

ACCENTRO

REAL ESTATE AG

ANNUAL REPORT
for the Short Financial Year Beginning on 1 July 2014
and Ending 31 December 2014

**ACCENTRO Real Estate AG
ANNUAL REPORT**

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■ Overview Key Financial Data

ACCENTRO Real Estate AG	Short Financial Year 2014 (6 months)	Financial Year 2013/14 (12 months)
	TEUR	TEUR
Income statement		
Gross profit/loss	27,868	20,688
EBIT	19,350	7,626
EBT	12,431	864
Consolidated income	7,070	-3,169

ACCENTRO Real Estate AG	31 December 2014	30 June 2014
	TEUR	TEUR
Balance sheet ratios		
Non-current assets	278,092	191,098
Current assets	124,103	49,762
Equity	85,851	76,476
Equity ratio	21.3 %	31.8 %
Total assets	402,196	240,860

ACCENTRO Real Estate AG	
Company shares	
Stock market segment	Prime Standard
ISIN	DE000AOKFB3
German Securities Code Number (WKN)	AOKFB
Number of shares on 31 December 2014	24,436,464
Free float	12.16 %
Highest price (1 July 2014 – 31 December 2014*)	2.43 EUR
Lowest price (1 July 2014 – 31 December 2014*)	1.90 EUR
Closing price on 31 December 2014*	2.01 EUR
Market capitalisation at year-end*	EUR 49.12 million

* Closing prices in Xetra trading

The Annual Report includes the consolidated financial statements of ACCENTRO Real Estate AG and the Group management report for the 2014 short financial year.

This translation of the original German version has been prepared for the convenience of our English-speaking shareholders.

The German version is authoritative.

The above-mentioned versions of the Annual Report are available as download at www.accentro.ag or may be requested free of charge by writing to:
ACCENTRO Real Estate AG, Uhlandstr. 165, D-10719 Berlin, Germany.

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Letter to the Shareholders

Dear Shareholders,
Dear Ladies and Gentlemen,



Jacopo Mingazzini

While no more than six months long, the 2014 short financial year saw our company make enormous progress in its ongoing development:

In October, we completed the acquisition of a portfolio of 4,300 residential units, refinancing a major part of the proprietary portfolio in the process. We intend to retail about 900 of the units. The other 3,400 units are earmarked for long-term management.

The sale of our commercial real estate portfolio in December marked the second major milestone we cleared during the short financial year. Today, our commitments are exclusively in the residential real estate sector. Our business focus has sharpened noticeably as a result. Going forward, the reduced complexity in terms of partnership law will translate into considerable cost savings for the Group. In another development in December, we divested ourselves of those residential holdings that no longer match our current core activities. This is an ongoing process to be continued in the current financial year.

The funds released by the sales are earmarked primarily for the further expansion of our privatisation portfolio. The present and future focus for our ongoing expansion as ACCENTRO Real Estate AG is the conversion of proprietary housing stock into condominiums to be retailed to tenants, owner-occupiers and private investors.

We also offer apartment retailing as a third-party service to clients, and the outlook in this line of business is equally bright: As it is, we are Germany's market leader in this segment. Moreover, Germany's new rent control legislation – commonly referred to as "rent freeze" – that is expected to become effective in mid-2015 will encourage property asset holders to look into alternatives for optimising their returns. So the rent freeze could arguably become a driver in our service business, meaning the apartment retailing for third parties.

The brisk business momentum during the reporting period caused our total assets to expand rapidly to more than EUR 400 million, and our shareholders' equity to grow by 12.3 % to EUR 85.9 million. At the same time, our consolidated income improved considerably to EUR 7.1 million after taxes. We expect to continue the positive development in the current reporting period.

None of these major changes during this short but intense financial year would have been possible without our dedicated employees who did so much on behalf of our company, and whose commitment was instrumental in making the year a success.

At the same time, we are deeply grateful to our shareholder base. We would very much appreciate it if we could count your continued commitment.

The Management Board



Jacopo Mingazzini

Report of the Supervisory Board

Dear Shareholders,
Dear Ladies and Gentlemen,

The takeover of a qualified majority by ADLER Real Estate AG, Frankfurt am Main, in mid-2014 brought a variety of changes for the company. The previous business model was realigned to concentrate on the privatisation of residential real estate in Germany, matching the core competence of the company's subsidiary Accentro GmbH which counts among Germany's market leaders in the field of housing privatisation. In a symbolic move reflecting the reorientation, the Annual General Meeting of 27 November 2014 resolved to rename the company ACCENTRO Real Estate AG. On top of that, the Annual General Meeting approved the proposal to change the dates for the financial year, so that 2014 was concluded as a short financial year while the 2015 financial year and the financial years thereafter will coincide with the respective calendar year, matching the financial year of parent company ADLER Real Estate AG.

In organisational terms, the company's existing residential property holdings will be held as Group assets of ADLER Real Estate AG. Finally, the company divested itself of its commercial real estate division by selling off its entire commercial real estate portfolio in late 2014.

Changes in the Supervisory Board

The change of control precipitated senior staff changes in the Supervisory Board. Thomas Bergander, Alexandra Timoshenko and André Pernhold left the body as of 31 August 2014. We would like to take the opportunity to expressly thank these former Members of the Supervisory Board for their services on behalf of the company.

As of 1 September 2014, Axel Harloff, Dr. Dirk Hoffmann and Carsten Wolff were appointed to the new Supervisory Board. Axel Harloff is Member of the Board of ADLER Real Estate AG while Carsten Wolff is Head of Accounting and Finance at ADLER Real Estate AG. Dirk Hoffmann is an attorney at law based in Berlin.

At its constitutive meeting on 1 September 2014, the new Supervisory Board elected Axel Harloff as its Chairman. The Annual General Meeting on 27 November 2014 confirmed these appointments with a majority of 98.46 %. The appointees were elected for the period ending with the Annual General Meeting that votes on the formal approval of board actions for the 2014 financial year.

Changes in the Management Board

Torsten Cejka left the Management Board as of 1 September 2014. Jacopo Mingazzini has been sole Member of the Board since 1 September 2014. At the same time, he serves as Managing Director of the Group's privatisation arm Accentro GmbH.

Meetings

The Supervisory Board of ACCENTRO Real Estate AG conscientiously fulfilled the tasks assigned to it by law and by the articles of association during the 2014 short financial year. At all times, the Management Board included the Supervisory Board in an exhaustive and timely fashion in important decision-making processes, and briefed it on the business performance, the plans for expanding the business, and all relevant issues concerning the company.

During the reporting period, the Supervisory Board convened five meetings. The Members of the Supervisory Board attended all of these meetings. A continuous exchange of views between the Chairman of the Supervisory Board and the Management Board was maintained over and above the regularly scheduled meetings. In particular, all decisions and measures requiring approval were discussed in depth. Resolutions were made on the basis of the resolution proposals submitted by the Management Board.

In addition, the Management Board briefed the Supervisory Board regularly on the course and status of business, the company's earnings, operational plans and other fundamental planning issues.

Corporate governance

The Supervisory Board and the Management Board share the view that the German Corporate Governance Code (DCGK) contains standards for good and responsible governance that are recognised both nationally and internationally and are conducive to the proper management and monitoring of German listed companies.

Pursuant to Section 161, German Stock Corporation Act (AktG), the management board and supervisory board of a public company are required to issue an annual statement ("Declaration of Conformity") concerning the extent to which the company has been, and continues to be, in compliance with the recommendations issued by the Government Commission on the German Corporate Governance Code. The Declaration refers to the Code as amended on 30 September 2014. The full-length version of the Declaration is available on the company's homepage at www.accentro.ag and reprinted in this Annual Report.

Moreover, the Declaration of Conformity is published, together with the Annual Account and the Management Report as well as other required disclosures, in the Federal Gazette and has been filed with the business register.

Separate and consolidated financial statements

The Annual General Meeting elected the auditing firm Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, as auditor for the 2014 short financial year beginning 1 July 2014 and ending 31 December 2014.

The auditor reviewed the company's annual financial statements submitted by the Management Board and the consolidated financial statements including the Management Report and the Group Management Report for the 2014 short financial year, and issued an unqualified audit certificate for these.

The separate financial statements, consolidated financial statements, including Management Report and Group Management Report, and the audit reports on the audit of the separate and consolidated financial statements, along with the Management Board's proposed appropriation of net retained profits, were submitted to the Supervisory Board in good time. At its balance sheet meeting on 18 March 2015, the Supervisory Board deliberated and discussed the documents underlying the financial statements and reports with the Management Board at length, focusing on issues relating to the valuation of current and non-current assets.

The auditor briefed the meeting on the essential findings of the audits, and was available to answer additional questions raised by the Supervisory Board. Based on its independent review of the separate financial statements, the consolidated financial statements and the management reports for the company and the Group, the Supervisory Board approved the auditor's audit findings, and declared that, based on the conclusive findings of its examinations, it had no objections to raise. By resolution dated 18 March 2015, the Supervisory Board approved the annual financial statements, which is thereby adopted pursuant to sec. 172, AktG, and the consolidated financial statements.

Dependency Report 2014

The Supervisory Board examined and approved the dependent company report compiled by the Management Board pursuant to sec. 312, AktG. Based on the final outcome of its examination, the Supervisory Board raised no objections to the statement by the Management Board at the end of its report pursuant to sec. 312, AktG.

The auditor, which is the auditing firm Ebner Stolz GmbH & Co KG in Hamburg, made no objections in its audit of this report, and the result of the audit is consistent with the findings of the Supervisory Board. The auditor issued an unqualified auditor's opinion in this respect:

"On completion of our review and assessment in accordance with professional standards, we confirm that

1. the actual disclosures contained in the report are accurate, and
2. the consideration paid by the company for the transactions was not unreasonably high."

Meetings

Pursuant to sec. 96, AktG, the Supervisory Board is composed of shareholder representatives.

The Supervisory Board would like to thank the entire staff of ACCENTRO Real Estate AG for their faithful service, their deep commitment, and their high sense of loyalty.

Berlin, 18 March 2015

Axel Harloff
Chairman of the Supervisory Board

■ Corporate Governance Report

Declaration of conformity 2015

Pursuant to section 161, German Stock Corporation Act (AktG), the management board and supervisory board of a public company are required to issue an annual statement concerning the extent to which the company has been, and continues to be, in compliance with the recommendations issued by the Government Commission on the German Corporate Governance Code. The subsequent Declaration refers to the Code of 24 June 2014 as amended, and as published in the electronic Federal Gazette (Bundesanzeiger) on 30 September 2014. For the full-length version of the Declaration, please go to the company's homepage at www.accentro.ag.

The Management Board and Supervisory Board of ACCENTRO Real Estate AG hereby declare:

Since the last declaration of conformity was issued in September 2014, ACCENTRO Real Estate AG has complied with the recommendations of the German Corporate Governance Code as amended, with exceptions detailed below, and intends to continue to comply with the Code recommendations in the coming year, with exceptions detailed below:

Code sections 2.3.1 and 2.3.2 (postal vote)

The company does not currently intend to conduct postal votes before or during its Annual General Meeting in addition to proxy voting by persons authorised to act as voting representatives, particularly since the company's Articles of Association do not provide for this as required by section 118 (2), AktG. In the company's opinion, the introduction of postal voting in addition to the option already available of contributing indirectly to the votes taken in the Annual General Meeting in the form of a proxy vote by a representative appointed by the company would simply increase the outlay required for the Annual General Meeting without benefiting the shareholder decision-making process in any significant way. Neither was this option offered at the previous Annual General Meeting.

Code section 3.8 (D&O insurance)

The D&O insurance taken out as a group contract does not currently provide any deductible for members of the Supervisory Board. The company believes that a deductible of this type is not required to motivate the members of the Supervisory Board to properly perform their monitoring duties.

Code section 4.2.1 (composition of the supervisory board)

In deviation of Code section 4.2.1, the Management Board of ACCENTRO Real Estate AG currently consists of one person only. Both the Supervisory Board and the Management Board believe that the size of the company justifies the arrangement. Nonetheless, the Management Board and the Supervisory Board periodically check whether the development of the company warrants an expansion of the Management Board.

Code section 4.2.3 (compensation)

The total compensation of the Management Board currently consists of fixed and variable components, but no remuneration components marked by long-term incentives and risk elements. Moreover, the recommendation that negative developments should be taken into account when determining the variable components of total compensation was and is not complied with. According to the Supervisory Board, neither of these aspects is necessary to

ensure the loyalty of the Management Board and its commitment to the company. Neither a cap on the amount of compensation nor a severance pay cap for former members of the Management Board have currently been agreed, as the Supervisory Board does not deem these necessary.

Code section 5.1.2 (composition of the management board, age limit, and succession planning)

Due to the age structure of the Management Board, no age limit or long-term succession planning is currently specified.

The Supervisory Board and Management Board expressly welcome all endeavours to counteract gender-based or any other form of discrimination, and to promote diversity in appropriate ways. When appointing members to the Management Board, the Supervisory Board places emphasis solely on the competence, qualifications and experience of eligible candidates, while other characteristics such as gender and nationality have been, and continue to be, without any significance for this kind of decision.

Code sections 5.3.1, 5.3.2 and 5.3.3 (committees)

The Supervisory Board has refrained from forming committees so far. Specifically, it has not formed, nor will it form, an audit committee or a nomination committee as it considers three Supervisory Board members a sufficient number to function effectively in joint representation. Given the size of the Supervisory Board, it would moreover seem unreasonable to form committees, which must include at least two people or, for a quorum, at least three people.

Code section 5.4.1 (composition of the supervisory board)

The code's recommendation on the formulation of specific objectives regarding the composition of the Supervisory Board and the publication in the Corporate Governance Report, which specifically includes the proportionate integration of women, is not currently complied with, because in the opinion of the Supervisory Board targeting such a composition is not essential to ensure the effectiveness and success of the Supervisory Board's efforts. The Supervisory Board will seek to determine to what extent this recommendation may be complied with in the future.

Code section 5.4.2 (composition of the supervisory board)

Dr. Hoffmann, currently a Member of the Supervisory Board, is Chairman of the Supervisory Board of ADLER Real Estate AG in Hamburg, Chairman of the Supervisory Board of Squadra Immobilien GmbH & Co. KGaA, Frankfurt am Main, Deputy Chairman of the Bremer Kreditbank AG, Bremen, and Member of the Supervisory Board of Dexia Kommunalbank Deutschland AG, Berlin.

Since mid-2012, the Supervisory Board is supposed to exclude members who serve in supervisory bodies of key competitors. This could have been the case with Dr. Hoffmann. In this case, no material conflicts of interest occurred.

The other two members of the Supervisory Board are not members of other legally required supervisory boards or comparable controlling bodies of commercial enterprises inside or outside Germany.

Code section 5.4.6 (remuneration of supervisory board)

If Supervisory Board members are promised a success-based remuneration, it should be based by a sustainable corporate performance, according to the Code. The Code fails to specify what sort of requirements ought to apply to such a form of success-based remuneration. The remuneration of the Supervisory Board members includes a variable component that is based on the company's performance, specifically on whether or not the company stock outperforms the stock of a peer group. From the perspective of ACCENTRO Real Estate AG, this constitutes a sustainable remuneration model.

Code Section 7.1.2 (discussion of interim reports by the supervisory board and publication of interim reports)

At present, the company's quarterly reports are not discussed with the Supervisory Board prior to publication. The Management Board briefs the Supervisory Board about the company's state of affairs and the course of its business each month.

ACCENTRO Real Estate AG principally publishes its interim reports 45 days after the end of the reporting period. In exceptional circumstances there may be a slight delay due to special organisational processes. The legal requirements set out in section 37w, Securities Trading Act (WpHG), are complied with in all cases.

Berlin, in March 2015

Management Board and Supervisory Board
ACCENTRO Real Estate AG

■ ACCENTRO Real Estate AG Stock Performance

During the second half of 2014, financial markets were severely influenced by international crises. Countries destabilised by civil war such as Iraq, Libya and Syria as well as the uncertainty of the evolving situation in Eastern Ukraine have weighed on the sentiment at stock exchanges in Europe. Among them was Germany's blue-chip index, the DAX 30, as it proved unable to maintain its level after having jumped the mark of 10,032 points in early July, and slumped back to 8,355 points on 16 October, a drop of 16.7 %.

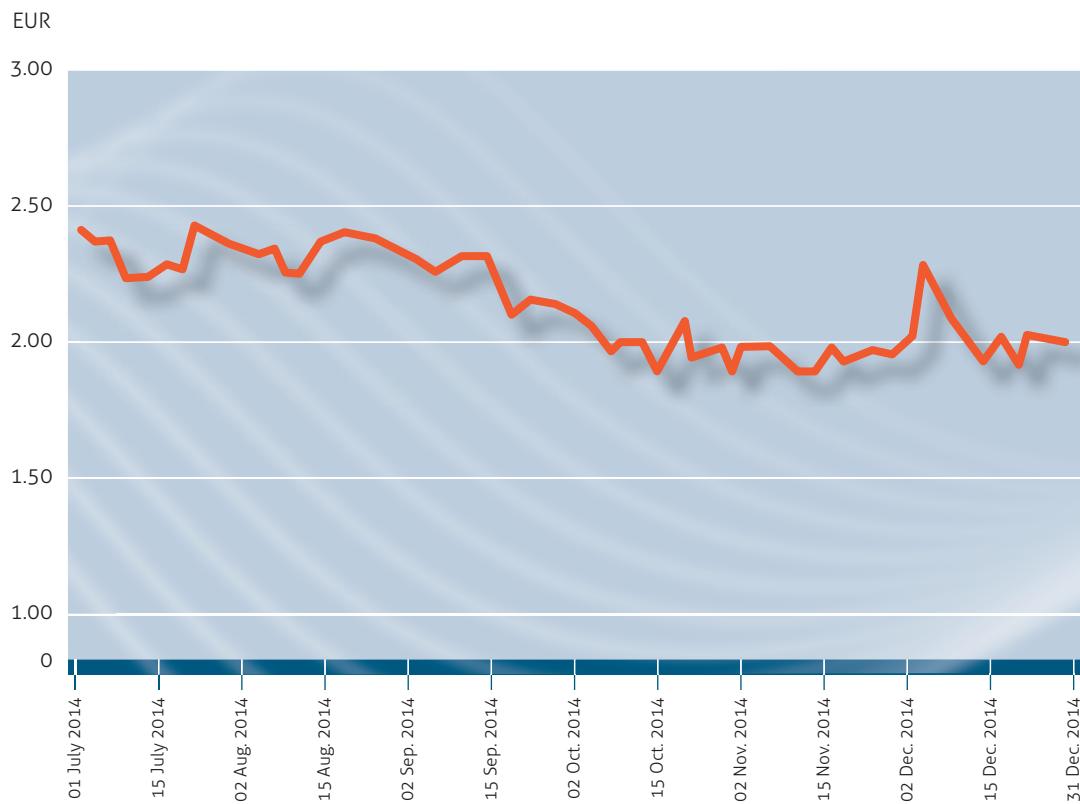
During the remainder of the year, however, two external factors led to a robust recovery of the DAX 30. On the one hand, the price of crude oil deteriorated toward the end of the year, dropping by 32 % from US dollar 85 to US dollar 58. This has boosted upward economic forces by about 0.3 % to 0.4 % according to an estimate by the German Council of Economic Experts (SVR).

On the other hand, the devaluation of the Euro stimulated the DAX 30 because it is hugely significant for the export-driven German economy. Within six months, the value of the euro against the US dollar declined from EUR 1.3680 to EUR 1.2155.

More than other equities, the stock of German carmakers and of companies in the country's mechanical engineering industries benefited from these two trends. By contrast, companies like ACCENTRO Real Estate AG whose business consists mainly of domestic activities barely gained anything from the situation.

The momentum that the company's share price had picked up after the takeover by ADLER Real Estate AG in June 2014 slowed down noticeably as the year progressed. On 1 July 2014, the first trading day of the reporting period, the closing price of the ACCENTRO share equalled EUR 2.41, implying a stock market value of EUR 56.25 million. By the time the annual report for the 2013/14 financial year was published in late September, the price had levelled out at EUR 2.17. Despite a robust gross operating profit of EUR 7.6 million, the 2013/14 Annual Account reported a loss that was explained by the expiration of tax loss carryforwards and the resulting jump in the income tax rate to 466 %. Inversely, the market ignored the clearly positive funds from operations of ACCENTRO AG and the profitable housing privatisation business model. In sync with the slow overall market, the ACCENTRO share price dropped to EUR 1.90 by the end of October before stabilising at around EUR 2.00. The closing price on the final trading day of the year was EUR 2.01. This implies a market capitalisation of EUR 49.12 million, which is far below the company's Net Asset Value (NAV).

The average daily trading volume (Xetra) of ACCENTRO stock was 8,693 pieces during the 2014 short financial year (previous year: 25,495 pieces). This is no doubt explained by the reduced free float of 12.16%. Then again, it is safe to say that the market for private investors remained liquid at all times.

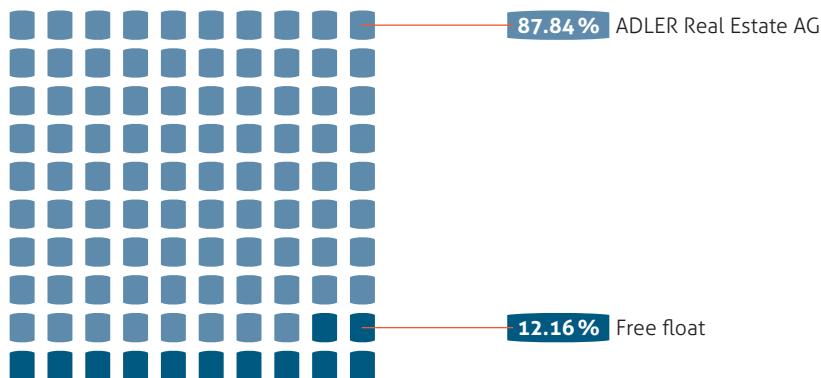


ACCENTRO share price development in the short financial year 2014

Shareholder structure

By the end of the 2014 short financial year on 31 December 2014, the subscribed capital of ACCENTRO Real Estate AG totalled EUR 24.44 million and broke down into 24,436,464 no-par value bearer shares. This is up from 23,338,817 pieces and thus a share capital of EUR 23,338,817 at the beginning of the financial year on 1 July 2014.

Current shareholding structure:



Shareholder structure on 31 December 2014 (information according to last notification from investors)

ACCENTRO shares at a glance

ACCENTRO Real Estate AG

Share	
Stock market segment	Prime Standard
ISIN	DE000AOKFKB3
German Securities Code Number (WKN)	AOKFKB
Number of shares on 31 December 2014	24,436,464
Free float	12.16 %
Highest price (1 July 2014 – 31 December 2014*)	2.43 EUR
Lowest price (1 July 2014 – 31 December 2014*)	1.90 EUR
Closing price on 31 December 2014*	2.01 EUR
Market capitalisation at year-end*	EUR 49.12 million

* Closing prices in Xetra trading

Investor relations activities

As in previous years, maintaining an intense dialogue with the capital market and reporting regularly on relevant corporate events continued to play a key role for ACCENTRO AG during the 2014 short financial year. Now that the focus of the business model has been successfully shifted, the objective will be to make the public and client leads aware of the new business model, significant growth and superior positioning of ACCENTRO Real Estate AG. In the coming financial year, we will therefore seek to intensify the dialogue with the media, with our shareholders and with investors. As part of the effort, ACCENTRO Real Estate AG will present itself once again at the spring conference of the German Association for Financial Analysis and Investment Consultancy (DVFA) in Frankfurt am Main in May 2015.

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Preliminary Remarks

On 27 November 2014, the Annual General Meeting of ESTAVIS AG in Berlin resolved to rename the company ACCENTRO Real Estate AG. This Group Management Report will therefore use the name ACCENTRO AG or ACCENTRO Group throughout, including in passages referring to historic facts or events.

Moreover, the Annual General Meeting convened on 27 November 2014 resolved to change the dates of the financial year. Going forward, the financial year will coincide with the calendar year. As a result, these consolidated financial statements represent the financial statements of a short financial year beginning 1 July 2014 and ending 31 December 2014. That fact that the short financial year covers only a six-month period limits the comparability with a full-length financial year of twelve months.

The structure of the consolidated income statement was retroactively adjusted to enhance the transparency of the sources of revenue and earnings, and to adopt the industry-standard practice for property companies.

The consolidated financial statements of ACCENTRO Real Estate AG on which this report is based have been prepared in accordance with the International Financial Reporting Standards (IFRS) the way they are to be applied in the European Union.

All monetary figures in this report are stated in euro (EUR). Both individual and total figures represent the value with the smallest rounding difference. Accordingly, adding the values of the individual line items may result in slight differences compared to the sum totals posted.

■ 1 Basic Structure of the Group

1.1 Group business model, objectives and strategies

The ACCENTRO Group is a listed property company focusing on residential properties in Germany. Its business activities are limited, geographically speaking, to real property in Germany, particularly in economically attractive locations, which mainly includes so-called Class B and Class C cities and Berlin. The business activities of ACCENTRO AG focus, on the one hand, on the management of residential real estate holdings, and, on the other hand, on trading residential properties within the framework of apartment retailing. The dual focus is reflected in the division of the ACCENTRO Group's business into the two segments of "Portfolio" and "Trading".

Portfolio

In the Portfolio segment, the ACCENTRO Group identifies housing stock with a sustainable positive cash flow and high value-added potential, and exploits its management know-how to raise this potential efficiently and to ensure regular cash flows from the management of the acquired portfolios.

Trading

The Trading segment of the ACCENTRO Group includes the buying and selling of residential properties and individual apartments, especially the retailing of apartments to owner-occupiers and investors within the framework of retail privatisations of housing portfolios. The business focus is on socially responsible housing privatisation. The privatisation services provided by the ACCENTRO Group involve both the retailing of apartments from proprietary property stock of the ACCENTRO Group and the provision of privatisation services on behalf of third parties.

Going forward, ACCENTRO AG will intensify its focus on the privatisation of apartments from its proprietary stock. ACCENTRO AG also intends to limit its further acquisitions of housing stock to its apartment retailing business line (privatisations).

1.2 Group structure and control system

ACCENTRO AG is the parent company of the ACCENTRO Group. ACCENTRO AG acts as an operationally active holding company for a number of member companies in which the housing stock is concentrated including several service arms that focus on the business areas of housing privatisation. For companies in which it holds a controlling interest, ACCENTRO AG assumes the top-down responsibilities of corporate controlling, funding, and administration within the ACCENTRO Group. The sphere of ownership of ACCENTRO AG includes core divisions such as Legal, Accounting, Controlling, Risk Management, Funding, and IT.

The ACCENTRO AG Group consists of the subgroup Magnus-Relda Holding Vier, which holds major shares of the portfolio, and several property vehicles that own the real estate inventory of the ACCENTRO Group. The subgroup and all of the property vehicles are consolidated in the consolidated financial statements of ACCENTRO AG. For a list of the individual subsidiaries and associates of ACCENTRO AG, please see the notes to the consolidated financial statements.

The ACCENTRO Group subdivides into two segments, "Trading" and "Portfolio." There are no other subdivisions. The segment reporting follows the same division structure. To control the Group, ACCENTRO AG uses control variables that are fine-tuned to meet the specificities of each Group segment and of the Group as a whole. These have not been adjusted during the year under review, and are the same as last year.

The **Portfolio segment** uses EBIT as financial performance indicator for corporate controlling purposes. A key control variable is the operating result of the properties, which is defined by factors such as vacancy rate, new rentals and leases terminated, net rents, and loan debt burden.

The **Trading segment** also uses EBIT as financial performance indicator for corporate controlling purposes. Here, the key control variable is the sales performance of the properties, with definitive factors including the number of condominium reservations placed by potential buyers, among others, and the actual sales prices realised. The latter is aggregated both as number of flats involved and as sales total. Among the other factors that the control system takes into account are the operating results of each sub-portfolio or of each property. In addition, control variables such as the number of new clients, viewings, and reservations serve as early indicator for the performance of the privatisation segment.

Factors aggregated on the level of the parent group include prompt and regular updates on the liquidity position. The liquidity planning for the next twelve months is just as regular and prompt. This centrally controlled responsibility helps to monitor the financial stability of the corporate Group. Periodic stocktaking of liquidity flows on the level of the member companies as well as on the level of the business units and of the parent Group represent key components of this control system.

1.3 Research and development

With its activities concentrated in the areas of residential property letting and of property trading, the ACCENTRO Group has no need to conduct research and development activities, nor is it dependent on licenses and patents.

2 Economic Report

2.1 Macro-economic development

Notwithstanding adverse external factors, the economic climate in Germany showed a positive performance during the second half of 2014, even though it lost some of its momentum. It was boosted not least by the European Central Bank's (ECB) decision of 10 September 2014 to lower the key lending rate to 0.05 %. On the one hand, the decision virtually eliminated any chance of returns on purely monetary assets, but, on the other hand, it enhanced the consumer climate and has stimulated domestic demand. By the end of the year, exports had recovered and also helped to stimulate the economy, which benefits from the devaluation of the euro.

The ACCENTRO Real Estate AG, which depends on the availability of ample low-interest debt for the expansion of its portfolio, clearly benefits from the currently very favourable refinancing options.

2.2 Development of the German housing market

Demand for German residential real estate remained strong among investors both foreign and domestic in 2014, particularly in metropolitan locations. Fuelled by a sound income situation and low financing rates, private buyers were also highly active.

Meanwhile, the demand for residential real estate in Berlin remains keen. The privatisation turnover achieved in the residential sector continued to increase, growing by 18.3 % year on year. The one-year turnover also increased in terms of value, as more apartments were sold in Berlin than in any other major German city. Indeed, the Berlin metro area became the most important regional market for residential real estate in Germany, and it continued to manifest a high level of tradeability and rising income potential, according to Jones Lang LaSalle, a consultancy firm specialising in real estate. During the second half of 2014, square metre rents in Berlin climbed by 9.0 % (compared to the prior-year semester). At the same time, the average sales price for condominiums pushed up by an actual 13.0 % to EUR 2,900 in Berlin, as figures released by Jones Lang LaSalle suggest. Then again, Berlin – and here specifically the eastern part of town – remains the most affordable market in Germany, according to calculations done by the IVD German Real Estate Federation.

The affordability index compiled by the IVD puts purchase prices, interest rate level and disposable income in relations with each other. The higher the indicator, the easier it is in the respective location to buy a home. The score for East Berlin is 139.45 according to the affordability index. While West Berlin (105.98) is outranked by Hamburg (124.77) and Hanover (130.18), it ranks clearly ahead of Düsseldorf (78.95) Stuttgart (78.63), Frankfurt (76.76) and Munich (58.65).

For the business activities of the ACCENTRO Group, the market environment as a whole continued to develop auspiciously, and this goes in particular for the housing market in Berlin which counts among the most relevant market for the Group, both in the Trading segment and in the Portfolio segment.

2.3 Business performance

Key events during the 2014 short financial year

During the 2014 short financial year, the business performance of the ACCENTRO Group reflects the altogether positive market environment on the residential property markets of relevance for ACCENTRO, both in regard to the tenant demand in the Portfolio segment and in regard to the demand for condominiums for owner occupation or as private investment in the Trading segment. The ACCENTRO Group achieved a clearly positive result, topping the forecasts for the parent group.

Group revenues increased noticeably year on year, which is essentially attributable to two influencing factors. On the one hand, selling parts of the Germany-One portfolio in Berlin noticeably boosted the performance of the Trading segment, while on the other hand the one-year rental income in the Portfolio segment surged as planned. The favourable performance is explained by residential real estate acquired as early as March 2014, which was completed with the conveyance of the properties to the ACCENTRO Group in November 2014. It marked the largest-ever property transaction in the annals of the company. The residential property portfolio acquired, whose assets are spread through-out Germany and add up to 4,300 units in Bavaria, Berlin, North Rhine-Westphalia, Saxony, and Saxony-Anhalt, was added to the ACCENTRO AG Group as of 1 November 2014. The long-term objective of ACCENTRO AG is to

keep around 3,400 units in its portfolio, with another 900 units, give or take, to be resold in the privatisation business unit.

As of 1 October 2014, the company acquired 294 apartments in Berlin's Hohenschönhausen district for a price of nearly EUR 15.4 million that are also earmarked for privatisation.

In December 2014, ACCENTRO AG successfully negotiated a share deal that included the sale of two of its subsidiaries to two German corporations. With this transaction, ACCENTRO AG divested itself completely from its purely commercial property stock, and will fully concentrate on residential real estate going forward.

Torsten Cejka left the Management Board of ACCENTRO AG as of 1 September 2014. Jacopo Mingazzini, who is Managing Director both of ACCENTRO AG and of its privatisation arm Accentro GmbH, has headed the company as its sole board member ever since.

There were also senior staff changes in the Supervisory Board of ACCENTRO AG occurred during the reporting period. Axel Harloff, Member of the Board of ADLER Real Estate AG, Dr. Dirk Hoffmann, attorney at law, and Carsten Wolff, Head of Accounting and Finance at ADLER Real Estate AG, were appointed as the new members of the company's Supervisory Board as of 1 September 2014 after the incumbent members of the Supervisory Board, including the chairman, resigned their mandates as of 31 August 2014. The regular election of the Members of the Supervisory Board took place at the Annual General Meeting of ACCENTRO Real Estate AG on 27 November 2014.

The implementation of the process to integrate the ACCENTRO Group into the parent group of ADLER Real Estate AG commenced once the acquisition of ACCENTRO Real Estate AG by ADLER Real Estate AG was completed in June 2014. In the future, the ACCENTRO Group will intensify its strategic focus on the privatisation business involving proprietary and third-parts apartments.

2.4 Earnings, financial position and assets

Earnings position

The ACCENTRO Group's key revenue and earnings figures developed as follows during the 2014 short financial year:

	Short financial year 2014		2013/2014	Semi-Annual Report 2013
	Mio. EUR	Mio. EUR	Mio. EUR	Mio. EUR
Revenues	23.0		28.2	16.1
EBIT	19.4		7.7	3.8
Consolidated income	7.1		-3.2	0.1

During the 2014 short financial year, the consolidated revenues rose by 42.9 % to EUR 23.0 million compared to mid-year figure of the prior year. They break down into the following segments:

- Portfolio: EUR 7.6 million (prior-year semester: EUR 5.0 million; prior-year total: EUR 10.2 million)
- Trading: EUR 15.4 million (prior-year semester: EUR 11.1 million; prior-year total: EUR 18.0 million)

thereof

- Other trade: EUR 0.0 million (prior-year semester: EUR 2.0 million; prior-year total: EUR 2.3 million)
- Privatisation: EUR 15.4 million (prior-year period: EUR 9.1 million; prior-year total: EUR 15.7 million)

In the Trading segment, revenues in the "Privatisation" sub-segment showed substantial growth, far exceeding the prior-year level at EUR 15.4 million. As planned, there were no more revenues in the sub-segment "Other trade" because the wind-up of the project development and listed property activities is largely completed (prior-year semester: EUR 2.0 million).

The gross operating profit (EBIT) of the Trading segment was clearly positive at EUR 2.1 million by the end of the year under review (prior-year semester: EUR 1.6 million), which is exclusively due to the steady increase in net income of the Privatisation sub-segment with an EBIT of EUR 2.1 million (prior-year semester: EUR 1.8 million). The wind-up of the remaining activities of the "Other trade" sub-segment resulted in a modest negative effects on earnings in the amount of EUR –0.05 million (prior-year semester: EUR –0.2 million).

Compared to H1 of the 2013/14 financial year, the Trading segment achieved a one-year EBIT growth by EUR 0.4 million. The service business with large corporates, which was downscaled during the previous year, was offset by the signings of new marketing agreements and a sharp increase in the sales result of the subsidiary ESTAVIS Wohneigentum GmbH.

Sales in the Portfolio segment amounted to EUR 7.6 million during the 2014 short financial year (prior-year semester: EUR 5.0 million) and reflect mainly rent revenues in the amount of EUR 6.9 million. The focus of portfolio acquisitions during the reporting period was on attractive large and mid-size cities in Germany. The refurbishment and revitalisation program planned in the previous period was launched according to plan during the reporting period.

The operating result (EBIT) of the Portfolio segment equalled EUR 17.3 million (prior-year semester: EUR 2.2 million), and was based essentially on:

- revenues from letting investment property in the amount of EUR 6.9 million.
- revenues from capital growth of investment property in an amount of EUR 18.8 million (previous year: EUR 3.6 million), and
- expenses for administration and allowances for receivables.

The fact that the housing stock acquired during the year under review contributed to operating in-come for the first time, most notably as a result of substantial positive value changes, caused the EBIT in the Portfolio segment to rise from EUR 2.2 million in H1 of 2013/14 to EUR 17.3 million during the period under review.

For a detailed presentation of the segment result, refer to the Group Notes, section 5.

Especially the positive valuation effects in connection with the acquired residential property portfolio translated into a positive consolidated income of EUR 7.1 million by the end of the reporting period (prior-year semester: EUR 0.1 million; previous year total: EUR –3.2 million).

The other operating income added up to EUR 3.1 million (after EUR 0.5 million in H1 2013/14, and EUR 6.1 million by the end of the 2013/14 financial year). They include income from dissolution of allowances and provisions in the amount of EUR 1.8 million along with other income from waived receivables and loans.

The other operating expenses in the amount of EUR 3.8 million (prior-year semester: EUR 2.7 million; previous year total: EUR 7.8 million) include, inter alia, impairment allowances for receivables along with advisory costs for general advisory services, specifically in the areas of taxes, legal, and general strategic issues. Also recognised in this item are rental expenses for the company's business premises, acquisition costs, as well as information, advertising and entertaining expenses.

The total payroll and benefit costs came to EUR 2.0 million, more than it was in H1 2013/14 (prior-year semester: EUR 1.4 million; previous year total: EUR 3.2 million). The total payroll and benefit costs were considerably increased by compensation payments to former members of the Management Board.

The financial result of the 2014 short financial year equalled EUR –7.1 million (after EUR –3.2 million in H1 2013/14; previous year total: EUR –6.9 million). The steep increase in interest expense is explained by one-off effects in the context of refinancing arrangements and the interest charge for the financing of the real estate portfolios acquired during the 2014 short financial year, which was recognised for the first time.

The earnings before taxes equalled EUR 12.4 million (after EUR 0.7 million in H1 2013/14; previous year total: EUR 0.9 million). The income tax expense during the short financial year amounted to EUR 5.4 million (prior-year semester: EUR 0.5 million) and essentially represented deferred tax effects caused by the appreciation of real assets. Overall, the 2014 short financial year produced a consolidated net income of EUR 7.1 million, whereas H1 2013/14 had merely returned a modest positive annual profit of EUR 0.1 million, and the 2013/14 financial year as a whole had actually resulted in a loss of EUR –3.2 million.

For more details on the composition and amount of the Group's income and expenses, please see the notes to the consolidated financial statements.

Financial position

Key figures from the cash flow statement

	Short financial year 2014		2013/14	Semi-Annual Report 2013
	million EUR	million EUR	million EUR	million EUR
Cash flow from operating activities	–59.4	–0.3	0.5	
Cash flow from investment activities	–115.5	–20.7	–2.9	
Cash flow from financing activities	176.3	18.1	–0.2	
Net change in cash and cash equivalents	1.3	–2.9	–2.6	
Cash and cash equivalents at the beginning of the period	6.4	9.3	9.3	
Cash and cash equivalents at the end of the period	7.7	6.4	6.7	

During the 2014 short financial year, the cash flow from operating activities amounted to EUR –59.4 million (previous year: EUR –0.3 million). The negative cash flow from the operative segment is directly linked to the property acquisitions, whose transfer of costs and benefits occurred during the year under review, and whose initial costs negatively impacted the operating cashflow with EUR 58.8 million on balance. The disbursement in the amount of EUR 6.4 million toward the acquisition of the subsidiary is also associated with the acquisition

of inventory properties. The net cash used in operating activities breaks down into the cash profit for the period and cash-effective changes in current working capital. A positive impact on the cash flow from operating activities is generated by rent payments and the amounts deposited in return for inventory properties sold. The operating cash flow is impaired by operating expenditures, including income tax payments. Earnings from unrealised increases in the value of real estate inventories were also eliminated from the operating cashflow as non-cash items.

It was particularly the portfolio acquisition successfully completed by 1 November 2014 that caused investments in portfolio property to soar to EUR 115.7 million (previous year total: EUR 18.8 million). On the bottom line, the 2014 short financial year resulted in a negative cash flow from investment activities to the tune of EUR –115.5 million (previous year total: EUR –20.7 million) because only a limited number of portfolio properties were sold.

The increased cash flow from financing activities in the amount of EUR 176.3 million (previous year total: EUR 18.1 million) is the result of a shareholder loan paid out by ADLER Real Estate AG, as well as of promissory note loans and other bank loans taken out to finance the residential portfolios added to the inventory during the year under review.

The debt-to-equity ratio (debt capital/total capital) increased sharply because of the long-term leveraged real estate portfolio acquisitions, and equalled 78.7% at the end of the year under review (previous year: 68.2%). At 1.9%, the ratio of cash and cash equivalents to total assets undercut the previous year's level (2.7%). The Group's cash ratio (cash and cash equivalents/current liabilities) increased from 8.4% to 12.7%.

The Group was able to meet its financial obligations at all times. A rolling cash plan enables us to recognise liquidity bottlenecks well ahead of time, and to seize the necessary counter-measures, as the case may be.

The financing structure was once again kept stable during the 2014 short financial year particularly through extensive long-term refinancing of promissory note loans as well as through a strict cost and liquidity management. The increase in non-current financial liabilities is attributable primarily to the acquisition of a real estate portfolio with property assets nationwide for EUR 164.5 million during the year under review.

The financing schemes of ACCENTRO Real Estate AG rest on several mainstays. In addition to bank loans and promissory note loans collateralised by land charges, the company employed capital-market-based financing arrangements in the form of convertible bonds and other bonds. In addition, the majority shareholder ADLER Real Estate AG has made a credit line facility available to the ACCENTRO Group. By the balance sheet date, an amount of EUR 34.2 million had been drawn down from this credit line (previous year total: EUR 5.0 million).

In the course of the short financial year, long-term payables to financial institutions increased from EUR 66.5 million to EUR 190.2 million. The reasons for the increase were mainly the promissory note loan over EUR 126.5 million taken out, the amount of EUR 29.2 million drawn down from the credit line granted by the majority shareholder, and a long-term bank loan over EUR 38.0 million taken out to finalise, on 1 November 2014, the portfolio acquisition contracted in March 2014. As of 31 December 2014, the short-term payables to banks with a maturity of less than one year amounted to EUR 36.4 million (previous year total: EUR 28.1 million).

The convertible and corporate bonds issued in prior years were reduced through repurchases and conversions into shareholders' equity, declining from EUR 24.1 million as of 30 June 2014 to EUR 21.6 million as of 31 December 2014. As of 31 December 2014, the bond liabilities were fully posted among the long-term payables due to the agreed maturities, except for outstanding interest in a negligible amount of EUR 0.2 million.

The bulk of the bond liabilities in an amount of EUR 12.9 million had been posted among the short-term payables as of 30 June 2014 because of change-of-control provisions relevant for the respective balance-sheet date.

Cash and cash equivalents increased from EUR 6.4 million by 30 June 2014 to EUR 7.7 million as of 31 December 2014. ACCENTRO Real Estate AG assumes that all of the loans to be renegotiated during the 2015 financial year will be renewed in turn. No financing in foreign currency was taken out by ACCENTRO Real Estate AG. Based on the assumption that the market interest rates will remain low, the company expects to reduce its interest payments in the long run.

The exercise of conversion rights from the two convertible bonds issued by ACCENTRO Real Estate AG in prior years, and the positive result of the short financial year caused the shareholders' equity to rise from EUR 76.5 million as of 30 June 2014 to EUR 85.9 million as of 31 December 2014. This results in an equity ratio of 21.3%, undercutting last year's level (31.8%) by the balance sheet date, due to the steep increase in total assets after completing the acquisition of a large portfolio. That being said, it should be added that the inclusion of the junior shareholder loans in the amount of EUR 34.2 million that was granted to ACCENTRO AG by its majority shareholder ADLER Real Estate AG would result in an equity ratio of 29.9% as of the latest balance-sheet data, which would imply but a moderate dip compared to the 33.8% ratio of 30 June 2014.

For more details on the amount and composition of the Group's cash flows, please see the Consolidated Cash Flow Statement and the Group Notes, section 6.19.

Asset position

Total assets increased by EUR 161.3 million to EUR 402.2 million (previous year: EUR 240.9 million). The surge is essentially explained by the increased volume of investment property by EUR 101.7 million, and by the increase in inventory properties by EUR 58.8 million as a result of the portfolio acquisition successfully completed during the 2014 short financial year.

The sizeable investments caused the non-current assets to increase to EUR 278.1 million (previous year: EUR 191.1 million) as of 31 December 2014. The value of the investment property, which amounted to EUR 156.2 million by the end of the previous financial year, equalled EUR 257.9 million as of the balance sheet date. This is the result of property additions in the amount of EUR 128.5 million, a positive net valuation result in the amount of EUR 18.8 million, and property disposals in an amount of EUR 45.6 million.

Current assets increased by EUR 74.3 million to EUR 124.1 million (previous year: EUR 49.8 million). The increase is attributable above all to the contingent of around 900 residential units earmarked for privatisation from the portfolio acquired in October 2014 at a cost of approx. EUR 47.4 million. Moreover, the trade receivables surged after several subsidiaries were sold before the end of the year, climbing from EUR 3.0 million to EUR 21.2 million between balance sheet dates.

The other receivables and other assets registered a slight decline during the 2014 short financial year even though the funds earmarked for specific purposes (restricted cash) increased from EUR 3.7 million to EUR 6.4 million in connection with the portfolio acquisition. The decrease of this item is explained by lower accounts receivable from operating costs not yet settled.

Non-current liabilities jumped up to EUR 255.7 million (previous year: EUR 87.8 million) as of the balance sheet date, primarily because the portfolio acquisition was refinanced through long-term promissory note loans and another long-term bank loan. The non-current financial liabilities increased to a total of EUR 245.8 million (previous year: EUR 82.6 million) as EUR 29.2 million in additional funds from shareholder loans were drawn down.

A deferral effect of the non-current to current financial liabilities as of the prior year balance sheet date of 30 June 2014 is the result of the takeover by ADLER Real Estate AG. Even ahead of this balance sheet date, the change-of-control covenants of one convertible bond and of the corporate bond were triggered by the takeover whose deadlines extended past the balance sheet date.

Current liabilities declined by EUR 16.0 million to EUR 60.6 million (previous year: EUR 76.6 million). The concomitant effect is essentially a decrease in trade payables resulting from the price paid for a real estate portfolio that was acquired for the inventory properties. Moreover, the short-term payables were subject to a one-off item created in conjunction with the takeover of ACCENTRO AG by ADLER Real Estate AG during the prior period. The terms of the 2012/2017 convertible bond and of the 2013/2018 corporate bond issued by ACCENTRO AG included call provisions in the event of a change of control. The call period extended beyond the reporting date, so that the 2012/2017 convertible bond and the 2013/2018 corporate bond were recognised as short-term payables in the combined amount of EUR 12.3 million by 30 June 2014. After the end of the subscription period in July 2014, these bond liabilities were reclassified as long-term payables in line with their contractual remaining term.

General statement on the Group's business situation

In the previous annual report, we predicted noticeably enhanced earnings in the Trading segment and a sustainably stable contribution to operating income in the Portfolio segment. However, as the current statement of account reports on a short financial year beginning 1 July 2014 and ending 31 December 2014, the contributions to operating income by each segment cannot be compared to those of a full-length financial year of twelve months. Compared to the previous semi-annual report, the Portfolio segment made a significantly higher contribution to the gross operating profit (EBIT), exceeding expectations by far. This is essentially explained by the positive valuation effects from the real estate portfolio acquired during the year. Although it is unlikely that the appreciation of the portfolio acquired, credited to earnings as unrealised valuation effect, will repeat itself going forward, it does show that we acquired the portfolio on favourable terms. The Trading segment also completed the year with a sustained growth in earnings at a rate of around 26.9 % compared to H1 2014, thus matching the forecast and largely meeting our expectations. Against this background, the Management Board is more than satisfied with the earnings performance in either segment. The ground for a stable financial performance going forward has already been laid by the expansion of the housing stock and by the acquisitions recently added to the Trading portfolio.

The equity ratio equals 21.3 %, admittedly undercutting the prior-year figure. This is due above all to the growth in total assets as a result of the acquisitions for the real estate inventory on which the planned profitable growth of the ACCENTRO Group will be based.

2.5 Other financial and non-financial performance indicators

The technical expertise and commitment of our employees and executives are essential requirements for the ACCENTRO Group's business performance.

To help retain employee knowledge and skills, the ACCENTRO Group places a strong emphasis on attractive working conditions. These include in particular a competitive compensation system which is continuously monitored and adapted to reflect changes in the labour market as required. Group employees also benefit from options for continued professional development as needed or whenever the opportunity presents itself.

An important non-financial success factor for ACCENTRO AG, especially in the area of trading and privatisation, is the company's reputation, most notably the reputation of its subsidiary Accentro GmbH. Accentro GmbH has been active in the privatisation business since 1999, and is Germany's market leader in this field today. For some years now, Accentro GmbH has concentrated on the booming market of Berlin, exploiting the highly auspicious development on that market. By setting up its own trading portfolio outside Berlin, ACCENTRO's apartment retailing arm Accentro GmbH will expand its position as attractive and reliable partner in the area of socially responsible housing privatisation. The business success of Accentro GmbH in the privatisation business is monitored through constant control of the condominium sales, which makes the latest trend in sales performance another, non-financial performance indicator. In the portfolio business, the void rate in the properties under management serves as a main non-financial ratio for assessing the business performance.

In a bid to widen its circle of buyers beyond the German-speaking clientele, Accentro GmbH has lately started an ongoing effort to expand its international footprint that taps into new groups of leads who are interested in German real estate but do not seek to buy entire portfolios.

3 Supplementary Report

No other events of major significance for the business development of the ACCENTRO Group have occurred since the end of the 2014 short financial year.

4 Forecast, Opportunity and Risk Report

Forecast Report

The following statements on the future business performance of ACCENTRO Group and the factors considered to be crucial in terms of the development of the market, the sector and the company are based on the estimates made by the Management Board of ACCENTRO AG. Based on the available information, the assumptions made are currently considered to be realistic. All forecasts involve the risk that the developments predicted will not actually occur, either in terms of their extent or their general trend. The material risks to which ACCENTRO Group believes it is exposed are explained in the Opportunity and Risk Report.

Corporate strategy and operative activities will centre on the Trading and Portfolio segments both during the 2015 financial year and in subsequent years. In doing so, ACCENTRO AG will focus on the privatisation of apartments from its proprietary stock as well as on behalf of third parties.

The Management Board expects to conclude the 2015 financial year with a substantial increase in consolidated funds from operations. Based on the recent expansion of the trading portfolio, and given the continued focus on privatisation activities, we expect the Trading segment to make a seriously improved contribution to operating income. The Management Board also expects the Portfolio segment – while disregarding changes in the fair values of portfolio properties and possible property sales – to return a substantially improved result that will be driven mainly by the full contribution of the real estate portfolios acquired during the 2014 short financial year.

In regard to the main non-financial performance indicators, we have reason to believe that the sales figures in the Trading segment will increase sharply, and continue to strengthen the brand name ACCENTRO in the process. As far as the trend of the void rate is concerned, we assume that the ratio will at the very least maintain the low level recently achieved. In terms of employee retention, our plans for 2015 call for a continuation of the current strategy of seeking to retain our employees long-term and to keep the churn rate low.

With all of this in mind, we anticipate a positive operating cashflow. The positive contributions to operating income are likely to improve the equity ratio, not least with a view to the expected reduction of the total assets in the wake of the privatisation activities.

Opportunity and Risk Report

Risk management

The ACCENTRO Group's risk management system is geared towards securing the value add potential of the Group's commercial activities and to permit their exploitation in such a way as to generate a sustained growth in going concern value. An integral component of this system is the fact that potentially adverse developments and events are addressed in a structured manner and at an early stage, thereby allowing the Management Board to initiate counter-measures in good time before significant damage is done.

With the function of detecting and communicating significant risk factors in a prompt manner, and particularly those that are highly relevant in terms of income and liquidity and that could therefore jeopardise the group's continued existence, the ACCENTRO Group's risk management system is integrated within the planning, reporting and controlling processes of ACCENTRO AG at an organisational level. The system is managed on a centralised basis by ACCENTRO AG and comprises the systematic identification, analysis, assessment and monitoring of material risks by the company's Management Board. In light of the Group's clearly defined corporate structures and business processes, the level of formalisation has so far been kept comparatively low for reasons of efficiency.

The close involvement of the Management Board in the main business transactions and projects serves to ensure that any risks arising are monitored on an ongoing basis. The monthly reporting to the Management Board of ACCENTRO AG makes explicit mention of threats and viable ways to minimise them.

The risk management system employed by ACCENTRO AG contains the following key elements:

- a controlling and reporting system that is capable of identifying adverse business developments at an early stage and communicating them to the company's management;
- periodic or event-related risk stock-taking;

- the documentation of relevant risks for the purposes of informing the company's management on a regular or case-by-case basis;
- the periodic assessment of the identified risks and the resolution of decisions on any countermeasures or the conscious acceptance of transparent risks by the Management Board of ACCENTRO AG.

The key elements of the risk management system are itemised in the subsequent overview of the risk management process:

1. Definition of specifications: The Management Board defines the methodological and thematic prescriptions for the risk management system, with the company's expectations having been pinpointed and the risk awareness enhanced.
2. Risk identification and analysis: All entrepreneurial risks are fully captured, analysed in regard to causes and effects, evaluated, and classified in five different risk categories. In addition, appropriate countermeasures are identified.
3. Reporting: The Management Board is regularly and promptly briefed about extant threats and possible countermeasures. Within the framework of the reporting cycles, these briefings are scheduled spontaneously, weekly, monthly or quarterly, depending on the case at hand and the respective threat analysis.
4. Risk management: The company will proactively respond to identified, analysed and rated threats on the basis of executive decisions regarding controlling measures.
5. Risk controlling: The purpose of risk controlling is the methodological and thematic planning, monitoring and controlling of the risk management system of ACCENTRO AG. Risk controlling covers all stages of the risk management process, and enables the Management Board to update the methodological and thematic prescriptions for the risk management system on a regular basis.

Representation of individual risks

The ACCENTRO Group is exposed to a wide variety of risks which, individually or collectively, could adversely affect the net asset, financial and income situation of the company and its continued economic performance. It needs to be remembered that the changes resulting from the composition of the various threats that were relevant for the ACCENTRO Group during the 2013/14 financial year continued to be relevant in the 2014 short financial year.

The risks associated with the discontinued project development business and the also discontinued apartment retailing in the listed property sector continued to lose in significance, whereas the risks associate with the set-up and management of a property portfolio for letting and with the housing privatisation business have increased in significance for the company.

Company-specific risks

a) Risks arising from the property selection

The economic success of the ACCENTRO Group depends definitively on the selection and acquisition of properties suitable for the proprietary portfolio of let housing, or for the sale of apartments to owner-occupiers and private investors. This involves a certain risk of incorrectly appraising, or failing to detect, any negative structural, legal, commercial and other defects a property about to be purchased may have. Moreover, assumptions made in relation to the income potential of a given property could subsequently prove to be partially or wholly incorrect. In particular, the management of the respective property could fall short of the expected results, or apartments earmarked for sale could prove impossible to sell in the

planned quantity, on the planned terms, and/or within the planned time frame, as a result of an incorrect assessment of the attractiveness of the property's location and other factors that investors deem crucial for their decision whether or not to buy.

These property-specific risks are countered by a thorough examination of the relevant properties. As part of the property assessment, factors such as expected renovation, maintenance and modernisation requirements and the earnings power and debt service coverage ratio are examined using standard banking benchmarks.

b) Real estate inventory risks and valuation risks

The ACCENTRO Group holds property portfolios in order to realise a stable cash flow from managing these portfolio properties over an extended period of time. As long as the company's assets include real property, a variety of portfolio risks and valuation risks may manifest themselves that could precipitate impairments for the company. For instance, the social structures of a given location could deteriorate at some point after the acquisition of the property by ACCENTRO Group, and could subsequently negatively impact the letting activities and the realisable rental income.

Moreover, property holdings of ACCENTRO Group could experience accelerated wear and tear that would necessitate maintenance or revitalisation work earlier or on a more extensive scale than originally planned. It could moreover turn out that the structural facilities are subject to refurbishment needs that were initially not expected, which would incur added costs for the company that are not directly offset by a corresponding increase in revenues.

In the context of these risks, but also because of other influencing factors such as the unexpected intrusion of competitors in the immediate environment of the location, could increase vacancies and reduce rental income while necessitating higher letting expenditures. Aside from negative impacts on the current operating income and expenses of the ACCENTRO Group, the risks could also negatively impact the properties held by ACCENTRO and thus the net income of ACCENTRO Group.

These risks gain in significance in proportion to the pace at which the Group-held real estate portfolio expands. Property portfolio risks and valuation risks will be countered by the measures described below.

c) Letting risks

There is a risk that changes in supply and demand on the occupier market, and a deterioration of the competitiveness of any given property within its market environment will have a direct negative impact on the rental income realised by companies of the ACCENTRO Group, as well as on the vacancy rate of the Group's property portfolio. Moreover, additional costs could be generated that may or may not recoverable from the tenants. Risks of this type are addressed through active asset management and property management. These include a continuous intense monitoring of the occupier market and analyses of tenant requirements, as well as the company's letting management and measures taken to ensure the company's competitiveness on the respective local occupier market. Such measures include specifically the continued upkeep along with refurbishments and modernisation measures necessary to preserve or enhance the attractiveness of the properties for the incumbent tenants.

d) Construction risks

To the extent that construction measures are required for let properties or properties acquired for privatisation or leased by the Group, there is a risk that the resulting construction costs could significantly exceed forecasts. This risk is countered through detailed construction cost planning and strict monitoring.

Uncertainties regarding whether, when and under what constraints and/or subsidiary conditions approval for the projects is granted under public construction law may contribute to the construction risks. This means that the company partly relies on the individual authorities exercising discretion. It also means that disputes with residents and neighbours may significantly delay or negatively influence the granting of approvals. These circumstances may mean that planned construction measures cannot be executed for the price assumed, within the timeline planned, or not at all. That is why risk factors of this sort are thoroughly examined in the run-up to a given construction measure.

e) Sales risks

To the extent that the ACCENTRO Group relies on external sales partners in its trading and apartment retailing activities, the commercial success of such sales depends to a high degree on the Group's ability to recruit qualified estate agents and to retain them long-term. This is supposed to be achieved by offering attractive payment terms and, above all, a large property stock.

Moreover, the business success of the ACCENTRO Group in the apartment retailing sector definitively hinges on the willingness of owner-occupiers and investors to purchase the apartments offered for sale. The willingness to buy may be influenced, on the one hand, by developments within the sphere of the respective properties, such as a deterioration of the location's social environment or structural issues, but also by general developments, such as the economic situation and employment trends, on the other hand. There is a risk that developments such as these may impair a client's willingness to buy, so that apartments earmarked for sale could prove impossible to sell in the planned quantity, on the planned terms, and/or within the planned time frame.

f) Financing, liquidity and interest rate risks

Within the framework of its business activities, the ACCENTRO AG Group is exposed to a number of financing, liquidity, and interest rate risks that are addressed by the monitoring and controlling measures outlined below.

Extensive liquidity planning instruments both in the short- and medium-term sector are used to match ongoing business processes with the planning data on the level of the parent group, of the business units, and of key subsidiaries. The Management Board is regularly and exhaustively briefed about the current liquidity and the latest liquidity forecast.

In relation to the existing loans for financing the properties held by the Group, the refinancing of the ongoing business activities, and the new borrowing required to acquire additional properties, there is a risk that company-specific and market-specific developments may make it harder to borrow funds and/or make such borrowing possible only on less favourable terms. If this was to create issues for the repayment of current loans, creditors could initiate coercive realisations of mortgage collateral. Such fire sales would create serious financial issues for ACCENTRO AG. This risk is addressed, for one thing, by observing and analysing the financing market. For instance, ACCENTRO AG diversifies the Group's financing risks by exploiting

financing alternatives in addition to classic loan financing, e.g. by issuing corporate bonds, convertible bonds or promissory note loans. At the same time, ACCENTRO AG exploits the current market environment to hedge this risk by securing long-term restructuring for major loans.

The current business activity of the ACCENTRO Group is to a large degree influenced by the availability of financing options. The restrictive lending policy of banks over extended periods of time could negatively impact the business performance and the growth of ACCENTRO Group. In order to address this risk, the ACCENTRO Group collaborates with various banks, and closely monitors financing market trends. In addition, alternative funding options through the capital market are exploited in addition to bank financing, including the issuance of bonds and promissory note loans, for instance.

The privatisation segment is exposed to the risk that a measure may not have been completed at maturity and that a loan rollover is either impossible altogether or possible only on unfavourable terms and/or at increased costs. This risk is countered by repaying a disproportionately high amount through partial sales and by negotiating longer loan terms. The ACCENTRO Group also signed loan agreements with more than one bank, so as to counter the associated risks. In addition, the Group is continuously seeking to raise its long-term debt to keep diversifying the financing structure and to align it with the asset structures.

The Group has taken out loans in a total amount of approximately EUR 207.4 million (previous year: EUR 62.5 million) that are subject to covenants agreed with the banks in regard to debt service coverage ratios or debt-to-equity ratios (financial covenants). Breaches of these covenants could trigger payments into blocked accounts or early repayment obligations on the basis of a contractually agreed escalation procedure. Analogously, the convertible bonds and the corporate bond issued are subject to credit terms that, were they to eventuate, could cause a liquidity risk. If certain credit terms eventuated, e.g. in case of a change of control, these convertible bonds and the corporate bond could be prematurely called for redemption. The Group uses appropriate monitoring methods to detect any early signs of a risk that covenants might be breached, and strives to prevent the breach through adequate countermeasures. All financial covenants were upheld during the short financial year.

On top of that, liquidity risks may arise as a result of possible rent losses. In order to minimise these risks as much as possible, regular credit checks are run on tenant prospects ahead of any lease signed.

Interest rate risks exist for debt coming up for rollover financing or refinancing as well as for loans the company planned to take out to finance properties. In order to protect itself from the adverse effects of interest rate changes, the ACCENTRO Group relies on fixed interest rates for financing arrangements in the portfolio segment, though always with a view to the market situation and to the market forecasts. In the privatisation segment, by contrast, sensitivity analyses are conducted both in the context of drafting the business plans and in line with the continuous risk monitoring, so as to be able to predict the possible ramifications of interest rate changes for the Group's economic performance. The ongoing disproportionate repayments from properties sold rarely make long fixed-interest periods a sensible proposition.

The direct impact of changes in the general interest rate level on the company's performance through changes in cash flow pose a small risk compared to the conceivable indirect impact of changes in the general interest rate level on real estate demand (for more details on this, see the elaboration on economic risks).

g) Bad debt risks

In the Trading segment, this risk is reduced by not handing over the property until the purchase price has been paid in full. This also applies whenever properties require refurbishment work. Given the broad customer structure especially in apartment retailing, bad debt risks in regard to the purchase price payment for retailed apartments play but a secondary role in this context when considered in isolation. The same is true for the default risk associable with rental claims vis-à-vis individual tenants in the apartment letting segment. Yet despite the risk diversification, allowances for rent receivables in a total amount of more than EUR 1 million had to be made for real estate portfolios bought and sold during the year under review.

The company also bears the credit risk in the event that it enforces rights of rescission or warranty against the seller of a property and the seller defaults on the repayment of the purchase price or the fulfilment of the warranty rights.

Finally, property purchases are subject to a certain credit risk, as rent payments frequently continue to be paid to the seller even after the respective rights, entitlements and obligations have been transferred, meaning that the seller is then required to pass these payments on to the ACCENTRO Group. However, this concerns only those tenant shares that are not paid via direct debiting, and amount to less than 10 % of the net rents of the acquired properties.

h) Legal risks

In the context of their business activities, ACCENTRO Group companies may, in particular, become involved in legal disputes and be confronted by (potential) warranty and compensation claims without being able to enforce claims against third parties in their own right. Warranty risks arise specifically from cases in which liability exemption has not been agreed in conjunction with property sales.

Short- to medium-term rental guarantees that could lead to corresponding equalisation obligations were issued in connection with numerous property sale contracts. These could lead to corresponding equalisation obligations.

When selling individual apartments, ACCENTRO Group companies and their external sales partners also perform consultancy services that could lead to compensation claims from third parties.

Adequate provisions have been set aside for the legal risks to which the Group is currently exposed. There are no other legal risks at this time, particularly no risks arising from legal disputes that could have a significant adverse effect on the financial position of the ACCENTRO Group.

Market-specific risks

a) Economic risks

The ACCENTRO Group has so far generated revenues exclusively within Germany. As such, a deterioration of the domestic economic parameters, combined with a rise in unemployment, could bring about a (significant) drop in demand for property investments, negatively impact rent and price levels, and impair the credit rating of potential property tenants and buyers. Moreover, the market environment in Germany is indirectly affected by global economic trends, too.

The development of interest rates in Germany is particularly important to domestic real estate demand. An increase in interest rates would make property investments more difficult due to rising interest payments. This scenario would also drive up the borrowing costs for the loans taken out by the companies of the ACCENTRO Group, with a corresponding negative impact on earnings.

b) Sector risks

Deterioration in the general conditions on the German property market could have a negative influence on the business performance of ACCENTRO Group. Softening property prices would make it harder to realise sales profits from portfolio properties, and diminish the earnings in the privatisation sector. At the same time, additions of attractively priced (portfolio) properties could be limited as potential sellers are unwilling to sell on account of the low price level.

Moreover, the development of the property sector is largely determined by the availability of finance instruments. A persistently restrictive lending policy could negatively impact the demand for property as a whole, and thus result in impairments for the portfolio property of ACCENTRO AG and in lower privatisation proceeds.

The property sector is characterised by intense competition among numerous providers. So there is the obvious danger that mounting competition will intensify the price pressure and push down margins. This risk is particularly relevant for Accentro's line of business whenever margin arrangements are signed.

Finally, demand for residential properties could also be negatively impacted by the expected decline in the German population and the resulting potential downturn in living space requirements.

c) Legal parameters

As the business activities of the ACCENTRO Group are regulated by the specific legal parameters that apply to property, they may be adversely affected by amendments to national and/or European legislation or the changed interpretation or application of existing legislation, including tenancy laws, public construction laws, and tax laws. This include, without being limited to, rental law, public building law, and fiscal law.

The Management Board reviewed the possible ramifications that the so-called "rent freeze" rent control legislation soon to become effective could have for the ACCENTRO Group. While the business of ACCENTRO is focused on the real estate market in Berlin, the Management Board assumes on the basis of its current real estate inventory that no material changes are to be expected for the Portfolio segment because the rent rates currently collected in Berlin generally match the rack rent. It is yet too early to fully predict the consequences for the Trading segment, but the Management Board does not expect the rent freeze to have a sustained negative impact on this segment either.

Risk concentrations

The business success of the ACCENTRO Group is in some ways disproportionately dependent on a small number of projects and portfolios that account for a major share of its revenues. Aside from the client dependence that is generally associative with the fact, there is a risk that possible delays or issues arising in the context of the privatisation of this portfolio would disproportionately impact the business success of the ACCENTRO Group.

The investments of ACCENTRO focus in particular on the real estate market in Berlin. Accordingly, if Berlin as real estate location developed a generally adverse trend, the development could definitively impair the assets, finances and earnings of the ACCENTRO Group. For the time being, the Management Board rates the opportunities that present themselves on Berlin's real estate market as far greater than its potential threats, especially against the background of the company's long-term experience in the city's property sector. There are currently no signs of overheating on Berlin's real estate market.

Moreover, specific one-off risks keep arising in connection with construction work, especially the threats of cost overruns, project delays, delinquency, which can arise in connection with building measure that involve portfolios acquired by the ACCENTRO Group, for instance within the framework of modernisations.

Other influencing factors

In addition to the risks identified above, there are general influences that are unforeseeable, and that can therefore not be pre-empted. These include political changes, social influences, and force major such as natural disasters or terrorist attacks. These factors could have a adverse effects on the economic environment and hence indirectly impair the future business performance of the ACCENTRO Group.

Assessment of the overall risk

During the reporting period, the financing of the ACCENTRO Group was secured long-term by funding the acquisition of a residential portfolio of around 4,300 properties spread throughout Germany via the issuance of promissory note loans and by taking our a shareholder loan. Accordingly, the risk situation of the ACCENTRO Group in regard to financing has noticeably improved. With a view to the persistently auspicious market environment and the great marketing outlook in the wake of completed property acquisitions there are currently no signs of risks to the ACCENTRO Group's going concern status.

Opportunities created by future developments

With the assets acquired in November 2014 successfully integrated now, the residential portfolio of ACCENTRO AG has a regional expanse that includes cities in Berlin, Brandenburg, North Rhine-Westphalia and Saxony that show further growth upside waiting to be realised.

Having a sound mix of apartment sizes and micro-locations within each region, and offering close state-of-the-art tenant support, is instrumental for generating continuous returns and cash flows from the proprietary portfolio. In the years to come, the elimination of vacancies and the realisation of potential rental growth upsides within the portfolio will provide the basis for continued organic appreciation of the properties.

The portfolio acquired in November 2014 also enabled ACCENTRO AG to expand its trading portfolio, and substantially so. The portfolio now includes locations throughout Germany, including Bavaria, North Rhine-Westphalia, Berlin and Saxony. The extensive geographic footprint of its privatisation segment makes ACCENTRO AG a fast-growing and reliable sales partner in its collaboration with its business partners.

Its subsidiary Accentro GmbH has market leadership status in Germany's privatisation sector. This presents an opportunity for ACCENTRO AG, too, as it permits the Group to expand faster than the competition and simultaneously to have easier access to new properties earmarked

for privatisation. The robust market position in connection with the demonstrable track record in apartment retailing also implies the chance to acquire new third-party contracts for privatisation services.

Taken together, the above factors form the basis for a successful implementation of the corporate strategy, and will facilitate future fundraising efforts both on the capital markets and among banks.

Overall assessment

In light of the anticipated development of Germany's housing demand and the generally auspicious parameters of the country's residential property market, the company projects a growing business potential looking forward. This assessment is backed by the lively interest of owner-occupiers and private investors in property – particularly in condominiums – that is acquired either as investment or – in the case of owner-occupiers – as an integral component of a private pension plan. The latter aspect, by the way, is bound to gain in significance, and substantially so.

ACCENTRO AG intends specifically to boost its revenues by stepping up its activities in the housing privatisation sector. On the basis of a stable business performance and viable cost income ratios, the company expects to see its income and financial position to stabilise on a sustained high level over the next two years. The Group is planning to realise a substantial positive net income in the coming year.

■ 5 Internal Control System and Risk Management in regard to the Group Accounting Process

The financial risk management of the ACCENTRO Group is geared towards managing and limiting the financial risks arising from operating activities. In particular, this is intended to counter significant bad debt losses that could jeopardise the company's economic development. Another objective of financial risk management is to ensure optimised Group financing. The availability of sufficient funds for the company is monitored by a rolling liquidity control.

The appropriateness of the risk early warning system implemented by the Group is examined by the auditor in the course of the annual audit of ACCENTRO AG's external financial reporting. Potential improvements identified as a result are subsequently incorporated into the system.

To ensure the regularity of financial reporting in the consolidated financial statements, the Group management report and the quarterly reports, ACCENTRO AG has integrated preventative and monitoring controls for the company's accounting processes in its internal control system (IKS). These measures include the separation of functions, pre-defined approval principles and computer processes for the processing of accounting data. The key organisational measures are a component of the IKS handbook, which sets out the company's core business processes. If necessary, special areas of accounting are covered by deploying external consultants. As it becomes part of the group structure of ADLER Real Estate AG, ACCENTRO AG will also be integrated into the parent group's risk management and early risk warning system. This will result in a further enhancement of the internal control and risk management processes.

The consistency of accounting processes of the subsidiaries included in the consolidated financial statements is guaranteed by a central coordination and execution of the accounting at the parent company. The reliability of the IFRS accounting records of the consolidated companies and their consolidation in the group accounting process is principally ensured by the centralised group accounting done by the parent company. The separate IFRS accounts of the companies included in the consolidation for the group accounting process is reviewed by various experts at the parent company before being reconciled with the group's financial statements.

■ 6 Disclosures pursuant to sec. 289 (4), sec. 315 (4), German Commercial Code (HGB)

ACCENTRO AG is a stock corporation (Aktiengesellschaft) based in Germany and has issued voting shares that are listed on an organised market as defined by section 2 (7), German Securities Acquisition and Takeover Act (WpÜG), namely the Regulated Market of the Frankfurt Stock Exchange (Prime Standard).

Managing body

The legal managing and representative body of ACCENTRO Real Estate AG is its Management Board. The composition of the Management Board and the appointment of its members are based on sections 76, 84 and 85, German Stock Corporation Act (AktG), in conjunction with section 6 of the company's Articles of Association. In accordance with these provisions, the Management Board is composed of one or several members. The Supervisory Board determines the number of members of the Management Board. The Supervisory Board may appoint up to five Management Board members and specify a Management Board member to act as chairman. At the moment, the company's Management Board consists of a single member.

In accordance with section 84, AktG, the members of the Management Board are appointed by the Supervisory Board for a maximum term of five years. They may be reappointed or their term be extended for a maximum of five years in each case. At the moment, the contract signed with the sole member of the Management Board specifies a term of three years. The appointment and reappointment of members requires a corresponding resolution by the Supervisory Board to be principally passed pursuant to the provisions of section 83, AktG. The Supervisory Board may revoke the appointment of a Management Board member prior to the expiration of his or her term for good cause.

Amendment of the Articles of Association

In accordance with section 179, German Stock Corporation Act (AktG), any amendment to the Articles of Association requires a resolution by the General Meeting. This does not apply to amendments and additions to the Articles of Association that relate solely to their wording. The authority to make such amendments and additions has been transferred to the Supervisory Board in accordance with section 11 (2) of the Articles of Association.

In accordance with sections 133 and 179, AktG, in conjunction with section 13 (3) of the Articles of Association, resolutions by the General Meeting on amendments to the Articles of Association require a simple majority of the votes cast and a simple majority of the share capital represented when the resolution is adopted, unless a larger majority is prescribed by law or the Articles of Association in a given case.

Capital structure

Share capital

As of 31 December 2014, the issued capital (share capital) of ACCENTRO Real Estate AG amounted to EUR 24,436,464. It was composed of 24,436,464 no-par value bearer shares. There are no different stock classes. At the start of the 2014 short financial year, the share capital amounted to EUR 23,338,817 and increased during the reporting period when the conversion rights from two convertible bonds issued by ACCENTRO Real Estate AG were exercised.

Authorisation to acquire treasury shares

The Management Board was authorised through a resolution by the General Meeting on 16 February 2010 to acquire up to 809,942 treasury shares and sell or recall them subject to the Supervisory Board's approval and excluding subscription rights, up to and including 15 February 2015. During the reporting period, the Management Board did not take advantage of this authorisation.

Authorisation to issue bonds

In accordance with the resolution of the Annual General Meeting of 27 February 2013, the Management Board is also authorised, with the approval of the Supervisory Board, to issue convertible or warrant bonds or participation rights with or without conversion or pre-emptive rights (also referred to collectively below as "bonds") with a total nominal amount of up to EUR 200 million on one or more occasions up to and including 26 February 2018. The bearers of bonds can be granted conversion or pre-emptive rights for up to 25,000,000 bearer shares of the company with a proportionate share of the share capital in the amount of up to a total of EUR 25,000,000. Subject to the conditions described below, shareholders are granted pre-emptive rights. Subject to the conditions described below, shareholders are granted pre-emptive rights.

The Management Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' pre-emptive rights in the following cases:

- I. for fractional amounts arising from pre-emptive rights;
- II. to offer convertible and/or warrant bonds and/or participation rights with conversion or pre-emptive rights for subscription to individual investors, provided that, in accordance with section 186 (3) Sentence 4, AktG, mutatis mutandis, the shares issued on account of these bonds do not exceed 10 % of the existing share capital at the time this authorisation comes into effect or at the time of the resolution to exercise this authorisation, and provided further that the issue price of the bonds is not significantly less than the theoretical fair value of the bonds as calculated in line with recognised actuarial methods. The amount of 10 % of the share capital must include the amount relating to shares issued or disposed of on the basis of a different corresponding authorisation with pre-emption rights disallowed under direct or mutatis mutandis application of section 186 (3), Sentence 4, AktG, if such inclusion is required by law;
- III. subscription to individual investors provided that the issue price is not significantly less than the theoretical fair value of the profit participation certificates as calculated in line with recognised financial methods and provided that the profit participation certificates only have the characteristics of a debenture, i.e. if they do not constitute any shareholder rights in the company, nor any conversion or pre-emption rights, do not grant any entitlement to the liquidation proceeds and if the amount of the interest yield is not based on the net profit for the period, balance sheet profit or dividend;
- IV. to grant, to the extent necessary, bearers of conversion or pre-emptive rights that were

- V. granted by the company or group companies shares of the company, pre-emptive rights to bonds issued under this authorisation in the amount they would be entitled to after exercising their conversion or pre-emptive rights or after meeting a possible conversion obligation (dilution protection), or
- VI. if bonds are issued in exchange for non-cash contributions and the disapplication
- VII. of pre-emptive rights is overwhelmingly in the interests of the company.

The Management Board is also responsible, with the approval of the Supervisory Board, for determining the further details of the issue and features of the bonds, including in particular the term, issue and exercise periods, termination, issue price, interest rate, denomination, adjustment of the subscription price and grounds for a conversion obligation.

Authorisation of 2013 to launch a stock option program

Moreover, the Management Board was authorised through a resolution passed by the Annual General Meeting on 27 February 2013 to issue, subject to the approval by the Supervisory Board, on one or more occasions before 26 February 2016 up to 1,400,000 options to current or new members of the board and the top tier management, which options entitle their bearers, subject to the options terms, to acquire new shares in ACCENTRO Real Estate AG (2013 stock option program). To the extent that options are to be issued to members of the company's Management Board, only the Supervisory Board is entitled to issue the options. The Management Board of ACCENTRO Real Estate AG was authorised, subject to the approval by the Supervisory Board – and the Supervisory Board being exclusively authorised to do so whenever the Management Board itself is concerned – to define all further structuring details for the 2013 stock option program, specifically to fix the number of individuals or groups entitled to the issued options, the rules governing the handling of options in special cases, the rules governing other reasons for expiration, exemptions from the reasons for expiration, as well as the detailed expiration modalities, and the adjustment of the share subscriptions in conjunction with possible corporate actions and the conversion of ACCENTRO Real Estate AG itself.

Contingent Capital

Contingent Capital 2014 (Redemption of convertible bonds)

A resolution passed by the Annual General Meeting on 27 February 2013 authorised the Management Board, subject to the Supervisory Board's approval, to issue – up to and including 26 February 2018 – one or more convertible bonds and/or warrant bonds with or without conversion or pre-emptive rights in an aggregate minimal amount of up to EUR 200,000,000.00 with a maximum maturity of 20 years, and to grant the bearers of these debenture bonds conversion or pre-emptive rights for up to 25,000,000 no-par value bearer shares in the company, equal to a proportionate share in the share capital in a total amount of EUR 25,000,000.00. The authorisation by the Annual General Meeting of 13 December 2010, as amended by the resolution of the Annual General Meeting on 9 December 2011, the authorisation by the Annual General Meeting of 16 February 2010, as well as the authorisation by the Annual General Meeting of 20 February 2009, concerning the issuance of convertible bonds, warrant bonds and/or participation rights were repealed, to the extent that these had not been exercised yet, through a resolution by the Annual General Meeting on 27 February 2013. Pursuant to a resolution passed by the Annual General Meeting on 10 January 2014, the share capital was conditionally increased by up to EUR 4,136,631 through the issue of up to 4,136,631 new no-par value bearer shares in order to redeem the conversion and pre-emptive rights arising from these debenture bonds (Contingent Capital 2014).

In March 2014, the company issued convertible bonds in a nominal volume of EUR 15,000,000. The exercise period for the conversion right commenced on 1 July 2014.

As a result of the conditional capital increase by up to EUR 4,136,631.00 as resolved by the Annual General Meeting of 10 January 2014 under agenda item 7, a total of 4,094 new non-par bearer shares from the aforesaid contingent capital were issued by converting 4,094 pieces of the 2014/2019 convertible bond as of 31 December 2014.

A resolution by the Annual General Meeting of 27 November 2014 restructured the Contingent Capital 2014 as follows: The share capital has been conditionally increased by up to EUR 10,517,103.00 through the issuance of up to 10,517,103 new registered shares (Conditional Capital 2014). The conditional capital increase will go ahead only to the extent that (I.) the bearers of convertible and/or option bonds and/or profit participation certificates with conversion or pre-emption rights issued by the company or its subordinate Group companies on the basis of the authorisation resolution by the Annual General Meeting on 27 February 2013 exercise their conversion or pre-emption rights and the company decides to serve the conversion or pre-emption rights from this contingent capital, or (II.) the bearers of convertible and/or option bonds and/or profit participation certificates with conversion or pre-emption rights with a conversion obligation issued by the company or its subordinate Group companies on the basis of the authorisation resolution by the Annual General Meeting on 27 February 2013 meet their obligations and the company decides to serve the conversion or pre-emption rights from this contingent capital. The share issuance shall proceed in line with the provisions of the authorisation resolution by the Annual General Meeting of 27 February 2013, i.e. in particular at a price equal to no less than 80 % of the average stock market price of the company shares in the opening auction in Xetra trading (or a successor system) on the last ten (10) trading days before the resolution by the Management Board to issue the respective bonds, taking into account adjustments pursuant to the dilution protection regulations of the resolution by the Annual General Meeting of 27 February 2013 under agenda item 8 lit.g).

The Supervisory Board is authorised to amend the Articles of Association in their effective version to reflect the respective scope of the share capital increase through the Contingent Capital 2014.

Contingent Capital 2013/II (Redemption of stock options)

The Contingent Capital 2013/II was created for the purpose of settling stock options that were issued on the basis of the authorisation by the Annual General Meeting on 27 February 2013 for the period ending on 26 February 2016. Accordingly, the company's share capital was conditionally increased on the basis of the authorisation resolution by the Annual General Meeting of 27 February 2013 by up to EUR 1,400,000.00 against the issue of up to 1,400,000 no-par value bearer shares (Contingent Capital 2013/II). The conditional capital increase will go ahead only if bearers of the issued options exercise their right to subscribe shares of the company, and if the company draws on the Contingent Capital 2013/II to settle these options. Shares from the Contingent Capital 2013/II are issued at their issue price, as defined in the authorisation. So far, the Management Board has not taken advantage of the aforesaid authorisation.

Contingent Capital 2010 (Redemption of convertible bonds)

Moreover, the share capital has been conditionally increased by up to EUR 3,579,838.00 against the issue of up to 3,579,838 no-par value bearer shares (Contingent Capital 2010). The purpose of the capital increase is the conversion of the convertible bond issued on 30 May 2012. The shares are issued in accordance with the requirements defined in the Manage-

ment Board's resolution of 30 May 2012, i.e. specifically at an issue price of EUR 2.40 with the adjustments according to the requirements of said board resolution taken into account for the sake of dilution protection.

The conditional capital increase by up to EUR 3,579,838.00 as resolved by the Annual General Meeting of 16 February 2010 under agenda item 8 (adjusted by the Annual General Meeting of 27 February 2013 under agenda item 7) resulted in the issuance of altogether 3,296,135 new no-par value shares from the aforesaid contingent capital, the total breaking down into 2,202,582 new no-par value shares issued as of 30 June 2014 by converting 1,914,646 pieces of the 2012/2017 convertible bond, into 1,081,936 new no-par value shares issued in July 2014 by converting 940,499 pieces of the 2012/2017 convertible bond, and into 11,617 new no par value shares issued in August 2014 by converting another 11,617 pieces of the 2012/2017 convertible bond.

Authorised Capital

Authorised Capital 2014

Finally, the Management Board has been authorised to increase, subject to the approval by the Supervisory Board, the company's share capital by a maximum of EUR 9,116,469 by issuing 9,116,469 new no-par value bearer shares in exchange for non-cash or cash contributions on one or more occasions up to and including 9 January 2019 (Authorised Capital 2014). Subject to the conditions described below, shareholders are granted pre-emptive rights. The Management Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' pre-emptive rights wholly or in part in the following cases:

- I. for capital increases against cash contributions if shares in the company are traded on a stock market (regulated market or OTC or the successors to these segments), the capital increase does not exceed 10% of the share capital and the issue price of the new shares does not significantly undercut the market price of shares in the company of the same class and features already traded on the stock market within the meaning of sections 203 (1) and (2), 186 (3), sentence 4, AktG, be it on the effective date or at the time the authorisation is exercised. The amount of 10% of the share capital must include the amount relating to shares issued or disposed of on the basis of a different corresponding authorisation with pre-emptive rights disapplied under direct or implicit application of section 186 (3), sentence 4, AktG, if such inclusion is required by law. For the purposes of this authorisation, the issue price for the purchase of new shares by an intermediary with the simultaneous obligation of such intermediary to offer the new shares for purchase by one or more third parties designated by the company is deemed to be the amount that must be paid by the third party or third parties;
- II. for capital increases against non-cash contributions, particularly for the acquisition of companies, parts of companies and investments in companies, industrial property rights, such as e.g. patents, brands or licences to these, or other product rights or other non-cash contributions, including debenture bonds, convertible bonds and other financial instruments;
- III. to the extent required in order to grant holders or creditors of the debenture bonds with warrant or conversion rights or obligations issued by the company or group companies subscription rights to new shares to extent to which they would be entitled to these after exercising their option or conversion privileges or after having fulfilled their warrant or conversion obligations, or
- IV. for fractional amounts arising from subscription ratios.
- V. in other cases in which the exclusion of subscription rights is understood to be in the company's best interest.

A resolution by the Annual General Meeting on 27 November 2014 dissolved the Authorised Capital 2014 created on 10 January 2014, and replaced it with the Authorised Capital 2014/II.

Authorised Capital 2014/II

The Management Board was authorised by resolution by the Annual General Meeting of 27 November 2014 to increase, subject to the approval by the Supervisory Board, the share capital of the company by up to EUR 12,212,423.00 by issuing on one or several occasions up to 12,212,423 new no-par value bearer shares in exchange for non-cash and/or cash contributions up to and including 26 November 2019 (Authorised Capital 2014/II). The Management Board is moreover authorised to exclude the shareholders subscription rights wholly or in part, subject to the Supervisory Board's approval. However, the exclusion of the shareholders' subscription rights is permitted in the following instances only:

- I. for capital increases against cash contributions if shares in the company are traded on a stock market (regulated market or OTC or the successors to these segments), the capital increase does not exceed 10 % of the share capital and the issue price of the new shares does not significantly undercut the market price of shares in the company of the same class and features already traded on the stock market within the meaning of sections 203 (1) and (2), 186 (3), sentence 4, German Stock Corporation Act (AktG). The amount of 10 % of the share capital must include the amount relating to shares issued or disposed of on the basis of a different corresponding authorisation with pre-emptive rights disappplied under direct or implicit application of section 186 (3), sentence 4, AktG, if such inclusion is required by law. For the purposes of this authorisation, the issue price for the purchase of new shares by an intermediary with the simultaneous obligation of such intermediary to offer the new shares for purchase by one or more third parties designated by the company is deemed to be the amount that must be paid by the third party or third parties;
- II. for capital increases against non-cash contributions, particularly for the acquisition of companies, parts of companies and investments in companies, industrial property rights, such as patents, brands or licences to these, or other product rights or other non-cash contributions, including debenture bonds, convertible bonds and other financial instruments;
- III. to the extent required in order to grant holders or creditors of the debenture bonds with warrant or conversion rights or obligations issued by the company or group companies subscription rights to new shares to extent to which they would be entitled to these after exercising their option or conversion privileges or after having fulfilled their warrant or conversion obligations, or
- IV. for fractional amounts arising from subscription ratios; or
- V. in other cases in which the exclusion of subscription rights is understood to be in the company's best interest.

Transfer and voting right restrictions

The shares of ACCENTRO Real Estate AG were not subject to any voting right restrictions in accordance with statutory provisions or the Articles of Association as of the balance sheet date. All shares issued as of 31 December 2014 carry full voting rights and each grant the holder one vote at the Annual General Meeting.

Equity interests and rights of control

As of 31 December 2014, ADLER Real Estate AG with registered office in Frankfurt am Main, held 87.84% of the shares of ACCENTRO Real Estate AG. The increase in the share capital of ACCENTRO Real Estate AG caused by shareholders exercising their conversion rights in two convertible bonds diminished the pro-rata interest that ADLER Real Estate AG holds in ACCENTRO Real Estate AG since the previous annual accounts of ACCENTRO Real Estate AG as of 30 June 2014.

The change of control was announced by ADLER Real Estate AG on 26 May 2014.

None of the shares issued by ACCENTRO Real Estate AG carry rights that grant the holders special rights of control.

There is no information on voting right controls for employees holding equity interests in the company who do not directly exercise their rights of control.

Impacts of potential takeover bids

The company is subject to the following significant agreements that include provisions governing a change of control as could be brought about, for instance, by a takeover bid:

Financing agreements

The ACCENTRO Group signed financing agreements that include change-of-control provisions that could come into play in the event of a successful takeover bid. These provisions stipulate that the borrower is obliged to notify the lender whenever a change of control has transpired. The lender may cite the change of control as good cause for terminating the credit relationship. By the reporting date, loans in an aggregate volume of EUR 228.3 million were subject to change-of-control provisions. ACCENTRO Real Estate AG did notify its lenders of the takeover by ADLER Real Estate AG. As of 31 December 2014, no lender has terminated its credit relationship for good cause in response to the change of control associated with the takeover of ACCENTRO Real Estate AG by ADLER Real Estate AG.

Convertible bonds and corporate bond

In addition to the financing agreements, change-of-control provisions are included in each of the bonds issued by ACCENTRO Real Estate AG, specifically the 2012/2017 convertible bond (the outstanding nominal amount being EUR 673,776 – not including 2,866,750 debenture bonds for which the conversion rights was exercised since 2012 nor 432,348 debenture bonds that were bought back by 31 December 2014) and the 2014/2019 convertible bond (the outstanding nominal value being EUR 13,489,765.00 – not including 600,000 debenture bonds that were bought back at a price of EUR 2.50 by 31 December 2014 against new shares issued, as well as 4,094 debenture bonds for which the conversion right was exercised during the 2014 short financial year). In case of an intervention, the noteholders may request, at their discretion, (I.) the early repayment of the convertible partial debenture at its nominal amount plus the interest accrued on the nominal amount, or (II.) the conversion in ACCENTRO Real Estate AG shares at an adjusted conversion price. The bond terms of the 2014/2019 convertible bond specify in this context, however, that no change of control as defined in the bond terms exists if ADLER Real Estate AG becomes the legal or beneficial owner of more than 50% of the voting rights of ACCENTRO Real Estate AG.

The 2013/2018 bond (outstanding nominal value: EUR 10,000,000.00) also contains a change-of-control provision, which entitles each noteholder in the event of a change of control to request re-demption by ACCENTRO Real Estate AG or, at the discretion of ACCENTRO Real Estate AG, the buy-back of the noteholder's bond units at the early redemption amount, either whole or in part ("put option"). An exercise of the put option shall, however, only become valid if during the put period noteholders of notes with a principal amount of at least 30% of the aggregate principal amount of the notes then outstanding have exercised the put option.

ACCENTRO Real Estate AG has not concluded any agreement that provides for the compensation of employees in the event of a takeover bid. The CEO's new service contract effective 16 March 2015 includes a change-of-control provision. In such an event, the CEO has the right to exercise a break option which would entitle the CEO to a compensation equal to the capitalised basic remuneration for six months.

■ 7 Corporate Governance Statement pursuant to section 289a, German Commercial Code (HGB)

The Corporate Governance Statement pursuant to section 289a, German Commercial Code (HGB) is published annually on the company's homepage, and may be accessed (in German) via this hyperlink: <http://www.accentro.ag/investor-relations/corporate-governance/erklaerung-gemaess-289a-hgb.html>

■ 8 Key Features of the Remuneration System for Board Members

The service contract with CEO Jacopo Mingazzini effective during the short financial year was signed for a three-year term.

The contract of Jacopo Mingazzini does not provide for an ordinary termination during the contract term. The remuneration paid to the Management Board of ESTAVIS AG consists of a fixed annual basic remuneration and a variable bonus that depends on the EBIT generated by the company. The bonus becomes payable in three steps. A 40% share of the bonus becomes payable during the financial year following the financial year whose annual financial statements served as basis for calculating the bonus. The remaining bonus amount is paid out during the next two financial years in instalments of 30% each. In each case, the bonus instalment is paid out two months after the adoption of the annual financial statements. The bonus payments in years 2 and 3 may be cancelled retroactively if the mean EBIT undercuts the value for the three financial years according to the adopted budget plan by more than 25%. In addition, the CEO is granted a health insurance allowance as well as the use of a company car, and ACCENTRO Real Estate AG has taken out D&O and accident insurance policies on his behalf.

No other remuneration components with a long-term incentive effect have been agreed with the CEO at this time. Moreover, the CEO has been granted neither pension commitments nor other retirement benefits. No arrangements for benefits upon early termination have been agreed with the CEO, except for a provision entitling the company to release the CEO out of his duties during the statutory notice period and in the event of dismissal, subject to the continued payment of salary, and except for the right to demand immediate disbursement of the remuneration for the residual term in this case. The CEO's employment contract also prescribes a subsequent restraint on competition.

In addition to the reimbursement of their expenses, the members of the Supervisory Board receive fixed annual compensation for each full financial year they have served on the Supervisory Board.

For a detailed account of the total remuneration of the Management Board and Supervisory Board members and the individual compensation paid out to them, please see the Group Notes to the Consolidated Financial Statements.

Berlin, 18 March 2015

Jacopo Mingazzini
Management Board



Consolidated Financial Statements

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Consolidated Balance Sheet

	Notes	31 Dec. 2014	30 June 2014
ACCENTRO Real Estate AG			
Assets		TEUR	TEUR
Non-current assets			
Goodwill	6.1.1	17,776	17,776
Other intangible assets	6.1	41	52
Property, plant and equipment	6.1	171	204
Investment property	6.1.3	257,861	156,168
Advanced payments and related costs of investment properties	6.1.3	0	14,776
Equity investments	6.1.6	1,175	1,175
Equity interests accounted for using the equity method	6.1.5	1,068	947
Total non-current assets		278,092	191,098
Current assets			
Inventory properties	6.2	75,897	17,101
Trade receivables	6.3	21,232	3,033
Other receivables and other assets	6.3	19,173	22,816
Current income tax receivables	6.3	119	373
Cash and cash equivalents	6.4	7,681	6,439
Total current assets		124,103	49,762
Total assets		402,196	240,860

■ Consolidated Balance Sheet

	Notes	31 Dec. 2014	30 June 2014
ACCENTRO Real Estate AG			
Equity		TEUR	TEUR
Issued capital	6.5	24,436	23,339
Capital reserves	6.5	52,757	51,627
Retained earnings	6.5	8,225	1,092
Attributable to parent company shareholders		85,419	76,058
Attributable to non-controlling interests	6.5	432	418
Total equity		85,851	76,476
Liabilities		TEUR	TEUR
Non-current liabilities			
Provisions	6.7	30	75
Financial liabilities to banks	6.6	190,152	66,472
Debentures	6.6	21,463	11,150
Shareholder loans	6.6	34,194	5,006
Deferred taxes	6.10	9,859	5,058
Total non-current liabilities		255,698	87,761
Current liabilities			
Provisions	6.7	2,066	1,254
Financial liabilities to banks	6.6	36,434	28,079
Debentures		166	12,923
Advanced payments received	6.8	9,084	7,008
Current income tax liabilities	6.9	1,363	1,533
Trade payables	6.8	3,147	16,116
Other liabilities	6.8	8,387	9,710
Total current liabilities		60,646	76,623
Total equity and liabilities		402,196	240,860

Consolidated Income Statement

for the Short Financial Year Beginning on 1 July 2014 and Ending 31 December 2014*

ACCENTRO Real Estate AG	Notes	unaudited		
		1 July 2014 – 31 Dec. 2014	1 July 2013 – 31 Dec. 2013	1 July 2013 – 30 June 2014
Revenues from sales of inventory properties	6.11	12,758	7,147	11,753
Expenses from sales of inventory properties	6.12	-10,616	-5,956	-9,757
Capital gains from inventory properties		2,142	1,192	1,996
Revenues from sales of investment properties	6.11	700	0	504
Expenses from sales of investment properties	6.12	-667	0	-504
Capital gains from investment properties		33	0	0
Capital gains from property sales		2,175	1,192	1,996
Letting revenues	6.11	8,048	5,410	10,735
Letting expenses	6.12	-4,732	-1,992	-4,154
Net rental income		3,316	3,419	6,581
Revenues from services	6.11	1,504	3,510	5,494
Expenses from services	6.12	-1,073	-1,824	-3,026
Net service income		431	1,687	2,468
Other operating income	6.15	3,100	494	6,072
Result from the valuation of investment properties	6.16	18,846	501	3,570
Earnings from other income		21,946	995	9,643
Gross profit or loss		27,868	7,291	20,688
Staff costs	6.13	-2,018	-1,383	-3,247
Depreciation and amortisation of intangible assets and property, plant and equipment	6.1	-280	-50	-100
Impairments of inventories and accounts receivable	6.14	-2,378	-42	-1,899
Other operating expenses	6.15	-3,842	-2,019	-7,816
EBIT (earnings before interest and income taxes)		19,350	3,797	7,626
Net income from associates	6.1.5/6.1.6	142	63	104
Interest income	6.6	118	9	68
Interest expenses	6.6	-7,178	-3,210	-6,934
Net interest income		-7,060	-3,202	-6,866
EBT (earnings before income taxes)		12,431	659	864
Income taxes	6.17	-5,361	-542	-4,033
Consolidated income		7,070	116	-3,169
attributable to non-controlling interests		-64	-14	4
attributable to parent company shareholders		7,134	130	-3,173
Earnings per share (EUR)				
Earnings per share – basic	6.18	0,29	0,01	-0,14
Earnings per share – diluted	6.18	0,28	-	-0,09

* Revenues and the costs of materials were retroactively broken down into more detail to enhance the transparency.

■ Consolidated Cash Flow Statement

for the Short Financial Year Beginning on 1 July 2014 and Ending 31 December 2014

	1 July 2014 – 31 Dec. 2014	1 July 2013 – 30 June 2014
	TEUR	TEUR
ACCENTRO Real Estate AG		
Consolidated income	7,070	-3,169
+ Depreciation/amortisation of non-current assets	49	100
+/- Increase/decrease in provisions	768	-1,678
+ Impairment on assets held for sale	231	0
+/- Change in value of investment property	-18,846	-3,570
+/- Other non-cash expenses/income	7,427	4,886
-/+ Gains/losses from the disposal of non-current assets	-33	1
-/+ Increase/decrease in inventories, trade receivables and other assets that are not attributable to investing or financing activities	-40,370	-7,275
+/- Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	-8,188	10,380
- Cash outflows for investments in fully consolidated companies with properties held as trading assets	-6,354	0
-/+ Gains/losses from disposals of subsidiaries	-111	43
+/- Other income tax payments	-1,075	-56
= Cash flow from current operating activities	-59,432	-338
+ Payments received from the disposal of property, plant and equipment	0	12
+ Payments received from the disposal of investment property	250	400
+ Payments received from the disposal of fully consolidated companies	0	87
+ Payments from interests	18	0
- Payments for investments in intangible assets	-3	-2
- Payments for investments in property, plant and equipment	-36	-94
- Payments for investment properties	-115,700	-18,766
- Payments for investments in non-current financial assets	0	-1,188
- Payments for investments in fully consolidated companies	-27	-1,180
= Cash flow from investment activities	-115,498	-20,731

Continued on page 56

	1 July 2014 – 31 Dec. 2014	1 July 2013 – 30 June 2014
	TEUR	TEUR
Continued from page 55		
+ Payments from shareholders	0	3,612
+ Payments from issuing bonds and raising (financial) loans	209,145	30,215
- Repayment of bonds and (financial) loans	-27,804	-11,339
- Interest paid	-5,068	-4,379
= Cash flow from financing activities	176,273	18,109
Net change in cash and cash equivalents	1,343	-2,960
+ Increase in cash and cash equivalents from investments in fully consolidated companies	644	179
- Decrease in cash and cash equivalents from the disposal of fully consolidated companies	-745	-38
+ Cash and cash equivalents at the beginning of the period	6,439	9,258
= Cash and cash equivalents at the end of the period	7,681	6,439

■ Consolidated Statement of Changes in Equity

for the Short Financial Year Beginning on 1 July 2014 and Ending 31 December 2014

	Issued capital	Capital reserve	Retained earnings	Total	Non-controlling interests	Total
ACCENTRO Real Estate AG						
As of 1 July 2014	23,339	51,627	1,092	76,057	418	76,475
Consolidated income	–	–	7,134	7,134	–64	7,070
Other comprehensive income	–	–	0	0	0	0
Total consolidated income	–	–	7,134	7,134	–64	7,070
Companies acquired	–	–	–	–	254	254
Companies sold	–	–	–	–	–417	–417
Changes in non-controlling interests	–	–	–	–	241	241
Convertible bonds converted	1,097	1,130	–	2,227	–	2,227
As of 31 December 2014	24,436	52,757	8,225	85,419	432	85,851

■ Consolidated Statement of Changes in Equity

for the Financial Year from 1 July 2013 to 30 June 2014

	Issued capital	Capital reserve*	Retained earnings	Total	Non-controlling interests	Total
ACCENTRO Real Estate AG						
As of 1 July 2013	18,059	44,308	4,265	66,632	0	66,632
Consolidated income	–	–	–3,173	–3,173	4	–3,169
Other comprehensive income	–	–	0	0		0
Total consolidated income	–	–	–3,173	–3,173	4	–3,169
Non-cash capital increase	1,271	1,778	–	3,049	414	3,463
Cash capital increase	1,806	1,806	–	3,612	–	3,612
Issuance of convertible bonds	–	1,739	–	1,739	–	1,739
Costs of raising equity	–	–236	–	–236	–	–236
Company acquisition	–	–	–	–	–	0
Convertible bonds converted	2,203	2,232	–	4,435	–	4,435
As of 30 June 2014	23,339	51,627	1,092	76,058	418	76,476

* Adding the values of the individual line items may result in slight differences compared to the sum totals posted.

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■ 1 Basic Information

ACCENTRO Real Estate AG (formerly ESTAVIS AG) with its subsidiaries is active both as property portfolio holder and property trader. The company's headquarters are located at Uhlandstr. 165 in 10719 Berlin, Germany. The company's shares are listed on the Frankfurt Stock Exchange for trading on the Regulated Market (Prime Standard).

As of 31 December 2014, ACCENTRO Real Estate AG acts as the operating holding company for a number of property management companies.

The Annual General Meeting of 27 November 2014 resolved that the financial year of ACCENTRO Real Estate AG shall coincide with the calendar year in the future. Accordingly, the Annual General Meeting resolved to end the financial year begun on 1 July 2014 as a short financial year as of 31 December 2014. The fact that the reporting period of this 2014 short financial year covers only six months limits the comparability of its financial statements with those of the preceding 2013/14 financial year of twelve months. In order to make the income statement more informative, it was supplemented, in addition to the verified figures of the prior full-length 2013/14 financial year, with a separate column listing the unverified figures of the first semester of the 2013/14 financial year. The comparability of the two is limited insofar as the basis of consolidation has undergone material changes as a result of major acquisitions and dispositions of real estate portfolios in the time since the end of the 2013/14 financial year. In addition, the structure of the income statement was adjusted to reflect standard industry practice in accounts presentations.

Finally, the Annual General Meeting resolved that ESTAVIS AG be renamed ACCENTRO Real Estate AG.

These consolidated financial statements were approved for publication by the Management Board on 18 March 2015, and by the Supervisory Board on 18 March 2015.

All amounts contained in the notes and tables are disclosed in thousands of euro (TEUR) unless stated otherwise. Both individual and total figures represent the value with the smallest rounding difference. Accordingly, adding the values of the individual line items may result in slight differences compared to the sum totals posted.

■ 2 Significant Accounting Policies

The following section describes the accounting policies applied in preparing the consolidated financial statements.

2.1 Principles

The consolidated financial statements for the 2014 short financial year of ACCENTRO Real Estate AG were prepared in accordance with the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council dated 19 July 2002 concerning the application of international accounting standards in the form of the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB) as required in the European Union for companies with an orientation to the capital market.

The requirements of the IFRS whose application is mandatory in the EU were met in full and provide a true and fair account of the net assets, financial position and results of operations of the ACCENTRO Group. In order to improve the clarity of presentation, some balance sheet items are presented in aggregated form. These items are discussed in the Notes.

The income statement is structured in accordance with the nature of expense method. Posting revenues and the costs of materials in the income statement was retroactively broken down into more detail to match industry-standard drilldowns for property companies, and thus to achieve a higher level of transparency for the ACCENTRO Group's sources of revenue and income.

It was decided not to include a statement of comprehensive income because the other comprehensive income includes no effects recognised directly in equity.

The financial statements were prepared using the historical cost approach. That said, the investment properties represent a significant exception from this principle as they are appraised at fair value.

The estimates and assumptions applied in preparing the IFRS financial statements affect the measurement of assets and liabilities, the disclosure of contingent assets and liabilities at the respective balance sheet dates, and the amount of income and expenses during the period under review. Although these assumptions and estimates are made to the best knowledge of the company's senior management and on the basis of current events and measures, actual results may ultimately differ from these estimates.

The accounting methods employed in the consolidated financial statements are the same as those on which the consolidated financial statements as of 30 June 2014 were based, except for certain changes elaborated below.

Accounting guidance applied for the first time during the 2014 short financial year

Adoption of the following new or amended accounting standards and interpretations became mandatory for the first time in the IFRS consolidated financial statements for the 2014 short financial year:

Standard/interpretation	Amended/new
IFRS 10 Consolidated Financial Statements	new
IFRS 11 Joint Arrangements	new
IFRS 12 Disclosure of Interests in Other Entities	new
IAS 27 Separate Financial Statements	new
IAS 28 Investments in Associates and Joint Ventures	amended
IFRS 10, 11, 12 Amendments to IFRS 10: Consolidated Financial Statements – Investment Entities: Applying the Consolidation Exception	amended
IAS 32 Financial Instruments: Presentation – Offsetting of Financial Assets and Financial Liabilities	amended
IAS 36 Impairment of Assets	amended
IAS 39 Financial Instruments: Novation of Derivatives and Continuation of Hedge Accounting	amended
iFRIC 21 Levies	new
iAS 19 Employee Benefits	amended
iASB 2010–2012 Improvements Project 2012	amended
iASB 2011–2013 Improvements Project 2013	amended

Material changes to the IFRS whose application is mandatory in the EU were made during the year under review by amending the consolidation rules via the new standards IFRS 10, IFRS 11 and IFRS 12 as well as the amended standards IAS 27 and IAS 28, which are explained below.

IFRS 10 – Consolidated financial statements

This standard comprehensively redefines the concept of "control." Whenever one entity controls another entity, the parent should consolidate the subsidiary. The new concept states that control is given whenever the potential parent company possesses decision-making power over the potential subsidiary based on voting or other rights, participates in positive or negative variable returns from the subsidiary, and can influence these returns through its decision-making powers.

The first-time adoption of IFRS 10 occasioned no changes to the ACCENTRO Group's basis of consolidation.

IFRS 11 – Joint arrangements

IFRS 11 redefines the rules that govern the accounting for joint arrangements. Under the new concept, a distinction must be made as to whether the case in question represents a joint operation or a joint venture. A joint operation is given whenever the jointly controlling parties possess rights to the assets and obligations for the liabilities. The individual rights and duties are accounted for proportionately in the consolidated financial statements. In a joint venture, by contrast, the jointly controlling parties possess rights to the net assets. These rights are implemented by applying the equity method in the consolidated financial statements.

Since the ACCENTRO Group already included the existing joint venture and associates in prior-year consolidated financial statements in accordance with the equity method, the first-time adoption of IFRS 11 in combination with the amended IAS 28 precipitated no changes in the Group's accounting.

IFRS 12 – Disclosure of Interests in other entities

This standard governs the disclosure requirements in regard to interests held in other entities. The scope of the required disclosures has increased, in some instances significantly so, compared to the disclosures that used to be required under IAS 27, IAS 28 and IAS 31. The expanded disclosure requirements were implemented in the Notes to the Consolidated Financial Statements for the 2014 short financial year.

None of the other requirements listed in the table above that are either to be adopted for the first time during the year under review or have been amended had any ramifications for the accounts presentation in the consolidated financial statements of ACCENTRO Real Estate AG.

Accounting guidance already published but not yet subject to mandatory adoption

No accounting standards were applied early. The following accounting standards that have been published or amended by the IASB and, in some cases, not yet endorsed by the European Union will only be required to be adopted in preparing future financial statements – subject to their endorsement by the European Union. Unless stated otherwise, the ramifications for the ACCENTRO consolidated financial statements are currently under review.

standard/interpretation (until 31 December 2014)		Application mandatory for ACCENTRO AG	Adoption by the EU (by 31 December 2014)	Prospective ramifications
IAS 1	Presentation of Financial Statements – Disclosure Initiative	1 January 2016	no	amendment of the disclosure requirements in the notes
IFRS 9	Financial Instruments: Classification and Valuation	1 January 2018	no	replaces IAS 39 – the potential effects have not been examined yet.
IFRS 10/ IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	no	none
IFRS 10/12/ IAS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016	no	none
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	no	none
IFRS 14	Regulatory Deferral Accounts for Rate-Regulated Activities	1 January 2016	no	none
IFRS 15	Revenue from Contracts with Customers	1 January 2017	no	the effects for the Group are yet to be examined.
IAS 16/ IAS 38	Methods of Depreciation and Amortisation for Property, Plant and Equipment and Intangible Assets	1 January 2016	no	none
IAS 27	Equity Method in Separate Financial Statements	1 January 2016	no	none
IAS 16/ IAS 41	Bearer Plants: Accounting Analogous to Property, Plant and Equipment	1 January 2016	no	none
IASB 2012–2014	Improvements Project 2014	1 January 2016	no	none

2.2 Consolidation

a) Principles for determining the entities to be included in consolidation

The consolidated financial statements present the parent company, ACCENTRO Real Estate AG, and the subsidiaries that it controls and that are included in the basis of consolidation as one economic entity.

A controlling interest in a subsidiary is given whenever ACCENTRO Real Estate AG benefits from variable returns from its commitment in the company or is entitled to such returns and has the power to control the returns through its decision-making authority over the company. ACCENTRO Real Estate AG has decision-making authority over a company if it currently has the necessary rights to control the relevant activities of that company either directly or through third parties. Relevant activities are considered those that materially influence the returns, depending on the nature and purpose of the entity. Variable pay-back is considered any kind of pay-back that could vary depending on the entity's productivity. Accordingly, returns from the commitment in another company may be either positive or negative. Variable returns include dividends, fixed and variable interest rates, payments and fees, fluctuations in the value of the investments, and other economic benefits.

Whether or not ACCENTRO Real Estate AG has decision-making authority over a given company is determined on the basis of that company's relevant activities and the influencing competencies of ACCENTRO Real Estate AG. The assessment considers voting rights as well as other contractual rights to control relevant activities, provided no economic or other obstacles stand in the way of exercising the existing rights. Decision-making authority based on voting

rights is vested in ACCENTRO Real Estate AG if the latter holds, due to equity instruments or contractual agreements, more than 50% of the voting rights and if this share of the voting rights comes with robust decision-making authority in regard to the relevant activities. Other contractual rights that could facilitate a dominant influence are essentially rights to appoint and recall members to governing bodies, liquidation rights and other decision-making rights. Contractual agreements that fail to grant ACCENTRO Real Estate AG any rights to modify the terms of agreement but merely protect their interests as creditors, and thus serve the purpose of safe-guarding the loan, do not qualify as criteria confirming decision-making powers. ACCENTRO Real Estate AG controls a subsidiary if the full set of contractual rights bestows on it the power to control the relevant activities of the company in question.

Subsidiaries also principally include structured entities that are controlled by ACCENTRO Real Estate AG. Structured entities are entities where the assessment of control is dominated by factors other than voting rights or similar rights. At the moment, there exist no structured entities.

b) Consolidated companies

All the subsidiaries of ACCENTRO Real Estate AG are included in the consolidated financial statements. For a list of the companies included in the consolidation, please see section 2.2e. All the subsidiaries were fully consolidated and are included in the consolidated financial statements of ACCENTRO Real Estate AG.

Acquired companies are recognised using the purchase method of accounting. The cost of acquisition corresponds to the fair value of the assets given up, equity instruments issued and liabilities created or incurred at the date of exchange, plus any costs directly attributable to the acquisition. On initial consolidation, any assets, liabilities and contingent liabilities identified in the course of the business combination are recognised at their fair value at the acquisition date. An excess in the cost of acquisition over the Group's interest in the fair value of the net assets of the company acquired is recognised as goodwill. If the acquisition costs are lower than the fair value of the (proportionate) net assets of the company acquired, the difference is directly captured in the income statement following a re-examination. Acquisitions of shares in subsidiaries after control has been established are posted as equity transactions. The difference between the purchase price of the shares and the outgoing minority interest is directly offset against retained earnings in equity.

Interests in the subsidiary's equity of the that are held by other partners are posted with the Group's equity as shares without controlling influence, unless they represent shares held by outside shareholders in consolidated trading partnerships. The interest without controlling influence is that part of the profit/loss for the period and the net assets of a subsidiary which represents shares not directly held by the parent company or a group member company. Non-controlling ownership interests in subsidiaries and the resulting profits or losses as well as the summarised financial information of subsidiaries with significant but non-controlling interests are disclosed in section 6.1.4.

Intercompany receivables, liabilities and income are eliminated for the purposes of the consolidated financial statements within the framework of the debt consolidation and the consolidation of income and expenses, respectively. Expenses and income created by intercompany assignments of assets are also eliminated. The accounting policies of subsidiaries are applied uniformly throughout the Group.

c) Joint ventures

Joint arrangements are based on contractual agreements over which two or more parties have joint control, being the contractually agreed sharing of control to pursue a given business activity. Joint control is established whenever the parties need to cooperate in order to control the relevant activities of the joint arrangement, and whenever decisions require the unanimous consent of the participating parties. In a joint arrangement taking the form of a joint venture, the parties that exercise joint control have rights to the net assets of the arrangement and obligations for the liabilities thereof.

The consolidated financial statements of ACCENTRO Real Estate AG includes, as they did the year before, a joint venture accounted for using the equity method pursuant to IAS 28.

d) Associates

Associates are entities over which ACCENTRO Real Estate AG has significant but not controlling influence, be it directly or indirectly through subsidiaries. The term "significant influence" refers to the power to participate in the financial and operating policy decisions of another entity without controlling it. Significant influence principally exists if ACCENTRO Real Estate AG in its role as investor directly or indirectly through subsidiaries holds 20% of the voting rights or more in the entity. Even a holding of less than 20% of the voting right could qualify as an associate if ACCENTRO Real Estate AG has other ways to participate in the financial and operating policy decisions of the respective company on the basis of other factors. Such factors include in particular the representation of ACCENTRO Real Estate AG on the governing body of the company, and contractual rights to manage or realise assets. If ACCENTRO Real Estate AG has only has approval, consent, and veto rights, it is not assumed to have significant influence.

Investments in associates and joint ventures that are of significance for the Group's assets, financial and earnings position are taken into account in the consolidated financial statements using the equity method. To this end, the Group's investments in the joint venture or associate are recognised at their initial costs when added, and subsequently increased or decreased by the Group's share of the profits and losses of the joint venture or associate, as the case may be. The relevant interests are posted in separate items in the balance sheet. Disclosures on the risks associated with the interests that ACCENTRO Real Estate AG holds in joint ventures and associates are posted along with summarised financial information on these entities in section 6.1.5. The summarised financial information for joint ventures and associates that are, on an individual basis, immaterial are presented in aggregate form.

Interests in joint ventures or associates that are not taken into account in the consolidated financial statements using the equity method because of their negligible significance for the assets, financial and earnings position of ACCENTRO Real Estate AG are measured in accordance with the accounting and valuation requirements in IAS 39 as financial instruments of the Available for Sale (AfS) category, and posted with the financial assets. If no information is available to ACCENTRO Real Estate AG as of the balance sheet date that would permit a reliable measurement of these interests, the valuation will be based on the initial costs, as it would for non-consolidated subsidiaries.

e) Consolidated group

As of 31 December 2014, the consolidated financial statements of ACCENTRO Real Estate AG included 27 (previous year: 34) subsidiaries, one joint venture, and two associates. There are no structured entities. The consolidated group changed as follows since 30 June 2014:

Subsidiaries bought

During Q1 of the short financial year beginning 1 July 2014 and ending 31 December 2014, the basis of consolidation expanded compared to 30 June 2014 after a property company for the privatisation segment (Uhlandstraße 79 Immobilien GmbH) and a shelf company (Magnus-Relda Holding Vier GmbH) were acquired. The shelf company is used by the Group as internal financing group and intermediate holding company for the acquisition of a portfolio of 4,300 residential units across Germany that were acquired during the year under review.

During Q2, the basis of consolidation was expanded by the acquisition of a company (Phoenix F1 Neubrandenburgstrasse GmbH) that holds 294 residential units in Berlin's Hohenschönhausen district, the company being earmarked for the privatisation segment.

In neither case were business operations taken over.

Subsidiaries sold

During the second quarter, 6 companies were sold. In addition to the sale of the 80 % interest in the private limited company J2P Real Estate AG and its fully-owned subsidiary J2P Service GmbH, as well as of 50 % of the interests held in the joint venture GG Erlabrunn Verwaltungs UG, sales included specifically the commercial real estate portfolio consisting of eight properties with an aggregate floor area of around 41,742 sqm, which was sold together with the property companies Hanse-Center Objektgesellschaft mbH (formerly SIAG Neunundzwanzigste Wohnen GmbH & Co. KG) and Glockenhofcenter Objektgesellschaft mbH (formerly SIAG Fünfundzwanzigste Wohnen GmbH & Co. KG).

The interest in J2P Real Estate AG was sold for TEUR 1,554. The sales price represented 1,160,000 no-par value bearer shares appraised at a share price of EUR 1.34 per no-par value share. The deconsolidation of J2P Real Estate AG reduced the consolidated income by TEUR 17.

The property vehicles Hanse-Center Objektgesellschaft mbH and Glockenhofcenter Objektgesellschaft mbH were sold as of 22 December 2014. The deconsolidation of these companies increased the consolidated income by TEUR 134.

All interests in the SIAG Achtundzwanzigste Wohnen GmbH & Co. KG were also sold. Along with the company, two properties in Neubrandenburg with a combined floor area of around 9,197 m² were sold as well. The deconsolidation of this company increased the consolidated income by TEUR 116.

Another company sold during the financial year was Erste SI-BA Wohnen GmbH, the reason being that it had ceased its active business operations. The purpose of the sale was to streamline the Group structure. The deconsolidation of the company reduced the consolidated income by TEUR 4.

The following list shows the companies included in the consolidated group in addition to ACCENTRO Real Estate AG.

List of equity interests in subsidiaries whose shares are fully held by ACCENTRO Real Estate AG or one of its subsidiaries

Company	Domicile	31 Dec. 2014 Interest in net assets (in %)*	30 June 2014 Interest in net assets (in %)*
SIAG Dritte Wohnen GmbH & Co. KG	Berlin	100%	100%
ESTAVIS Wohneigentum GmbH	Berlin	100%	100%
RELDA 36. Wohnen GmbH (formerly ESTAVIS 36. Wohnen GmbH & Co. KG)	Berlin	100%	100%
ESTAVIS 37. Wohnen GmbH & Co. KG	Berlin	100%	100%
RELDA 38. Wohnen GmbH (formerly ESTAVIS 38. Wohnen GmbH & Co. KG)	Berlin	100%	100%
RELDA 39. Wohnen GmbH (formerly ESTAVIS 39. Wohnen GmbH & Co. KG)	Berlin	100%	100%
ESTAVIS Filmfabrik GmbH & Co. KG	Berlin	100%	100%
ESTAVIS 43. Wohnen GmbH & Co. KG	Berlin	100%	100%
RELDA 45. Wohnen GmbH (formerly ESTAVIS 45. Wohnen GmbH & Co. KG)	Berlin	100%	100%
Zweite Sachsen Wohnbauten GmbH & Co. KG	Leipzig	100%	100%
ESTAVIS Vermögensverwaltungs GmbH	Berlin	100%	100%
Accentro GmbH (agency services)	Berlin	100%	100%
ESTAVIS Berlin Hohenschönhausen GmbH	Berlin	100%	100%
ESTAVIS 5. Wohnen GmbH	Berlin	100%	100%
ESTAVIS 6. Wohnen GmbH	Berlin	100%	100%
ESTAVIS 7. Wohnen GmbH	Berlin	100%	100%
ESTAVIS 8. Wohnen GmbH	Berlin	100%	100%
ESTAVIS 9. Wohnen GmbH	Berlin	100%	100%
ESTAVIS Sachsen Verwaltungsgesellschaft mbH	Berlin	100%	100%
ESTAVIS Zweite Sachsen Wohnen GmbH & Co. KG	Berlin	100%	100%
ESTAVIS Friedrichshöhe GmbH	Berlin	100%	100%
Estavis Grundstücksgesellschaft mbH	Berlin	100%	100%
Magnus-Relda Holding Vier GmbH (acquired during Q1 2014)	Berlin	100%	100%

Subsidiaries with non-controlling interests

Phoenix F1 Neubrandenburgstrasse GmbH (acquired in Q2 2014)	Erlangen	94,1%	94,1 %
Uhlandstraße 79 Immobilien GmbH (acquired in Q1 2014)	Berlin	50% + 1 vote	50% + 1 vote
RELDA Bernau Wohnen Verwaltungs GmbH (formerly ESTAVIS Bernau Wohnen GmbH & Co. KG)	Berlin	94%	94%
ESTAVIS Beteiligungs GmbH & Co. KG	Berlin	94%	94%

Companies removed during the financial year

Glockenhofcenter Objektgesellschaft mbH (formerly SIAG Fünfundzwanzigste Wohnen GmbH & Co. KG; sold in Q2 2014)	Berlin	100%	100%
SIAG Achtundzwanzigste Wohnen GmbH & Co. KG (sold in Q2 2014)	Berlin	100%	100%
Hanse-Center Objektgesellschaft mbH (formerly SIAG Neunundzwanzigste Wohnen GmbH & Co. KG; sold in Q2 2014)	Berlin	100%	100%
Erste SI-BA Wohnen GmbH (sold in Q2 2014)	Berlin	100%	100%
J2P Real Estate AG (sold in Q2 2014)	Aue	80%	80%
J2P Service GmbH (sold in Q2 2014)	Aue	100%	100%
GG Erlabrunn Verwaltungs UG (associate; disposed of in Q2)	Aue	50%	50%

* The disclosures in this table comply with the provisions of the German Commercial Code (HGB).

The following companies were moreover amalgamated into their respective parent company during the short financial year in order to streamline the Group structure:

Amalgamations during the short financial year

Company	Domicile	31 Dec. 2014 Interest in net assets (in %)	30 June 2014 Interest in net assets (in %)
SIAG Fünfte Wohnen GmbH & Co. KG (amalgamated into ESTAVIS Beteiligungs GmbH & Co. KG as of 31 December 2014)	Berlin	100%	100%
ESTAVIS 32. Wohnen GmbH & Co. KG (amalgamated into ACCENTRO Real Estate AG as of 31 December 2014)	Berlin	100%	100%
ESTAVIS 35. Wohnen GmbH & Co. KG (amalgamated into ACCENTRO Real Estate AG as of 31 December 2014)	Berlin	100%	100%
ESTAVIS 46. Wohnen GmbH & Co. KG (amalgamated into ACCENTRO Real Estate AG as of 31 December 2014)	Berlin	100%	100%

The commercial partnerships included in the above list of subsidiaries are exempt from the reporting, audit, and disclosure requirements for annual accounts and management reports that apply to corporations pursuant to section 264b, German Commercial Code (HGB). Accentro GmbH is also exempt from the reporting, audit, and disclosure requirements for annual accounts and management reports that apply to corporations pursuant to section 264 (3), HGB.

List of equity interest accounted for using the equity method

Company	Domicile	31 Dec. 2014 Interest in net assets (in %)	30 June 2014 Interest in net assets (in %)
Wohneigentum Berlin GbR (Joint Venture)	Berlin	33.33%	33.33%
SIAG Sechzehnte Wohnen GmbH & Co. KG (associate)	Berlin	50%	50%
Malplaquetstr. 23 Grundstücksverwaltungsgesellschaft mbH (associate)	Berlin	50%	50%

Group affiliation

ACCENTRO Group will be included in the consolidated financial statements of ADLER Real Estate AG, Hamburg, as its top-tier parent company.

2.3 Segment reporting

Segment reporting is in line with internal reporting to the ACCENTRO Real Estate AG Management Board, which is the highest management body as defined by IFRS (management approach). It covers the business segments "Trading" and "Portfolio." The Group only deals in property located in Germany. Therefore no geographical segmentation has been undertaken.

Given the negligible significance of the interest income, the company's senior management controls the segments on the basis of the financial results that represent the balance of interest income and interest expenses.

2.4 Foreign currency translation

a) Functional currency and reporting currency

ACCENTRO Real Estate AG prepares its consolidated financial statements in euro (EUR).

The euro is the currency of the primary business environment in which ACCENTRO Real Estate AG and its subsidiaries operate, and is therefore their functional currency. Transactions in other currencies are thus foreign currency transactions.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency of the respective group company using the exchange rates applicable at the transaction date. After initial recognition, monetary foreign currency items are translated at the exchange rate at the respective balance sheet date.

Currency translation differences resulting from the fulfilment of foreign currency transactions or the translation of monetary foreign currency items at the balance sheet date exchange rate are recognised in the income statement as foreign currency gains or losses.

2.5 Fair value

Under IFRS 13, fair value is defined as the price at which an asset could be exchanged within the framework of an orderly transaction between knowledgeable, willing and independent market participants under current market conditions at the measurement date. The fair value may be determined using either the market-based approach, the cost-based approach, or the income-based approach. The fair value measurement maximises the use of definitive observable market-based inputs while minimising the use of unobservable inputs.

The measurement hierarchy divides into the following levels of inputs:

- Level 1: Quoted (unadjusted) prices on active markets for identical assets and liabilities, assuming the entity has access to these active markets at the measurement date (IFRS 13 – Appendix A, IFRS 13.76)
- Level 2: Directly or indirectly observable inputs not included within Level 1 (IFRS 13 – Appendix A, IFRS 13.81)
- Level 3: Unobservable inputs (IFRS 13 – Appendix A, IFRS 13.86)

If the various inputs are categorised into different levels of the fair value hierarchy, they are broken up into significant and insignificant inputs in the first step of the measurement process. Next, the fair value measurement is categorised in its entirety in the level of the lowest level input that is significant to the entire measurement (IFRS 13.73 ff.).

2.6 Investment property

The real estate held as a financial investment comprises real estate held in the long term to earn rental income or for capital appreciation. Unlike real estate contained in inventory assets, active resale activities for these properties are generally developed only after a prolonged holding period within the scope of portfolio reallocations. They are initially measured at cost and thereafter at fair value. Changes to the fair value are recognised in the income statement and reported separately.

The fair value of property is defined by IFRS 13 as the price at which a given property could be exchanged within the framework of a regular transaction between knowledgeable, willing and independent market participants at the measurement date, subject to current market conditions. The fair value was measured using an income-based discounted cash flow model and the income capitalisation method in accordance with the Real Estate Valuation Ordinance (ImmoWertVO).

The cash value of investment property held by the Group is appraised by an independent surveyor at the time of allocation to this category and in time for the balance sheet dates. The future cash inflow and outflow to be expected and to be duly considered for the purpose of determining the fair value on the basis of the income-based (discounted cash flow) model include, on the one hand, the sustainably realisable net rents, with possible vacancies and risk of rent loss duly taken into account, and, on the other hand, the accruing management costs for maintenance, vacancy costs, and administration. The resulting net cash flows are discounted using a risk-adequate interest rate (benchmark returns for comparable properties). The cash value returned represents the appraised values for the recognised fair value of the property.

Measurement of the fair value using the income capitalisation method starts by measuring the gross income for the period based on the arm's length income, which is used in the next step to calculate the net income by deducting the non-recoverable operating costs. The calculation is generally based on the net rent reduced by the administrative overhead, maintenance costs and risk of rent loss as non-recoverable operating costs.

The net income is split into the pro-rata land value and the pro-rata value of the building. The proportion of the land value is measured by multiplying the land value with a market-consistent interest rate (ground interest rate). A land value discount possibly posted due to a non-permanent diminution in value (e.g. demolition costs) is principally ignored, as such costs will become effective in a future period. The difference between net income and the proportion of the land value equals the proportion of the building value. The latter is capitalised for the remaining useful life of the building by applying the building capitalisation rate (present value calculation), the result representing the building value. In most cases, the ground interest matches the building capitalisation rate and is commonly referred to as property rate. If a given plot is substantially larger than an adequate use of it would require, and if it cannot be used for anything else, then the return on land value should be measured solely on the basis of the profitable plot area. The property yield is the measurement for the average arm's length rate of return on the capital trapped – usually long-term – in a property, and is thus snapshot of the associative liquidation risk. It depends, inter alia, on the type of use, the location characteristics, the rent level, and the remaining useful life.

Finally, other circumstances likely to impact the value (special values) need to be taken into account in the form of premiums or discounts. This includes e.g. special values from lease-related facts (over-/under-rent, meaning that the passing rent exceeds or undercuts the rack rent, respectively), current other rental income (e.g. from existing antenna leases or additional basement unit leases), rent control due to public subsidies, costs from existing vacancies, or one-off capital expenditures for maintenance measures or modernisations. The capitalised income value of the property is calculated by adding the land value (which may also be considered a present value in the form of a perpetual ground rent) to the building value and deducting discounts or adding premiums, as the case may be, and deducting demolition costs, where applicable.

If property is initially acquired for trading purposes and accordingly assigned to inventories, it is reclassified to investment property if there are indications that the company has reconsidered its intention to sell the property and is planning to keep it in the proprietary portfolio instead and to develop it over an extended period of time (redevelopment, reletting) for the purpose of long-term rental income and appreciation.

Whenever an investment property is sold, the property is appraised at its sales price as of the effective date of the disposal, while any difference from the previous carrying amount is posted in the income statement in the item "Change in value of investment property".

2.7 Intangible assets and goodwill

a) Goodwill

The term "goodwill" as it is used here refers to the intangible value of the Group's interest in an acquired company in excess of the fair value of that company's net assets at the acquisition date. It is recognised in the balance sheet as an intangible asset. The goodwill resulting from the acquisition of an associate is included in the carrying amount of the interest in the respective associate. Goodwill is subjected at least once a year, and moreover whenever an impairment event has occurred, to an impairment test, and carried at original cost less accumulated impairment losses. Goodwill is not amortised.

b) Other intangible assets

This category includes software purchased. Purchased software is carried at cost and amortised on a straight-line basis over its useful life. The useful life for purchased software is three to five years.

2.8 Property, plant and equipment

Property, plant and equipment primarily consist of computer hardware, other office equipment and motor vehicles, and are carried at cost less cumulative depreciation and impairment. Depreciation is recognised on a straight-line basis, taking into account the residual value and applying the following useful lives:

- Computer hardware 3 years
- Other office equipment 8–13 years
- Motor vehicles 6 years

The useful life of motor vehicles is based on the useful life for tax purposes, which is 6 years, in order to avoid tax deferrals.

The residual values and remaining useful lives are reviewed at each balance sheet date and adjusted as necessary.

Subsequent expenditure is only capitalised if it is probable that the company will receive an economic benefit from the respective expenditure in the future. All other repair and maintenance measures are posted as expenses in the financial year in which they are incurred.

If the carrying amount of an asset exceeds its estimated recoverable amount, it is written down to the latter (see also section 2.9 on the subject).

Gains and losses from the disposal of property, plant and equipment are determined by comparing the sales proceeds with the carrying amount, and are listed with the "Other operating result".

2.9 Impairment of assets

The goodwill is reviewed at least once a year, and moreover whenever events or indicators suggest a possible impairment. Property, plant and equipment and intangible assets that are subject to depreciation or amortisation are tested for impairments whenever events or indicators suggest that their carrying value may not be recoverable. Impairment losses are recognised in the amount by which the carrying value of an asset exceeds its recoverable amount. The latter corresponds to the higher amount, derived from the fair value of the asset less the costs of disposal, and the discounted net cash flow from its continued use (value in use). In order to determine impairment, assets are combined at the lowest level to form cash-generating units for which cash flows can be identified largely independently from the rest of the company. Goodwill impairment is determined at the level of the segment to which the respective goodwill is allocated.

If the reasons for impairment no longer apply, impairment losses can be reversed up to a maximum of the amortised cost of the respective asset. Goodwill impairment losses may not be reversed.

2.10 Financial instruments

2.10.1 Financial assets

Acquisitions and dispositions of financial assets are aggregated as of the settlement date. These are recognised at their fair value at the time added while taking directly attributable transaction costs into account, unless they are recognised in income at fair value. In this context, financial assets are divided into the following measurement categories: financial assets recognised at fair value through profit or loss, loans and receivables, held-to-maturity financial assets, and financial assets available for sale. The classification of financial assets depends on the purpose for which they were acquired. The company's management is responsible for determining the categorisation of financial assets on initial recognition and reviewing it periodically. Under IFRIC 9, the allocation may be changed after contractual amendments or whenever special conditions pursuant to IAS 39.50 ff. pertain. During the period under review and the prior period, the Group only had financial assets in the categories loans and receivables and available-for-sale financial assets to report.

a) Loans and receivables (LaR)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise whenever the Group directly provides a debtor with money, goods or services without intending to use the corresponding receivables for trading purposes. Loans and receivables are classified as current assets if they have a maturity of twelve months or less from the balance sheet date. Otherwise, they are reported under non-current assets. Loans and receivables are recognised in the balance sheet under trade receivables and other receivables and other assets. Within the framework of subsequent valuations, they are carried at amortised cost.

Trade receivables are initially carried at their fair value, and subsequently at amortised costs, unless they are short-term in nature. Trade receivables are written down if there is objective evidence that the amounts due may not be collectable in full.

Identifiable individual risks are subject to valuation allowances that are recognised in the respective net book value. If the default of a certain portion of the receivables portfolio is likely, impairment allowances are effected in proportion to the anticipated loss. Objective indications of the impairment of receivables exist whenever debts are in default or in arrears, or whenever bankruptcy or economic conditions are impending that positively correlate with defaults. Such impairments are recognised in income.

In the case of rent receivables older than three months, their carrying amount is adjusted, as in previous years, by the following allowances:

- 3 to 6 months: 25 %
- 6 to 9 months: 50 %
- 9 to 12 months: 75 %
- above 12 months: 100 %

As soon as it becomes evident that a rental claim may not be recovered, the full amount is derecognised in income.

If the reasons for an impairment cease to apply, either in full or in part, the impairment is reversed up to a maximum of the amortised cost of the receivable and the amount of the reversal is recognised in income.

b) Available-for-sale financial assets (AfS)

Available-for-sale financial assets are non-derivative financial assets that have been allocated to this category or that cannot be allocated to any of the other categories. These are reported under "Non-current assets" if the company's management does not intend to dispose of them within twelve months of the balance sheet date. Available-for-sale financial assets include equity interests, securities held as fixed assets, and other long-term investments.

On initial recognition, available-for-sale financial assets are carried at fair value, with the transaction costs incurred duly taken into account. The unrealised gains and losses resulting from the fair value appraisal are recognised, with the deferred taxes deducted, as equity component (under "Other comprehensive income") until they are realised. If sold, any unrealised gain or loss recognised in the equity position must be recognised as income in the income statement.

At the end of each reporting period, ACCENTRO Real Estate AG examines whether there is any objective evidence of impairment. If such evidence exists, any cumulative losses previously recognised outside profit or loss are reclassified and recognised in profit or loss. To this end, all available information, including market conditions or the duration and scale of the impairment, are taken into account. An objective indication regarding an impairment is assumed whenever the fair value of an equity instrument earmarked for sale falls short of its historic costs by 20 % or more, or whenever the fair value has undercut the historic cost by 10 % or more on average for longer than a year. Reversals of impairments concerning equity instruments earmarked for sales are exclusively recognised directly on equity. No financial instruments associable with other categories are being used at the moment, and are therefore not separately discussed.

2.10.2 Financial liabilities

On first-time recognition, financial liabilities other than derivatives are carried at fair value less transaction costs. In subsequent periods, they are carried at amortised cost (AmC). Any difference between the amount disbursed (less transaction costs) and the settlement amount is recognised in income over the term of the respective liability in accordance with the effective interest method.

Financial liabilities are classified as current if the Group does not have the unconditional right to settle the liability at a date at least twelve months after the balance sheet date.

For the purpose of calculating the fair value, the expected future cash flow is discounted on the basis of a maturity-matched market interest rate. The individual features of the financial instruments being measured are taken into account using standard credit and liquidity spreads.

The fair value of the ACCENTRO Group's financial assets and liabilities is determined on the basis of the input factors of Levels 1, 2 and 3.

2.11 Inventory properties

The inventories of the ACCENTRO Group consist of property acquired for resale. They are carried at the lower of cost and net realisable value. The cost includes the purchase price for the respective properties plus directly attributable expenses, such as brokerage fees, real property transfer taxes, notaries' fees and land register costs. Refurbishment costs that result in a material improvement of the respective property are capitalised. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purposes of the cash flow statement, cash and cash equivalents are composed of cash on hand, sight deposits placed with banks, and other short-term, highly liquid investments with a remaining term of no more than three months at the time of acquisition.

2.13 Provisions

Provisions are recognised if the company has a current legal or constructive obligation based on events in the past, if settlement of the obligation is likely to require an outflow of resources, and if the amount of the obligation can be reliably estimated. If the company expects the reimbursement of an amount for which a provision has been recognised (e.g. under an insurance policy), it must record the right to reimbursement as a separate asset, providing that reimbursement is effectively guaranteed in the event of a claim being asserted on the respective obligation.

The company recognises provision for unprofitable business if the unavoidable costs of meeting the obligation under the respective contract are greater than the expected benefits from the contractual claim.

Provisions are measured at the amount of the probable outflow of resources. The measurement of non-current provisions includes discounting at a risk-adequate interest rate.

2.14 Non-current assets available for sale

Non-current assets or a group of available-for-sale financial assets are categorised "as held-for-sale" if the associated carrying amount is to be realised mainly through a sale transaction rather than through continued use, or else if the asset is immediately available for sale and it is safe to assume that the asset will find a buyer. The measurement will adopt either the most recent carrying amount or the fair value, whichever is lower, minus the costs of disposal. Within the balance sheet, these assets or groups of assets and the associate liabilities will be posted separately.

Whenever ACCENTRO Real Estate AG resolves to sell investment properties, the properties at issue are categorised as held for sale, assuming the properties are immediately marketable, and assuming further that the intended sale will go ahead within one year of the resolution to sell. The measurement will continue to adopt the fair value. Neither in the 2014 short financial year nor in the previous year did the company have to recognise any non-current assets for sale.

If the decision to sell involves an entire business unit, all assets and liabilities of that business unit will be categorised as "discontinued operation." The measurement will adopt either the most recent carrying amount or the fair value, whichever is lower, minus the costs of disposal. Within the balance sheet, these assets and the associate liabilities will be posted separately. Within the income statement, the cash flow statement, and the comprehensive income, the discontinued operation represents a separate component. The prior year comparative figures are adjusted accordingly.

2.15 Deferred taxes

Deferred taxes are recognised in accordance with the liability method for temporary differences between the tax base and the IFRS carrying amount of assets and liabilities, as well as for unused tax loss carryforwards. Deferred taxes are calculated by applying the rate that is expected to be in effect when the temporary difference is reversed in accordance with the information available at the end of the respective reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which temporary differences or tax loss carryforwards can be utilised.

Changes in deferred tax items are recognised in income. Exceptions to this include the addition in equity of deferred tax items as part of the purchase price allocation of company acquisitions and deferred tax items in connection with changes in value recognised as other comprehensive income, which are also recognised under "Other comprehensive income."

2.16 Revenue recognition

Revenues are composed of the amounts invoiced for the sale of properties held as inventory assets. Revenue from the sale of a property is recognised when substantially all the risks and rewards incident to ownership of the respective property are transferred to the buyer. This is generally the case when possession, benefits, duties and risks associated with the property are transferred. In the case of the sale of special-purpose entities, this date is generally the date on which the transfer of the shares in the respective entity is completed.

If renovation work is still in progress by the date on which the property is sold and this refurbishment work is negligible compared to the volume of the transaction as a whole, the company recognises a provision for the additional costs that are expected to be incurred.

Rental income is recognised on an accrual basis in accordance with the terms of the underlying contracts. Rental income is recognised as revenues. The incidental expenses invoiced to tenants are offset against the corresponding expenses as the allocable expenses are considered to have been advanced in the interest of the tenants.

Interest income is recognised on a time proportion basis that takes into account the outstanding liability and the effective yield over the remaining term.

2.17 Brokerage commission

Commission for brokering an actual business contract is recognised by the Group as an expense whenever the brokered transaction has been fulfilled. Any commission paid before this time is reported under "Miscellaneous receivables."

2.18 Leases

Certain Group companies act as lessees.

Leases under which the Group companies bear the substantial risks and rewards of ownership of the leased property are classified as finance leases. Assets held under finance leases are capitalised at the start of the lease term at the lower of their fair value and the present value of the minimum lease payments. At the same time, a lease liability in the same amount is recognised under non-current financial liabilities. The portion of the lease liability that is due within twelve months of the balance sheet date is reported under current financial liabilities. Each lease instalment is then divided into the finance charge and the reduction of the outstanding liability in order to ensure a constant periodic return on the outstanding lease liability. The interest portion is recognised in the income statement as an interest expense. Items of property, plant and equipment held under finance leases are depreciated over their useful life, which may be limited by the lease term, taking into account any residual value.

Leases not classified as finance leases are classified as operating leases. The operating leases entered into involve motor vehicles, some office and business equipment, and business premises. These leases do not contain purchase options. Leases for office space contain extension options at standard market conditions. Payments made in connection with operating leases (less incentive payments by the lessor) are recognised in the income statement on a straight-line basis over the term of the lease.

The Group acts as a lessor in connection with the leasing of properties. These agreements are classified as operating leases. See section 2.16 for details about the rental income accounting.

2.19 Residual interests and dividend distributions

ACCENTRO Real Estate AG includes subsidiaries in the legal form of partnerships in which it holds minority interests in its Group accounts. The partner position that the Group holds through these minority interests must be recognised in the Group accounts under IAS 32 as debt due to their statutory right to termination that cannot be contracted away. When these liabilities arise, they are measured at the present value of the partner's compensation claim. This is generally the amount of the partner's capital contribution. Subsequent to initial recognition, the liability is adjusted depending on the company's results prior to the recognition of the change in the respective liability. The change in the liability is recognised in the income

statement unless it is based on capital contributions and withdrawals. If the adjustment results in a notional claim from the partner, it must be suspended until it would result in a liability against the partner again.

For corporations within the Group, liabilities for distributions to shareholders are only recognised in the period in which the corresponding resolution on the appropriation of net retained profits is adopted by the shareholders' meeting.

2.20 Cash flow statement

The cash flow statement shows the development of the Group's cash flows during the financial year. The consolidated financial statement uses the indirect method for a breakdown of the cash flow, with non-cash items deducted and cash items added to the consolidated income. The cash flow statement represents the cash flows from the operational activities, from the investing activities, and from the financing activities.

3 Capital and Financial Risk Management

Using its capital management, ACCENTRO Real Estate AG pursues the goal of sustainably strengthening the Group's liquidity and equity basis, providing funds for the Group's equity-financed growth and generating an appropriate return on the capital employed. In the context of the ACCENTRO Group's property-related business activities, purchasing volumes are financed as far as possible by debt capital in line with tax consideration as long as the relatively favourable refinancing situation persists. The Group's accounting equity acts as a passive control criterion. The active control variables are revenues and EBIT.

Once a quarter, and ahead of large-scale transactions, the risk management department reviews the Group's capital structure. To this end, the cost of capital and the threat associated with each class of capital is taken into account. In order to satisfy the banking industry standards of the external capital requirements, the accounting ratios are regularly updated. These include principal repayment ratios for each asset, loan-to-value ratios, as well as contractually agreed balance relations and success relations.

Financial risk management (see also the elaborations in the Group Management Report) describes the management and limitation of the financial risks resulting from the Group's operating activities. Particular risks include the liquidity risk (avoiding disruptions to solvency) and risk of default (risk of a loss if one contractual party fails to meet its contractual obligations).

Responsibility for the liquidity risk management lies with the Management Board, which has established an appropriate system for controlling short, medium and long-term finance and liquidity requirements. The Group controls liquidity risks by maintaining appropriate liquid funds, lines of credit at banks and other facilities as well as constant monitoring of forecast and actual cash flows as part of ongoing, rolling liquidity controlling and by coordinating the maturity profiles of financial assets and liabilities.

In order to avoid risks of default, the Group only enters into sales relationships with parties of sound creditworthiness. In order to further limit default risk, ownership of sold properties is only transferred to the buyer after the purchase price has been paid into a notary trust account.

■ 4 Estimates and Accounting Decisions at the Company's Discretion

In preparing the consolidated financial statements, the company uses forward-looking estimates and assumptions based on the conditions prevailing by the balance sheet date. The estimates thus obtained may deviate from the actual events going forward.

The following estimates were used within the framework of measuring the balance sheet items:

- Impairment testing for the goodwill that is allocated to the Trading segment requires the use of estimate ranges in respect to future revenues and trading margins in particular. The sales prices and sold quantities underlying these figures are used for a planning period of 5 years based on market development forecasts and past empirical evidence. The cash operating surplus determined in the process are discounted, taking market-consistent costs of equity and debt as well as a market-consistent risk interest on its cash value into account. For the annual accounts, that measurement from a variety of scenarios is chosen which most adequately reflect the fair market value when all known inputs are taken into account.
- The fair values of the investment properties are based on valuation reports of independent external valuers. The latter determine the fair value of the property assets by applying the discounted cashflow method (DCF method) or the income capitalisation method. The appraisal takes estimates of future rent revenues, vacancies, and possible refurbishment measures into account. Uncertainties concerning the development of the market conditions as well as the nature and use of the properties are reflected in a market-consistent discount interest rate that includes a risk premium or on the basis of the property rate.
- In estimating the net selling prices of properties held for trading, the calculation of realistic selling prices is subject to considerable uncertainty. Selling prices are estimated on the basis of the assessed attractiveness of micro-environments and the expected development of the spending power. The range of sales prices obviously depends on the location of a given trading property. The adequacy of a certain price and thus of the amount posted in the balance sheet are periodically reviewed and adjusted as needed.
- Estimates define particularly the appraisal of the intrinsic value of the rent receivables. Assumptions regarding the collectability of an outstanding receivable are based on the age structure of that receivable. Based on empirical evidence, the probability of default for accounts receivable older than three months is imputed to be somewhere between 25 % and 100 %, which is reflected in a valuation allowance over a corresponding amount.
- There are a range of estimates as to possible future expenses to the Group in the context of the recognition of provisions.
- Current and deferred taxes are necessarily recognised on the basis of estimates. Since the proper interpretation of complex tax issues is far from clear, differences between actual results and the assumptions or future changes in the estimates may lead to changes in tax results in future periods.

Concerning the financial reporting and valuation rules, ACCENTRO Real Estate AG made the following discretionary decisions:

- Whenever real estate packages are added to its assets, it is up to the company to decide whether this involves the acquisition of a business operation.
- By each balance sheet date, it has to be decided whether a given property held by the Group is reported as financial investment or as inventory property.
- When recognising financial instruments for the first time, you need to choose one of four measurement categories to allocate it to: financial assets recognised at fair value through profit or loss, loans and receivables, held-to-maturity financial assets, and available-for-sale financial assets.

Whenever errors in the accounting estimates and in the fair value measurements become apparent during the periods following the balance sheet date, the provisions of IAS 8 apply. Accordingly, material omissions or misstatements are retroactively corrected for all prior reporting periods affected up to the current period's financial statement whenever they could impact the economic decisions that the recipients of the statements may have made on the basis of the financial statement.

5 Segment Reporting

The ACCENTRO Group is organised into the following segments:

1. **Trading:** the buying and selling of property, with apartments usually sold to private investors. The estate agency business within the framework of apartment retailing is also included in this segment.
2. **Portfolio:** This segment includes investment property and portfolio property that is not intended for apartment retailing.

As in the previous year, the "Trade" segment was posted in the sub-segments "Privatisation" and "Other Trade." The segment "Other trade" covers the wind-up of residual activities from the company's discontinued business of listed property trading.

The segment results for the short financial year ended 31 December 2014 are shown below:

						Trading		Portfolio		Group	
Total			Privatisation		Other trade						
	Short FY 2014	2013/14	Short FY 2014	2013/14	Short FY 2014	2013/14	Short FY 2014	2013/14	Short FY 2014	2013/14	
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	
Revenues (external)	15,361	17,988	15,363	15,681	-2	2,306	7,649	10,182	23,010	28,170	
thereof											
Letting	1,138	741	1,138	716		25	6,910	10,182	8,048	10,923	
Disposals	12,758	11,753	12,760	9,471	-2	2,281	700		13,458	11,753	
Brokerage	1,465	5,494	1,465	5,494			39		1,504	5,494	
Changes in the value of investment property							18,846	3,570	18,846	3,570	
EBIT	2,054	2,462	2,100	2,722	-46	-260	17,296	5,209	19,350	7,671	
Result from the equity interests accounted for, using the equity method	124	104	113	104	11		17		142	104	
Financial results	-1,168	-2,062	-647	-1,420	-521	-642	-5,751	-4,848	-6,919	-6,910	
Net profit before income taxes	886	504	1,454	1,406	-567	-902	11,545	360	12,431	864	

Property sales in the privatisation segment continued to increase during the 2014 short financial year, resulting in a positive income before income taxes in the amount of TEUR 886. As predicted, the sub-segment "Other trade" in the Trading segment barely contributes to the consolidated revenues any more. The sub-segment income is defined by the wind-up of the company's development and listed property activities.

The result for the Portfolio segment is essentially defined by reappraisals of the investment properties acquired during the 2014 short financial year (TEUR 18,846), and through a widening of the revenue base by acquiring a real estate portfolio of about 3,400 units for the Portfolio segment during the short financial year.

The general top-down costs of ACCENTRO Real Estate AG are allocated to the segments by way of intra-group allocations. Analogously, debt can be allocated to the segments because of the property- or portfolio-specific financing arrangements.

Depreciation and write-downs of property, plant and equipment and amortisation and write-downs of intangible assets and the changes in the value of investment property were attributable to the segments as follows in the financial year:

		Trading (total)		Portfolio		Group	
		Short FY 2014 2013/14		Short FY 2014 2013/14		Short FY 2014 2013/14	
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Depreciation and amortisation of property, plant and equipment		-19	-38	-16	-36	-35	-74
Depreciation and amortisation of intangible assets		-8	-16	-5	-10	-13	-26
Change in value of investment property				18,846	3,570	18,846	3,570

Segment assets, segment liabilities and segment investments were recognised as follows by 31 December 2014:

		Trading	Portfolio	Unallocated	Consolidation	Group
		TEUR	TEUR	TEUR	TEUR	TEUR
Segment assets		131,195	552,025	41,236	-323,328	401,128
Equity interests accounted for using the equity method		947	124	-	-3	1,068
Total segment assets		132,142	552,149	41,236	-323,332	402,196
Segment liabilities		87,557	415,434	105,684	-292,330	316,345
Segment investments		61,816	130,690	-	-	192,505

The figures for the previous year were as follows:

		Trading	Portfolio	Unallocated	Consolidation	Group
		TEUR	TEUR	TEUR	TEUR	TEUR
Segment assets		60,242	273,031	34,735	-128,096	239,912
Equity interests accounted for using the equity method		823	124	-	-	947
Total segment assets		61,065	273,155	34,735	-128,096	240,860
Segment liabilities		42,442	192,329	36,157	-106,545	164,384
Segment investments		30	3,192	1,532	-	4,754

Segment assets primarily relate to property, plant and equipment, investment property, inventories, receivables, and receivables from third parties and from the other segment. Goodwill is allocated to the Trading segment. Not allocated are equity interests, furniture, fixtures and equipment, as well as licences and concessions.

The segment liabilities include financial liabilities, operating liabilities, and the liabilities vis-à-vis the other segment. Not allocated are accounts payable from bonds, payables vis-à-vis ADLER Real Estate AG, trade payables, and other payables.

Segment investments include additions to property, plant and equipment and intangible assets (see sections 6.1.1 and 6.1.2) and investment property (see section 6.1.3).

■ 6 Supplementary Notes to the Individual Items of the Financial Statements

6.1 Statement of changes in non-current assets

Non-current assets have changed as follows in the short financial year beginning 1 July 2014 and ending 31 December 2014:

	Other intangible assets TEUR	Property, plant and equipment TEUR
Acquisition costs/costs of goods sold	172	686
Cumulative depreciation, amortisation and write-downs	120	482
Carrying amount as of 1 July 2014	52	204
Additions (+)	3	36
Disposals (-)	1	34
Depreciation, amortisation and write-downs (-)	13	35
Carrying amount as of 31 December 2014	41	171
Acquisition costs/costs of goods sold	174	721
Cumulative depreciation, amortisation and write-downs	133	517

Non-current assets have changed as follows in the financial year from 1 July 2013 to 30 June 2014:

	Other intangible assets TEUR	Property, plant and equipment TEUR
Acquisition costs/costs of goods sold	170	603
Cumulative depreciation, amortisation and write-downs	94	408
Carrying amount as of 1 July 2013	76	195
Additions (+)	2	84
Disposals (-)	0	1
Depreciation, amortisation and write-downs (-)	26	74
Carrying amount as of 30 June 2014	52	204
Acquisition costs/costs of goods sold	172	686
Cumulative depreciation, amortisation and write-downs	120	482

6.1.1 Intangible assets and goodwill

The table under section 6.1 shows the changes in other intangible assets over the past two years.

Goodwill is allocated to the Trading segment. The recoverable amount is determined for impairment testing by calculating the segment's value in use. The calculation is based on forecast cash flows derived from the five-year plan approved by the Management Board. The company's Management Board determined the budgeted cash flow for the detailed planning phase on the basis of favourable past events in the privatisation business and positive expectations regarding future market developments. These are based on the predicted development of sold or brokered residential units, the assumption being that – presupposing an upward learning curve in the Trading segment – the contribution to operating income per residential units will increase.

Another impairment test to determine the company's goodwill was conducted as of the balance sheet date of 31 December 2014, returning the following results:

	TEUR
Book value, CGU	29,754
Value in use, CGU	48,682
Surplus	18,928

The budgeted cash flows of the five-year plan were discounted using a weighted average cost of capital rate of 9.18% (previous year: 9.09%). This post-tax discount rate (pre-tax discount rate: 13.14%, previous year: 13.02%) reflects the specific risks of the Trading segment compared to the market portfolio. In order to factor in the risks associated with the future market development, a growth premium of 1.3% is assumed, as in the previous year, for the cash flows following the five-year period.

The sum total of the discounted cash flow results in a value in use worth TEUR 48,682 (previous year: TEUR 40,212), and shows a surplus on the carrying amount in an amount of TEUR 18,928. The increase of the value in use by TEUR 8,470 is essentially the result of having widened the privatisation portfolios by successfully acquiring around 900 units in October 2014. Given the high level of overcollateralization, we saw no need to identify any sensitivities.

Other intangible assets include EDP software and licences. Investments in intangible assets undertaken during the 2014 short financial year added up to TEUR 3. Their carrying amount as of the balance sheet date essentially represents a revaluation taking the write-downs into account. The disposal of intangible assets in the amount of TEUR 1 is attributable to the deconsolidation of J2P Real Estate AG.

6.1.2 Property, plant and equipment

Property, plant and equipment primarily consist of computer hardware, other office equipment and motor vehicles, and are carried at cost less cumulative depreciation and impairment. Depreciation is recognised on a straight-line basis, taking into account the residual value and applying the following useful lives:

- Computer hardware 3 years
- Other office equipment 8–13 years
- Motor vehicles 6 years

Property, plant and equipment acquired during the 2014 short financial year included computer hardware and other office equipment at a cost of TEUR 36. The additions are matched by disposals in the amount of TEUR 34 that resulted essentially from the sale of J2P Real Estate AG and its subsidiary J2P Service GmbH. The values of the other property, plant and equipment represent the amortised costs carried forward.

6.1.3 Investment property

Investment property developed as follows:

	Short FY 2014	2013/14
	TEUR	TEUR
Start of financial year	156,168	137,328
Additions*	128,496	15,670
Refurbishment	2,178	289
Disposals	-45,649	-400
Appreciation	22,138	4,650
Impairment	-5,470	-1,369
End of financial year	257,861	156,168

* The additions during the 2014 short financial year include down-payments and incidental acquisition costs toward investment properties in the amount of EUR 14,776 dating back to the 2013/14 financial year.

The total fair values of investment property were determined as a total of TEUR 257,861 (previous year: TEUR 156,168) by thirdparty experts as at the balance sheet date. These carrying amounts are encumbered with land charges as collateral for amounts due to banks.

The investment property includes 3 commercial properties (previous year: 10), 117 residential properties (previous year: 40), and 25 mixed-use properties (previous year: 2), which break down into 182 commercial units (previous year: 174) with a total floor area of 21,791 m² (previous year: 46,211 m²) and 5,268 flats (previous year: 2,425) with a total floor area of 357,334 m² (previous year: 154,473 m²).

The spectrum of the annual net rents per square-metre for commercial units ranged from EUR 3.36 to EUR 5.95 (previous year: EUR 2.65 to EUR 7.60), and for residential units ranged from EUR 0.00 to EUR 13.89 (previous year: EUR 3.70 to EUR 13.90). The ratio of management costs to market rent revenues ranges from 23.6 % to 36.5 % (previous year: 22.9 % to 58.3 %) for commercial properties, and from 14.6 % to 44.5 % (previous year: 14.6 % to 44.5 %) for residential and mixed-use properties. The discount interest rate for the valuation of the commercial properties covers a bracket of 7.3 % to 7.8 % (previous year: 7.0 % to 8.5 %), whereas the bracket for residential and mixed-use properties extends from 2.8 % to 8.0 % (previous

year: 2.8 % to 8.0 %). The property yield for the appraisal of the recently acquired real estate portfolios equals 6.5 % for the commercial properties, whereas the bracket for residential and mixed-use properties of the new real estate portfolios extends from 4.8 % to 7.0 %.

In addition to the change in value due to the remeasurement at fair value in the amount of TEUR 18,846 as of the end of the reporting period, the income statement also includes the following items relating to investment property:

	Short FY 2014	2013/14
	TEUR	TEUR
Rental income (revenues)	6,814	10,169
Cost of materials	-1,189	-3,834
Maintenance costs (material costs)	-3,251	-1,749

Out of the expenses, vacant investment property account for TEUR 371 (previous year: TEUR 729).

Definitive for the, relatively speaking, higher rental income during the six months of the 2014 short financial year is the sharply increased number of properties, which is essentially explained by the portfolio of 3,400 combination residential and commercial units acquired during Q2. On top of that, stepping up the refurbishment measures for properties located in Hof and Chemnitz has increased the upkeep costs.

Measurement approach

The calculation of the fair value of the investment property in the amount of TEUR 257,861 (previous year: TEUR 156,168) is based on the discounted cashflow method (DCF) for assets already added to the portfolio by 30 June 2014. Under this method, a property's cash operating surplus that is expected for a detailed planning period of ten years going forward was discounted using a market-consistent, property-specific capitalisation rate (discount rate) as of the measurement date of 1 April 2014. The cash operating surplus is in turn determined by juxtaposing the net rents likely to be collected with the management costs likely to be expended continuously by the owner, and with capital expenditures and void cost. The Management Board has conducted market- or property-related reviews (to the extent necessary) to verify whether valuations with the measurement date of 30 April 2014 could legitimately be used for the purpose of compiling the consolidated financial statements as of 31 December 2014. Since there were no major changes to the properties that would have necessitated a revaluation, and since the general market conditions have remained more or less unchanged, we abstained from conducting revaluations as of 31 December 2014.

At the end of the projected detailed planning period, the cash operating surplus discounted as of the measurement date for the eleventh year are used to calculate the residual value (terminal value) of the property asset. This latter value represents the price at which the property could most likely be disposed of within the framework of an orderly transaction among market participants at the end of a 10-year lifetime (at market conditions on the measurement date). In this context, the discounted net cash flows received for the tenth year are capitalized at the so-called capitalisation rate (exit rate) as a perpetual annuity. The sum total of the cash operating surplus and the discounted residual value equals the fair market value of the subject property.

Several parameters were applied to determine the discount interest rate for the real property assets already added to the portfolio by 30 June 2014: The discount interest rate is composed of a base rate and a risk premium. One and the same base rate was applied to all subject properties. The risk premium represents an interest rates reflecting the relevant sub-market, the type of use, and the quality. These assessments were made on the basis of information sourced from current market data and official documents as well as from information provided by the property valuation committee. The risk premium varies from one property to the next.

The valuation as of 30 June 2014 of the real estate portfolio acquired during the 2014 short financial year was done using the income capitalisation method. This valuation method is elaborated in detail in section 2.6.

All of the properties to be appraised at fair value were appraised at their investment value (net value). The valuation of the portfolio properties were based on the following assumptions:

Residential and commercial buildings		Short FY 2014		2013/14	
Current net rental income (in TEUR)		17,678		8,828	
Current vacancy rate		16.5 %		10.0 %	
	Average	Spread	Average	Spread	
Net rental income to market rent	80.8 %	14.3 %–104.1 %	74.5 %	5.2 %–104.1 %	
Management costs	26.3 %	14.6 %–44.5 %	22.7 %	14.6 %–44.5 %	
Maintenance costs (in EUR/m ²)	9.66	6.00–20.00	9.3	7.50–77.14	
Administrative overhead (in EUR/m ²)	4.2	0.99–13.33	4.8	0.99–38.57	
Discount interest rate (property yield)	6.3 % (5.7 %)	2.8 %–8 % (4.8 %–7.0 %)	6.5 %	2.8 %–8.5 %	

Commercial real estate		Short FY 2014		2013/14	
Current net rental income (in TEUR)		101		2,111	
Current vacancy rate		44.5 %		28.6 %	
	Average	Spread	Average	Spread	
Net rental income to market rent	53.7 %	27.6 %–68.9 %	86.3 %	43.1 %–180.9 %	
Management costs	26.7 %	23.6 %–36.5 %	33.6 %	22.9 %–58.3 %	
Maintenance costs (in EUR/m ²)	9.28	6.75–10.00	9.5	7.50–10.25	
Administrative overhead (in EUR/m ²)	2.5	1.11–3.18	2.3	1.44–3.25	
Discount interest rate (property yield)	7.5 % (6.5 %)	7.3 %–7.8 % (6.5 %)	7.5 %	7.0 %–8.5 %	

The assumptions used to appraise the portfolio properties were defined by the independent surveyor on the strength of the surveyor's own professional experience of many years. All valuations commissioned by the Group are subject to the rules and regulations of the Royal Institution of Chartered Surveyors (RICS). Additional information not yet available by the measurement date could cause the risk premium assessments to be higher or lower, as the case may be. If the capitalisation rate (discount interest rate and property yield) on which the calculation of the fair value is based had been increased by 0.5 percentage points, the market

value as of the end of the reporting period would have been TEUR 238,384 (previous year: TEUR 143,035). Inversely, if the interest rate had been lowered by 0.5 percentage points, the market value would have been TEUR 280,654 (previous year: TEUR 171,385).

The assumptions concerning the net rental income expected for the entire detailed planning period are also subject to uncertainties because both the macro-environment and the micro-environment of the real property appraised is subject to change going forward. If the headline rent underlying the measurement of the fair value had been 10 % lower, this would have resulted in a total market value of TEUR 229,407 by the measurement date (previous year: TEUR 138,585). Inversely, if the headline rent had been raised by 10 %, it would have resulted in a total market value of TEUR 287,489 (previous year: TEUR 173,350).

Reconciliation accounts

The reconciliation accounts below list the development of the portfolio properties that were recognised at fair value and belong in the level 3 of the fair value hierarchy:

Reconciliation accounts	1 July 2014	Addition	Disposal	Valuation result*	31 Dec. 2014
	TEUR	TEUR	TEUR	TEUR	TEUR
Residential and commercial buildings	129,775	128,310	20,839	18,846	256,092
Commercial real estate	26,393	186	24,810	0	1,769
Total	156,168	128,496	45,649	18,846	257,861

* The valuation result takes into account refurbishment work in the amount of TEUR 2,178 done on the properties at Bernsdorfer Str., Aachener Str., and Fabrikzeile.

The major part of the valuation result reflects the appraisal of the real estate portfolio under liquidation that was acquired.

During the 2014 short financial year, the real properties were not reclassified among the measurement levels. Accordingly, no investment property was added to, or withdrawn from, Level 3.

The changes in fair value recognised in income are attributable to the revaluation of the investment properties, all of which were still part of the portfolio by 31 December 2014.

6.1.4 Subsidiaries with substantial but non-controlling interests

The table below contains detailed information on subsidiaries of ACCENTRO Real Estate AG in which third parties hold significant but non-controlling interests:

Name	Capital share of the non- controlling interests in % (proportion of voting rights, in %)	Consolidated income representing non-controlling interests	Book value of the non- controlling interests as of 31 Dec. 2014	Dividends paid out to the non- controlling in- terests during the reporting period
	%	TEUR	TEUR	TEUR
Phoenix F1 Neubranden- burgstrasse GmbH	5.9	3	321	–
Uhlandstraße 79 Immobilien GmbH	50 – 1 vote	48	68	–
RELDA Bernau Wohnen Verwaltungs GmbH (formerly ESTAVIS Bernau Wohnen GmbH & Co. KG)	6	1	242	–

Listed below are the summarised financial details of subsidiaries in which ACCENTRO Real Estate AG holds substantial but non-controlling interests as of 31 December 2014 and as of 30 June 2014.

	31 December 2014			30 June 2014
	Phoenix F1 Neu- brandenburgstrasse GmbH	Uhlandstraße 79 Immobilien GmbH	RELDA Bernau Wohnen Verwal- tungs GmbH (formerly ESTAVIS Bernau Wohnen GmbH & Co. KG)	RELDA Bernau Wohnen Verwal- tungs GmbH (formerly ESTAVIS Bernau Wohnen GmbH & Co. KG)
	TEUR	TEUR	TEUR	TEUR
Total of current assets	16,732	7,276	2,437	630
Total of non-current assets	9	146	12,400	12,400
Total of current liabilities	10,154	1,516	10,506	2,193
Total of non-current liabilities	0	5,693	279	6,807
Earnings/revenues	279	180	421	771
Annual net income/net loss	53	–96	22	354
thereof attributable to the shareholders of ACCENTRO Real Estate AG	50	–48	21	333
thereof attributable to the non-controlling interests	3	–48	1	21

6.1.5 Equity interests accounted for using the equity method

The equity interests accounted for using the equity method performed as follows:

	Short FY 2014	2013/14
	TEUR	TEUR
Start of financial year	947	831
Additions	0	15
Disposals	3	0
Shares in gains and losses	124	101
End of financial year	1,068	947

The section below lists the summarised financial information for the associates and joint ventures of significance for ACCENTRO Real Estate AG along with a reconciliation to the book value of the interest held by ACCENTRO Real Estate AG as of 31 December 2014 and 30 June 2014, appraised according to the equity method:

31 December 2014	Malplaquetstr. 23 Grundstücks- verwaltungs- gesellschaft mbH	SIAG Sechzehnte Wohnen GmbH & Co. KG	Wohneigentum Berlin GbR (joint venture)
	TEUR	TEUR	TEUR
Earnings/revenues	1,112	0	6,479
Profit/loss for the year, overall performance	80	0	574
Total of current assets	1,931	373	13,677
Total of non-current assets	0	0	0
Total of current liabilities	1,879	161	1,424
Total of non-current liabilities	0	0	7,750
Net assets of the associates	52	212	4,503
ACCENTRO Real Estate AG's interest in net assets of the associate	50 %	50 %	33.33 %
Book value of ACCENTRO Real Es- tate AG's interest, appraised using the equity method	16	121	931

30 June 2014	Malplaquetstr. 23 Grundstücks- verwaltungs- gesellschaft mbH	SIAG Sechzehnte Wohnen GmbH & Co. KG	Wohneigentum Berlin GbR (joint venture)
	TEUR	TEUR	TEUR
Earnings/revenues	184	0	466
Overall performance	-82	-1	245
Total of current assets	2,609	373	15,253
Total of non-current assets	0	0	0
Total of current liabilities	1,055	158	905
Total of non-current liabilities	1,655	0	10,127
Net assets of the associates	-101	215	4,221
ACCENTRO Real Estate AG's interest in net assets of the associate	50%	50%	33.33 %
Book value of ACCENTRO Real Estate AG's interest, appraised using the equity method	0	121	823

For the risks and constraints to which ACCENTRO Real Estate AG is exposed by each of the associates and joint ventures, please see the elaborations in section 6.22.

6.1.6 Equity investments

The equity investments represent an interest of 5.1 % in the company Immeo Berlin C GmbH (formerly CITEC Immo Deutschland GmbH) with a book value of TEUR 1,175 that matches the initial costs. The revenues earned from these during the 2014 short financial year added up to TEUR 18.

6.2 Inventory properties

The company's inventory include ready-for-sale properties and down-payments for such properties. The item breaks down as follows:

	31 Dec. 2014	30 June 2014
	TEUR	TEUR
Ready-for-sale properties	75,897	17,100
Advanced payments	0	1
Total	75,897	17,101

Properties are carried at cost, including accrued renovation costs. There was no income from reversals of impairments for properties held as inventory assets. The properties reported as inventories serve as collateral for financial liabilities.

Inventory properties with a carrying value of TEUR 42,565 (previous year: TEUR 8,613) are expected to be sold after more than twelve months.

6.3 Trade receivables and other receivables

Trade receivables essentially break down into purchase prices of the companies sold during the second quarter of the short financial year and into rent receivables. The development of trade receivables is shown in the following table:

	31 Dec. 2014 TEUR	30 June 2014 TEUR
Trade receivables (gross)	21,506	4,838
Allowances	-274	-1,805
Trade receivables (net)	21,232	3,033

The table below lists the trade receivables by maturity:

	31 Dec. 2014 TEUR	30 June 2014 TEUR
Trade receivables	21,232	3,033
thereof neither impaired as of the reporting date nor overdue	19,239	126
of which not impaired as at the end of the reporting period and past due up to 30 days	488	280
of which not impaired as at the end of the reporting period and past due between 31 and 60 days	161	86
of which not impaired as at the end of the reporting period and past due between 61 and 90 days	408	1,059
of which not impaired as at the end of the reporting period and past due between 91 and 180 days	422	77
of which not impaired as at the end of the reporting period and past due between 181 and 360 days	263	162
of which not impaired as at the end of the reporting period and past due more than 360 days	109	1,030
Net value of written-down trade receivables	142	213

The receivables past due but not yet impaired largely represent largely accounts receivable from the listed properties sold, and are explained by purchase price retentions.

	Short FY 2014 OOA*	2013/14 OOA*
	TEUR	TEUR
As of 1 July	1,805	1,230
Change in consolidated group	-216	-49
Additions (write-downs)	201	721
Reclassified with the allowances for miscellaneous receivables	-254	0
Reversals	-	-97
Derecognition	-1,262	-
As of 31 December / 30 June	274	1,805

* OOA: one-off allowance

The miscellaneous receivables and other assets include:

	31 Dec. 2014	30 June 2014
	TEUR	TEUR
Restricted-use cash in banks	6,380	3,723
Receivables from operating costs not yet invoiced	5,860	7,978
Receivables from investment companies	419	449
Receivables from advance commission payments	53	96
Miscellaneous other receivables	6,461	10,570
Total	19,173	22,816

The receivables from advance commission payments result from commission payments already disbursed for retail sales yet to be realised. The receivables from investment companies are associable with a loan granted to the Malplaquetstr. 23 Grundstücksverwaltungsgesellschaft mbH. The receivables from operating costs not yet recovered involve claims from utility companies arising from recoverable, but not yet invoiced, service charges. The restricted cash in banks may only be drawn upon to repay certain short-term financial debt or to pay for upcoming maintenance measures, and are therefore not recognised among the liquid assets but among miscellaneous receivables.

The other miscellaneous receivables add up to TEUR 6,461 (previous year: TEUR 10,570). They include a sales tax receivable from the inland revenue office in the amount of TEUR 3,086 (previous year: TEUR 3,102), representing a tax reclaim in connection with the latest tax law rulings concerning developer projects and the area of governance subject to section 13b, Turnover Tax Act (UStG). These accounts receivable are matched by accounts payable in the amount of TEUR 3,086. With a view to the provisions of the German Annual Tax Act 2014, ACCENTRO Real Estate AG assumes that the inland revenue authorities will request corrected invoices from former suppliers. The other miscellaneous receivables also include accounts receivable in the amount of TEUR 2,061 from a shareholder loan in connection with the sale of J2P Real Estate AG to ADLER Real Estate AG. Other receivables are subject to allowances in the amount of TEUR 660. The impairments undertaken the previous year in an amount of TEUR 389 were derecognised.

The other receivables are of short-term character because they predominantly arise from contractual relationships that will be settled within a year.

6.4 Cash and cash equivalents

Cash and cash equivalents are primarily composed of small amounts of cash and bank balances predominantly held at call.

6.5 Equity capital

As of the balance sheet date, the issued capital of ACCENTRO Real Estate AG was TEUR 24,436, representing 24,436,464 fully paid in no-par value shares with an imputed share in the share capital of EUR 1.00 each. At the start of the 2014 short financial year, the share capital amounted to EUR 23,338,817 and increased during the reporting period when the conversion rights from two convertible bonds issued by ACCENTRO Real Estate AG were exercised.

During the financial year concluded, the company's subscribed capital was increased several times through the conversion of convertible bonds in a total amount of TEUR 1,098. For details, please see the elaborations on the contingent capital.

ACCENTRO Real Estate AG did not buy back any of its own shares during the financial year.

The capital reserves result from amounts paid in the past in capital increases exceeding the amount of issued capital less the capital-raising costs after taxes. The additional paid-in capital increased by an amount of TEUR 1,130 during the short financial year as a result of conversion rights were exercised.

The retained earnings includes the Group's net income up to the balance sheet date that was not distributed.

The composition of and changes in equity are shown in the statement of changes in equity.

Contingent Capital and Authorised Capital

Based on the resolutions of the Annual General Meetings of past years, the following contingent capital and authorised capital is available:

Contingent Capital

Contingent Capital 2014 (Redemption of Convertible Bonds)

A resolution passed by the Annual General Meeting on 27 February 2013 authorised the Management Board, subject to the Supervisory Board's approval, to issue – up to and including 26 February 2018 – one or more convertible bonds and/or warrant bonds with or without conversion or pre-emptive rights in an aggregate minimal amount of up to EUR 200,000,000.00 with a maximum maturity of 20 years, and to grant the bearers of these debenture bonds conversion or pre-emptive rights for up to 25,000,000 no-par value bearer shares in the company, equal to a proportionate share in the share capital in a total amount of EUR 25,000,000.00. The authorisation by the Annual General Meeting of 13 December 2010, as amended by the resolution of the Annual General Meeting on 9 December 2011, the authorisation by the Annual General Meeting of 16 February 2010, as well as the authorisation by the Annual General Meeting of 20 February 2009, concerning the issuance of convertible bonds, warrant bonds and/or participation rights were repealed, to the extent that these had not been exercised yet, through a resolution by the Annual General Meeting on 27 February 2013. Pursuant to a resolution passed by the Annual General Meeting on 10 January 2014, the share capital was conditionally increased by up to EUR 4,136,631 through the issue of up to 4,136,631 new no-par value bearer shares in order to redeem the conversion and pre-emptive rights arising from these debenture bonds (Contingent Capital 2014).

In March 2014, the company issued convertible bonds in a nominal volume of EUR 15,000,000. The exercise period for the conversion right commenced on 1 July 2014.

As a result of the conditional capital increase by up to EUR 4,136,631.00 as resolved by the Annual General Meeting of 10 January 2014 under agenda item 7, a total of 4,094 new non-par bearer shares from the aforesaid contingent capital were issued by converting 4,094 pieces of the 2014/2019 convertible bond as of 31 December 2014.

A resolution by the Annual General Meeting of 27 November 2014 restructured the Contingent Capital 2014 as follows: The share capital has been conditionally increased by up to EUR 10,517,103.00 through the issuance of up to 10,517,103 new no-par value bearer shares (Contingent Capital 2014). The conditional capital increase will go ahead only to the extent that (I.) the bearers of convertible and/or option bonds and/or profit participation certificates with conversion or pre-emption rights issued by the company or its subordinate Group companies on the basis of the authorisation resolution by the Annual General Meeting on 27 February 2013 exercise their conversion or pre-emption rights and the company decides to serve the conversion or pre-emption rights from this contingent capital, or (II.) the bearers of convertible and/or option bonds and/or profit participation certificates with conversion or pre-emption rights with a conversion obligation issued by the company or its subordinate Group companies on the basis of the authorisation resolution by the Annual General Meeting on 27 February 2013 meet their obligations and the company decides to serve the conversion or pre-emption rights from this contingent capital. The share issuance shall proceed in line with the provisions of the authorisation resolution by the Annual General Meeting of 27 February 2013, i. e. in particular at a price equal to no less than 80 % of the average stock market price of the company shares in the opening auction in Xetra trading (or a successor system) on the last ten (10) trading days before the resolution by the Management Board to issue the respective bonds, taking into account adjustments pursuant to the dilution protection regulations of the resolution by the Annual General Meeting of 27 February 2013 under agenda item 8 lit. g).

The Supervisory Board is authorised to amend the Articles of Association in their effective version to reflect the respective scope of the share capital increase through the Contingent Capital 2014.

Contingent Capital 2013/II (Redemption of Stock Options)

The Contingent Capital 2013/II was created for the purpose of settling stock options that were issued on the basis of the authorisation by the Annual General Meeting on 27 February 2013 for the period ending on 26 February 2016. Accordingly, the company's share capital was conditionally increased on the basis of the authorisation resolution by the Annual General Meeting of 27 February 2013 by up to EUR 1,400,000.00 against the issue of up to 1,400,000 no-par value bearer shares (Contingent Capital 2013/II). The conditional capital increase will go ahead only if bearers of the issued options exercise their right to subscribe shares of the company, and if the company draws on the Contingent Capital 2013/II to settle these options. Shares from the Contingent Capital 2013/II are issued at their issue price, as defined in the authorisation. So far, the Management Board has not taken advantage of the aforesaid authorisation.

Contingent Capital 2010 (Redemption of Convertible Bonds)

Moreover, the share capital has been conditionally increased by up to EUR 3,579,838.00 against the issue of up to 3,579,838 no-par value bearer shares (Contingent Capital 2010). The purpose of the capital increase is the conversion of the convertible bond issued on 30 May 2012. The shares are issued in accordance with the requirements defined in the Management Board's resolution of 30 May 2012, i. e. specifically at an issue price of EUR 2.40 with the adjustments according to the requirements of said board resolution taken into account for the sake of dilution protection.

The conditional capital increase by up to EUR 3,579,838.00 as resolved by the Annual General Meeting of 16 February 2010 under agenda item 8 (adjusted by the Annual General Meeting of 27 February 2013 under agenda item 7) resulted in the issuance of altogether 3,296,135 new no-par value shares from the aforesaid contingent capital, the total breaking down into

2,202,582 new no-par value shares issued as of 30 June 2014 by converting 1,914,646 pieces of the 2012/2017 convertible bond, into 1,081,936 new no-par value shares issued in July 2014 by converting 940,499 pieces of the 2012/2017 convertible bond, and into 11,617 new no-par value shares issued in August 2014 by converting another 11,617 pieces of the 2012/2017 convertible bond.

Authorised Capital

Authorised Capital 2014

Moreover, the Management Board has been authorised by the resolution of the Annual General Meetings of 10 January 2014, to increase, subject to the approval by the Supervisory Board, the share capital of the company by a maximum of EUR 9,116,469 by issuing once or more than once up to 9,116,469 new no-par value bearer shares in exchange for non-cash or cash contributions on one or more occasions up to and including 9 January 2019 (Authorised Capital 2014). Subject to the conditions set forth in the Group Management Report, shareholders were granted pre-emptive rights. Following partial use of the authorisation, the Authorised Capital 2014/II was reduced to EUR 8,019,065 by 27 November 2014.

A resolution by the Annual General Meeting on 27 November 2014 dissolved the Authorised Capital 2014 created on 10 January 2014, and replaced it with the Authorised Capital 2014/II.

Authorised Capital 2014/II

The Management Board was authorised by resolution by the Annual General Meeting of 27 November 2014 to increase, subject to the approval by the Supervisory Board, the share capital of the company by up to EUR 12,212,423.00 by issuing, on one or several occasions, up to 12,212,423 new no-par value bearer shares in exchange for non-cash and/or cash contributions up to and including 26 November 2019 (Authorised Capital 2014/II). The Management Board is moreover authorised to exclude the shareholders subscription rights wholly or in part, subject to the Supervisory Board's approval.

6.6 Financial liabilities

The following table shows the company's current and non-current financial liabilities:

	31 Dec. 2014 TEUR	30 June 2014 TEUR
Non-current financial liabilities		
Liabilities to banks	190,152	66,472
Bond liabilities	21,463	11,150
Shareholder loans	34,194	5,006
Total non-current financial liabilities	245,809	82,628
Current financial liabilities		
Liabilities to banks	36,434	28,079
Bond liabilities	166	12,923
Total current financial liabilities	36,600	41,002
Total financial liabilities	282,409	123. 630

Liabilities to banks

The carrying amount of non-current financial liabilities to banks can be broken down into parts of loans with a remaining term of between one and five years (TEUR 71,588; previous year: TEUR 52,295) and those with a remaining term of more than five years (TEUR 118,594; previous year: TEUR 14,177).

The growth in long-term payables to banks in the amount of TEUR 123,680 was essentially caused, in addition to converse reclassification effects, by the issuance of two promissory note loans in a total amount of TEUR 126,500. The senior promissory note loan signed on 28 October 2014 in a nominal amount of TEUR 86,500 draws an annual interest of 3.75 % over a 10-year term. The junior promissory note loan with an aggregate par value of TEUR 40,000 that also signed on 28 October 2014 is divided into debenture bonds of EUR 100,000 each. The junior promissory note loan draws an annual interest of 7.00 % and is repaid at 2.00 %. The maturity of the junior promissory note loan is 10 years. The promissory note loans are collateralised primarily with senior and junior, respectively, mortgage liens in the portfolio properties financed and with pledges of rental claims, bank accounts and shares.

Another long-term loan over an amount of TEUR 38,000 was taken out from a bank for the purpose of partially refinancing the real estate portfolios earmarked for privatisation. The loan will mature on 30 September 2019. The loan agreement stipulates a minimum payment rate of 4% p. a. and mandatory prepayment provisions that will come into play most notably in the event that the financed properties are sold. Interest is based on the EURIBOR plus margin. The loans are collateralised with industry-standard securities.

The current financial liabilities to banks include payments in the form of periodic repayments and prepayments of existing loan facilities that are due over the next twelve months.

Bond liabilities

On 5 March 2014, the company issued 6,000,000 convertible bonds with a par value of EUR 2.50 each (2014/2019 convertible bond). The original par value of the bearer bonds was TEUR 15,000. The convertible bond draws an interest of 6.25 % and will mature on 27 March 2019. The company bought back 600,000 bonds by 31 December 2014, and converted 4,094 bonds into shares. Out of the carrying amount of the bond liabilities, the 2014/2019 convertible bond with a remaining term of 4 years accounts for TEUR 11,345 (previous year: TEUR 11,150).

The 2012/2017 convertible bond which will mature on 25 June 2017 has a book value of TEUR 668 (previous year: TEUR 2,935). The convertible bond of 3,579,838 pieces with a par value of EUR 2.40 each that was issued on 25 June 2012 draws an interest of 7.75 %. The par value of the convertible bond amounted to TEUR 8,592. As of 31 December 2014, the company had bought back 432,348 bonds and converted 2,866,750 bonds, leaving 280,740 bonds outstanding. The current financial liabilities include outstanding interest on bonds in the amount of TEUR 166.

In addition, the bond liabilities include a corporate bond with a five-year maturity in a volume of EUR 10 million that was placed in November 2013. The bond has a denomination of EUR 1,000.00 per bond. The interest rate paid for the loan is 9,25 %. The bond will mature on 14 November 2018, and is fully recognised in the non-current financial liabilities. The bond has a book value of TEUR 9,449.

Shareholder loans

ACCENTRO Real Estate AG was granted a long-term shareholder loan in the amount of TEUR 34,194 (previous year: TEUR 5,006) by its majority shareholder ADLER Real Estate AG, the loan being earmarked for the real estate portfolios acquired during the year under review. Bullet maturity for the loan is 31 March 2016. The loan originally had an interest rate of 9.25 % p.a., that dropped to 6.25 % p.a. as of 1 October 2014. The shareholder loan is subject to a waiver of priority and collateralised through hypothecation of the shares in the company ESTAVIS Berlin Hohenschönhausen GmbH.

Securities and Financial Covenants

Liabilities to banks are secured by the property stock in a carrying amount of TEUR 257,861 (previous year: TEUR 156,168) for which they were incurred, and by the rent and sale receivables resulting from them. The financing arrangements for the property held as inventories are moreover collateralised over an amount of TEUR 75,897 (previous year: TEUR 17,100). There are also restricted cash assets in the amount of TEUR 6,380.

In addition, financial liabilities worth TEUR 207,352 are subject to contractual covenants to maintain certain financial benchmarks (financial covenants) so as to continue to qualify for the loans. Depending on the type of leveraged property, the benchmarks to be maintained include a debt service coverage ratio (DSCR) between 101 % and 130 %, an interest coverage ratio (ICR) of at least 2.30 or 1.14, respectively, and a loan-to-value (LTV) ratio between 65 % and 80 % or a loan-to-land-charge lending value (LTMLV) of 57.5 % or less. Certain loan facilities stipulate a minimum scope of mandatory reinstatement work. If the reinstatement measures agreed in the loan facilities are not performed, a cash provision over an amount corresponding to the expenses of the reinstatement work must be deposited in restricted accounts.

Interest expenses

For payables to banks and non-bank lenders, interest expenses recognised in income and other expenses in a total amount of TEUR 5,236 (previous year: TEUR 4,635) were incurred, while the bonds caused another TEUR 1,199 (previous year: TEUR 2,333) in interest expenses recognised in income and other expenses. The interest expense was matched by TEUR 118 in interest earned.

6.7 Provisions

Provisions developed as follows during the 2014 short financial year:

Provisions	1 July 2014	Consumed	Dissolved	Added	31 Dec. 2014
	TEUR	TEUR	TEUR	TEUR	TEUR
Provision for warranty obligations	10	0	0	0	10
Provisions for payroll costs	592	356	197	338	377
Provision for miscellaneous costs	651	367	99	1,494	1,679
Provision for record-keeping obligations	75	2	43	0	30
Total	1,328	725	339	1,832	2,096

The provisions for payroll costs that existed as of 30 June 2014 concerned the outstanding remuneration of one former member of the Management Board that was consumed during the 2014 short financial year as a result of an out-of-court settlement. A new provision formed toward the payroll costs concerns essentially the claim to remuneration by a former Member of the Management Board in the amount of TEUR 280.

Provisions for miscellaneous costs consist essentially of provisions for building work yet to be completed in the amount of TEUR 643, provisions for bonus payment in the amount of TEUR 516, and provisions for tenant compensations within the framework of privatisation efforts in the amount of TEUR 201. Earmarked provisions for miscellaneous costs moreover include provisions against legal costs in the amount of TEUR 144 (previous year: TEUR 94).

Other provisions with a carrying amount of TEUR 2,065 (previous year: TEUR 1,328) are expected to result in a cash outflow during the coming twelve months.

The other provisions are appraised in an amount that would have to be paid, according to reasonable assumptions, to settle the obligation by the balance sheet date or would have to be paid at the time of transfer if the obligation is transferred to a third-party. Risks and uncertainties are taken into account by applying adequate appraisal methods while also considering the probability of occurrence.

During the previous year of 2013/14, the provisions developed as follows:

	1 July 2013 TEUR	Consumed TEUR	Dissolved TEUR	Added TEUR	30 June 2014 TEUR
Provision for outstanding construction work	1,801	1,108	693	0	0
Provision for rental guarantees	67	67	0	0	0
Provision for warranty obligations	13	0	3	0	10
Provisions for payroll costs	558	525	19	578	592
Provision for miscellaneous costs	462	444	18	651	651
Provision for record-keeping obligations	106	0	34	3	75
Total	3,007	2,144	767	1,232	1,328

6.8 Trade payables and liabilities, down-payments received, and other liabilities

The development of trade payables as well as of other liabilities is listed in the following table:

	31 Dec. 2014	30 June 2014
	TEUR	TEUR
Trade payables	3,147	16,116
Down payments received	9,084	7,008
Liabilities to related parties	272	273
Miscellaneous other liabilities	8,115	9,437
Total	20,618	32,834

The drop in trade payables during the reporting period is attributable to the payment of the outstanding purchase price in the amount of TEUR 9,450 toward the addition of the Germany-One portfolio.

The down-payments received break down into operating costs not yet invoiced in the amount of TEUR 6,240 (previous year: TEUR 6,433) and down-payment for plots available for sale in the amount of TEUR 2,844 (previous year: TEUR 576).

The miscellaneous other liabilities add up to TEUR 8,115. They include, inter alia, accounts payable from the accounting and auditing costs in the amount of TEUR 499 and accounts payable from sureties in the amount of TEUR 1,815, along with liabilities in the amount of TEUR 3,086 associable with the recognition of a sales tax receivable from the inland revenue office in the same amount of TEUR 3,086 (previous year: TEUR 3,102), representing a tax reclaim in connection with the latest tax law rulings concerning developer projects and the area of governance subject to section 13b, Turnover Tax Act (UStG). With a view to the provisions of the German Annual Tax Act 2014, ACCENTRO Real Estate AG assumes that the inland revenue authorities will request corrected invoices from former suppliers.

6.9 Current income tax liabilities

The current income tax liabilities include corporation tax liabilities in the amount of TEUR 1,245 (previous year: TEUR 1,190) and trade tax liabilities in the amount of TEUR 117 (previous year: TEUR 342).

6.10 Deferred taxes

The balance sheet contains the following deferred tax items:

	31 Dec. 2014	30 June 2014
	TEUR	TEUR
Deferred tax assets	0	0
Deferred tax liabilities	9,859	5,058

Deferred taxes developed as follows:

	Short FY 2014	2013/14
	TEUR	TEUR
Deferred tax liabilities	-5,058	-2,098
Deferred tax assets	0	1,377
Balance of deferred taxes at start of financial year	-5,058	-722
Expense (-)/income (+) reported under tax expense	-5,460	-4,054
Additions from the acquisition of property vehicles	0	-282
Disposals from the sale of property vehicles (included in other operating expenses)	659	0
Balance of deferred taxes at end of financial year	-9,859	-5,058
Deferred tax liabilities	11,086	5,058
Deferred tax assets	1,227	0

The deferred taxes break down as follows:

	Differences relating to investment property	Differences relating to property held as inventories	Differences relating to other receivables	Differences relating to other item	Differences relating to loss carry- forwards	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
30 June 2014 (prior to closing) – deferred tax liabilities	4,621	2	29	456	0	5,108
30 June 2014 (prior to closing) – latent tax assets	0	0	0	0	50	50
30 June 2014 (after closing)						5,058
Amounts recognised under tax expense	4,734	-902	-28	2,280	-624	5,460
Amounts recognised under shareholders' equity	0	0	0	0	0	0
Disposal from the sale of property vehicles (recognised among other operating ex- penses)	-36	931	-1	-1,554	0	-659
31 December 2014 (prior to closing) – deferred tax liabilities	-9,320	-36	0	-1,730		-11,086
31 December 2014 (prior to closing) – latent tax assets	1	6	0	546	674	1,227
31 December 2014 (after closing)						-9,859

The deferred tax liabilities result essentially from deviations between tax valuations and IFRS-based valuations of investment properties.

Deferred tax assets from tax loss carryforwards are carried at the amount of future taxable profit that is expected to be required to realise the corresponding tax benefits. The deferred tax assets from tax loss carryforwards relate essentially to ACCENTRO Real Estate AG; ESTAVIS 5. Wohnen GmbH; ESTAVIS 6. Wohnen GmbH, ESTAVIS 7. Wohnen GmbH, and Uhlandstraße 79 Immobilien GmbH.

No deferred tax liabilities were recognised on outside basis differences in the amount of TEUR 963 (previous year: TEUR 1,524) as the Group controls the reversal of the difference and does not intend to realise the reversal in the foreseeable future.

6.11 Revenues

	Short FY 2014	2013/14
	TEUR	TEUR
Property trading	12,758	11,753
Revenues from transactions fees	1,504	5,494
Rental income from investment property	6,905	9,981
Rental income from properties held as inventories	1,143	754
Other revenues	700	504
Total	23,010	28,486

A drilldown of revenue sources was retroactively added to the revenues in the consolidated income statement in order to enhance transparency. Moreover, the proceeds from investment property sales were integrated into the revenues.

Revenues from property trading increased in the 2014 short financial year after some of the properties from the Germany-One portfolio were sold off. Inversely, the revenue from transaction fees plunged due to the reduced sales volume generated by the service contract between Accentro GmbH and GSW AG. The rental income increased when both the Portfolio segment and the Privatisation segment expanded after the acquisition of a portfolio of around 4,300 units that was successfully concluded in October 2014.

6.12 Cost of materials

	Short FY 2014	2013/14
	TEUR	TEUR
Acquisition costs for properties sold and construction costs	10,616	9,757
Services contracted for brokerage transactions	1,073	3,026
Management costs of investment property	4,140	3,978
Management costs of inventory properties	592	176
Expenses from sales of investment properties	667	504
Total	17,088	17,441

The increased turnover in the Trading segment is also reflected in the initial costs of the properties sold and in the construction costs. At the same time, the reduced volume in the brokerage segment caused the value of contracted services to drop to TEUR 1,073.

As a result of the acquisition of a portfolio of around 4,300 units, the management costs of the investment properties rose in sync with the rental income to TEUR 4,140 while the management costs for the properties held as inventory assets climbed to TEUR 592.

6.13 Staff costs

The Group employed an average of 42 people (previous year: 40) during the short financial year. Out of this workforce, 3 staff (previous year: 4 staff) were in marginal employment, while all other were full-time employees. The total payroll and benefit costs break down as follows:

	Short FY 2014	2013/14
	TEUR	TEUR
Salaries and other benefits	1,891	2,992
Employer contributions to statutory social insurance	127	255
Total	2,018	3,247

Employer contributions to statutory social insurance included contributions to statutory pension insurance in the amount of TEUR 58 (previous year: TEUR 131).

6.14 Impairments of inventories and accounts receivable

The impairments of inventories and receivables in the amount of TEUR 2,378 (previous year: TEUR 1,899) that were retroactively posted as separate item include allowances for rent receivables in the amount of TEUR 1,069 (previous year: TEUR 411) and impairment allowances for other receivables and assets in the amount of TEUR 1,309 (previous year: TEUR 1,488). Last year, this item was recognised among the other operating expenses.

6.15 Other operating income and expenses

Other operating income can be broken down as follows:

	Short FY 2014	2013/14
	TEUR	TEUR
Income from the dissolution of allowances	1,411	210
Revenues from the dissolution of provisions	339	767
Miscellaneous other operating income	1,350	5,096
Total	3,100	6,073

Other operating expenses can be broken down as follows:

	Short FY 2014	2013/14
	TEUR	TEUR
Legal and professional fees	1,281	1,525
Provision for expenses generated by properties already sold	643	0
Expenses for compiling and auditing the financial statements	456	536
Information, advertising and entertaining expenses	388	571
Rental expenses	127	294
Miscellaneous other operating expenses	947	4,890
Total	3,842	7,816

The other operating expenses in the amount of TEUR 3,842 include advisory costs for general advisory services in the amount of TEUR 1,281. They break down essentially into advisory services concerning taxes, capital market transactions, legal, and general strategic issues.

In addition, the remaining other operating expenses include essentially an addition to provisions toward expenses yet to arise for properties already sold in the amount of TEUR 643, rental expenses in the amount of TEUR 127 (previous year: TEUR 294) for the business premises of the company, expenses for compiling and auditing the financial statements in the amount of TEUR 456 (previous year: TEUR 536), and expenses for information, advertising and entertaining expenses in the amount of TEUR 388 (previous year: TEUR 571).

6.16 Valuation result for investment properties

This item includes the profits and losses from the valuation of the investment properties at fair value. For more details, please see the elaborations under section 6.1.3.

6.17 Income tax

The income tax expense reported in the income statement consists of current and deferred taxes as follows:

	Short FY 2014	2013/14
	TEUR	TEUR
Current income tax expense	-99	4
Deferred income tax expense	5,460	4,029
Total	5,361	4,033

The current income tax expense/income includes TEUR 293 for prior years.

The reported tax expense differs from the theoretical amount calculated by applying the company's average income tax rate to its earnings before taxes:

Tax reconciliation		
	Short FY 2014	2013/14
	TEUR	TEUR
Pre-tax profit	12,431	864
Taxes calculated on the basis of the parent's income tax rate	3,751	261
Effect of:		
differences in tax rates	-178	-
non-deductible or partially deductible expenses	-	19
additions and deductions for trade tax purposes	235	149
change in the consolidated group	786	-
tax-free income		
tax loss carryforwards not recognised/deductible temporary differences	1,410	1,635
taxes for previous years		
original taxes	-293	-315
utilisation/reporting of previously unreported loss carryforwards	-	-
discontinuation of previously reported loss carryforwards	-	2,284
other factors	-350	-
Reported income tax expense	5,361	4,033

A tax rate of 30.175 % (previous year: 30.175 %) was used for the parent company.

6.18 Earnings per share

Basic earnings per share are calculated as the ratio of the net profit attributable to the shareholders of the parent company to the average number of shares in circulation during the financial year, not including treasury shares held by the company.

	Short FY 2014	2013/14
Consolidated income	TEUR	TEUR
Net profit before minority interests – basic	7,070	-3,169
Interest expenses for bonds	447	1,058
Consolidated income before minority interests – diluted	7,517	-2,090
Number of shares	in thousands	in thousands
Unweighted number of shares outstanding	24,436	23,339
Weighted number of shares outstanding – basic	24,252	19,205
Effect of the conversion of convertible bonds	2,834	4,935
Weighted number of shares – diluted	27,086	24,140
Earnings per share (EPS)	EUR	EUR
unweighted – basic	0.29	-0.14
weighted – basic	0.29	-0.17
weighted – diluted	0.28	-0.09

The 2012/2017 convertible bond issued during the 2011/12 financial year and the 2014/2019 convertible bond issued during the 2013/14 financial year created 280,740 and 5,395,906 conversion rights, respectively, as at balance sheet date, entitling the bearer to one ACCENTRO Real Estate AG share each, which could dilute the earnings per share.

A total of 952,104 pieces of the 2012/2017 convertible bond were converted into shares during Q1 of the 2014 short financial year. The 940,487 convertible bonds quoted at EUR 2.40 per unit at issue were exchanged for 1,081,936 shares at a price of EUR 2.0861 each. Moreover, a total of 11,617 convertible bonds were exchanged for one share of ACCENTRO Real Estate AG each.

From the convertible bond issued during the 2013/14 financial year, a total of 4,094 conversion rights were exchanged for one ACCENTRO Real Estate AG share each during Q1 2014/15. This means that the unfavourable exchange ratio precipitated a dilution effect during the reporting period that is taken into account when calculating the diluted earnings per share.

6.19 Cash flow statement

The cash flow statement distinguishes between cash flows from operating activities, from investing activities, and from financing activities.

The net cash used in operating activities was determined in accordance with the indirect method. It amounted to TEUR -59,432 (previous year: TEUR -338). It includes, inter alia amounts disbursed toward the acquisition of fully consolidated entities with properties held as inventory assets in the amount of TEUR 6,354 (previous year: TEUR 0) and income tax payments in the amount of TEUR 1,075 (previous year: TEUR 56). The increase in inventories resulted in a massive cash outflow in the amount of TEUR 55,925 that was spent on new inventory properties during the 2014 short financial year. This is matched by a decrease in operative

accounts payable in the amount of TEUR –8,188. The expected cash outflows from provisions increased by TEUR 768 after the end of the reporting period. The operating cash flow was adjusted to reflect non-cash earnings and expenses in the amount of TEUR 11,419 from the valuation result of the investment properties (TEUR 18,846) as well as other non-cash items (TEUR –7,427). The non-cash items consist essentially of expenses for deferred taxes in the amount of TEUR 5,460.

The cash flow from investing activities adds up to TEUR –115,498 (previous year: TEUR –20,731). This is primarily the result of acquiring new real property assets in the amount of TEUR 113,720, and of value-add refurbishment work. The expansion of the basis of consolidation to include the companies Phoenix F1 Neubrandenburgstrasse GmbH, Uhlandstraße 79 Immobilien GmbH, and Magnus-Relda Holding Vier GmbH resulted in a cash outflow in the amount of TEUR 6,381, of which TEUR 6,354 were allocated to the operating cash flow. Integration of these companies pushed the Group's cash position up to TEUR 644.

The cash flow from funding activities added up to TEUR 176,273 (previous year: TEUR 18,109) and included essentially an increase in the shareholder loan granted by ADLER Real Estate AG by another TEUR 28,446, disbursements in connection with the issuance of promissory note loans in the amount of TEUR 123,795 and the take-out of new loans for the expansion of the property stock in the amount of TEUR 38,000. These cash inflows from financing arrangements are matched by cash outflows toward the debt service for bonds and financial liabilities in the amount of TEUR 27,804 and interest payments in the amount of TEUR 5,068.

During the short financial year, 6 fully consolidated companies were sold. The company's cash funds dropped by TEUR 745 in conjunction with this sale. The consolidated income increased by a non-cash deconsolidation effect in the amount of TEUR 230. Receipt of the purchase price payments is expected in the subsequent period.

6.20 Other financial obligations and contingent liabilities

Pursuant to IAS 17, the company has entered into non-cancellable operating leases relating to business premises, office equipment and motor vehicles.

The future cumulative minimum lease payments under non-cancellable operating leases are as follows:

	31 Dec. 2014	30 June 2014
	TEUR	TEUR
Up to 1 year	233	10
Between 1 and 5 years	129	294
More than 5 years	0	36

Through a subsidiary, the Group is one of the partners in a joint venture. The fact implies a liability equal to TEUR 9,174 for the debt of the joint venture by the balance sheet date.

Moreover, there is a contingent liability resulting from a comfort letter in favour of an affiliated company in the amount of TEUR 8,321 vis-à-vis Landesbank Baden-Württemberg. This resulted from the 94% interest in the company ESTAVIS Berlin Hohenschönhausen GmbH.

ACCENTRO Real Estate AG is also liable vis-à-vis its subsidiary Estavis Grundstücksgesellschaft mbH, having issued to it an unrestricted and open-ended comfort letter.

In conjunction with the sale of the commercial real estate portfolio, the associate debt financing arrangements were also taken over by the buyer. As of 31 December 2014, ACCENTRO Real Estate AG was subject to a joint liability for the loan debt.

In its role as former general partner, one member companies could moreover be liable for possible claims arising from the rescission of deeds for previously sold condominiums. While the risk that such a claim be made is currently considered negligible, there is no way to estimate the economic loss caused by a possible rescission of deeds with any degree of certainty.

6.21 Additional information on financial instruments

a) Classes and measurement categories

The following tables show the reconciliation of the carrying amounts of financial instruments to the IAS 39 measurement categories and the fair values of the financial instruments with the source of measurement for each class:

Short financial year 2014	Book value	IAS 39 category	Fair value	Measurement hierarchy
	TEUR		TEUR	
Assets				
Equity investments*	1,175	AfS	1,175	
Trade receivables	21,232	LaR	21,232	Level 3
Miscellaneous receivables and capital assets	17,291	LaR	17,291	Level 3
Cash and cash equivalents	7,681	–	7,681	Level 2
Total financial assets	47,379		47,379	
Liabilities				
Long-term payables to banks	190,152	AmC	190,152	Level 3
Bond liabilities	21,629	AmC	23,952	Level 1
Shareholder loans	34,194	AmC	34,194	Level 3
Short-term payables to banks	36,434	AmC	36,434	Level 3
Trade payables	3,147	AmC	3,147	Level 3
Other short-term payables	5,189	AmC	5,189	Level 3
Total financial liabilities	290,745		291,423	

* Since no range can be identified for the fair value measurement of the equity investments, these are not categorised in the measurement hierarchy according to IAS 39 and the "at cost" valuation method, because the fair value cannot be determined with certainty, and because they are not earmarked for sale.

AfS = Available for Sale; LaR = Loans and Receivables; AmC = Amortised Cost

Financial year 2013/14	Book value	IAS 39 category	Fair value	Measurement hierarchy
	TEUR		TEUR	
Assets				
Equity investments*	1,175	AfS	1,175	
Trade receivables	3,033	LaR	3,033	Level 3
Miscellaneous receivables and capital assets	13,720	LaR	13,720	Level 3
Cash and cash equivalents	6,439	LaR	6,439	Level 2
Total financial assets	24,367		24,367	
Liabilities				
Long-term payables to banks	66,472	AmC	66,573	Level 3
Bond liabilities	24,073	AmC	25,937	Level 1
Shareholder loans	5,006	AmC	5,006	Level 3
Short-term payables to banks	28,079	AmC	28,711	Level 3
Trade payables	16,116	AmC	16,116	Level 3
Other short-term payables	9,710	AmC	9,710	Level 3
Total financial liabilities	149,456		152,053	

* Since no range can be identified for the fair value measurement of the equity investments, these are not categorised in the measurement hierarchy according to IAS 39 and the "at cost" valuation method, because the fair value cannot be determined with certainty, and because they are not earmarked for sale.

AfS = Available for Sale; LaR = Loans and Receivables; AmC = Amortised Cost

Cash and cash equivalents, trade receivables and other receivables have remaining terms of short-term character. Accordingly, their carrying amounts equalled their fair value by the balance sheet date. The same applies, mutatis mutandis, to the trade payables and the other current liabilities.

The ACCENTRO Group's long and short-term payables vis-à-vis banks were posted at fair value on initial recognition, minus the transaction costs, these values always matching the initial costs. The accounts payable of recently acquired companies vis-à-vis banks were measured at fair value on initial recognition. Going forward, the carrying amount of all long-term and short-term payables vis-à-vis banks as of the balance sheet date equals the amount that application of the effective interest method would return as amortised costs. At the same time, the carrying amount of the accounts payable owed to banks is matched with its fair value.

The valuation of the bond without conversion rights was at fair value minus transaction costs on initial recognition, with the value matching the initial costs with transaction costs taken into account, and, after the balance sheet date, at amortised costs using the effective interest method. The bonds with conversion rights were measured at fair value on initial recognition, with a market-consistent comparative interest rate taken into account and with transaction costs deducted. This present value represents the debt component of the bonds, which is posted in the bond liabilities. Their carrying amount represents a revaluation using the effective interest method.

Net earnings in line with IAS 39 measurement categories are therefore as follows:

Loans and Receivables (LaR)			Financial Liabilities measured at Amortised Cost (AmC)	
	Short FY 2014	2013/14	Short FY 2014	2013/14
	TEUR	TEUR	TEUR	TEUR
Interest income	118	10	–	–
Interest expenses	–	–	–6,435	–6,438
Allowances	–2,378	–1,899	–	–
Additions	–	10	–	–
Loss on disposal	–	–	–	–356
Net earnings	2,260	–1,889	–6,435	–6,794

The interest income and interest expenses are shown in the corresponding positions of the consolidated income statement. All other expenses and income are included in the items other operating expenses and income respectively. The impairment charge is accounted for with TEUR 1,069 (previous year: TEUR 411) by the "Trade receivables," and with TEUR 1,309 (previous year: TEUR 1,488) by the "Other receivables."

b) Financial risks

The Group's business activities expose it to a variety of risks. In particular, these include liquidity, default and interest rate risks. Targeted financial risk management is intended to minimise the negative effects of these risks on the Group's net asset, financial and earnings situation and cash flows. For a description of the risk management system, please see section 4 in the management report.

Liquidity risk

The following tables show the undiscounted, contractually agreed interest and principal payments of the financial liabilities under the scope of application of IFRS 7:

31 December 2014						
	Carrying amount	Total cash outflow	Cash outflow up to 1 year	Cash outflow 1 to 3 years	Cash outflow 3 to 5 years	Cash outflow after 5 years
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Cash outflow for financial liabilities	282,408	366,843	48,598	86,764	76,048	155,434
Current income tax liabilities from trade payables	3,147	3,147	3,147	–	–	–
Other liabilities	5,189	5,189	5,189	–	–	–
Cash outflow for trade payables and other liabilities	8,336	8,336	8,366	–	–	–
Cash outflow for liabilities within the scope of IFRS 7	290,744	375,179	56,934	86,764	76,048	155,434

	30 June 2014					
	Carrying amount	Total cash outflow	Cash outflow up to 1 year	Cash outflow 1 to 3 years	Cash outflow 3 to 5 years	Cash outflow after 5 years
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Cash outflow for financial liabilities						
	123,631	135,830	41,194	25,341	57,027	12,268
Current income tax liabilities from trade payables	16,116	16,116	16,116	–	–	–
Other liabilities	9,710	9,710	9,710	–	–	–
Cash outflow for trade payables and other liabilities						
	25,826	25,826	25,826	–	–	–
Cash outflow for liabilities within the scope of IFRS 7						
	149,457	161,656	67,011	25,341	57,027	12,268

The interest rates at the respective balance sheet date were used to determine interest payments for interest-bearing loans with variable interest rates in future reporting periods.

Short-term cash outflows in the amount of TEUR 42,288 from liabilities to banks and other financial liabilities are to be expected in the 2015 financial year. Moreover, 2015 will bring cash outflows in the amount of TEUR 3,147 from trade payables and TEUR 5,189 from other liabilities.

The ACCENTRO Group kept cash and cash equivalents of TEUR 7,681 (previous year: TEUR 6,439) on hand as at the balance sheet date to cover its cash outflow. An additional TEUR 21,232 in trade receivables and an estimated TEUR 42,608 worth of inventory properties can be liquidated within one year. Short-term payables from operating costs not yet settled in the amount of TEUR 6,240 are matched by short-term receivables in the amount of TEUR 5,860.

Financial covenants

The consolidated group has taken out loans in a total amount of approximately EUR 207.4 million (previous year: EUR 52.5 million) that are subject to covenants agreed with the banks in regard to debt service coverage ratios or debt-to-equity ratios (financial covenants). Breaches of these covenants could trigger payments into blocked accounts or early repayment obligations on the basis of a contractually agreed escalation procedure.

Analogously, the convertible bonds and the corporate bond issued are subject to credit terms that, were they to eventuate, could cause a liquidity risk. If certain credit terms eventuated, e.g. in case of a change of control, these convertible bonds and the corporate bond could be prematurely called for redemption.

Possible breaches of contract concerning the financial covenants are remedied directly with the banks, with whom the Group remains in close contact. Moreover, the Group uses appropriate monitoring methods to detect any early signs of a risk that covenants might be breached, and strives to prevent the breach through adequate countermeasures. Covenant breaches may entitle the bank to call parts of loans, which means that the company has to brace itself for unplanned cash outflows.

The main existing financial covenants are detailed in section 6.6 of the Notes to the Consolidated Financial Statements among the explanatory notes on the liabilities to banks.

Bad debt risk

The carrying amounts of the financial assets represent the maximum default risk of the ACCENTRO Group.

For more details on this aspect, please see the relevant section.

Interest rate risk

Interest rate risks are created by signing loan facilities with variable interest rates, through possible follow-up financing, or whenever the conditions on the capital market undergo drastic changes. Most of the variable-interest loan facilities taken out by the Group are short-term, so that the threat of increased interest payments for the incurred financial debt is rather limited.

All of the Group's current and non-current financial liabilities with variable interest rate were subjected to a sensitivity analysis in order to determine the interest rate risk, with fixed-interest periods duly taken into account. In analogy to the interest rate scenarios for the valuation of the investment property, two interest rate scenarios for the loans were studied: Set in relation to the financial liabilities outstanding as of 31 December 2014, an increase/decrease in loan interest by 0.5 % would have caused the interest expense to rise or fall by TEUR 125, as they case may be.

With a view to the present interest rate sensitivities, we rate the interest rate risk as moderate because of the negligible impact on carrying amount and net income as well as because of the current conditions on the capital market, which are persistently favourable.

6.22 Related party transactions

The 80 % interest in the company J2P Real Estate AG was sold for a price of TEUR 1,554 to the contractor Münchener Baugesellschaft mbH, a fully-owned subsidiary of the parent company ADLER Real Estate AG. The sales price represented 1,160,000 no-par value bearer shares appraised at a share price of EUR 1.34 per no par value share.

The interests in the property vehicles Hanse-Center Objektgesellschaft mbH and Glockenhofcenter Objektgesellschaft mbH were sold to 94.9 % to the companies Alpine Real Estate Invest GmbH and to 5.1 % to Taurecon Real Estate Consulting GmbH. At the time of the sale, Thomas Bergander was Managing Director of Taurecon Real Estate Consulting GmbH. Thomas Bergander was a Member of the Supervisory Board of ACCENTRO Real Estate AG until 31 August 2014.

The ACCENTRO Group has a current liability of TEUR 273 (previous year: TEUR 273) to its associate SIAG Sechzehnte Wohnen GmbH & Co. KG. This amount resulted from settlement transactions between the two companies.

One subsidiary of ACCENTRO Group is a fully liable partner of the Wohneigentum Berlin GbR joint venture. This results in a warranty for the liabilities of this civil-law partnership in the amount of TEUR 9,174 (previous year: TEUR 11,247).

The ACCENTRO Group has a claim vis-à-vis its associate, the property company Malplaquetstr. 23 Grundstücksverwaltungsgesellschaft mbH. The claim is based on the loan over TEUR 419 (previous year: TEUR 430) plus accrued interest.

ACCENTRO Real Estate AG was granted a long-term shareholder loan in the amount of TEUR 34,194 (previous year: TEUR 5,006) by its majority shareholder ADLER Real Estate AG, the loan being earmarked for the real estate portfolios acquired during the year under review. Bullet maturity for the loan is 31 March 2016. The loan originally had an interest rate of 9.25 % p.a. that dropped to 6.25 % p.a. as of 1 October 2014. The shareholder loan is subject to a waiver of priority and collateralised through hypothecation of the shares in the company ESTAVIS Berlin Hohenschönhausen GmbH.

The members of the Management Board of ACCENTRO Real Estate AG received the following compensation and benefits:

	Short financial year 2014			2013/14		
	Fixed	Variable	Total	Fixed	Variable	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Jacopo Mingazzini	120	102	222	231	166	397
Torsten Cejka (until 31 August 2014)	241	59	300	249	106	355

The compensation paid to the Supervisory Board during the 2014 short financial year totalled TEUR 522. The expenses recognised for the Management Board in the consolidated financial statements equalled TEUR 960. The variable payments were recognised, as in prior years, among the expenses (TEUR 161). The difference between the fixed salaries of TEUR 361 and the expenses of TEUR 960 recognised in the financial statements are explained by bonus provisions (TEUR 319) not yet due and provisions for compensations (TEUR 280).

The fixed salary for Torsten Cejka during the 2014 short financial year included an already disbursed compensation payment in the amount of TEUR 200. In addition, a provision in the amount of TEUR 280 was set aside toward compensation payment yet to be made.

In December 2014, a composition agreement with a former member of the Management Board concerning past financial years was concluded over an amount of TEUR 350, of which a residual amount of TEUR 2.5 was yet to be paid. Provisions previously set aside in the amount of TEUR 245 were consumed, while provisions in the amount of TEUR 197 were dissolved.

The members of the Supervisory Board were exclusively paid fixed remunerations for the financial years shown:

	Short financial year 2014		2013/14
	fixed TEUR	fixed TEUR	
Dr. Karl-Josef Stöhr (Chairman, until 10 January 2014)	18*	8	
Rolf Elgeti (Deputy Chairman, until 10 January 2014)	17*	4	
Dr. Philipp K. Wagner (from 23 April 2013 until 10 January 2014)	12*	4	
Thomas Bergander (Chairman from 10 January 2014 until 31 August 2014)	7	8	
Alexandra Timoschenko (from 10 January 2014 until 31 August 2014)	3	4	
André Pernhold (Dep. Chairman from 10 January 2014 until 31 August 2014)	5	4	
Axel Harloff (Chairman since 1 September 2014)	13	–	
Dr. Dirk Hoffmann (Deputy Chairman since 1 September 2014)	10	–	
Carsten Wolff (since 1 September 2014)	7	–	
Total	92	32	

* The Annual General Meeting of 27 November 2014 resolved to raise the remuneration of the Supervisory Board. Former members of the Supervisory Board were paid a retroactive pro-rata remuneration in proportion to their services during the 2014 short financial year.

■ 7 Events after the Reporting Date

Beyond that, no other events of major significance for the business development of the ACCENTRO Group have occurred since the end of the 2014 short financial year.

■ 8 Other Disclosures

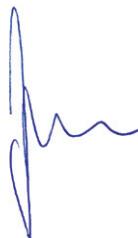
The auditor was paid the following remuneration for services provided to the ACCENTRO Group:

	Short FY 2014	2013/2014
	TEUR	TEUR
Audits of financial statements*	190	297
Other assurance services	0	0
Tax advisory services	0	–
Other services	0	118
Total	190	415

* The 2013/14 financial year includes TEUR 10 from the previous year.

The declaration on the Corporate Governance Code in accordance with section 161, German Stock Corporation Act (AktG), was issued on 25 September 2014 and made permanently available to the shareholders on the homepage of ACCENTRO Real Estate AG (www.accentro.ag).

Berlin, 18 March 2015



Jacopo Mingazzini
Management Board

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, while the Group Management Report includes a fair review of the development and performance of the Group's business and state of affairs, together with a description of the principal opportunities and risks associated with the Group's prospective development going forward.

Berlin, 18 March 2015

Jacopo Mingazzini
Management Board

Auditors' Certificate

We have audited the consolidated financial statements, comprising the statement of financial position, the income statement, the statement of changes in equity, the statement of cash flows and the notes, as well as the group management report prepared by **ACCENTRO Real Estate AG (formerly: ESTAVIS AG), Berlin**, for the short financial year starting 1 July 2014 and ending 31 December 2014. The preparation of the consolidated financial statements and group management report in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and the additional requirements of German commercial law under Section 315a (1), German Commercial Code (HGB), is the responsibility of the legal representatives of the company. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317, HGB, and generally accepted standards for the audit of financial statements in Germany promulgated by the IDW Institute of Public Auditors. These standards require that we plan and perform the audit in such a way that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with [German] principles of proper accounting and in the group management report are detected with reasonable certainty. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on the basis of samples within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a sufficiently safe basis for our assessment.

Our audit has not led to any reservations.

In our opinion, based on the conclusions of our audit, the consolidated financial statements comply with the International Financial Reporting Standards (IFRS) as to be applied in the EU and the supplementary commercial law provisions under Section 315a (1), HGB, as well as the supplementary provisions in the articles of incorporation, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these principles of proper accounting. The group management report is consistent with the consolidated financial statements and on the whole provides an accurate account of the Group's position and accurately represents the opportunities and risks of future development.

Hamburg, 18 March 2015

Ebner Stoltz GmbH & Co. KG
Auditing firm and tax services firm

Dirk Schützenmeister
Auditor

Florian Riedl
Auditor



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■ Directors and Officers

Supervisory Board

Axel Harloff (Chairman)

Member of the Supervisory Board since 1 September 2014
CEO of ADLER Real Estate AG

Dr. Dirk Hoffmann (Deputy Chairman)

Member of the Supervisory Board since 1 September 2014
Attorney at law
Other mandates:
Chairman of the Supervisory Board of ADLER Real Estate AG, Frankfurt am Main
Chairman of the Supervisory Board of SQUADRA Immobilien GmbH & Co. KGaA, Frankfurt am Main
Deputy Chairman of the Supervisory Board of Bremer Kreditbank AG, Bremen
Member of the Supervisory Board of Dexia Kommunalbank Deutschland AG, Berlin

Carsten Wolff

Member of the Supervisory Board since 1 September 2014
Head of Accounting and Finance at ADLER Real Estate AG

Thomas Bergander (Chairman from 10 January 2014 until 31 August 2014)

Managing Director of Taurus Real Estate Consulting GmbH
Managing Director of Uhlandstraße Investments GmbH

André Pernhold (from 10 January 2014 until 31 August 2014)

Managing Director of City Asset Management GmbH
Other mandate:
Member of the Board of Directors of Swiss Areal Holding AG

Alexandra Timoshenko (from 10 January 2014 until 31 August 2014)

Managing Director of Lada Holding GmbH

Management Board

Jacopo Mingazzini

Initial appointment: 16 March 2012
Current appointment ends: 15 March 2018
Merchant

Torsten Cejka (from 26 March 2013 until 31 August 2014)

Attorney at law

Forward-looking Statements

This annual report contains specific forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events. This applies, in particular, to statements relating to future financial earning capacity, plans and expectations with respect to the business and management of ACCENTRO Real Estate AG, growth, profitability and the general economic and regulatory conditions and other factors to which ACCENTRO is exposed.

Forward-looking statements are based on current estimates and assumptions made by the company to the best of its knowledge. Such forward-looking statements are based on assumptions and are subject to risks, uncertainties and other factors that may cause the actual results including the net asset, financial and earnings situation of ACCENTRO to differ materially from or disappoint expectations expressed or implied by these statements. The operating activities of ACCENTRO are subject to a number of risks and uncertainties that may also cause a forward-looking statement, estimate or prediction to become inaccurate.

 Financial Calendar**2015**

-
- | | |
|---------------------|-------------------------------------|
| 4–6 May 2015 | DVFA spring conference |
| 18 May 2015 | Quarterly report – 1st quarter 2015 |
| 16 June 2015 | Annual General Meeting |

All dates are provisional. Please check our website www.accentro.ag for confirmation.

Credits



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Jacopo Mingazzini

Chairman of the Supervisory Board

Axel Harloff, Hamburg

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ACCENTRO

REAL ESTATE AG