



Interim Report Q1 2015



# Key Parameters

Operating performance indicators in € million	01/01/ - 03/31/2015	01/01/ - 03/31/2014
Sales revenue	14.5	28.3
Total output	15.2	19.2
Gross profit	6.1	6.9
EBITDA	4.6	3.3
EBIT	4.2	2.8
Financial result	-4.0	-3.6
Consolidated result after taxes	0.1	-0.5
Gross profit margin	42%	24%
EBIT margin	29%	10%
Profit-turnover-ratio	1%	-2%

Balance sheet ratios in € million	03/31/2015	12/31/2014
Current assets	217.0	262.3
of which: Properties held for sale and other inventories	137.1	136.4
Equity	23.0	22.9
Equity ratio	9.0%	7.6%
Financial liabilities & compensation liabilities	167.6	189.6
of which: non-current	36.3	26.3
<b>Balance sheet total</b>	<b>254.7</b>	<b>300.4</b>

Key sales figures in € million	01/01/ - 03/31/2015	01/01/ - 03/31/2014
Notarized sales of the period	12	15
	03/31/2015	12/31/2014
Orders on hand*	83	84

\* Amount of notarized sales of units not yet transferred to the customers

Employees	03/31/2015	12/31/2014
Number of employees	58	60

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# 01 | TO OUR SHAREHOLDERS

*Dear shareholders,  
dear friends and business partners of ISARIA Wohnbau AG,*

Two factors generally define the first quarter of a year for a developer of residential projects. On one hand, there are backlogs from handovers not realised in the previous year and, on the other, the weather determines if the relevant projects can at all be realised. For us, the first quarter of 2015 also showed itself to be a "normal" one. The relatively mild winter made it possible for us to hand over one construction stage and a number of remaining units in Karlsfeld. As a result, we were able to report sales revenue in the amount of € 14.5 million for the first quarter. As predicted for 2015 in the corresponding projection in the 2014 annual report, this year construction stages that generate significant more income than in the previous year will be completed. As a result, the gross profit margin in the first quarter of 2015 amounts to a strong 42% compared to 24% in the first quarter of 2014. Therefore, the absolute gross yield of € 6.1 million turned out to be nearly the same compared to the same quarter last year despite sales being nearly 50% lower (Q1 2014: € 6.9 million). Sales revenues of

the respective quarter last year was higher than this year due to the handover of residential units postponed from the final quarter of 2013. At € 4.2 million, earnings before interest and tax (EBIT) increased considerably over the same period last year (€ 2.8 million). With respect to the bottom line for the first quarter of 2015, we generated a break-even result after tax in the amount of € 0.1 million (Q1 2014: € -0.4 million).

#### Outlook for 2015

The company is entering the second quarter of 2015 with a nearly unchanged order book of notarised sales amounting to € 83 million compared to the end of 2014. This means that the sales for the further course of the year have a high level of planability. Handovers from the next construction stage in our large project in Karlsfeld are already scheduled for the second quarter of 2015. The company confirms the forecast of a net profit in the high single-digit million euros range for the entire 2015 year.

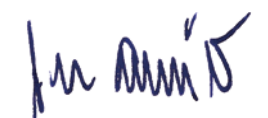
Munich, 30 April 2015



**Michael Haupt**  
Spokesman of the  
Executive Board | CEO



**Christian Dunkelberg**  
Member of the  
Executive Board | CIO



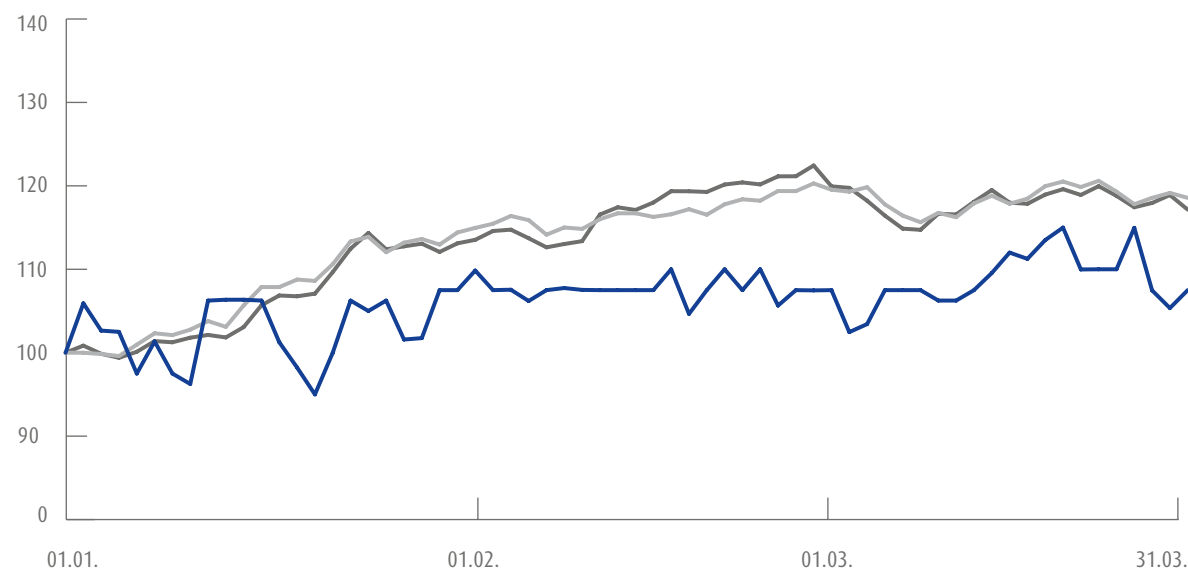
**Jan von Lewinski**  
Member of the  
Executive Board | COO



# ISARIA Wohnbau AG's share

ISARIA's share price continued its positive growth in the first quarter of 2015 – up +7.5%.

Share price performance in the first quarter of 2015



ISARIA Wohnbau AG's Share | EPRA Europe | EPRA Germany

## Notifications of voting rights published

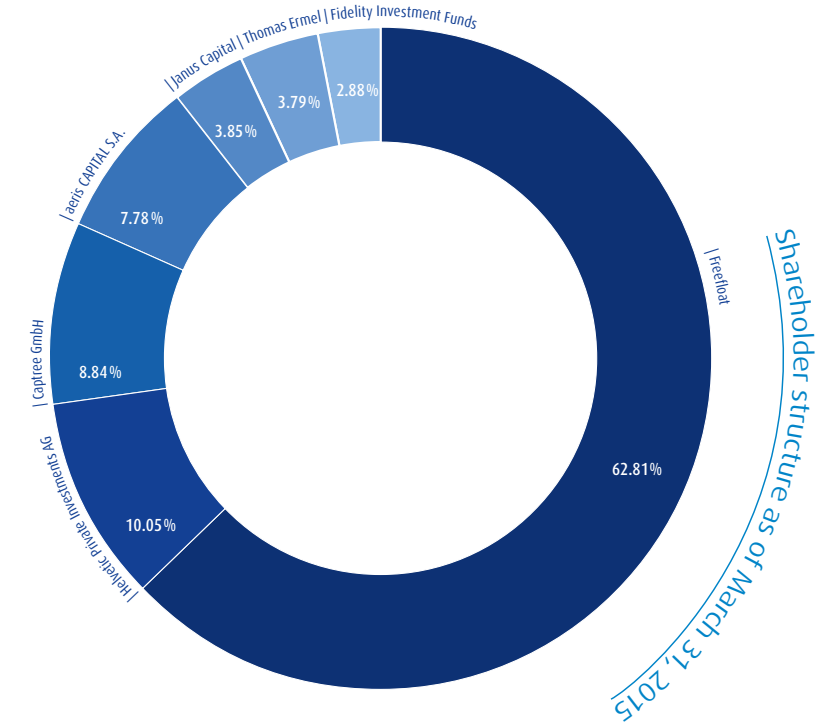
In the first three months of fiscal year 2015 ISARIA Wohnbau AG published one notification of voting rights in accordance with Section 21 (1) of the German Securities Trading Act (Wertpapierhandelsgesetz/WpHG). All notifications of voting rights received by the company can be found on the company's website in the section Investor Relations / financial news / notifications of voting rights.

## Analysts estimates show substantial upside potential

Analysts evaluated the ISARIA Wohnbau Group and the share of ISARIA Wohnbau AG in 2014. Analysts of M.M.Warburg & Co. and FIRST Berlin continue to be very confident with respect to the medium to long-term potential of our Group. Both companies' quarterly reports include a "Buy" recommendation for the share of ISARIA Wohnbau AG with a target price last amounting to € 5.80 (Warburg Research) and / € 6.00 (FIRST Berlin).

## Shareholder structure

Since the end of March 2015 we have a further major international institutional investor as a shareholder in the form of Janus Capital Management LLC, Denver, USA. Furthermore, the shareholder structure continues to be characterised by institutional and private investors pursuing a predominantly long-term investment strategy.



## Key data for ISARIA Wohnbau AG's share

Stock market ticker	IWB	Erstnotierung	10. November 2010
Type of stock	No-par value transferable shares	Highest price 3 months (Xetra)	€ 4.60
ISIN	DE000A1E8H38	Lowest price 3 months (Xetra)	€ 3.80
WKN	A1E8H3	Closing price on 03/31/2015 (Xetra)	€ 4.30
Market segment	Regulated market, Prime Standard	Market capitalisation in million Euro	102.2
Designated Sponsor	M.M. Warburg & Co., Hamburg		
Stock exchange	All German stock exchanges including Xetra		

# 02 | GROUP INTERIM MANAGEMENT REPORT

## 1. Business activities and economic environment

### I. Business activities and growth

ISARIA Wohnbau AG (hereinafter also referred to as the “Company” or, in connection with its subsidiaries and participating interests the “ISARIA Wohnbau group” or only “ISARIA Wohnbau”) is a project developer for residential properties in the greater Munich region since 20 years. The Group buys plots of land in attractive locations via independent special purpose entities/subsidiaries, plans residential properties in these locations, constructs these and then sells them. In most cases project development involves obtaining planning permission for residential properties for areas which were previously used commercially. In so doing, the company focuses on locations in which at least one hundred apartments can be realised. The business activities of ISARIA Wohnbau include the divisions New Construction of residential property and Revitalization of existing properties. The latter includes changing former commercial properties into residential properties under the *APP.ARTMENTS* brand.

The company’s business model is to sell all apartments and houses that it has constructed. ISARIA Wohnbau does not aim to rent or hold apartments or houses within a portfolio. To date, the company, together with its SPEs, has exclusively operated on the high-growth

greater Munich region where it has ranked among the market leaders for several years. However this position can only be upheld by making ongoing acquisitions and it cannot be expanded in a reasonable manner. Given this background, in November 2014 ISARIA Wohnbau took the strategic decision to expand its activities geographically and to include Hamburg as a second location. This is also in view of the fact that price levels in this city, which is next largest in terms of its size, are much lower than in Munich – while population growth is also strong and private households have comparable spending power. The company has had an office in Hamburg since December 2014. The company’s headquarters, with all of the central departments, will continue to be in Munich.

The business activities of One Group GmbH and its subsidiaries (hereinafter also referred to as “One Group”) mostly comprise the development, structuring and issuing of project development funds for residential construction projects in Germany. In ISARIA Wohnbau’s location in Munich, these funds invest exclusively in the company’s projects. In addition, investments are also made in external projects at other locations. *One Group* will be managed as a sub-group within the ISARIA Wohnbau Group. This segment will map this sub-group’s results.

## ISARIA Wohnbau's projects

Project	Special purpose entity	Location	Total number of housing units	Intended completion	Status
<b>SEGMENT NEW DEVELOPMENTS</b>					
	ISARIA Wohnbau Objekt Karlsfeld 2 GmbH; Section 8a	Karlsfeld am Prinzenpark	37	03/2015	completed
	JK Wohnbau Objekt Karlsfeld 1 GmbH; Section 1c		31	12/2015	construction started
	ISARIA Wohnbau Objekt Karlsfeld 2 GmbH; Section 10a		24	09/2015	construction started
	ISARIA Wohnbau Objekt Karlsfeld 2 GmbH; Section 10b		24	06/2016	construction started
	ISARIA Wohnbau Objekt Karlsfeld 2 GmbH; Section 10c		25	03/2017	Preparation for start of construction
	ISARIA Wohnbau Objekt Karlsfeld 3 GmbH; Sections 11a, 11b		65	12/2015	construction started
	ISARIA Wohnbau Objekt Karlsfeld 3 GmbH; Sections 11c, 12a und 12b		56	12/2016	Preparation for start of construction
Tübinger Strasse	Wohnbau Objekt Tübinger Strasse GmbH*/ Wohnbau Objekt Hansastrasse GmbH*	Munich-Sendling/ Westpark	276	2017 - 2018	Plan B developed
Diamalt-Quartier	ISARIA Wohnbau Objekt Am Münchfeld GmbH	Munich-Allach	593	2018 - 2020	Plan B development
Wohnpark Nord	ISARIA Holding GmbH & Co. Objekt Hörgensweg KG	Hamburg	500+	after 2019	Plan B development
<b>SEGMENT REVITALISATION</b>					
APP.ARTMENTS	Living Bogenhausen GmbH	Munich-Bogenhausen	167	03/2014	completed
St. Bonifatius	gindiwo Gesellschaft für individuelle Wohnungsprivatisierung Objekt St. Bonifatius Straße mbH - front building	Munich-Giesing	22	04/2015	completed
APP.ARTMENTS Elsenheimer Strasse	ISARIA GmbH & Co. Objekt Metropolis KG	Munich-Westend	245	12/2016	Plan B developed
Kapstadtring	Objekt Kapstadtring 1 GmbH	Hamburg-Winterhude	155	12/2017	Plan B development
Tower	ISARIA Tower GmbH	Munich-Obersendling	328	12/2018	Plan B development

\* ISARIA Wohnbau AG has already secured a majority interest in this company by way of a notarised agreement, for which execution was still subject to conditions precedent on the reporting date. Conditions were fulfilled in April 2015

The projects listed in the table will allow ISARIA Wohnbau to generate its future revenue volume.

## Key events in the period under review

### On-schedule repayment of corporate bond

On 16 February 2015 the corporate bond 2014/2015 was repaid on schedule in the amount of € 10.0 million.

### Developments of projects

Construction work for the *nido* project in Dr. Johann-Heitzer-Strasse in Karlsfeld West benefited from the mild weather in the first three months of 2015. In March 2015, a total of 37 apartments in the next stage WA 8a were completed and handed over for individual ownership, with 31 of these apartments handed over before 31 March 2015. From 2010 to 2014 a total of 291 residential units in ten building stages were completed and handed over. ISARIA Wohnbau is constructing a total of 553 residential units in 12 construction stages on the 115,000 sqm plot. Of these units, 322 had been handed over by 31 March 2015. As of 1 April 2015 a total of 171 residential units were still being built, and all of these have already been sold. Sales for additional construction zones currently depends on corresponding planning permission being issued. We received planning permission for 9 of the 11 single-family homes that are planned for WA 12b in April 2015. This means that sales will start soon.

We have handed over a further four apartments in the front building of the *St. Bonifatius* revitalisation project, now that this part of the building has also been completed. The remaining apartments are being handed over on an ongoing basis. Construction work in the rear property was completed in fiscal year 2014 and the apartments were handed over.

In the *APP.ARTMENTS* revitalisation project in Vogelweidestraße 5 in Munich-Bogenhausen with a total of 167 apartments, 149 units had already been handed over at the end of 2014. In 2015 the remaining apartments are being sold and handed over on an ongoing basis. Dur-

ing the first quarter of 2015, a further three apartments were handed over with a sales volume (revenues) of €1.1 million. All but two of the apartments had been sold or reserved by the reporting date.

In the two developments *Diamalt-Quartier* and *Tower*, obtaining building rights is being further driven. The intention to quickly create additional residential construction rights has been clearly expressed; however this is being hampered by tedious implementation by the authorities, as a large number of public-sector players are involved in type of process. This makes it more difficult to estimate dates precisely in the ongoing development process.

In the *Tower* project in Munich-Obersendling, a discussion forum with interested citizens was held in February 2014. The results were accounted for in a so-called key data resolution ("Eckdatenbeschluss") from the federal state capital of Munich, which was passed by city council on 22 October 2014. According to planning regulations, the *Tower* project is integrated in the total "Campus Süd" area. The decision on key data has now been successfully received, and an urban planning and landscaping competition has been running since December 2014, and in parallel a planning process which includes multiple mandates. In general, the two subareas will be evaluated across property boundaries during these two processes. The invitation texts and the dates have been coordinated with the federal state capital of Munich. The decision by the advisory body is scheduled for the start of May 2015 when the results are presented. Once this procedure is complete, urban land-use planning for the *Tower* will commence.

With respect to the *Diamalt-Quartier* project in Munich-Allach, we are expecting a further key data resolution from the federal state capital of Munich, which is planned for the third quarter of 2015 following scheduling.

The content of the key data resolution and the invitation to tender for urban development and landscaping is being prepared at the same time and being coordinated with the department for urban planning and building regulation so that the tendering process can be initiated once the resolution has been issued.

The building in Elsenheimer Strasse in Munich was acquired in 2014, and here we already have a positive preliminary building application to convert this to a boarding house. According to the company's current plans, this is to be converted into apartments under the *APP.ARTMENTS* brand. We have already prepared a corresponding usage plan and submitted this to the City of Munich's Building Authority in 2014. The building application is currently being prepared and is scheduled to be submitted in the second quarter of 2015.

The former office building in Kapstadtring in Hamburg was also acquired in 2014 and during the past fiscal year three different alternative concepts for its use were worked out (hotel, boarding house, residential). The boarding house concept has been pursued in greater detail. Discussions are currently being held with the City of Hamburg to prepare the documents for the building application.

At present, work is underway for the third property acquired in 2014, in Hamburg Nord, to change the zoning (from commercial to residential).

## II. Overall Economic Developments

According to the spring forecast from the Institut der Weltwirtschaft (IfW) in Kiel, Germany's economy was starting to boom again in March 2015. The economy is primarily being driven by consumer spending and investments in residential construction by private households.

Residential construction will continue to benefit from these underlying conditions, in particular from the continued extremely low financing costs and also from the lack of alternative investments.

## III. Developments on the real estate markets in Germany and Munich

### The market for residential project developers

The real estate economy in Germany (as an indicator for the current situation) lifted by 7.0% in the first three months of 2015, thus reaching a new record high. The real estate climate (as an indicator for the further outlook) enjoyed even stronger growth, up by 12.6% in the first quarter of 2015. The climate for residential construction grew at a slower rate of 4.4%, however it continues to be the most attractive asset class compared to the other classes, and is thus a "safe harbour". The underlying conditions in the real estate sector can thus continue to be regarded as being excellent. Residential project developers thus continue to enjoy an excellent environment in all of Germany's high-growth regions. There is no current perceptible change to this mood.

In their plenary meeting on 27 March 2015 the German federal states approved the Act to introduce a rental price block and to reinforce the principle of the ordering party for agency fees (Mietrechtsnovellierungsgesetz – German Rental Law Amendment Act – MietNovG). According to this act, new properties which are used and rented for the first time after 1 October 2014 are not covered by the rent cap. This could make new residential properties even more attractive for both private and also institutional investors. The act is expected to come into force when it has been duly endorsed by the Federal President. Endorsement is expected in June. We can assume that Hamburg and Munich will be defined as being tense markets for residential accommodation by

way of a legal decree, and that they will thus be covered by the MietNovG.

### Developments on the housing market in Munich

The real estate market in Munich has continued to be highly attractive since our last report at the end of 2014. Munich as a location continues to take first place in many national studies with regard to factors relevant for the real estate market, such as economic and structural indicators, location strength and future-proof locations. For example, Munich was the city with the strongest economy in the 2014 city ranking by *Wirtschaftswoche* and *Immobilien-scout24*. This study examined 69 cities in the categories of real estate market, quality of living, labour market and economic structure, broken down into level and pace. Munich also continues to hold one of the top places in international rankings, for example it takes second place in the City Investment Intensity Index currently published by Jones Lang Lasalle (JLL). Munich's high-performance economic structure can be seen in factors including the largest number of company headquarters per resident. It is the most productive German city and is often called the "City of the DAX Groups". As a consequence, Munich is also the highest-priced location for residential real estate in Germany.

These sustainable and very positive underlying conditions led to continued high demand on the Munich residential real estate market over the past few years, with a substantial increase in prices. The pace of this growth slowed somewhat in 2014 compared to 2013. For example, the Committee of Experts for the City of Munich reported a price increase for new apartments in excellent locations of just € 50/sqm from € 6,400/sqm at the end of 2013 to € 6,450/sqm as of 30 September 2014 in its Q3/2014 report. However, for average locations – and this is the area in which ISARIA Wohnbau AG primarily operates – current selling prices per square meter show that prices have increased by 7.6% in the first nine months of

2014 from € 5,250/sqm to € 5,650/sqm. JLL is currently even reporting a 9% price increase in the second half of 2014 compared to the second half of 2013. In the previous year, prices were up by a good 13% over twelve months. The distinction between residential locations shows price elasticity is highest in average locations, i.e., that it is still possible to pay for apartments. First reports are already reporting a stronger increase in property prices again for the first quarter of 2015. In addition to need-driven demand, there is now increasing demand for residential investment properties. This is due to the artificially low interest rates caused by the ECB and the resulting emergency situation for returns.

Recently, the subject of a "property bubble" has been increasingly discussed. If purchase prices increase significantly faster than rents over an extended period, points to the market overheating, as no sustainable returns can be expected any more. This price growth would also have to part company permanently from the underlying economic conditions. The gap between rents and purchase prices for residential properties has been increasing substantially. Based on a study by *bulwiengesa*, rents have increased by 24% since 2000, and purchase prices have increased by 73%. However, just looking at price changes alone is not totally meaningful. At least in Munich, there are mostly fundamental reasons for this development. Demand for residential accommodation in Munich continues to be high. An average of 80 people move to Munich every day. In theory that means 50 new apartments every day. More than 300,000 people have thus moved to Munich over the past 15 years. In addition, most of these apartments have been "sensibly" financed – that means with a high proportion of equity and high repayments.

The continued high demand for residential properties in Munich has now perceptibly thinned out the offering on the market. The Committee of Experts in Munich ascertained a reduction in the number of sales on the market

## 2. Financial position and results of operations

for owner-occupied apartments for the second successive year in its Q3/2014 report. In the first nine months of 2014 this totalled a further 5% after 12% in 2013. The fact that there are not enough apartments available can only be overcome with a sustained and substantial increase in construction activities. The City of Munich's Planning Department reports that the City of Munich covered the requirement for the construction of 7,000 new apartments annually as 7,026 apartments were completed in 2014 (after 7,904 in 2013). However, this is not sufficient to compensate for the lack of building activities in the past few years. In addition, other institutions believe that actual annual demand is much higher than the figure estimated by the City of Munich, for example the Institut der deutschen Wirtschaft puts this figure at 11,500 apartments per year. In addition, the space available for construction in Munich is continuing to decrease – in contrast to other German cities.

As a result, there are currently no indicators that the situation on the market will relax over the medium term, and this means that there is also no price bubble on the Munich real estate market. Homebuyers are still prepared to buy properties, despite increasing or higher purchase prices – and this applies to both investors and also owner occupiers, with the properties on offer still being very limited.

### Developments on the housing market in Hamburg

The residential real estate market in Hamburg has also not changed since our last report at the end of 2014. Hamburg unites strong spending power with a high number of residents, as is the case in Munich. The real estate market in this city with its 1.8 million residents is the third largest in Germany in terms of requirements for new properties, following Berlin and Munich. Real estate prices in Hamburg are among the highest in the country. Hamburg is also similar to Munich in that it ranks among the German cities in which the population is expected to

grow substantially by 2030. As a result, demand is also expected to outstrip supply over the long term in Hamburg. At present, there is a lack of around 15,000 residential units in order to cover requirements.

### Competitive position of ISARIA Wohnbau in Munich

Competition for project developers for residential construction is mostly fragmented throughout Germany. There are many smaller providers on the market, who develop a few, small-scale properties in the traditional housing estate structures. As a result of the strong growth in the population of Munich, which has been the case for decades, however, some major companies have become established, who mostly ensure urban development growth. ISARIA Wohnbau has ranked among these companies for several years.

bulwiengesa has identified a group of five leading residential property developers in Munich. All of the other companies in this group have been family-owned for decades and the “second youngest” has already been operating on the market for 45 years. Based on a sufficiently large and strategic project pipeline, developing residential properties in Munich is thus clearly one of the least crisis-hit business models in the real estate industry.

### Competitive position of ISARIA Wohnbau in Hamburg

The properties secured in 2014 mean that ISARIA Wohnbau has laid the foundations to also rank among the top ten residential project developers in Hamburg in future.

During the first quarter of 2015 it was possible to generate notarised individual sales of € 12.4 million (prior year period: € 15.4 million). The amount of the individual sales continues to be mostly due to planning permission for the major project *nido* in Karlsfeld not being issued quickly enough or to the required extent. As a result, it was not yet possible to increase the speed of sales in the first quarter of 2015.

Notarised sales less units already transferred resulted in an continued high order book of € 83 million on 31 March 2015 (31 December 2014: € 84 million). This order book secures future revenues. With regard to the revenues forecast for 2015 from the sale of property units, more than 75% of these units have already been notarised.

### I. Results of operations

ISARIA Wohnbau's earnings in the first three months of 2015 were characterised by lower revenues from handing over projects compared to the same period of the previous year, however these were much more profitable. This resulted in a substantial improvement in the gross profit and EBIT margins compared to Q1 2014. However, in absolute terms this margin only compensates for the negative financial result in the period under review if it is taken together with the other operating income also received and recognised in income. Consolidated earnings after taxes were slightly positive at k€ 143, which was k€ 633 higher than the figure in Q1 2014 (k€ -490).

#### Results of operations

	01/01/ - 03/31/2015 k€	01/01/ - 03/31/2014* k€	Change k€
Revenues	14,499	28,338	-13,839
Total output	15,195	19,171	-3,976
Cost of materials	-9,102	-12,245	3,143
<b>Gross profit</b>	<b>6,093</b>	<b>6,926</b>	<b>-833</b>
Personnel expenses	-1,607	-1,241	-366
Other operating income	2,172	261	1,911
Other operating expenses	-2,095	-2,699	604
<b>EBIT</b>	<b>4,155</b>	<b>2,840</b>	<b>1,315</b>
Financial result	-4,036	-3,639	-397
<b>EBT</b>	<b>118</b>	<b>-799</b>	<b>917</b>
Income tax expenses/ gains	24	310	-286
<b>Comprehensive income</b>	<b>143</b>	<b>-490</b>	<b>633</b>

\* Adjusted prior-year figures due to the final purchase price allocation of One Group GmbH



The revenue volume (revenues from the sale of property units and from rentals as well as from other receivables) totalled k€ 14,499 in the first three months of fiscal year 2015 (Q1 2014: k€ 28,338) and is primarily due to the income from the residential units handed over in the respective period. In the first three months of 2015, this was mostly due to the hand-overs of residential units in a further construction stage WA 8a in the *nido* construction project (ISARIA Wohnbau Objekt Karlsfeld 2 GmbH). During the same period of the previous year the substantially higher number of handovers were mostly handovers which had been pushed back from the last quarter of 2013 in the revitalisation project *APP.ARTMENTS* (Living Bogenhausen GmbH).

Total output includes revenues as well as the change in inventories of ongoing construction properties according to construction progress (increase in inventories) and handovers (decrease in inventories) in the current reporting period.

The cost of materials fell by k€ 3,143 from k€ 12,245 in the first three months of 2014 to k€ 9,102 in the first three months of 2015. This downturn reflects the lower volume of construction compared to the same period of the previous year, and also the lower number of units in construction. In the same period of the previous year, in addition to the major project *nido* in Karlsfeld, the revitalisation project *APP.ARTMENTS* which was completed in 2014 was also included in the cost of materials.

The residential units from the current construction stages in the *nido* project handed over in the current reporting period are significantly more profitable compared to the construction stages completed in previous periods. These reflect the price increases on the Munich housing market over the past few years. As a result, the gross profit margin was up significantly during the current reporting period. It currently totals 42% compared to 24% in the same period of the previous year.

Personnel expenses increased to k€ 1,607 compared to k€ 1,241 in the same period of the previous year. This increase is due to the higher number of employees in Q1 2015 compared to Q1 2014 (up by a good 9%). As of 31 March 2015, the ISARIA Wohnbau Group had 58 employees (31 March 2014: 53 employees). In addition, personnel expenses in the period under review include k€ 192 for bonus payments for Board members (previous year: k€ 0). This expense is due to bonus payments in the period under review for fiscal year 2014 which were higher than the provisions that had been formed in this regard.

Other operating income in the period under review in the amount of k€ 2,172 (Q1 2014: k€ 261) include an entitlement to compensation payments for downstream costs we had already paid in previous years for a legacy property in the amount of k€ 1,599. This amount was assigned to us in a final ruling dated 5 February 2015. This ruling is not yet legally enforceable, however the receivable has already been secured. In addition, this item also includes k€ 208 from the reversals of provisions (Q1 2014: k€ 97).

Other operating expenses are lower by k€ 604 at k€ 2,095 in the first three months of 2015 (Q1 2014: k€ 2,699). Legal and consulting costs are k€ 237 lower than in the same period of the previous year. Guarantee and follow-up costs have fallen by k€ 150. This reflects the lower provision for guarantees for the units handed over in the period under review in line with the lower revenues. In addition, sales commission and advertising costs were k€ 170 lower than in the same period of the previous year.

EBIT increased to k€ 4,155 compared to the first six months of the previous year (k€ 2,840). In relation to revenues this results in a substantially improved EBIT margin of a good 28% (Q1 2014: 10%).

The negative financial result increased in the first three months of 2015 by k€ 397 to k€ -4,036 compared to k€ -3,639 in the same period of the previous year. Financial income was lower than in Q1 2014 (k€ 117), totalling k€ 59 in the first three months of 2015. Financial expenses increased in the first three months of 2015 compared to the same period of the previous year (k€ 3,843) by 6.5% to k€ 4,092. This increase is directly connected to interest-bearing liabilities which are up by 11% year on year. These, in turn, are due directly to the corresponding higher project volumes to be financed. The fact that financing expenses have increased to a lesser extent than this figure reflects the further improvement in the financing structure. The result from participating interests carried at equity totalled k€ -3 in the period under review (previous year: k€ 1,346).

Consolidated earnings before taxes were thus k€ 918 higher than the negative pre-tax earnings in Q1 2014 (k€ -799) at k€ 118. A slightly positive effect from income taxes as a result of a partial reversal of deferred tax liabilities led to earnings after taxes of k€ 143 (Q1 2014: k€ -490).

Business activities in the *One Group* segment are mostly reflected in the financial result. One Group recorded a balanced financial result of k€ 38 in the period under review. This includes expenses of k€ -508 from the adjustment for the present value of compensation liabilities to the funds' unit holders. Overhead costs in the quarter under review (personnel expenses, amortisation/depreciation, other operating expenses) totalled k€ 585 (Q1 2014: k€ 539). Considering income tax expenses of k€ 66, on the whole this led to segment earnings after taxes of k€ -214, prior to the consideration of the amortisation of the intangible assets acquired as part of the acquisition of One Group GmbH. This corresponds to the economic segment earnings included in internal reporting. However, the intangible

assets acquired as part of the acquisition of One Group GmbH are also to be allocated to the *One Group* segment at a group level. These were subject to scheduled amortisation in the period under review in the amount of k€ 283. This is offset by the resulting reversal of deferred tax liabilities in the amount of k€ 91. In total, this results in negative earnings after taxes for the *One Group* segment of k€ -497.

The course of business for the group as a whole was in line with forecasts on the whole in the first three months of 2015. Only the fact that hand-overs and thus also revenues of around € 7.0 million were pushed back from the first to the second quarter of 2015 caused the associated margin to not having become effective in Q1 2015. Otherwise, earnings in Q1 2015 would have been substantially more positive. However, we expect that this will balance itself out in the second quarter.

#### Net-Asset-Value (NAV)

At a project developer such as ISARIA Wohnbau, central assets, properties held for sale and inventories under construction are carried at cost. This is a fundamental difference between the balance sheet for the ISARIA Wohnbau Group and that of a real estate holding company, where central assets are carried at their market values. In order to make these figures comparable with those from real estate holding companies the company has identified the fair value of these stocks itself using residual value calculations that are standard on the market, and had these confirmed by an external expert. In this valuation method an expert estimates the income values in agreement with the project developers. The budgeted completion costs including a reasonable profit margin for the developer are deducted from the income values. The residual amount in this valuation method gives the market value of our project developments. The company then uses these market values to calculate the net asset value (NAV), the figure used interna-

tionally to assess real estate companies, according to EPRA standards. When calculating the EPRA NAV, ISARIA Wohnbau uses its equity before minority interests, supplemented by hidden reserves from the calculation of the residual values of the inventories. This calculation was performed for the first time on 31 December 2013.

As of 31 December 2014, the company updated these calculations while considering the EPRA Best Practice Recommendations from December 2014. According to these recommendations, "Trading Properties" are to be included at their market value without considering deferred taxes. According to this method, as of 31 December 2013 the EPRA NAV for the ISARIA Wohnbau Group is k€ 91,032 higher. On 31 December 2014, the EPRA NAV increased further to k€ 112,319. This is due to the further increases in market prices as well as increases

in value due to the development of construction rights which caused further increases in hidden reserves for the properties in the accounts. As a rule calculations for residual values and thus the NAV are only updated every six months.

#### EPRA NAV - ISARIA Wohnbau Group

	12/31/14 k€	12/31/13 k€
Equity before non-controlling interests	22,905	13,606
Hidden reserves of inventories <sup>*</sup>	89,414	77,425
EPRA NAV	112,319	91,032
Number of shares	23,764	23,764
NAV per share	4.73	3.83

<sup>\*</sup> Of these hidden reserves k€ 11,872 (31 December 2013 k€ 28,072) is due to companies in which ISARIA Wohnbau has already secured a majority interest by way of a notarised agreement, for which execution was still subject to conditions precedent on the reporting date. Conditions were fulfilled in April 2015

## II. Net assets

The company's net assets are mostly characterised by a strong downturn in current assets. Total assets fell by a good 15% to € 254,712 on 31 March 2015 compared to € 300,417 on 31 December 2014.

Non-current assets fell slightly to k€ 37,688 on 31 March 2015 compared to 31 December 2014 (k€ 38,089). This was mostly due to scheduled amortisation and depreciation.

Current assets fell by a good 17% to k€ 217,024 on 31 March 2015 compared to 31 December 2014 (k€ 262,328). Receivables from the sale of land are substantially lower in this figure as a result of the receipt of a payment in February 2015 for the purchase

price which became due on this date from the sale of a project development which was concluded at the end of 2014. Cash fell by k€ 1,839 from k€ 42,090 on 31 December 2014 to k€ 40,252 on the balance sheet date. A contradictory trend was shown by the properties held for sale and other inventories, which increased on balance by k€ 696 in the period under review. In addition, other receivables and financial assets increased by k€ 3,982. This was mostly due to the increase in receivables from participating interests of k€ 2,720 as a result of advance payments made to fulfil change of control clauses. These were a prerequisite for an effective majority acquisition of these companies in April 2015. This relates to the companies Wohnbau Objekt Hansastrasse GmbH and Wohnbau Objekt Tübinger Straße GmbH. In addition, the capitalisation of the compensation entitlement detailed above increased this figure.

#### Net assets

	03/31/2015 k€	12/31/2014 k€	Change k€
Non-current assets	37,688	38,089	-401
Current assets	217,024	262,328	-45,304
<i>of which: Properties held for sale and other inventories</i>	137,135	136,439	696
Equity	23,048	22,905	143
<i>Equity ratio</i>	9.0%	7.6%	-
Non-current liabilities	123,558	115,571	7,987
Current liabilities	108,105	161,941	-53,836
<b>Balance sheet total</b>	<b>254,712</b>	<b>300,417</b>	<b>-45,705</b>

### III. Financial position

Equity increased to k€ 23,048 on 31 March 2015 compared to 31 December 2014 (€ 22,905 thousand) in line with the slightly positive consolidated earnings after taxes. As a result of the strong reduction in total assets the equity ratio increased disproportionately from 7.6% to 9.0%.

Non-current liabilities increased by k€ 7,987 to k€ 123,558 on 31 March 2015 compared to k€ 115,571 on 31 December 2014. This increase is mostly due to an increase in non-current financial liabilities to banks as a result of taking out an additional bank loan, which was valued at k€ 7,289 on the balance sheet date.

Current liabilities fell by k€ 53,836 to k€ 108,105 on the balance sheet date compared to k€ 161,941 on 31 December 2014. In the first instance, the current portion of compensation liabilities to shareholders in general partnership fell on balance by k€ 1,938. This was due to the profit entitlement for the investors in JK Fonds I being paid out. This legacy fund has thus been fully wound up. Current financial debt to non-banks fell by k€ 10,000

in the period under review as a result of the repayment of the corporate bond in February 2015. Current financial debt to banks fell by k€ 17,866 in the period under review. This is mostly due to the repayment of a loan which was taken over in December 2014 as part of the first-time consolidation of a project development. Trade payables fell by k€ 18,168 as the result of payment. Other liabilities fell as a result of the repayment of two loans which were also taken over in December 2014 as part of the first-time consolidation of a project development. Liabilities from advance payments increased by k€ 1,312.

Cash in the ISARIA Wohnbau Group increased compared to 31 December 2014 (k€ 42,090) by k€ 1,839 and totalled € 40,252 thousand on the balance sheet date. As of 31 March 2015 the Group could freely dispose of these funds in the amount of k€ 18,982 (31 December 2014: k€ 17,003).

The increase in freely disposable cash is due to the cash flow from operating activities in the amount of k€ 28,171 (Q1 2014: k€ -12,171), the cash flow from investing activities of k€ 11 (Q1 2014: k€ -9) and the cash flow from

financing activities in the amount of k€ -26,203 (Q1 2014: k€ 16,160).

The cash flow from operating activities totalled k€ 28,171 in the period under review after k€ -12,171 in the previous year period and is mostly due to the consolidated earnings before income taxes in the amount of k€ 118 plus the financial result (k€ 4,036), the increase in properties held for sale of k€ 696, the downturn in receivables from the sale of property and other receivables and financial assets of k€ 48,169, an increase in non-interest bearing liabilities and provisions by k€ 23,506.

The cash flow from investing activities in the first three months of 2015 amounted to k€ 11 (Q1 2014: k€ -9).

The cash flow from financing activities in the first three months of 2015 amounted to k€ -26,203 (Q1 2014: k€ 16,160). The repayment of financial liabilities in the amount of k€ 31,986 (Q1 2014: k€ 5,914) and interest payments in the amount of k€ 1,721 (Q1 2014: k€ 1,680) exceeded the inflow from drawing down financial liabilities for the ongoing construction activities in the amount of k€ 7,504 (Q1 2014: k€ 23,755).

#### Financial position

	03/31/2015 k€	12/31/2014 k€	Change k€
Cash and cash equivalents	18,982	17,003	1,979
	01/01/ - 03/31/2015 k€	01/01/ - 03/31/2014* k€	Change k€
Cash flow from			
operating activities	28,171	-12,171	40,342
investing activities	11	-9	20
financing activities	-26,203	16,160	-42,363

### 3. Opportunity and risk report

As a result of its business activities, ISARIA Wohnbau Group is exposed to various operational and economic risks. In this regard, please refer to the detailed information in the group management report for fiscal year 2014. From 1 January 2015 no risks have been entered into or have become perceptible which would lead to a different assessment.

In the trial for damages versus a former auditor (fiscal years up to 2009) due to subsequent corrections to the balance sheet, which became necessary, the parties agreed to a settlement before the regional court of Munich I in March 2015. This resulted in other operating income in the low six digit euro range.

### 4. Report on the events after the balance sheet date

Already in December 2013 the company notarised the acquisition of a majority interest in the special purpose entities "Wohnbau Objekt Hansastrasse GmbH" and "Wohnbau Objekt Tübinger Straße GmbH" by way of notarised purchase agreements. Various conditions precedent have to occur in order to execute these contracts. These conditions were fully met on 21 April 2015. Since this date, ISARIA Wohnbau AG has held an interest of 90% in each case in these companies, and will include these companies in its consolidated financial statements from this date. Jointly, both of the special purpose entities have a planned sales volume of around € 160 million.

On 23 April 2015 One Group received its approval and license to start sales of ProReal Deutschland Fond 4, its first regulated investment fund according to the Kapitalanlagegesetzbuch (KAGB - German Capital Investment Code). The planned issuing volume totals € 75 million.

Apart from this, at the date that this consolidated interim management report was prepared, the company was not aware of any material events that occurred after the balance sheet date and which have a material impact on the group's business growth.



## 5. Forecast

Based on results in the first quarter of 2015, which were mostly in line with forecast, and the current progress in the major project *nido* in Karlsfeld, we confirm the forecast we issued on 31 December 2014 for 2015 as a whole for revenues of around € 100 million and positive earnings after taxes in the high single-digit million euro range.

Munich, 30 April 2015



**Michael Haupt**  
Spokesman of the  
Executive Board | CEO



**Christian Dunkelberg**  
Member of the  
Executive Board | CIO



**Jan von Lewinski**  
Member of the  
Executive Board | COO

# 03 | CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## Consolidated Statement of Comprehensive Income

from 1 January to 31 March 2015

	01/01/ - 03/31/2015 k€	01/01/ - 03/31/2014* k€
Sales revenue		
a) from the sale of property units	13,327	27,539
b) from the lease of property units	1,167	767
c) from other deliveries and services	5	32
	14,499	28,338
Change in inventories of properties held for sale with finished or unfinished buildings	696	-9,167
<b>Total output</b>	<b>15,195</b>	<b>19,171</b>
Cost of materials		
a) Expenses for the sale of property units	-8,371	-11,632
b) Expenses for the lease of property units	-731	-613
	-9,102	-12,245
<b>Gross profit</b>	<b>6,093</b>	<b>6,926</b>
Personnel expenses	-1,607	-1,241
Depreciations / amortisation / impairment charges	-408	-407
Other operating income	2,172	261
Other operating expenses	-2,095	-2,699
<b>EBIT</b>	<b>4,155</b>	<b>2,840</b>
Financial income	59	117
Financial expenses	-4,092	-3,843
Result of associates accounted for using the equity method	-3	87
<b>Financial result</b>	<b>-4,036</b>	<b>-3,639</b>
<b>Consolidated result before income taxes</b>	<b>118</b>	<b>-799</b>
Income tax expenses	24	310
<b>Consolidated result after income taxes</b>	<b>143</b>	<b>-490</b>
of which attributable to the shareholders of ISARIA	153	-481
of which attributable to non controlling interests	-10	-9
Other Comprehensive income	0	0
<b>Comprehensive income</b>	<b>143</b>	<b>-490</b>
OF WHICH ATTRIBUTABLE TO THE SHAREHOLDERS OF ISARIA	153	-481
of which attributable to non controlling interests	-10	-9
<b>Earnings per share in €</b>		
Basic	0.01	-0.02
Diluted	0.01	-0.02

\* Adjusted prior-year figures due to the final purchase price allocation of One Group GmbH

# Consolidated Balance Sheet

as of 31 March 2015

Assets	03/31/2015 k€	12/31/2014 k€
<b>I. Non-current assets</b>	<b>37,688</b>	<b>38,089</b>
1. Intangible assets	8,248	8,555
2. Investment properties	13,120	13,192
3. Property, plant and equipment	326	328
4. Financial assets		
a) Investments in associates accounted for using the equity method	1,037	1,040
b) Other investments	75	75
5. Deferred tax assets	14,741	14,758
6. Other accounts receivable	141	140
<b>II. Current assets</b>	<b>217,024</b>	<b>262,328</b>
1. Properties held for sale and other inventories		
a) Properties and equivalent rights with unfinished buildings	136,545	135,799
b) Properties and equivalent rights with finished buildings	590	640
2. Accounts receivable from the sale of property	11,609	59,948
3. Income tax receivables	1,902	1,707
4. Other accounts receivable and financial assets	26,126	22,143
5. Cash and cash equivalents	40,252	42,090
<b>Total assets</b>	<b>254,712</b>	<b>300,417</b>

Equity and liabilities	03/31/2015 k€	12/31/2014 k€
<b>I. Equity</b>	<b>23,048</b>	<b>22,905</b>
1. Subscribed capital	23,764	23,764
2. Equity and Reserves	137,120	137,120
3. Balance sheet loss	-137,823	-137,976
Consolidated equity of the majority shareholders	23,060	22,908
4. Non controlling interests	-13	-3
<b>II. Non-current liabilities</b>	<b>123,558</b>	<b>115,571</b>
1. Compensation liabilities to shareholders in general partnership	85,363	84,855
2. Financial liabilities to banks	33,881	26,562
3. Deferred tax liabilities	1,250	1,335
4. Other provisions	3,064	2,819
<b>III. Current liabilities</b>	<b>108,105</b>	<b>161,941</b>
1. Compensation liabilities to shareholders in general partnership	7,761	9,699
2. Financial liabilities from silent participations, shareholder loans and other forms of capital provision	25,318	35,318
3. Financial liabilities to banks	15,307	33,173
4. Trade accounts payable	10,276	28,445
5. Liabilities from payments made on account	40,483	39,171
6. Income tax liabilities	4,091	4,237
7. Other provisions	2,501	3,892
8. Other liabilities	2,369	8,006
<b>Total equity and liabilities</b>	<b>254,712</b>	<b>300,417</b>

# Statement of Changes in Consolidated Equity

from 1 January to 31 March 2015

	Subscribed capital	Deposits made to execute the resolved capital increase	Equity and Reserves		Balance sheet loss	Consolidated equity of the majority shareholders	Non controlling interests	Total consolidated equity
	k€	k€	k€		k€	k€	k€	k€
As of 1st January 2014	20,764	8,700	131,471		-147,270	13,665	-59	13,605
Comprehensive Income *	0	0	0		-481	-481	-9	-490
Capital increase	3,000	-8,700	5,700		0	0	0	0
As of 31st March 2014 *	23,764	0	137,171		-147,751	13,184	-68	13,116
As of 1st January 2015	23,764	0	137,120		-137,976	22,908	-3	22,905
Comprehensive Income	0	0	0		153	153	-10	143
As of 31st March 2015	23,764	0	137,120		-137,823	23,060	-13	23,048

\* Adjusted prior-year figures due to the final purchase price allocation of One Group GmbH



# Consolidated Cash Flow Statement

from 1 January to 31 March 2015

	01/01/ - 03/31/2015 k€	01/01/ - 03/31/2014* k€
<b>Consolidated result before income taxes</b>	<b>118</b>	<b>-799</b>
Adjustments for the reconciliation from Consolidated result before income taxes to Cash flows from operating activities		
Depreciations / amortisation / impairment charges	408	407
Valuation allowances (+) / write-ups (-)	9	772
Financial results	4,036	3,639
Decrease (+) and increase (-) in properties held for sale and other inventories	-696	8,432
Decrease (+) and increase (-) in accounts receivable from the sale of property and of other accounts receivable and financial assets	48,187	-1,089
Increase (+) and decrease (-) in trade accounts payable and other current liabilities	-22,360	-23,069
Increase (+) and decrease (-) in other provisions	-1,146	168
Income taxes paid (-) / refunded (+)	-386	-632
<b>Cash flows from operating activities</b>	<b>28,171</b>	<b>-12,171</b>
Acquisition of intangible assets	0	-7
Acquisition of property, plant and equipment	-26	-6
Interest received	37	4
<b>Cash flows from investing activities</b>	<b>11</b>	<b>-9</b>
Net payments from taking out of financial liabilities	7,504	23,755
Repayments of financial liabilities	-31,986	-5,914
Interest paid	-1,721	-1,680
<b>Cash flows from financing activities</b>	<b>-26,203</b>	<b>16,160</b>
<b>Change in cash</b>	<b>1,979</b>	<b>3,980</b>
<b>Cash at the beginning of the accounting period</b>	<b>17,003</b>	<b>11,762</b>
<b>Cash at the end of the accounting period</b>	<b>18,982</b>	<b>15,742</b>

\* Adjusted prior-year figures due to the final purchase price allocation of One Group GmbH

# Selected Explanatory Notes

to the condensed Consolidated Interim Financial Statements  
as of 31 March 2015

ISARIA Wohnbau AG (hereinafter also referred to as the "Company", „ISARIA“, or, in connection with its subsidiaries and affiliated companies as "ISARIA Wohnbau group") is an Aktiengesellschaft (public limited company) under German law. Shares of the company are listed on the Regulated Market of the Frankfurt Stock Exchange. ISARIA Wohnbau AG is the Group's parent company. It is registered with Local Court of Munich under registration number HRB 187909. The Company's registered office is Leopoldstraße 8, 80802 Munich, Germany.

The condensed consolidated interim financial statements (hereinafter also referred to as just the "consolidated interim financial statements") are presented in euros (€), as all of the Group's transactions are based on this currency and the euro is thus the Group's functional currency. If not otherwise stated, disclosures are made in thousands of euros (k€). We note that if rounded amounts and percentages are used, rounding may result in differences. This also relates to the totals and subtotals presented in the consolidated interim financial statements.

The consolidated statement of comprehensive income is prepared according to the type-of-expenditure format. The fiscal year used by ISARIA Wohnbau AG and its subsidiaries and joint venture companies included in the consolidated interim financial statements corresponds to the calendar year.

## 1. Business Operations

The ISARIA Wohnbau Group is a project developer for residential properties. The Group buys plots of land in attractive locations via independent special purpose entities/subsidiaries, plans residential properties in these locations, constructs these and then sells them. The business activities of the ISARIA Wohnbau Group include the divisions New Construc-

tion of Residential Property and Revitalization of Existing Properties. The latter includes changing former commercial properties into residential properties under the brand *APP.ARTMENTS*.

The company's business model is to sell all apartments and houses that it has constructed. ISARIA Wohnbau does not aim to rent or hold apartments or houses within a portfolio. To date, the company, together with its SPEs, has exclusively operated on the high-growth greater Munich region where it has ranked among the market leaders for several years. However this position can only be upheld by making ongoing acquisitions and it cannot be expanded in a reasonable manner. Given this background, in November 2014 ISARIA Wohnbau took the strategic decision to expand its activities geographically and to include Hamburg as a second location. This is also in view of the fact that price levels in this city, which is next largest in terms of its size, are much lower than in Munich - while population growth is also strong and private households have comparable spending power. The company has had an office in Hamburg since December 2014. The company's headquarters, with all of the central departments, will continue to be in Munich.

ISARIA Wohnbau has its own financing platform within the group with One Group GmbH, Hamburg and its subsidiaries (hereinafter referred to as "One Group") which it acquired on 31 December 2013. The business activities of One Group mostly comprise conceiving, structuring and issuing project development funds for residential construction projects in Germany. In ISARIA Wohnbau's home location in Munich these funds invest exclusively in its projects. Investments can also be made in external projects in other locations.

The investments always aim to sell the property during the investment period. As a result, One Group does

not hold any participating interests in real estate on a permanent basis in its assets.

One Group is run as a sub-group within the ISARIA Wohnbau Group. This segment will map this sub-group's results.

## 2. Principles for preparing the interim financial statements

The consolidated interim financial statements for the period from 1 January to 31 March 2015 have been prepared in accordance with IAS 34 "Interim Reporting" as condensed consolidated interim financial statements. These consolidated interim financial statements do not include all of the information required for financial statements for a full fiscal year, and should be read in connection with the consolidated financial statements as of 31 December 2014.

The accounting and valuation methods used to prepare the consolidated interim financial statements fundamentally correspond to the methods used in the last consolidated financial statements as of 31 December 2014.

The consolidated interim financial statements as of 31 March 2015 were prepared in accordance with International Financial Reporting Standards (IFRS) applicable in the European Union. All applicable mandatory standards were accounted for; there was no early application of voluntary standards. There was no impact on the accounting methods and the presentation of the financial position and results of operations from first-time application of the standards and interpretations.

## 3. Changes to the consolidated group

As of 31 March 2015, the consolidated interim financial statements comprise, in addition to ISARIA Wohnbau AG, 37 subsidiaries (31 December 2014: 37) and three joint ventures carried at equity.

## 4. Significant business transactions

On 16 February 2015 the corporate bond 2014/2015 was repaid on schedule in the amount of € 10.0 million.

## 5. Consolidated cash flow statement

The cash flow statement shows how the Group's cash has changed in the course of the period under review through inflows and outflows of funds. In conformance with IAS 7, "Statement of cash flows", a distinction is made between cash flows from current business activities, investment activities, and financing activities. The cash in the cash flow statement exclusively comprises the freely available cash. If this is added to the cash with restricted availability in the amount of k€ 21,270 (previous year: k€ 20,922), this results in the cash disclosed on the balance sheet.

## 6. Segment reporting

in k€	New Construction	Revitalisation	One Group	Other	Consolidation/ Reconciliation	Group
<b>Sales revenue - external</b>						
01.01. - 31.03.2015	11,484	2,097	180	738	0	14,499
01.01. - 31.03.2014	3,601	24,002	32	702	0	28,338
<b>Sales revenue - internal</b>						
01.01. - 31.03.2015	0	0	25	0	-25	0
01.01. - 31.03.2014	0	0	0	0	0	0
<b>Change in inventories</b>						
01.01. - 31.03.2015	487	-230	439	0	0	696
01.01. - 31.03.2014	4,224	-13,391	0	0	0	-9,167
<b>Gross profit</b>						
01.01. - 31.03.2015	11,971	1,867	644	738	-25	15,195
01.01. - 31.03.2014	7,825	10,611	32	702	0	19,171
<b>Depreciations</b>						
01.01. - 31.03.2015	-27	0	-306	-74	0	-408
01.01. - 31.03.2014	-34	0	-299	-74	0	-407
<b>EBIT</b>						
01.01. - 31.03.2015	3,743	990	-602	24	0	4,155
01.01. - 31.03.2014	-522	4,381	-926	-93	0	2,840
<b>Financial income</b>						
01.01. - 31.03.2015	37	0	2,590	0	-2,568	59
01.01. - 31.03.2014	15	0	1,209	98	-1,205	117
<b>Financial expenses</b>						
01.01. - 31.03.2015	-2,919	-1,128	-2,551	-62	2,568	-4,092
01.01. - 31.03.2014	-3,082	-1,177	-714	-75	1,205	-3,843
<b>Result of associates accounted for using the equity method</b>						
01.01. - 31.03.2015	-3	0	0	0	0	-3
01.01. - 31.03.2014	87	0	0	0	0	87
<b>Income tax expenses (-) / income (+)</b>						
01.01. - 31.03.2015	-25	-17	66	0	0	24
01.01. - 31.03.2014	37	353	-80	0	0	310
<b>Result after taxes on income</b>						
01.01. - 31.03.2015	833	-155	-497	-38	0	143
01.01. - 31.03.2014	-3,464	3,557	-512	-70	0	-490
<b>Valuation allowances (-) / write-ups (+) on inventories and receivables</b>						
01.01. - 31.03.2015	-9	0	0	0	0	-9
01.01. - 31.03.2014	-579	-193	0	0	0	-772

## 7. Contingencies, contingent liabilities and other financial obligations

With regard to contingencies, contingent liabilities and other obligations please refer to the presentation in the notes to the consolidated financial statements for fiscal year 2014, as these substantially remain unchanged as of 31 March 2015.

## 8. Additional notes concerning financial instruments

The following table shows by measurement category according to IAS 39 the carrying amounts and fair values for the financial assets and liabilities recognised in the consolidated financial statements:

Depending on how financial instruments are categorised, they are subsequently measured either at fair

value or at amortised cost using the effective interest rate method. Fair value is determined according to the following measurement steps:

- Step 1: prices quoted on active markets (and adopted without change) for identical assets or liabilities
- Step 2: input factors that are not the quoted prices considered in Step 1 but which can be observed either directly or indirectly (i.e., as derived from prices) for the asset or liability
- Step 3: factors for measuring the asset or liability not based on observable market data (non-observable input factors)

At present, all fair values measured for financial instruments are based on information factors and input factors as described for Step 2 above.

### Carrying amounts and fair values

	Assessment category as per IAS 39	03/31/2015 Carrying amount	03/31/2015 Fair Value	12/31/2014 Carrying amount	12/31/2014 Fair Value
<b>Assets</b>					
Financial assets - Other investments	AfS	75	n/a	75	n/a
Accounts receivable from the sale of property	LaR	11,609	11,609	59,948	59,948
Other accounts receivable and financial assets	LaR	7,975	7,975	5,232	5,232
Cash and cash equivalents	LaR	40,252	40,252	42,090	42,090
<b>Liabilities</b>					
Compensation liabilities to shareholders in general partnership	FLAC	93,124	98,461	94,554	94,554
Financial liabilities from silent participations, shareholder loans and other forms of capital provision	FLAC	25,318	25,489	35,318	35,318
Financial liabilities to banks	FLAC	49,188	49,664	59,735	59,735
Trade accounts payable	FLAC	10,276	10,276	28,445	28,445
Other financial liabilities	FLAC	369	369	5,037	5,037

## 9. Material transactions with related parties

ISARIA Wohnbau Group's related parties are unchanged compared to the consolidated financial statements as of 31 December 2014, therefore please also refer to the presentation in the notes to the consolidated financial statements for fiscal year 2014.

The following transactions were performed between the ISARIA Wohnbau Group and related parties during the period under review:

## 10. Employees

On average there were 59 employees in the first three months of fiscal year 2015.

	03/31/2015	12/31/2014
Number of employees	58	60

### Transactions with related parties

	Revenue	Expenses	Accounts receivable	Liabilities
in k€	01/01/ - 03/31/2015	01/01/ - 03/31/2015	03/31/2015	03/31/2015
JK-COR companies	59	0	0	81
Executive Board and Supervisory Board	0	459	0	34
<b>Total</b>	<b>59</b>	<b>459</b>	<b>0</b>	<b>115</b>
in k€	01/01/ - 03/31/2014	01/01/ - 03/31/2014	12/31/2014	12/31/2014
JK-COR companies	117	0	0	81
Executive Board and Supervisory Board	2	424	0	7
<b>Total</b>	<b>119</b>	<b>424</b>	<b>0</b>	<b>88</b>

## 11. Events after the balance sheet date

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Already in December 2013 the company notarised the acquisition of a majority interest in the special purpose entities "Wohnbau Objekt Hansastrasse GmbH" and "Wohnbau Objekt Tübinger Straße GmbH" by way of notarised purchase agreements. Various conditions precedent have to occur in order to execute these contracts. These conditions were fully met on 21 April 2015. Since this date, ISARIA Wohnbau AG has held an interest of 90% in each case in these companies, and will include these companies in its consolidated financial statements from this date. Jointly, both of the special purpose entities have a planned sales volume of around € 160 million.

On 23 April 2015 One Group received its approval and license to start sales of ProReal Deutschland Fond 4, its first regulated investment fund according to the Kapitalanlagegesetzbuch (KAGB - German Capital Investment Code). The planned issuing volume totals € 75 million.

Apart from this, at the date that this consolidated interim management report was prepared, the company was not aware of any material events that occurred after the balance sheet date and which have a material impact on the group's business growth.

Munich, 30 April 2015



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Spokesman of the  
Executive Board | CEO



**Christian Dunkelberg**  
Member of the  
Executive Board | CIO



**Jan von Lewinski**  
Member of the  
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# Financial Calendar

## Aug 14, 2015

Publication of Q2 Report

## Nov 13, 2015

Publication of Q3 Report

## Nov 23 – 25, 2015

German Equity Forum 2015, Frankfurt am Main

# Disclaimer

This report contains statements referring to the future. Forward-looking statements are statements which are not based on historical events and facts. These statements are based on assumptions, forecasts and evaluations of future developments by the management board. These assumptions, forecasts and evaluations were made on the basis of all the information which is available at the current time. If the assumptions of future developments used in the statements and evaluations do not materialise, the actual results might deviate from the current expectations. The Executive Board and the Company do not accept any liability with regard to the actual materialisation of the forward-looking statements. The Executive Board and the Company do not accept any obligation to continue any statements or adjust such to future events and developments over and above the legal requirements. This report and the information contained herein do not form an offer for the sale or an offer to buy or subscribe securities of ISARIA Wohnbau AG within the Federal Republic of Germany or in any other country. In the United States, the shares of ISARIA Wohnbau AG may only be sold or offered for sale after prior registration or, without prior registration, on the basis of an exemption from the registration requirement according to the provisions of the 1933 US Securities Act in its currently valid version. ISARIA Wohnbau AG does not intend to carry out a public offer of shares in the United States.

