105.1**	**96.0**	**199.9**	**193.8**
Cash interest expenses and income	–19.4	–19.6	–38.8	–40.5
Cash income taxes from rental and lease	–2.6	–1.9	–3.6	–3.2
FFO I (BEFORE ADJUSTMENT OF NON-CONTROLLING INTERESTS)	**83.1**	**74.5**	**157.5**	**150.1**
Adjustment of non-controlling interests	–0.9	–0.9	–1.1	–1.3
FFO I (AFTER ADJUSTMENT OF NON-CONTROLLING INTERESTS)	**82.2**	**73.6**	**156.4**	**148.8**
Net income from the disposal of investment properties	0.1	–0.8	–0.1	–0.7
Cash income taxes from disposal of investment properties	–0.1	–	–0.6	–
FFO II (INCL. DISPOSAL OF INVESTMENT PROPERTIES)	**82.2**	**72.8**	**155.7**	**148.1**
CAPEX	–40.9	–21.2	–62.9	–30.2
CAPEX-ADJUSTED FFO I (AFFO)	**41.3**	**52.4**	**93.5**	**118.6**

At EUR 156.4 million, FFO I was 5.1% higher in the reporting period than in the same period of the previous year (EUR 148.8 million). In particular, this increase is attributable to the positive impact from the rise in net cold rent including the effects of the concluded acquisitions in connection with a further declining average interest rate in spite of higher maintenance expenses.

The reduced average interest rate due to the refinancing is also reflected in the increase of the interest coverage ratio (ratio of adjusted EBITDA to cash interest expense) at 515% in the reporting period (comparative period: 479%) with a slightly lower loan to value (LTV) ratio.

EPRA earnings per share (EPS)

The following table shows earnings per share according to the best practice recommendations by EPRA (European Public Real Estate Association):

T14 – EPRA earnings per share (EPS)

€ million	**Q2 2018**	*Q2 2017*	**01.01. – 30.06.2018**	*01.01. – 30.06.2017*
Net profit or loss for the period attributable to parent shareholders	343.5	390.5	420.9	422.5
Changes in value of investment properties	–383.9	–480.1	–383.9	–480.1
Profits or losses on disposal of investment properties, development properties held for investment, other interests and sales of trading properties including impairment charges in respect of trading properties	0.8	1.3	1.7	2.3
Tax on profits or losses on disposals	0.1	2.7	0.6	2.7
Changes in fair value of financial instruments and associated close-out costs	9.4	28.4	–17.1	42.0
Acquisition costs on share deals and non-controlling joint venture interests	0.5	0.6	0.6	0.8
Deferred tax in respect of EPRA-adjustments	99.4	125.1	110.3	121.4
Refinancing expenses	–	–	–	5.3
Other interest expenses	0.1	–	0.1	6.5
Non-controlling interests in respect of the above	0.5	0.2	0.5	–0.1
EPRA EARNINGS	**70.4**	**68.7**	**133.7**	**123.3**
Weighted average number of shares outstanding	63,188,185	63,188,185	63,188,185	63,188,185
= EPRA earnings per share (undiluted) in €	1.11	1.09	2.12	1.95
Potentially diluted shares	5,635,729	5,455,398	5,635,729	5,455,398
Interest coupon on convertible bond	0.3	0.3	0.6	0.6
Amortisation expenses convertible bond after taxes	1.1	1.5	2.7	2.9
EPRA earnings (diluted)	71.8	70.5	137.0	126.8
Number of diluted shares	68,823,914	68,643,583	68,823,914	68,643,583
= EPRA EARNINGS PER SHARE (DILUTED) IN €	**1.04**	**1.03**	**1.99**	**1.85**

Net assets (condensed statement of financial position)

A fair value measurement of investment property was conducted as at 30 June 2018. The resulting profit from remeasurement of investment property of EUR 383.9 million (comparative period: EUR 480.1 million) was the main driver for the increase compared to 31 December 2017. Furthermore, additions from acquisitions with EUR 36.2 million and capitalisation of property modernisation measures with EUR 61.2 million contributed to the increase of investment properties.

The recognition of real estate tax expense as other inventories (EUR 11.2 million) for the remainder of the financial year, the deferral of prepaid operating costs (EUR 27.9 million) and the development of the receivables from not yet invoiced operating costs (increase by EUR 3.8 million) significantly contribute to the development of the current assets.

Cash and cash equivalents decreased by EUR –132.5 million to EUR 152.9 million. This development was mainly due to the cash flow from operating activities (EUR 130.1 million), offset by payments for acquisitions and modernisations (net cash outflow EUR –90.8 million). The financing of the investments led to receipts from new loans of EUR 200.2 million. Scheduled and unscheduled repayments of loans amounted to a cash outflow of EUR –173.6 million. A dividend of EUR 192.1 million was paid for financial year 2017.

The development of equity since 31 December 2017 was primarily due to the net profit for the period (EUR 423.0 million) and the dividend payment (EUR 192.1 million).

Driven by the property valuation, deferred tax liabilities increased by EUR 117.3 million as at 30 June 2018.

T 15 – Condensed statement of financial position

€ million	**30.06.2018**	*31.12.2017*
Investment properties	9,941.5	9,460.7
Prepayments for investment properties	0.0	0.0
Other non-current assets	177.3	172.3
Non-current assets	10,118.8	9,633.0
Receivables and other assets	103.7	63.7
Cash and cash equivalents	152.9	285.4
Current assets	256.6	349.1
Assets held for sale	19.2	30.9
TOTAL ASSETS	**10,394.6**	**10,013.0**
Equity	4,353.0	4,112.4
Non-current financing liabilities	3,936.8	3,821.4
Other non-current liabilities	1,267.6	1,158.8
Non-current liabilities	5,204.4	4,980.2
Current financing liabilities	387.7	478.2
Other current liabilities	449.5	442.2
Current liabilities	837.2	920.4
TOTAL EQUITY AND LIABILITIES	**10,394.6**	**10,013.0**

Net asset value (NAV)

A further key metric relevant in the property industry is NAV. The calculation method for the respective key figure can be found in the glossary in the 2017 annual report.

The LEG Group reported a basic EPRA NAV of EUR 5,576.6 million as at 30 June 2018. The effects of the possible conversion of the convertible bond are shown by the additional calculation of diluted EPRA NAV. After further adjustment for goodwill effects, the adjusted diluted EPRA NAV amounted to EUR 6,088.2 million at the reporting date.

T16 – EPRA NAV

€ million	**30.06.2018 undiluted**	**30.06.2018 Effect of exercise of convertibles/ options**	**30.06.2018 diluted**	*31.12.2017 undiluted*	*31.12.2017 Effect of exercise of convertibles/ options*	*31.12.2017 diluted*
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	**4,326.1**	**–**	**4,326.1**	**4,087.4**	**–**	**4,087.4**
NON-CONTROLLING INTERESTS	**26.9**	**–**	**26.9**	**25.0**	**–**	**25.0**
EQUITY	**4,353.0**	**–**	**4,353.0**	**4,112.4**	**–**	**4,112.4**
Effect of exercise of options, convertibles and other equity interests	–	564.3	564.3	–	559.2	559.2
NAV	**4,326.1**	**564.3**	**4,890.4**	**4,087.4**	**559.2**	**4,646.6**
Fair value measurement of derivative financial instruments	242.3	–	242.3	259.8	–	259.8
Deferred taxes on WFA loans and derivatives	11.3	–	11.3	12.7	–	12.7
Deferred taxes on investment property	1,029.0	–	1,029.0	918.7	–	918.7
Goodwill resulting from deferred taxes on EPRA adjustments	–32.1	–	–32.1	–32.1	–	–32.1
EPRA NAV	**5,576.6**	**564.3**	**6,140.9**	**5,246.5**	**559.2**	**5,805.7**
NUMBER OF SHARES	**63,188,185**	**5,635,729**	**68,823,914**	**63,188,185**	**5,455,398**	**68,643,583**
EPRA NAV PER SHARE	**88.25**	**–**	**89.23**	**83.03**	**–**	**84.58**
Goodwill resulting from synergies	52.7	–	52.7	52.7	–	52.7
ADJUSTED EPRA NAV (W/O EFFECTS FROM GOODWILL)	**5,523.9**	**564.3**	**6,088.2**	**5,193.8**	**559.2**	**5,753.0**
ADJUSTED EPRA NAV PER SHARE	**87.42**	**–**	**88.46**	**82.20**	**–**	**83.81**
EPRA NAV	**5,576.6**	**564.3**	**6,140.9**	**5,246.5**	**559.2**	**5,805.7**
Fair value measurement of derivative financial instruments	–242.3	–	–242.3	–259.8	–	–259.8
Deferred taxes on WFA loans and derivatives	–11.3	–	–11.3	–12.7	–	–12.7
Deferred taxes on investment property	–1,029.0	–	–1,029.0	–918.7	–	–918.7
Goodwill resulting from deferred taxes on EPRA adjustments	32.1	–	32.1	32.1	–	32.1
Fair value measurement of financing liabilities	–178.0	–	–178.0	–286.6	–	–286.6
Valuation uplift resulting from FV measurement financing liabilities	83.8	–	83.8	74.8	–	74.8
EPRA NNNAV	**4,231.9**	**564.3**	**4,796.2**	**3,875.6**	**559.2**	**4,434.8**
EPRA NNNAV per share	**66.97**	**–**	**69.69**	**61.33**	**–**	**64.61**

Loan-to-value ratio (LTV)

Net debt at the end of the reporting period is slightly higher compared with 31 December 2017. The fair value measurement of investment properties had an impact in the opposite direction leading to a loan-to-value ratio (LTV) as at 30 June 2018 of 41.9% (31 December 2017: 42.3%).

T17 – Loan-to-value ratio

€ million	**30.06.2018**	*31.12.2017*
Financing liabilities	4,324.5	4,299.6
Less cash and cash equivalents	152.9	285.4
NET FINANCING LIABILITIES	**4,171.6**	**4,014.2**
Investment properties	9,941.5	9,460.7
Assets held for sale	19.2	30.9
Prepayments for investment properties	–	–
REAL ESTATE ASSETS	**9,960.7**	**9,491.6**
LOAN TO VALUE RATIO (LTV) IN %	**41.9**	**42.3**

Financial position

A net profit for the period of EUR 423.0 million was realised in the reporting period (comparative period: EUR 423.3 million). Equity amounted to EUR 4,353.0 million at the reporting date (31 December 2017: EUR 4,112.4 million). This corresponds to an equity ratio of 41.9% (31 December 2017: 41.1%).

A condensed form of the LEG Group's statement of cash flows for the reporting period is shown below:

T18 – Statement of cash flows

€ million	**01.01. – 30.06.2018**	*01.01. – 30.06.2017*
Cash flow from operating activities	130.1	107.9
Cash flow from investing activities	–94.2	–272.4
Cash flow from financing activities	–168.4	159.3
CHANGE IN CASH AND CASH EQUIVALENTS	**–132.5**	**–5.2**

Higher receipts from net cold rent also had a positive impact on the net cash flow from operating activities in the reporting period.

Acquisitions and modernisation work on the existing portfolio contributed to the net cash flow from investing activities with cash payments of EUR –103.4 million. Furthermore, cash proceeds from property disposals (EUR 12.6 million) resulted in a net cash flow from investing activities of EUR –94.2 million.

In the first half of 2018, the redemption of the commercial papers of EUR 100 million as well as scheduled repayments (EUR –173.6 million) and the dividend payment (EUR –192.1 million) were the main drivers of the cashflow from financing activities of EUR –168.4 million. The valuation of loans had an effect in the opposite direction with EUR 200.2 million.

The LEG Group's solvency was ensured at all times in the reporting period.

RISK AND OPPORTUNITY REPORT

The risks and opportunities faced by LEG in its operating activities were described in detail in the 2017 annual report. To date, no further risks that would lead to a different assessment have arisen or become discernible in the fiscal year 2018.

FORECAST REPORT

Based on the business performance in the first six months of 2018, LEG believes it is well positioned overall to confirm its earnings targets for the financial years 2018 and 2019.

Furthermore, LEG changed its dividend policy and announced in May 2018 that the payout ratio will be increased to 70% of FFO I (from 65% of FFO I) starting with the dividend payment for fiscal year 2018.

For more details on the forecast, please refer to the Annual Report 2017 (page 84 f.).

T19 – Forecast

OUTLOOK 2018	
FFO I	in the range of EUR 315 million to EUR 323 million
Like-for-like rental growth	c. 3.0%
Like-for-like vacancy	slightly decreasing compared to financial year-end 2017
Investments	around EUR 30 per sqm
LTV	45% max.
Dividend	70% of FFO I
OUTLOOK 2019	
FFO I	in the range of EUR 338 million to EUR 344 million
Like-for-like rental growth	c. 3.5%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

T20 – Consolidated statement of financial position
Assets

€ million	**30.06.2018**	*31.12.2017*
Non-current assets	**10,118.8**	**9,633.0**
Investment properties	9,941.5	9,460.7
Prepayments for investment properties	0.0	–
Property, plant and equipment	61.4	63.4
Intangible assets and goodwill	85.4	85.4
Investments in associates	9.5	9.5
Other financial assets	12.6	3.0
Receivables and other assets	0.2	2.3
Deferred tax assets	8.2	8.7
Current assets	**256.6**	**349.1**
Real estate inventory and other inventory	15.7	5.3
Receivables and other assets	83.8	56.4
Income tax receivables	4.2	2.0
Cash and cash equivalents	152.9	285.4
Assets held for sale	**19.2**	**30.9**
TOTAL ASSETS	**10,394.6**	**10,013.0**

Equity and liabilities

€ million	**30.06.2018**	*31.12.2017*
Equity	**4,353.0**	**4,112.4**
Share capital	63.2	63.2
Capital reserves	611.2	611.2
Cumulative other reserves	3,651.7	3,413.0
Equity attributable to shareholders of the parent company	4,326.1	4,087.4
Non-controlling interests	26.9	25.0
Non-current liabilities	**5,204.4**	**4,980.2**
Pension provisions	147.1	148.6
Other provisions	8.3	9.4
Financing liabilities	3,936.8	3,821.4
Other liabilities	139.7	145.6
Deferred tax liabilities	972.5	855.2
Current liabilities	**837.2**	**920.4**
Pension provisions	5.9	7.0
Other provisions	10.6	12.9
Provisions for taxes	0.2	0.2
Financing liabilities	387.7	478.2
Other liabilities	421.1	413.6
Tax liabilities	11.7	8.5
TOTAL EQUITY AND LIABILITIES	**10,394.6**	**10,013.0**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

T21 – Consolidated statement of comprehensive income

€ million	**Q2 2018**	*Q2 2017*	**01.01. – 30.06.2018**	*01.01. – 30.06.2017*
Net rental and lease income	**107.9**	**100.0**	**206.3**	**202.7**
Rental and lease income	185.3	205.7	375.5	404.3
Cost of sales in connection with rental and lease income	–77.4	–105.7	–169.2	–201.6
Net income from the disposal of investment properties	**–0.2**	**–0.8**	**–0.5**	**–0.7**
Income from the disposal of investment properties	3.5	0.1	13.6	57.3
Carrying amount of the disposal of investment properties	–3.5	–0.8	–13.7	–57.7
Cost of sales in connection with disposed investment properties	–0.2	–0.1	–0.4	–0.3
Net income from the remeasurement of investment properties	**383.9**	**480.1**	**383.9**	**480.1**
Net income from the disposal of real estate inventory	**–0.5**	**–0.5**	**–1.2**	**–1.6**
Income from the real estate inventory disposed of	–	0.1	0.1	0.1
Carrying amount of the real estate inventory disposed of	–	–0.1	–0.1	–0.1
Costs of sales of the real estate inventory disposed of	–0.5	–0.5	–1.2	–1.6
Net income from other services	**0.7**	**1.3**	**2.2**	**2.7**
Income from other services	2.5	2.9	5.4	5.8
Expenses in connection with other services	–1.8	–1.6	–3.2	–3.1
Administrative and other expenses	**–9.9**	**–9.4**	**–19.3**	**–19.3**
Other income	**0.2**	**0.1**	**0.4**	**0.2**
OPERATING EARNINGS	**482.1**	**570.8**	**571.8**	**664.1**
Interest income	0.2	0.2	0.3	0.2
Interest expenses	–23.1	–25.7	–47.4	–64.5
Net income from investment securities and other equity investments	0.2	0.1	2.6	2.7
Net income from the fair value measurement of derivatives	–9.4	–32.1	17.1	–42.0
EARNINGS BEFORE INCOME TAXES	**450.0**	**513.3**	**544.4**	**560.5**
Income taxes	–105.2	–122.8	–121.4	–137.2
NET PROFIT OR LOSS FOR THE PERIOD	**344.8**	**390.5**	**423.0**	**423.3**
Change in amounts recognised directly in equity	**–1.3**	**6.9**	**1.1**	**19.1**
Thereof recycling				
Fair value adjustment of interest rate derivatives in hedges	**–2.2**	**4.1**	**0.2**	**14.0**
Change in unrealised gains/(losses)	–2.7	5.2	0.3	18.8
Income taxes on amounts recognised directly in equity	0.5	–1.1	–0.1	–4.8
Thereof non-recycling				
Actuarial gains and losses from the measurement of pension obligations	**0.9**	**2.8**	**0.9**	**5.1**
Change in unrealised gains/(losses)	1.3	4.1	1.3	7.5
Income taxes on amounts recognised directly in equity	–0.4	–1.3	–0.4	–2.4
TOTAL COMPREHENSIVE INCOME	**343.5**	**397.4**	**424.1**	**442.4**
Net profit or loss for the period attributable to:				
Non-controlling interests	1.3	0.0	2.1	0.8
Parent shareholders	343.5	390.5	420.9	422.5
Total comprehensive income attributable to:				
Non-controlling interests	1.3	0.0	2.1	0.8
Parent shareholders	342.2	397.4	422.0	441.6
EARNINGS PER SHARE (BASIC) IN €	**5.43**	**6.18**	**6.66**	**6.69**
EARNINGS PER SHARE (DILUTED) IN €	**4.92**	**6.18**	**5.67**	**6.69**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

T22 – Statement of changes in consolidated equity

			Cumulative other reserves					
€ million	*Share capital*	*Capital reserves*	*Revenue reserves*	*Actuarial gains and losses from the measurement of pension obligations*	*Fair value adjustment of interest derivatives in hedges*	*Equity attributable to shareholders of the Group*	*Non-controlling interests*	*Consolidated equity*
AS OF 01.01.2017	**63.2**	**611.2**	**2,818.8**	**–39.9**	**–38.8**	**3,414.5**	**22.2**	**3,436.7**
Net profit or loss for the period	–	–	422.5	–	–	422.5	0.8	423.3
Other comprehensive income	–	–	–	5.1	14.0	19.1	0.0	19.1
TOTAL COMPREHENSIVE INCOME	**–**	**–**	**422.5**	**5.1**	**14.0**	**441.6**	**0.8**	**442.4**
Change in consolidated companies	–	–	–	–	–	–	0.2	0.2
Capital increase	–	–	–	–	–	–	0.8	0.8
Withdrawals from reserves	–	–	–16.2	–	–	–16.2	–0.6	–16.8
Changes from put options	–	–	–	–	–	–	–	–
Distributions	–	–	–174.4	–	–	–174.4	–	–174.4
AS OF 30.06.2017	**63.2**	**611.2**	**3,050.7**	**–34.8**	**–24.8**	**3,665.5**	**23.4**	**3,688.9**
AS OF 01.01.2018	**63.2**	**611.2**	**3,472.3**	**–37.6**	**–21.7**	**4,087.4**	**25.0**	**4,112.4**
Net profit/loss for the period	–	–	420.9	–	–	420.9	2.1	423.0
Other comprehensive income	–	–	–	0.9	0.2	1.1	0.0	1.1
TOTAL COMPREHENSIVE INCOME	**–**	**–**	**420.9**	**0.9**	**0.2**	**422.0**	**2.1**	**424.1**
Change in consolidated companies	–	–	–	–	–	–	1.0	1.0
Capital increase	–	–	10.6	–	–	10.6	0.8	11.4
Withdrawals from reserves	–	–	–1.8	–	–	–1.8	–2.0	–3.8
Changes from put options	–	–	–	–	–	–	–	–
Distributions	–	–	–192.1	–	–	–192.1	–	–192.1
AS OF 30.06.2018	**63.2**	**611.2**	**3,709.9**	**–36.7**	**–21.5**	**4,326.1**	**26.9**	**4,353.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

T23 – Consolidated statement of cash flows

€ million	**01.01. – 30.06.2018**	*01.01. – 30.06.2017*
Operating earnings	**571.8**	**664.1**
Depreciation on property, plant and equipment and amortisation on intangible assets	4.8	4.3
(Gains)/Losses from the remeasurement of investment properties	–383.9	–480.1
(Gains)/Losses from the disposal of assets held for sale and investment properties	0.1	0.4
(Decrease)/Increase in pension provisions and other non-current provisions	–2.4	–1.4
Other non-cash income and expenses	4.3	3.3
(Decrease)/Increase in receivables, inventories and other assets	–45.5	–54.9
Decrease/(Increase) in liabilities (not including financing liabilities) and provisions	20.3	12.2
Interest paid	–39.1	–40.8
Interest received	0.2	0.3
Received income from investments	2.6	2.7
Taxes received	0.0	0.0
Taxes paid	–3.1	–2.2
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**130.1**	**107.9**
Cash flow from investing activities		
Investments in investment properties	–103.4	–280.8
Proceeds from disposals of non-current assets held for sale and investment properties	12.6	9.7
Investments in intangible assets and property, plant and equipment	–2.7	–1.5
Proceeds from disposals of intangible assets and property, plant and equipment	0.0	0.0
Acquisition of shares in consolidated companies	–0.7	0.2
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**–94.2**	**–272.4**
Cash flow from financing activities		
Borrowing of bank loans	200.2	212.3
Repayment of bank loans	–173.6	–372.5
Issue of convertible/corporate bonds	–	495.0
Repayment of lease liabilities	–1.8	–1.8
Other proceeds	0.7	0.7
Distribution to shareholders	–192.1	–174.4
Distribution and withdrawal from reserves of non-controlling interests	–1.8	–
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**–168.4**	**159.3**
Change in cash and cash equivalents	**–132.5**	**–5.2**
Cash and cash equivalents at beginning of period	285.4	166.7
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**152.9**	**161.5**
Composition of cash and cash equivalents		
Cash in hand, bank balances	152.9	161.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**152.9**	**161.5**

SELECTED NOTES ON THE IFRS INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2018

1. BASIC INFORMATION ON THE GROUP

LEG Immobilien AG, Dusseldorf (hereinafter: “LEG Immo”), its subsidiary LEG NRW GmbH, Dusseldorf (hereinafter: “LEG”) and the subsidiaries of the latter company (hereinafter referred to collectively as the “LEG Group”) are among the largest residential companies in Germany. The LEG Group held a portfolio of 131,469 units (residential and commercial) on 30 June 2018.

LEG Immo and its subsidiaries engage in two core activities as an integrated property company: the value-adding long-term management of its residential property portfolio in connection with the strategic acquisition of residential portfolios in order to generate economies of scale for its management platform and the expansion of tenant-oriented services.

The interim consolidated financial statements are prepared in euros. Unless stated otherwise, all figures have been rounded to millions of Euro (EUR million). For technical reasons, tables and references can include rounded figures that differ from the exact mathematical values.

2. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

LEG Immo prepared the interim consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) for interim reporting, as endorsed in the EU, and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). Based on the option under IAS 34.10, the notes to the financial statements were presented in a condensed form. The condensed interim consolidated financial statements have not been audited or subjected to an audit review.

The LEG Group primarily generates income from the rental and letting of investment properties. Rental and lease business, in essence, is unaffected by seasonal and cyclical influences.

3. ACCOUNTING POLICIES

The accounting policies applied in the interim consolidated financial statements of the LEG Group are the same as those presented in the IFRS consolidated financial statements of LEG Immo as of 31 December 2017. These interim consolidated financial statements as at 30 June 2018 should therefore be read in conjunction with the consolidated financial statements as at 31 December 2017.

The LEG Group has fully applied the new standards and interpretations that are mandatory from 1 January 2018. The first-time adoption of IFRS 9 increased impairment losses. The initial application of IFRS 15 led to changes in the reporting of individual allocable operating costs.

4. CHANGES IN THE GROUP

German Property Düsseldorf GmbH was acquired and included in consolidation for the first time as at 1 January 2018.

VitalServicePlus GmbH was founded and consolidated for the first time as at 1 January 2018.

5. JUDGEMENTS AND ESTIMATES

The preparation of interim consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made that affect the recognition of assets and liabilities, income and expenses and the disclosure of contingent liabilities.

These assumptions and estimates particularly relate to the measurement of investment properties, the recognition and measurement of pension provisions, the recognition and measurement of other provisions, the measurement of financing liabilities, and the eligibility for recognition of deferred tax assets.

Although the management believes that the assumption and estimates used are appropriate, any unforeseeable changes in these assumptions could impact the net assets, financial position and results of operations.

For further information, please refer to the consolidated financial statements as at 31 December 2017.

6. SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

On 30 June 2018, the LEG Group held 130,224 apartments and 1,245 commercial units in its portfolio.

Investment property developed as follows in the financial year 2017 and in 2018 up to the reporting date of the interim consolidated financial statements:

T24 – Investment properties

€ million	**30.06.2018**	*31.12.2017*
CARRYING AMOUNT AS OF 01.01.	**9,460.7**	**7,954.9**
Acquisitions	36.2	396.8
Other additions	61.2	112.7
Reclassified to assets held for sale	–6.4	–41.0
Reclassified from assets held for sale	4.7	–
Reclassified to property, plant and equipment	–0.3	–4.4
Reclassified from property, plant and equipment	1.5	4.9
Fair value adjustment	383.9	1,036.8
CARRYING AMOUNT AS OF 30.06. / 31.12.	**9,941.5**	**9,460.7**

The acquisition of a property portfolio of around 304 residential units was notarised on 2 August 2017. The portfolio generates annual net cold rent of around EUR 1.7 million. The average in-place rent is around EUR 6.7 per square metre and the initial vacancy rate is around 1.4%. The transaction was closed on 1 January 2018. The portfolio acquisition does not constitute a business combination as defined by IFRS 3.

Investment property was remeasured by the LEG Group as of the interim reporting date of 30 June 2018.

The fair values of investment property are calculated on the basis of the forecast net cash flows from property management using the discounted cash flow (DCF) method.

The table below shows the parameters which determine the DCF-measurement as of 30 June 2018:

T25 – Cash Flow parameter

	30.06.2018 Ø	*31.12.2017 Ø*
BUILDING UNITS WITH PREDOMINANT USAGE TYPE HOUSING		
Net cold rent (€/sqm/month)	5.58	5.52
Vacancy Rate (sqm)	4.3 %	3.6 %
Maintenance costs (€/sqm/year)	13.27	13.40
Administrative costs (€/residential unit/year)	290.15	290.15
Maintenance costs (€/garage/year)	85.79	85.79
Maintenance costs (€/parking space/year)	32.93	32.93
Administrative costs (€/parking space, garage/year)	37.84	37.84
Development of maintenance and management costs (year)	2.00 %	2.00 %
BUILDING UNITS WITH PREDOMINANT COMMERCIAL USE		
Commercial building units (addresses)	1.29 %	1.30 %
Average rent (€/sqm/month)	7.07	7.08
Vacancy rate (by sqm)	13.94 %	12.99 %
Maintenance costs (€/sqm/year)	7.83	10.39
Administrative costs (percentage of gross rental income)	1.00 %	1.00 %
Development of maintenance and management costs (year)	2.00 %	2.00 %

Commercial units: properties with commercial use from 1,000 sqm usable area or 50% of the building space. Others: mobile communications antennae and outdoor advertising media

The table below shows the measurement method used to determine the fair value of investment property and the material unobservable inputs used:

T26 – Information about fair value measurements using significant unobservable inputs (Level 3) 30.06.2018

Segment € million	GAV assets	Valuation technique [3]	Discount rate (sqm-weighted, in %) [4] min.	avg.	max.	Capitalisation rate (sqm-weighted, in %) [4] min.	avg.	max.
Residential assets [1]								
High-growth markets	4,439	DCF	3.8	5.0	6.0	2.5	5.6	11.8
Stable markets	2,945	DCF	3.9	5.2	6.0	3.1	6.4	12.2
Higher-yielding markets	2,004	DCF	4.2	5.4	6.5	3.4	6.8	12.7
Non NRW	156	DCF	3.9	5.0	5.7	3.8	6.2	8.3
Commercial assets [2]	202	DCF	5.0	6.4	10.0	4.0	7.0	10.2
Parking + other assets	176	DCF	4.8	–	6.1	3.5	–	12.8
Leasehold + land values	36	Earnings/ reference value method						
TOTAL IAS 40/ IFRS 5	**9,957**	**DCF**	**3.8**	**5.2**	**10.0**	**2.5**	**6.2**	**12.8**

[1] Excluding 375 residential units in commercial buildings; including 418 commercial and other units in mixed residential assets.
[2] Excluding 375 commercial units in mixed residential assets; including 418 residential units in commercial buildings.
[3] Valuation technique information without consideration of IAS 16 assets. In exceptional cases liquidation value applies.
[4] Sqm-weighted interest rates refer to residential and commercial assets.

T27 – Information about fair value measurements using significant unobservable inputs (Level 3) 31.12.2017

Segment € million	GAV assets	Valuation technique [3]	Discount rate (sqm-weighted, in %) [4] min.	avg.	max.	Capitalisation rate (sqm-weighted, in %) [4] min.	avg.	max.
Residential assets [1]								
High-growth markets	4,174	DCF	3.9	5.1	6.1	2.6	5.6	11.9
Stable markets	2,838	DCF	4.0	5.3	6.1	3.2	6.5	12.3
Higher-yielding markets	1,923	DCF	4.3	5.5	6.5	3.3	6.9	12.7
Non NRW	146	DCF	4.0	5.2	5.8	3.8	6.4	8.6
Commercial assets [2]	198	DCF	5.0	6.4	10.0	4.1	7.0	12.5
Parking + other assets	167	DCF	4.9	–	6.2	3.6	–	12.8
Leasehold + land values	33	Earnings/ reference value method						
TOTAL IAS 40/ IFRS 5	**9,479**	**DCF**	**3.9**	**5.3**	**10.0**	**2.6**	**6.3**	**12.8**

[1] Excluding 375 residential units in commercial buildings; including 425 commercial and other units in mixed residential assets.
[2] Excluding 375 commercial units in mixed residential assets; including 425 residential units in commercial buildings.
[3] Valuation technique information without consideration of IAS 16 assets. In exceptional cases liquidation value applies.
[4] Sqm-weighted interest rates refer to residential and commercial assets.

	Sensitivities GAV *(variance discount rate, in %)*		**Sensitivities GAV** *(variance capitalisation rate, in %)*		**Estimated rental development Residential** *(sqm-weighted, in %)*			**Estimated vacancy development Residential** *(sqm-weighted, in %)*
	−25 bp	*+25 bp*	*−25 bp*	*+25 bp*	*min.*	*avg.*	*max.*	*T_0*
	5.1	−4.7	3.1	−2.8	0.6	1.4	1.7	2.6
	4.3	−3.9	2.5	−2.2	0.5	0.9	1.4	3.8
	4.0	−3.8	2.0	−1.9	0.4	0.7	1.2	6.9
	4.3	−4.0	2.3	−2.2	0.7	1.2	1.5	1.9
	2.6	−2.4	2.1	−2.0	0.4	1.2	1.7	13.9
	5.2	−4.7	1.9	−1.6	–	–	–	–
	4.5	**−4.2**	**2.6**	**−2.4**	**0.4**	**1.0**	**1.7**	**4.5**

	Sensitivities GAV *(variance discount rate, in %)*		**Sensitivities GAV** *(variance capitalisation rate, in %)*		**Estimated rental development Residential** *(sqm-weighted, in %)*			**Estimated vacancy development Residential** *(sqm-weighted, in %)*
	−25 bp	*+25 bp*	*−25 bp*	*+25 bp*	*min.*	*avg.*	*max.*	*T_0*
	5.0	−4.6	3.1	−2.7	0.7	1.4	1.8	2.0
	4.0	−4.1	2.2	−2.3	0.5	0.9	1.4	3.2
	3.8	−3.8	1.9	−2.0	0.4	0.7	1.2	6.1
	4.1	−3.9	2.2	−2.1	0.5	1.1	1.5	1.1
	2.9	−2.1	2.4	−1.6	–	–	–	-
	5.1	−4.5	2.0	−1.6	_	_	_	-
	4.4	**−4.2**	**2.5**	**−2.4**	**0.4**	**1.0**	**1.8**	**3.9**

With regard to the calculation methods, please refer to the consolidated financial statements as of 31 December 2017.

In addition, the LEG Group's portfolio still includes land and buildings accounted for in accordance with IAS 16.

Cash and cash equivalents mainly consist of bank balances.

Changes in the components of consolidated equity are shown in the statement of changes in consolidated equity.

Financing liabilities are composed as follows:

T28 – Financing liabilities

€ million	**30.06.2018**	*31.12.2017*
Financing liabilities from real estate financing	4,299.6	4,273.9
Financing liabilities from lease financing	24.9	25.7
FINANCING LIABILITIES	**4,324.5**	**4,299.6**

Financing liabilities from property financing serve the financing of investment properties.

Financing liabilities from real estate financing include two convertible bonds as of 30 June 2018.

In the second quarter of 2014 a convertible bond with a nominal value of EUR 300.0 million was issued. The convertible bond was classified as a financing liability on account of the issuer's contractual cash settlement option and recognised in accordance with IAS 39. There are several embedded and separable derivatives that are treated as a single compound derivative in accordance with IAS 39.AG29 and carried at fair value. The underlying debt instrument is recognised at amortised cost.

In the third quarter of 2017 a further convertible bond with a nominal value of EUR 400.0 million was issued. This convertible bond was recognised in the same way as the first convertible bond.

In the first half of 2018 the repayment of the commercial papers of EUR 100 million on balance and the scheduled repayment reduced the current financing liabilities. Disbursements in the amount of EUR 150.2 million raised the financing liabilities.

T29 – Maturity of financing liabilities from real estate financing

€ million	*Remaining term < 1 year*	*Remaining term > 1 to 5 years*	*Remaining term > 5 years*	**Total**
30.06.2018	382.1	1,055.6	2,861.9	**4,299.6**
31.12.2017	472.5	784.4	3,017.0	**4,273.9**

7. SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Net rental and lease income is broken down as follows:

T30 – Net rental and lease income

€ million	01.01.–30.06.2018	01.01.–30.06.2017
Net cold rent	277.4	263.7
Profit from operating expenses	–4.2	–3.5
Maintenance for externally procured services	–26.7	–20.9
Staff costs	–30.3	–26.6
Allowances on rent receivables	–4.3	–3.7
Depreciation and amortisation expenses	–3.0	–2.8
Other	–2.6	–3.5
NET RENTAL AND LEASE INCOME	**206.3**	**202.7**
NET OPERATING INCOME-MARGIN (IN %)	**74.4**	**76.9**
Non-recurring project costs – rental and lease	3.7	0.4
Depreciation	3.0	2.8
ADJUSTED NET RENTAL AND LEASE INCOME	**213.0**	**205.9**
ADJUSTED NET OPERATING INCOME-MARGIN (IN %)	**76.8**	**78.1**

In the reporting period, the LEG Group increased its net rental and lease income by EUR 3.6 million compared to the same period of the previous year. The main driver of this development was the EUR 13.7 million rise in net cold rents. In-place rent per square metre on a like-for-like basis rose by 2.7% in the reporting period. Acting in the opposite direction is the increase in maintenance expenses with EUR 5.8 million as well as the increase in personnel expenses with EUR 3.7 million. The latter is mainly attributable to project-related expenses with a one-time character.

Adjusted by the effect of the own provided maintenance services the rental-related staff costs developed at a slightly slower rate (2.0%) than the net cold rent (increase of 5.2%).

As a result of higher maintenance expenses the adjusted NOI margin of 76.8% is slightly lower than in the comparative period (78.1%). Against the NOI margin before maintenance expenses increased further.

Net income from the disposal of investment properties is composed as follows:

T31 – Net income from the disposal of investment properties

€ million	01.01.–30.06.2018	01.01.–30.06.2017
Income from the disposal of investment properties	13.6	57.3
Carrying amount of the disposal of investment properties	–13.7	–57.7
COSTS OF SALES OF INVESTMENT PROPERTIES	**–0.4**	**–0.3**
NET INCOME FROM THE DISPOSAL OF INVESTMENT PROPERTIES	**–0.5**	**–0.7**

Net income from the remeasurement of investment properties

Net income from remeasurement of investment property amounted to EUR 383.9 million in the reporting period which corresponds to a 4.1% rise compared to the start of the financial year.

The average value of investment property (incl. IFRS 5 objects) is EUR 1,144 per square metre including acquisitions (31 December 2017: EUR 1,091 per square metre).

The increase in property value in the reporting period is EUR 96.2 million below the figure for the comparative period, which mainly resulted from a lower change in the development of the in-place and target rents.

Administrative and other expenses

T32 – Administrative and other expenses

€ million	01.01. – 30.06.2018	01.01. – 30.06.2017
Other operating expenses	–6.3	–7.6
Staff costs	–12.0	–10.8
Purchased services	–0.5	–0.6
Depreciation and amortisation	–0.5	–0.3
ADMINISTRATIVE AND OTHER EXPENSES	**–19.3**	**–19.3**
Depreciation and amortisation	0.5	0.3
Non-recurring project costs and extraordinary and prior-period expenses	1.9	2.8
ADJUSTED ADMINISTRATIVE AND OTHER EXPENSES	**–16.8**	**–16.2**

In the first half of 2018, administrative and other expenses at EUR 19.3 million were unchanged against the comparative period.

Current administrative expenses increased slightly compared with the comparative period.

Net interest income

Net interest income is composed as follows:

T33 – Interest income

€ million	01.01. – 30.06.2018	01.01. – 30.06.2017
Other interest income	0.3	0.2
INTEREST INCOME	**0.3**	**0.2**

T34 – Interest expenses

€ million	01.01. – 30.06.2018	01.01. – 30.06.2017
Interest expenses from real estate and bond financing	–33.7	–34.2
Interest expense from loan amortisation	–5.8	–14.6
Prepayment penalty	0.0	–0.4
Interest expense from interest derivatives for real estate financing	–5.7	–6.6
Interest expense from change in pension provisions	–1.2	–1.2
Interest expense from interest on other assets and liabilities	–0.6	–0.7
Interest expenses from lease financing	–0.5	–0.5
Other interest expenses	0.1	–6.3
INTEREST EXPENSES	**–47.4**	**–64.5**

Interest expense from loan amortisation dropped by EUR 8.8 million year on year to EUR 5.8 million. This includes the measurement of the convertible and corporate bonds at amortised cost in the amount of EUR 5.0 million (comparative period: EUR 3.7 million). One-time, additional amortisation expense as part of the refinancing amounted to EUR 0 million (EUR 4.9 million in the comparative period). The conducted refinancings of the previous year reduced amortisation effects in the reporting period.

The refinancing and the related redemption of derivatives in the previous year had the effect of reducing interest expenses from interest rate derivatives. In connection with the refinancing and the related redemption of derivatives in the previous year a one-time effect from the release of other interest expenses in the amount of EUR 6.7 million occured. There is no such effect in the reporting period.

Income taxes

T35 – Income tax expenses

€ million	01.01. – 30.06.2018	01.01. – 30.06.2017
Current income taxes	–4.1	–3.3
Deferred taxes	–117.3	–133.9
INCOME TAX EXPENSES	**–121.4**	**–137.2**

An effective Group tax rate of 22.7% was assumed in the reporting period in accordance with Group tax planning (previous year: 22.5%).

Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to the shareholders by the average number of shares outstanding during the reporting period.

T36 – Earnings per share (basic)

	01.01. – 30.06.2018	*01.01. – 30.06.2017*
Net profit or loss attributable to shareholders in € million	420.9	422.5
Average numbers of shares outstanding	63,188,185	63,188,185
EARNINGS PER SHARE (BASIC) IN €	**6.66**	**6.69**

T37 – Earnings per share (diluted)

	01.01. – 30.06.2018	*01.01. – 30.06.2017*
Net profit or loss attributable to shareholders in € million	420.9	422.5
Convertible bond coupon after taxes	1.9	0.6
Measurement of derivatives after taxes	–16.9	42.3
Amortisation of the convertible bond after taxes	3.9	2.9
Net profit or loss for the period for diluted earnings per share	409.8	468.3
Average weighted number of shares outstanding	63,188,185	63,188,185
Number of potentially new shares in the event of exercise of conversion rights	9,022,414	5,455,398
Number of shares for diluted earnings per share	72,210,599	68,643,583
DILUTED EARNINGS PER SHARE IN €	**5.67**	**6.82**

As at 30 June 2018, LEG Immo had potential ordinary shares from convertible bonds, which authorise the bearer to convert it into up to 9.0 million shares.

Diluted earnings per share are calculated by increasing the average number of shares outstanding by the number of all potentially dilutive shares. The net profit/loss for the period is adjusted for the expenses no longer incurring for the interest coupon, the measurement of the embedded derivatives and the amortisation of the convertible bond and the resulting tax effect in the event of the conversion rights being exercised in full.

8. FINANCIAL INSTRUMENTS

The table below shows the financial assets and liabilities broken down by measurement category and class. Receivables and liabilities from finance leases and derivatives used as hedging instruments are included even though they are not assigned to an IFRS 9 measurement category. With respect to reconciliation, non-financial assets and non-financing liabilities are also included although they are not covered by IFRS 7.

The fair values of financial instruments are determined on the basis of corresponding market values or measurement methods. For cash and cash equivalents and other short-term primary financial instruments, the fair value is approximately the same as the carrying amount at the end of the respective reporting period.

For non-current receivables, other assets and liabilities, the fair value is calculated on the basis of the forecast cash flows, applying the reference interest rates as of the end of the reporting period. The fair values of derivative financial instruments are determined based on the benchmark interest rates in place as of the reporting date.

For financial instruments at fair value, the discounted cash flow method is used to determine fair value using corresponding quoted market prices, with individual credit ratings and other market conditions being taken into account in the form of standard credit and liquidity spreads when calculating present value. If no quoted market prices are available, the fair value is calculated using standard measurement methods applying instrument-specific market parameters.

When calculating the fair value of derivative financial instruments, the input parameters for the valuation models are the relevant market prices and interest rates observed as of the end of the reporting period, which are obtained from recognised external sources. The derivatives are therefore attributable to Level 2 of the fair value hierarchy as defined in IFRS 13.72 ff (measurement on the basis of observable inputs).

Both the Group's own risk and the counterparty risk were taken into account in the calculation of the fair value of derivatives in accordance with IFRS 13.

T38 – Classes of financial instruments for financial assets and liabilities 2018

		Measurement (IFRS 9)		*Measurement*	
€ million	*Carrying amounts as per statement of financial positions 30.06.2018*	*Amortised cost*	*Fair value through profit or loss*	*IAS 17*	*Fair value 30.06.2018*
Assets					
Other financial assets	**12.6**				**12.6**
Hedge accounting derivatives	0.3				0.3
AC	0.1	0.1	0.0		0.1
FVtPL	12.2	12.2			n/a*
Receivables and other assets	**83.9**				**83.9**
AC	54.8	54.8			54.8
Other non-financial assets	29.1				29.1
Cash and cash equivalents	**152.9**				**152.9**
AC	152.9	152.9			152.9
TOTAL	**249.4**	**220.0**	**0.0**		**249.4**
Of which IFRS 9 measurement categories					
AC	207.8	207.8			207.8
FVtPL	12.2	12.2			n/a*
Liabilities					
Financial liabilities	**−4,324.5**				**−4,501.5**
FLAC	−4,299.6	−4,299.6			−4,476.2
Liabilities from lease financing	−24.9			−24.9	−25.3
Other liabilities	**−560.8**				**−561.0**
FLAC	−133.9	−133.9			−134.1
Derivatives HFT	−272.7		−272.7		−272.7
Hedge accounting derivatives	−30.5				−30.5
Other non-financial liabilities	−123.7				−123.7
TOTAL	**−4,885.3**	**−4,433.5**	**−272.7**	**−24.9**	**−5,062.5**
Of which IFRS 9 measurement categories					
FLAC	−4,433.5	−4,433.5			−4,610.3
Derivatives HFT	−272.7		−272.7		−272.7

* The fair value of shares valuated at cost could not reliably be calculated. There is no intention of disposal.
AC = Amortized Cost
HFT = Held for Trading
FVtPL = Fair Value through profit and loss
FLAC = Financial Liabilities at Cost
FAHFT = Financial Assets Held for Trading
FLHFT = Financial Liabilities Held for Trading

T39 – Classes of financial instruments for financial assets and liabilities 2017

		Measurement (IFRS 9)		*Measurement*	
€ million	*Carrying amounts as per statement of financial positions 31.12.2017*	*Amortised cost*	*Fair value through profit or loss*	*IAS 17*	*Fair value 31.12.2017*
Assets					
Other financial assets	**3.0**				**3.0**
Hedge accounting derivatives	0.3				0.3
AC	0.1	0.1	0.0		0.1
FVtPL	2.6	2.6			n/a*
Receivables and other assets	**58.7**				**58.7**
AC	49.8	49.8			49.8
Other non-financial assets	8.9				8.9
Cash and cash equivalents	**285.4**				**285.4**
AC	285.4	285.4			285.4
TOTAL	**347.1**	**337.9**	**0.0**		**347.1**
Of which IFRS 9 measurement categories					
AC	335.3	335.3			335.3
FVtPL	2.6	2.6			n/a*
Liabilities					
Financial liabilities	**–4,299.6**				**–4,586.2**
FLAC	–4,273.9	–4,273.9			–4,560.0
Liabilities from lease financing	–25.7			–25.7	–26.2
Other liabilities	**–559.2**				**–560.3**
FLAC	–102.2	–102.2			–103.3
Derivatives HFT	–289.7		–289.7		–289.7
Hedge accounting derivatives	–31.3				–31.3
Other non-financial liabilities	–136.0				–136.0
TOTAL	**–4,858.8**	**–4,376.1**	**–289.7**	**–25.7**	**–5,146.5**
Of which IFRS 9 measurement categories					
FLAC	–4,376.1	–4,376.1			–4,663.3
Derivatives HFT	–289.7		–289.7		–289.7

* The fair value of shares valuated at cost could not reliably be calculated. There is no intention of disposal..
AC = Amortized Cost
HFT = Held for Trading
FVtPL = Fair Value through profit and loss
FLAC = Financial Liabilities at Cost
FAHFT = Financial Assets Held for Trading
FLHFT = Financial Liabilities Held for Trading

9. RELATED-PARTY DISCLOSURES

Please see the IFRS consolidated financial statements as at 31 December 2017 for the presentation of the IFRS 2 programmes for long-term incentive Management Board agreements.

10. OTHER

There were no changes with regard to contingent liabilities in comparison to 31 December 2017.

11. THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

There were no changes to the composition of the Management Board and the Supervisory Board as at 30 June 2018 compared with the disclosures as at 31 December 2017.

12. SUPPLEMENTARY REPORT

There were no significant events after the end of the interim reporting period on 30 June 2018.

Dusseldorf, 10 August 2018

LEG Immobilien AG

The Management Board

THOMAS HEGEL, Erftstadt
(CEO)

ECKHARD SCHULTZ, Neuss
(CFO)

HOLGER HENTSCHEL, Erkrath
(COO)

RESPONSIBILITY STATEMENT

"To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the LEG Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the LEG Group, together with a description of the principal opportunities and risks associated with the expected development of the LEG Group."

Dusseldorf, 10 August 2018

LEG Immobilien AG, Dusseldorf

The Management Board

THOMAS HEGEL
ECKHARD SCHULTZ
HOLGER HENTSCHEL

TABLES

Overview

Portfolio

Interim group management report

Interim consolidated financial statements

FINANCIAL CALENDAR 2018

LEG financial calendar 2018

Publication of the Quarterly Report as of 30 June 2018	**10 August**
Publication of the Quarterly Statement as of 30 September 2018	**9 November**

CONTACT & LEGAL NOTICE

PUBLISHER
LEG Immobilien AG
Hans-Böckler-Straße 38
40476 Dusseldorf, Germany
Tel. +49 (0) 2 11 45 68 - 0
Fax +49 (0) 2 11 45 68 - 261
info@leg-wohnen.de
www.leg.ag

CONTACT
Investor Relations
Burkhard Sawazki / Karin Widenmann /
Benedikt Kupka
Tel. +49 (0) 2 11 45 68-400
ir@leg.ag

VISUAL CONCEPT AND DESIGN
hw.design, Munich

The quarterly report as of 30 June 2018
is also available in German.
In case of doubt, the German version
takes precedence.

LEG Immobilien AG
Hans-Böckler-Straße 38
40476 Dusseldorf, Germany
Tel. +49 (0) 2 11 45 68 - 0
Fax +49 (0) 2 11 45 68 - 261
info@leg-wohnen.de
www.leg.ag