

MANAGEMENT REPORT

as at 30 June 2015 / Unaudited

KEY FIGURES

All comparable data concerning the Group's performance as at 30 June 2014 were compiled under assumption that CPI PROPERTY GROUP and Czech Property Investments, a.s. were combined as of 1 January 2013. Other acquisitions are reported since the acquisition date.

Performance		30-Jun-15	30-Jun-14	Change in %
Gross rental income	MEUR	107	101	6%
Occupancy in %*	%	89%	86%	3%
Net rental income	MEUR	105	95	10%
Total revenues	MEUR	135	110	23%
Operating result	MEUR	94	170	-45%
Funds from operations (FFO)	MEUR	51	43	19%
Profit before tax	MEUR	66	151	-56%
Net interest expense	MEUR	33	32	3%
Net profit for the period	MEUR	58	112	-48%

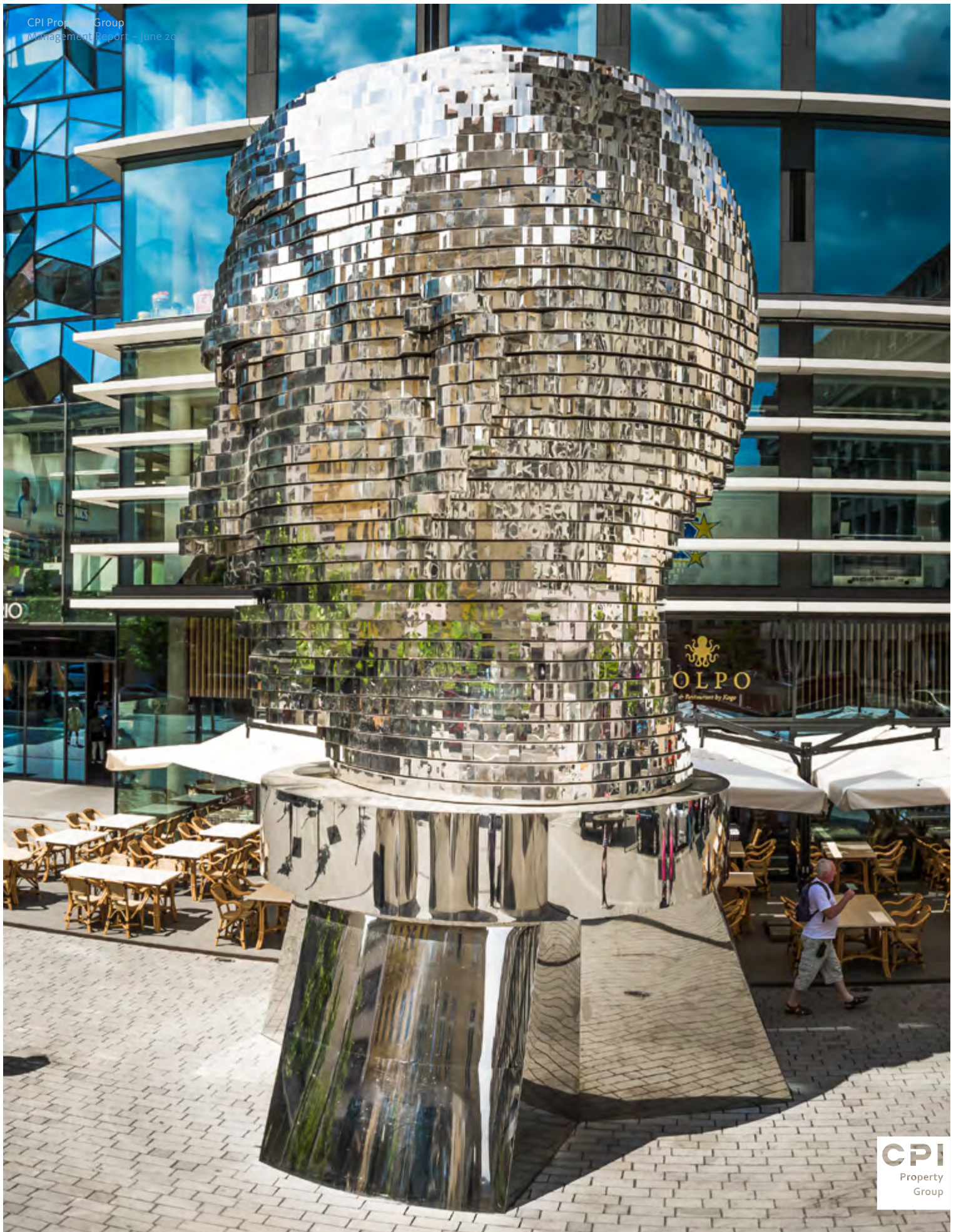
* Excluding hotels

Assets		30-Jun-15	31-Dec-14	Change in %
Total assets	MEUR	4,424	4,219	5%
Property Portfolio	MEUR	3,644	3,553	3%
Gross lettable area *	sqm	2,945,000	2,907,000	1%
Total number of properties**	No	335	335	0%
Total number of residential units	No	12,510	12,536	0%
Total number of hotel beds	No	9,761	9,987	-2%
EPRA NAV	MEUR	2,027	1,940	4%
EPRA NAV per share	EUR	0.614	0.587	5%

* Excluding hotels

** Excluding residential properties

Financing structure		30-Jun-15	31-Dec-14	Change in %
Total equity	MEUR	1,640	1,559	5%
Equity ratio	%	37%	37%	0%
Net debt	MEUR	2,021	1,978	2%
Loan to value ratio in %	%	55.5%	55.7%	0%





YEAR 2015

Berlin

portfolio extension
– 16,600 sqm of office
premises

Acquisition of shopping centre in the Czech Republic

Our new investments and portfolio news

Group continues its expansion in Berlin

On 12 May 2015 the Group acquired the industrial complex Ullsteinstraße 73 in Berlin-Tempelhof for total consideration of EUR 6.9 million. The industrial complex is close to Tempelhofer Hafen (Tempelhof Harbour) and the subway station Ullsteinstraße; an emerging region that has performed very well in recent years. It offers architecturally impressive factory buildings with attached commercial buildings. The five buildings offer a total of approximately 16,600 square meters. The unit sizes vary from 50 to 1,400 square meters and offer production, storage and office space for rent.

Investment in the Czech Republic

On 17 June 2015 the Group acquired Futurum Shopping Centre in Kolín, Czech Republic. The shopping centre, with a leasable area of 10,100 sqm, comprises of supermarket, shopping gallery with 50 shops, restaurants and other amenities, as well as underground parking for 320 cars. The aggregate acquisition price in a share transaction amounts to EUR 23 million, with bank financing provided by Československá obchodní banka at the level of EUR 17.25 million.

Opening new premises

In April 2015 the Group opened the third phase of the successful office project Meteor Centre Office Park in Prague's Karlín district. The Meteor Centre Office Park C, located directly at Křižíkova metro station, comprises approximately 5,000 sqm of offices, shops and other amenities, parking on two underground floors and rental apartments. With exceptional quality of construction and services it fulfils the current demands for work environment and lifestyle.

Capital market financing

Additional financing obtained on Berlin portfolio

During April 2015 Gewerbesiedlungs-Gesellschaft (GSG Berlin), a subsidiary of CPI Property Group and a leading provider of office and commercial space in Berlin, and the bank club composed of DG Hyp, HSH Nordbank, Düsseldorfer Hypothekenbank and Investitionsbank Berlin agreed to boost the existing loan by EUR 55 million now amounting to a total of EUR 305 million. This loan increase is a consequence of excellent operating performance and increase in rental income within the GSG Berlin portfolio.

New loan of EUR 135 million for **QUADRIO**

Financing secured for QUADRIO

The Group has obtained financing for its major project in the Czech Republic, QUADRIO shopping centre. Following the successful completion of QUADRIO project, the Group agreed with the current club of financing banks, Helaba and UniCredit, on a major increase of the financing from EUR 73 million up to EUR 135 million. QUADRIO is a modern shopping centre located in the heart of Prague 1, directly above the metro station Národní třída. QUADRIO is a unique mixed-use project comprised of 16,400 sqm of modern A-class office space, 8,500 sqm of retail premises, 13 exclusive apartments and an underground car parking for 250 cars. Recently QUADRIO became head office for the CEE operation of the Group.

New financing for farmland

The Group obtained a credit facility to refinance the acquisition of the unique farmland and farm business held in Spojené farmy, the Czech Republic. The facility in the amount of EUR 34.5 million was provided by Československá obchodní banka (CSOB). Spojené farmy is one of the largest owners of farmland and producers of high-quality organic food in the Czech Republic. Spojené farmy operates almost 20,000 hectares of land and has additional investments in the Czech Republic, Germany, Poland and the Slovak Republic.

Prolongation of **€ 58** million for Mamaison Portfolio

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In July 2015 the Group obtained a 5-year refinancing for its boutique hotels portfolio located in the Czech Republic, the Slovak Republic, Poland, Hungary and Russia, held under the Hospitality Invest S.a.r.l. subholding.

The Group now achieved the long-term EUR 58 million refinancing with Erste bank.

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The Group now achieved the long-term EUR 58 million refinancing with Erste Bank. The hotels portfolio is mostly operated under the brand Mamaison Hotels and Residences and represents a unique collection of well-established luxury boutique hotels and all-suite residences, mostly located in prime central locations of the CEE capitals (Prague, Warsaw, Budapest, Bratislava and Moscow).

Financing secured for the shopping centres in the Czech Republic

The Group obtained three investment loans and two development loans in an aggregate amount of EUR 117.7 million. The funds will be used to refinance and increase the existing investment loans of three shopping centres that are located in the Czech Republic and also to finance construction of a new shopping centre in the Czech Republic.

EUR 30 million Bonds Issue on the Slovak market

CPI Finance Slovak Republic, a.s., subsidiary of the Group, has issued new bonds. The bonds with the nominal amount of EUR 1,000 each and the aggregate amount of EUR 30 million were issued on 16 April 2015. The bonds are due in 2018 and carry a fixed rate coupon of 5.85% p.a.

EUR 50 million Bonds Issue

In August 2015 the Group has issued new bonds in total value of approx. EUR 50 million. The bonds with CZK 10,000 nominal value are due on 24 August 2019 and carry a fixed coupon of 4.75%. The fixed coupon is payable on quarterly basis. The bonds CPI 4.75/19 have been admitted to trading on the Prague Stock Exchange.

EUR 170 million Bonds Issue on the Luxembourg market

In August 2015 the Group has issued new notes in total value of EUR 170 million. The notes with EUR 100,000 nominal value are due in 2025 and carry a fixed coupon of 5%. The fixed coupon is payable on annual basis. The Notes are governed by Luxembourg law. The notes were approved by Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market under the rules and regulations of the Luxembourg Stock Exchange.

Increase in FFO
by 19% to

€ 51
million

compared to H1 2014

Funds from operations (FFO)

Reflecting the strong performance in the six month period ended 30 June 2015, the Group generated EUR 51 million of funds from operations compared to EUR 43 million in the same period in 2014.



MESSAGE FROM CEO

Dear Business Partners, Colleagues and Stakeholders,

Europe has experienced a number of major turmoils in recent months, the Greek crisis, Euro devaluation against the US dollar as well as an unforeseen number of illegal immigrants. Despite this, the real estate market has experienced growth and investors, developers and banks have positive expectations for the future. Based on our achievements in the first half of the year, we can share this modest optimism, but have to observe closely and adopt to the challenges of the world economy.

The CPI PROPERTY GROUP has again stood at the forefront and completed new acquisitions and agreed a number of new financings and re-financings as well as successfully repaying and placing new corporate bonds. The Group, no doubt ranks among the major real estate players in Europe and still has room to grow in the domestic markets and elsewhere.

The CPI PROPERTY GROUP now manages a well-balanced and diversified portfolio with a value over EUR 3.6 billion, which includes a wide range of properties located in Germany, the Czech Republic, the Slovak Republic, Hungary, Poland and Romania. Office and retail yielding properties form a core portfolio with residential, hotel and logistic properties bringing advantages from either a low risk profile or higher yields. Our development arm brings niche products to the market, monetizing our vast land bank as well as ensuring that the existing properties increase in value.

Over the first half of 2015, the CPI PROPERTY GROUP continues to seek acquisitions in Germany and in Central Europe, its main areas of business, but also “high-end” projects further west in countries including France and Switzerland. In the first half of 2015, the Group completed the acquisition of an industrial complex in Ullsteinstraße in Berlin-Tempelhof for EUR 6.9 million and the acquisition of the Futurum Shopping Centre in Kolín, Czech Republic for EUR 23 million.

The CPI PROPERTY GROUP has been very active and successful in improving its financing profile and costs. In March 2015, with a total facility of EUR 117.7 million we refinanced our three shopping centres and obtained a development loan for an extension on one of them. The low interest rate environment ensured the overall debt service was decreased despite a higher loan amount. GSG Berlin, the leading provider of office and commercial space in Berlin, boosted the existing loan by EUR 55 million to EUR 305 million as a consequence of excellent operating performance and an increase in rental income. The proceeds were primarily used to repurchase higher yielding corporate bonds of the Group, which had a positive effect on the overall costs of financing. In June 2015, Helaba and UniCredit increased and converted our development loan for the QUADRIO project to a long-term investment loan under prime commercial terms. In the same month, we secured financing from ČSOB for Spojené farmy, a unique farmland portfolio. One month later, the Group extended the EUR 58 million facility from Erste Group by five years for its boutique hotels portfolio located in the Czech Republic, the Slovak Republic, Poland, Hungary and Russia.

Also, in March we repaid our corporate bonds for the amount of EUR 15 million and on 16 April 2015 placed EUR 30 million bonds primarily for our Slovak clients. And just a few days ago, our subsidiary Czech Property Investments, a.s. placed Czech crown denominated bonds for the private clients of Komerční banka and UniCredit and consequently investors oversubscribed the issue. In all new bond issues, the coupons were down on average 150 BPS against our previous bond issues which clearly evidences the positive development that the Group has made in recent years and the strong covenant the Group now enjoys. Bond financing has become a standard and important way for the financing of our business activities and we are proud it is an appealing product for our investors.

I would like to thank all our employees and business partners who have made the Group successful and remain committed in driving the Group to further achievements.

Luxembourg, 28 August 2015



Martin Němeček
Chief Executive Officer

The Group

operates in 15 countries
around the Europe

GROUP OVERVIEW

CPI PROPERTY GROUP (the “Company” and together with its subsidiaries the “Group”) is a Luxembourg based société anonyme, founded in 2004 as ORCO Germany S.A. Since its foundation it has been operating in Germany and concentrated mainly on commercial property, project development and asset management especially in Berlin. With its subsidiary Gewerbesiedlungs-Gesellschaft (GSG), the Group is the largest lessor of commercial property in the Berlin area.

After the combination with CPI in 2014, the Group has expanded into number of CEE countries and significantly extended its current Berlin portfolio.

The Group has focused on investment properties, realizes development potentials and offers full-service asset management for third parties.

As at 30 June 2015 the Group includes 294 companies in 15 countries around the Europe as indicated in the table below:

	Number of Companies
Country	30-June-15
Czech Republic:	170
Germany:	19
Hungary:	29
Slovak Republic:	17
Poland:	11
Romania:	9
Other	38
CPI PROPERTY GROUP in total	294

The Company shares registered under ISIN code LU0251710041 are listed on the regulated market of the Frankfurt Stock Exchange in the General Standard segment.

Shareholders structure

Based on the latest shareholders’ declarations, the following table sets out information regarding the ownership of the Company’s shares as at 30 June 2015.

Shareholder	Number of shares	Share held
Radovan Vitek and entities controlled by Mr. Vitek	3,044,030,691	92.14%
ORCO PROPERTY GROUP and entities controlled by OPG	159,132,897	4.82%
Others	100,604,712	3.04%
Total	3,303,768,300	100%

The share capital of the Company is represented by 3,303,768,300 ordinary shares of one class. 230,056,445 Company shares (approx. 7% of the total number of shares) registered under ISIN code LU0251710041 are admitted to trading on the regulated market of the Frankfurt Stock Exchange in the General Standard segment. The remaining 3,073,711,855 Company shares (approx. 93% of the total number of shares) are currently not listed and not tradeable on a regulated market.

None of the Company's principal shareholders has voting rights different from any other holders of the Company's shares. The Company respects the rights of its shareholders and ensure they receive equitable treatment. The Company has established a policy of active communication with the shareholders.



CENTRALTOWER

ECONOMIC DEVELOPMENT IN THE CORE COUNTRIES OF THE GROUP

Czech Republic



The following reviews on macroeconomic data were published by the Czech Statistical Office (unless otherwise stated).

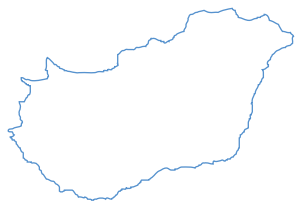
According to the preliminary estimate, the gross domestic product increased in the Q2 2015 by 4.4%, year-on-year; compared to the Q1 2015 it was 0.9% up. In the second quarter of 2015, the Czech economy retained its growth and thus confirmed its enhancing performance. According to the preliminary estimate, the gross domestic product (GDP) adjusted for price effects and seasonally adjusted increased in the Q2 2015 by 4.4%, year-on-year; compared to the Q1 2015 it increased by 0.9%. The growth dynamics is more balanced through all economic activities, in comparison with Q1 2015. On the expenditure side, the growth is contributed to by consumption of households as well as higher investment activity. The development on the labour market is also positive. Employment in terms of national accounts increased by 1.4%, y-o-y, and by 0.2% in the q-o-q comparison.

Germany



The German economy continues to grow. In the second quarter of 2015, the gross domestic product (GDP) rose by 0.4% on the first quarter of the year after adjustment for price, seasonal and calendar variations. There had been a moderate GDP growth of +0.3% at the beginning of the year 2015, too. In a quarter-on-quarter comparison (adjusted for price, seasonal and calendar variations), positive contributions were made mainly by the balance of exports and imports. According to provisional calculations, exports increased much more than imports, one of the reasons for this development being the weak euro. Especially exports of goods recorded a particular increase compared with the previous quarter. Both household final consumption expenditure and government final consumption expenditure continued to develop positively. However, growth was slowed by weak gross fixed capital formation. Compared with the first quarter, a decline in fixed capital formation was recorded especially in construction. Also, inventories were markedly reduced. Economic growth accelerated year on year, too. The price-adjusted GDP was up by 1.6% in the second quarter of 2015, following +1.2% in the first quarter of 2015. The economic performance in the second quarter of 2015 was achieved by 42.8 million persons in employment in the domestic territory, which was an increase of 175,000 or 0.4% on a year earlier.

Hungary



The gross domestic product of Hungary went up by 2.7% in the second quarter of 2015 compared to the corresponding period of the previous year. The increase was basically due to a growth in the performance of industry. The slowdown of the rate of increase resulted primarily from a decrease in the performance of agriculture. In the second quarter of 2015 – according to seasonally and calendar effects adjusted data – the volume of gross domestic product increased by 0.5% compared to the previous quarter. The total consumer price level increased by 0.6% compared to June 2014. The number of employed people increased by 3.1% to 4,201 thousand, 126 thousand more than a year ago.

Slovak Republic



In the second quarter of 2015 the Gross domestic product (GDP) at constant prices increased by 3.2 % as compared to the same quarter of 2014. After seasonal adjustment GDP rose by 3.1 % as compared to the second quarter of 2014 and by 0.8 % in comparison with the previous quarter. The volume of GDP at current prices in the second quarter of 2015 reached 19,311.7 million EUR what represented the increase by 3 % in comparison with the same quarter of 2014. Total employment in the reference period reached 2,264 thousand persons. In comparison with the second quarter of 2014 it increased by 2 %. Seasonally adjusted total employment rose by 2.1 % as compared to the second quarter of 2014 and by 0.7 % as compared to the first quarter 2015. In June 2015, a year-on-year inflation was reduced by 0.1 % in total. The annual inflation rate measured by harmonized index of consumer prices reached the value -0.1 %. The unemployment rate had to the lowest level since 2009 and significant real wage growth (higher than in the neighbouring Poland, Czech Republic and Hungary at 5% in 2014).

Poland



In the 2nd quarter of 2015 seasonally adjusted GDP (constant prices, reference year 2010) was higher by 0.9 % than in the previous quarter and 3.6 % higher than in the 2nd quarter of the previous year. Non-seasonally adjusted GDP (constant average prices of the previous year) was higher by 3.3 % than in the corresponding quarter of the previous year. According to the preliminary estimate the unemployment rate represents 10.3 % as at June 2015.



THE PROPERTY MARKETS IN THE CORE COUNTRIES OF THE GROUP



Czech Republic

The following data and description for real estate market in the Czech Republic are based on a reports published by JLL and CBRE (unless otherwise stated).

Retail Market

Over the course of H1 2015, no major retail schemes were completed. As at end of H1 2015 three shopping centres are currently under construction - Aupark in Hradec Králové (20,900 sqm, with expected completion in 2016), Nová Palmovka in Prague (8,000 sqm, with expected completion in 2016) and Centrum Chodov Phase II in Prague (40,700 sqm, with expected completion in 2017). Major planned projects in the Czech Republic are Bořislavka in Prague (expected completion in 2017, 10,000 sqm), Central Jablonec in Jablonec nad Nisou (expected completion in 2017, 40,700 sqm) and NC Královo Pole in Brno (expected completion in 2017, 9,500 sqm). The Czech Republic remains a market with the majority of the retail demand concentrated on Prague. Prime shopping centres are strengthening their position on the market and therefore, prime rents have been increasing. Rents on the prime high streets of Prague remained stable at around EUR 195 /sqm /month. Prime shopping centre rents in Prague around EUR 110 /sqm /month. Shopping centres in regions rent EUR 70 /sqm /month.

Prague office market

In H1 2015, three new office schemes with a total leasable area of 95,149 sqm were completed. New supply included Crystal Prague in Prague 3 and in Prague 4, another extension of BB Centrum with building Delta and The Greenline at Kačerov. Several office projects are due to commence construction in the second half of 2015. At the end of Q2 2015, the modern office stock in the capital city totalled 3,126,927 sqm. Currently, there is approximately 148,000 sqm of office space under construction. Out of this number, ca. 88,200 sqm is scheduled for completion by the end of 2015. The year 2015 remains on track to become a very successful year in terms of demand. In Q2 2015, we recorded the strongest ever quarterly demand recorded on Prague office market. In H1 2015, gross take-up reached 204,972 sqm. The H1 2015 vacancy rate in Prague stands at 16.56%. The Q2 vacancy rate decreased by 0.5 of a percentage point compared to the previous quarter. This is mainly the result of the postponed completion of some speculative projects into the next quarter. The prime office rent remained stable at EUR 19.50 /sqm /month in city centre.

Residential Market

In Q1 2015 Real estate price index announced by Hypoteční banka (HB INDEX) confirmed a slight increase in prices of residential real estate which already started at the beginning of 2014. The prices of family houses increased in 2014 by 0.5 p.p. and reached HB INDEX 106.3. That is the highest level since the beginning of 2010. The land prices increased by 0.9 p.p., and reached 120.3, followed by an increase in flats by 1.0 p.p. The average market price of the flats increased to HB INDEX 98.4.

HB Index is regularly presented by Hypoteční banka, a.s. and is based on realistic estimates of market prices of real estates. HB INDEX itself is calculated for the entire Czech Republic, and for the three types of real estates: flats, houses and land. For basis 100.0 were selected real estate prices as of 1 January 2010.

Hotel Market

As at April 2015, Prague's hotel supply comprised of 489 hotels with approximately 33,000 bedrooms. 4- and 5-star establishments dominate the market accounting for 50% of all graded hotel supply, followed by one third being rated as 3-star hotels. The average capacity of hotels in Prague is at 88 rooms per property, corresponding with a healthy mix of larger chain hotels and many smaller privately run hotels. Prague is characterised by a majority of unbranded hotel rooms. Only 36 per cent of all hotel rooms are branded, totalling about 12,000 rooms. The average capacity of branded hotels in Prague is 166 rooms, about double compared to the overall market's average.

Industrial Market

At the end of Q2 2015, the total modern A-class industrial stock in the Czech Republic (owned by developers and investors) stood at 5.26 million sqm. Greater Prague remains the largest market in the country with a 40% share, followed by Brno and Pilsen. For H1 2015, the number of completions reached 139,800 sqm. The largest development includes a new warehouse for Mall.cz (31,700 sqm) in Prologis Park Prague – Jirny. The majority of new completions are situated in Greater Prague with more than 70% of the total. The number of speculative developments is slowly increasing. Even though there are only a few projects to date that started construction speculatively, compared to 18 months ago it is a significant step forward. The overall conditions on the market, the improved economic situation has resulted in strong take-up and the decreasing vacancy will further support speculative construction.

Germany

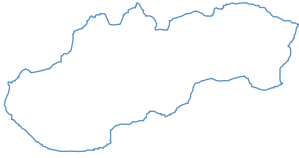
The following data and description for real estate market in Germany are based on a report published by CBRE and Colliers (unless otherwise stated).

Berlin office market

Total stock of office space is around 17.98 million sqm at the end of Q2 2015. Less than 800,000 sqm of office space was available for immediate tenancy in Berlin at the end of Q2 2015, reflecting a drop in vacancy of just under 250,000 sqm over the past twelve months. The vacancy rate is currently recorded at 4.3%. Downtown locations in particular are currently experiencing a severe supply bottleneck. This once again considerable drop in vacancy can be attributed to dynamic leasing performance and relatively low completion rates. Around 275,000 sqm of office space is scheduled to be completed by the end of the year, roughly 85% of which has already been preleased. The information and telecommunications industry was the most active in the first half of 2015, once again showing how attractive Berlin has become as a company base, especially for innovative start-ups. ICT businesses signed 157 leases here for 120,200 sqm, around 36% of total take-up. Both prime and especially average rents have steadily increased over the past five years. While weighted average rent throughout the city was recorded at EUR 12.10 per sqm in 2010, tenants are currently paying weighted average rent of EUR 13.75 per sqm. Average rent increased by more than 2% compared to mid-2014 results alone.



Slovak Republic



The following data and description for real estate market in the Slovak Republic are based on a report published by JLL (unless otherwise stated).

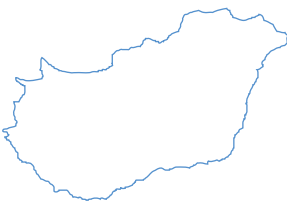
Retail Market

The total retail stock comprises approx. 1.54 million sqm, of which more than a third is located in Bratislava. Strengthening domestic demand is playing a supportive role in the growth of the Slovak economy this year. High regional inequality still continuing in wages, unemployment and private consumption. There are three shopping centres under construction: Trnava – City arena with 24,000 sqm, Poprad – Forum with 23,000 sqm and Lučenec – Galéria Lučenec with 10,000 sqm. Vajnoria - a small shopping centre, commenced construction in Q2 2015 in Bratislava – Vajnory. The retail stock density in Bratislava is 1,187 sqm per 1,000 inhabitants. Prime high street rents in Bratislava are at a level of EUR 20 and 45 /sqm /month. Prime shopping centre rents in Bratislava range between EUR 50 and 85 /sqm /month.

Industry and Logistic Market

The total A class industrial Stock in the Slovak Republic totals 1.31 million sqm. Q1 2015 brought only one new industrial facility (2,500 sqm) - located in Žilina – developed by P3. There are several new premises under construction with a total leasable area of more than 120,000 sqm, located both in Greater Bratislava and the regions. Pre-lease based construction and built-to-suit facilities are still preferred. The annual forecasted supply will reach almost 120,000 sqm in 2015. Overall take-up in H1 2015 totalled more than 52,000 sqm. The vacancy rate as of Q4 2014 stands at 3.7%. Prime headline rents in the Greater Bratislava area are at EUR 3.50-4.80 /sqm /month and in Eastern Slovak Republic, prime headline rents are at EUR 3.30-3.90 /sqm /month. Continued strong competition is expected in 2015 as far as new and existing tenants are concerned, mainly in the Bratislava region. The main factors will remain to be headline rents, rent free periods and a focus on the reduction of service charges.

Hungary



The following data and description for real estate market in Hungary are based on a report published by JLL and CBRE (unless otherwise stated).

Budapest office market

Over 20 thousand sqm were delivered to the office market over H1 2015. The total office stock stands at 3.25 million sqm as at end of H1 2015. The half year gross take-up totalled 196,500 sqm, which is an all-time high in the history of the Budapest office market and 10% stronger than previous peak. The vacancy rate declined by a massive 340 bps year-on-year, dropping to 14.2%. The improvement was due to a combination of factors: a strong 12-month rolling volume of 151,000 sqm, which is the highest since Q2 2010 and the limited volume of completions – on year-on-year basis new deliveries represent 44% decline in comparison to H1 2014. Prime rent stands at EUR 15.5 /sqm / month. This level is only achievable in a few, selected prime properties in the Central Business District for the best office units within the building. Average asking rents did not change significantly on the previous quarter; they remained in the range of EUR 11-14 /sqm /month for A class offices.

Budapest retail market

The mandatory Sunday closure of shops do not seem to be having a negative impact of retail sales volumes, which have been constantly rising. Between January and May, retail sales volumes have risen 6.1% year-on-year. With no new completions, shopping centre supply was stable in Q2. The total shopping centre stock in Budapest stands at 771,500 sqm in 25 assets, while the shopping centre density is equal to 444 sqm / per 1,000 inhabitants. Typical shopping centre rents range between EUR 20 and 65 /sqm / month in Budapest while downtown high street rents at Váci utca are around EUR 80 to 100 / sqm /month.

Budapest industrial market

No new scheme was handed over in H1 2015 and currently there is only one 5,000 sqm city-logistics BTS shed under construction without any availability. Limited availability of large continuous space can trigger the commencement of speculative projects as from late 2015, contributing finally to higher delivery figure in 2016. Take-up in H1 2015 increased by 16% y-o-y totalling 108,900 sqm and including a 22,000 sqm pre-lease. In contrary to previous years, distribution function was the main driver of demand, while logistics service providers have had a smaller share from take-up this year so far. Vacancy rate has declined for the eight consecutive quarter reaching 13.7%, the lowest level since Q1 2008. Half-year net absorption totalled to 32,250 sqm, 42% lower than in H1 2014. The relatively large difference between the net absorption and total take-up is due to a number of relocations and the high volume of pre-lease. Due to the decreased availability on the market, some major landlords started to quote higher asking rents in logistics parks than a year ago.

Budapest hotel market

Budapest remains the most popular city of the country – in 2014, 35% more guests came to Budapest than in 2008, outperforming the national average growth of 24%. Number of guest arrivals increased with an average annual growth rate of 6% since 2009 which has helped to push up occupancy rate. Increasing demand was backed by leisure tourism as business tourism stagnated in recent years. Despite growing ADR figures, Budapest still offers a good price-to-value ratio compared to other CEE capitals; in recent years this was clearly backed by the appreciation of HUF. GOPPAR growth in 2014 was higher than TrevPAR increase as hotels have improved on the cost savings side. Since 2010, TrevPAR growth was continuously lower than RevPAR growth as more hotels tend to incorporate additional services in room rates in order to attract more guests. Hotel market showed clear signs of a recovery in 2014. All key performance indicators improved on the back of growing number of tourist arrivals and guest nights. Demand for hotel accommodation in Budapest is mostly fueled by leisure travelers and to a less extent by business. The Hungarian capital has matured as a key destination for city breaks and spa tourism in the CEE region. The city attracts more arrivals from new source markets while keeps the clientele from traditionally important countries.



Poland

The following data and description for real estate market in Poland are based on a report published by DTZ and JLL (unless otherwise stated).

Warsaw office market

At the end of the first half of 2015, modern office stock in Warsaw reached 4.54 million sqm. During the first two quarters of this year, 14 buildings with the office area of almost 150,000 sqm received occupancy permits and, according to developers' plans, a further 200,000 sqm may be completed by the end of 2015. If all projects are delivered according to schedule, the annual supply this year may reach 350,000 sqm, which will be the highest value recorded so far on the Warsaw market. An even larger volume of new completions can be expected for 2016 (approx. 430,000 sqm), two of which are major tower buildings located in the city centre: Q22 and Warsaw Spire, collectively accounting for almost 120,000 sqm of new office space. DTZ is of the opinion that depending on the market situation and absorption pace of the space delivered earlier, part of the projects scheduled for 2016 may be delayed due to insufficient tenants' activity. 75% of the total modern office stock in Warsaw is located within the four largest subzones: Upper South, Fringe, South West and Core. The vacancy rates for the central zones were 15%, and 13.7% for non-central locations. The highest vacancy rates were recorded in the Core, West and Upper South subzones. In the East zone the availability ratio was the lowest among other districts in Warsaw.

Retail Market in Poland

After a considerable number of completed projects in small cities, developers are back in mass. Completions in 2014 were 30% lower than the previous year; however the 2015 pipeline is forecasted to surpass the previous five years. The developments launched in the first half of 2015 are located mostly in large cities and agglomerations, the majority being large and medium-sized schemes. At the end of Q2 2015 modern retail stock in Poland totalled 12.54 million sqm and was found in the following retail formats: 8.96 million sqm (72%) in shopping centres; 3.39 million sqm (27%) in retail parks and warehouses, and 0.19 million sqm (1%) in outlet centres. Overall demand for retail space in Poland remains strong, as the economic performance over the last few years has ranked country in top tier among other EU states. The increasing wealth of Polish society and gradually falling unemployment are positively reflected in growing retail sales. The promising outlook for growth of the nation's GDP in the next three years (an average in excess of 3.8% annually) will certainly have a positive impact on retailers, developers and investors. Prime shopping centre rents peaked at EUR 90-110 /sqm /month for top retail assets in Warsaw and oscillate between EUR 40-55 /sqm /month in other main agglomerations.



PROPERTY PORTFOLIO REPORT

The Group is a real estate group concentrating on long-term investments and the lease of property, mainly in the Central European region and Germany. As a result of combination with CPI in 2014, the Group portfolio now includes number of properties in a variety of segments. The Group activities are focused on rental income generating properties such as retail, office, hotels, residential, industry and logistics or operating own hotels. Additionally, the Group develops office and retail assets for future rental and some residential development for future sale.

During half year to 30 June 2015 the Group continued its expansion in Central and Western Europe. At the half year end, the Group extended its retail portfolio by acquisition of Futurum Shopping Centre in Kolin, Czech Republic and its office and industry portfolio by acquisition of the industrial complex Ullsteinstraße in Berlin, Germany, offering for rent 16,600 square meters of storage and office space.

Czech Republic

Property value: MEUR 2,263
Gross lettable area: 1,637,000 sqm
Land bank area: 17,459,000 sqm
Agriculture land: 111,400,000 sqm
No of hotel beds: 8,527

Germany

Property value: MEUR 659
Gross lettable area: 867,000 sqm
Land bank area: 20,000 sqm

France

Property value: MEUR 74
Gross saleable area: 2,500 sqm

Italy

Property value: MEUR 6
Gross saleable area: 29,000 sqm

Poland

Property value: MEUR 97
Gross lettable area: 34,000 sqm
Land bank area: 25,000 sqm
No of hotel beds: 214

Slovak Republic

Property portfolio value: MEUR 204
Gross lettable area: 205,000 sqm
No of hotel beds: 64

Russia

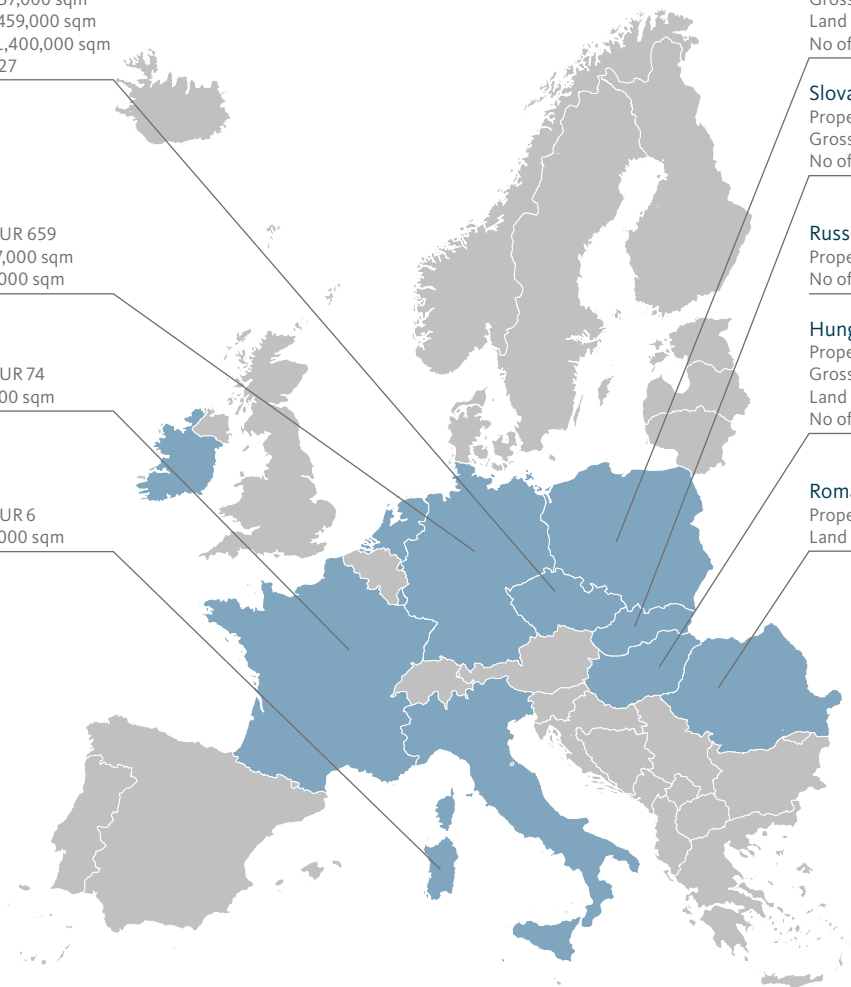
Property value: MEUR 26
No of hotel beds: 168

Hungary

Property value: MEUR 298
Gross lettable area: 202,000 sqm
Land bank area: 163,000 sqm
No of hotel beds: 788

Romania

Property value: MEUR 17
Land bank area: 302,000 sqm



The property portfolio of the Group is reported on the balance sheet under the following positions:

- Investment property
- Property, plant and equipment
- Inventories

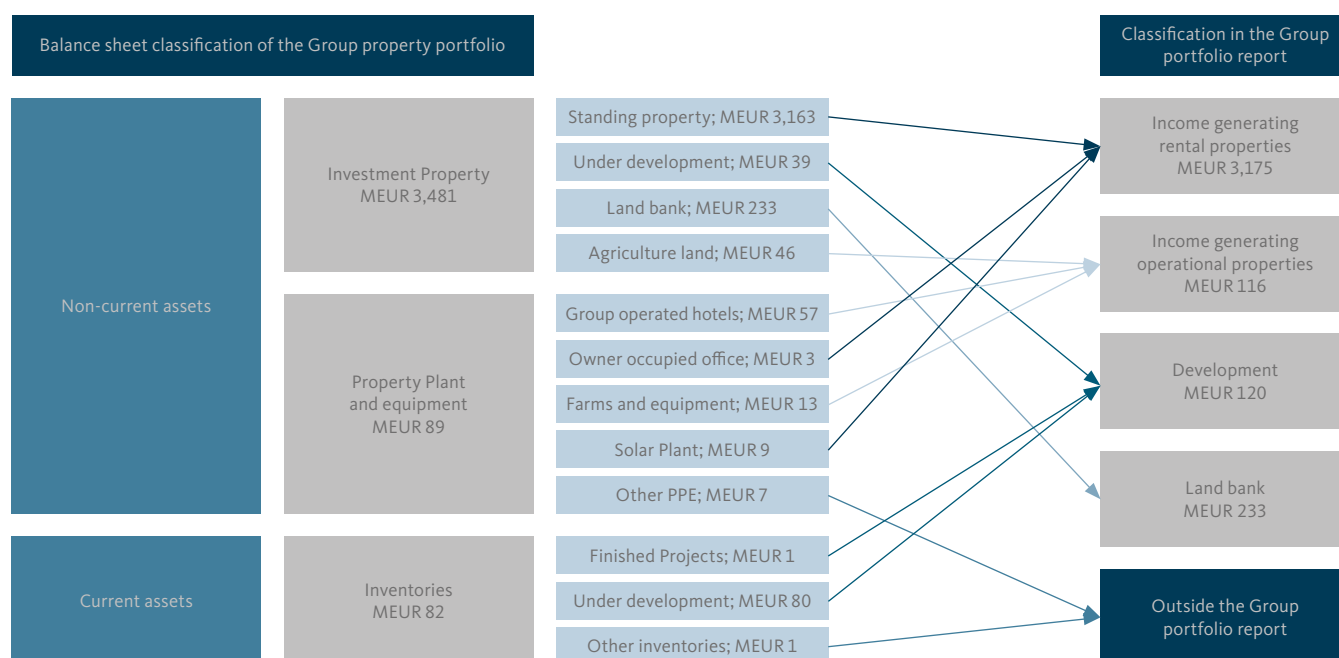
“Investment property” consists of rental properties, investment property under development, land bank and agriculture land bank. Investment property under development represents development projects currently in progress, which will be reclassified by the Group as rental properties after completion. Land bank represents properties held for development and/or capital appreciation and agriculture land bank.

“Property, plant and equipment” include owner occupied properties comprising hotels operated by the Group, production farms and equipment used in the agriculture business and offices rented out to the Group entities.

“Inventories” comprise properties that are under development or have been finished and are intended for a future sale in the ordinary course of business.

The property portfolio report covers all properties held by the Group, independent of the balance sheet classification. These properties are reported as income generating properties (generating rental income or income from operations), development projects (investment property projects under development and inventories) or land bank.

The following chart reconciles the property assets of the Group as reported on the balance sheet as at 30 June 2015 with the presentation in our portfolio report:



Property valuation

The condensed consolidated interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by European Union, which include the application of the fair value method.

Since the property portfolio owned by the Group must be stated at fair value (present value), the regular valuation of these properties by independent experts is recommended. The Group's management analysed the situation on the real estate market at the time together with current yields and then applied discount rates and other factors used by independent valuers in their appraisals as of 31 December 2014. As a result, the fair value of the majority of the property portfolio as of 30 June 2015 was determined based on the management's analysis described above and it does not significantly differ from the fair value as of 31 December 2014.

In instances where there have been indications of significant changes and therefore with potential impact on the property value during the first half of 2015, the value of the property has been updated based on the external appraisals as of 30 June 2015.

The property portfolio valuation is based on reports issued by:

- DTZ. DTZ is a global leader in property services. The organization has more than 28,000 employees, operating in more than 260 offices in 50 countries and offers a complete range of tailored services on any scale, across multiple service lines and geographies. In the Czech Republic provides occupiers and investors on a local, regional and international scale with industry leading, end to end property solutions. DTZ in the Czech Republic has over 80 employees operating across 2 offices;
- CBRE GmbH (further "CBRE"). CBRE is the leading, full-service real estate services company. CBRE has more than 44,000 people in 349 locations in 42 countries and serve the local, regional and global real estate needs of their clients;
- RSM TACOMA a.s. (further "TACOMA"). TACOMA is part of the seventh largest network of professional firms RSM International. RSM International operates in 112 countries, has over nearly 730 offices and 37,000 professionals. TACOMA provides clients with services in the field of mergers & acquisitions, valuations, tax, trustee services, accounting and payroll;
- Jones Lang LaSalle (further "JLL"). JLL is a financial and professional services firm specializing in real estate services and investment management. JLL has more than 40,000 people in 1,000 locations in 70 countries and serve the local, regional and global real estate needs of their clients;
- Cushman & Wakefield (further "C&W"). C&W is a one of the leading commercial real estate services company, providing a full range of services to real estate occupiers, developers and investors on a local and international basis. C&W has about 250 offices in 60 countries, employing more than 16,000 professionals;
- other valuers.

The following table shows the carrying value of the Group's property portfolio as of 30 June 2015 and 31 December 2014:

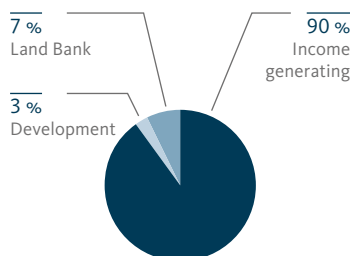
PROPERTY PORTFOLIO as at 30 Jun 2015	No of properties *	No of residential units	No of hotel beds	Income generating MEUR	Development MEUR	Land Bank MEUR	Carrying value MEUR	Carrying value %	Outstanding financing MEUR
Czech Republic	244	12,507	8,527	2,052	44	167	2,263	62%	1,057
Slovak Republic	19	0	64	204	0	0	204	6%	96
Germany	45	0	0	653	0	6	659	18%	345
Hungary	19	0	788	259	0	39	298	8%	173
Poland	5	0	214	93	0	4	97	3%	56
Russia	1	0	168	26	0	0	26	1%	0
Romania	0	0	0	0	0	17	17	0%	0
France	1	3	0	4	70	0	74	2%	37
Italy	1	0	0	0	6	0	6	0%	0
THE GROUP	335	12,510	9,761	3,291	120	233	3,644	100%	1,764

*excluding Residential properties

PROPERTY PORTFOLIO as at 31 Dec 2014	No of properties *	No of residential units	No of hotel beds	Income generating MEUR	Development MEUR	Land Bank MEUR	Carrying value MEUR	Carrying value %	Outstanding financing MEUR
Czech Republic	244	12,533	8,527	1,959	55	163	2,178	61%	958
Slovak Republic	19	0	64	205	0	0	204	6%	104
Germany	44	0	0	644	0	6	650	18%	290
Hungary	19	0	788	259	0	47	307	9%	182
Poland	6	0	440	91	0	3	93	3%	52
Russia	1	0	168	26	0	0	26	1%	0
Romania	0	0	0	0	0	17	17	0%	0
France	1	3	0	3	69	0	72	2%	37
Italy	1	0	0	0	6	0	6	0%	0
THE GROUP	335	12,536	9,987	3,187	130	236	3,553	100%	1,623

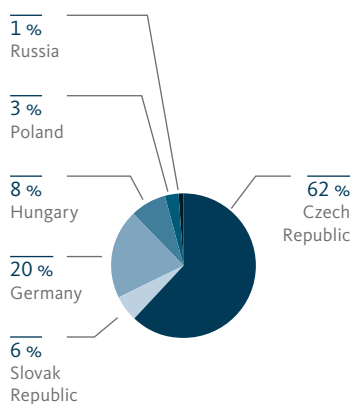
*excluding Residential properties

Property portfolio

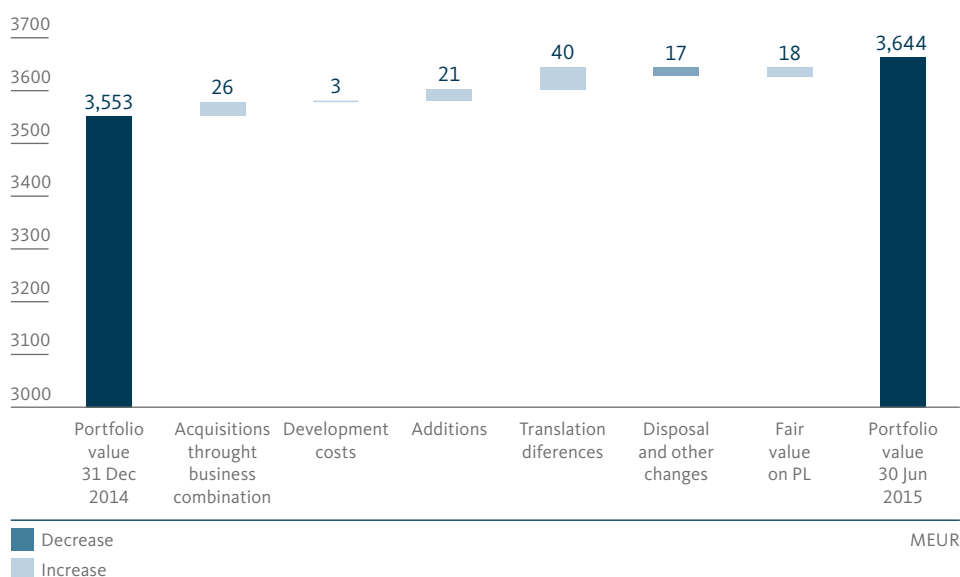


The Group property value total EUR 3,644 million as of 30 June 2015 (31 Dec 2014: EUR 3,553 million). As showed in the chart below, 90% of the Group property portfolio value is made of income generating assets of which EUR 3,175 million (87.1%) are income generating rental properties and EUR 116 million (3.2%) are income generating operational properties. The majority of the income generating assets are located in the Czech Republic with 62% of the total value, followed by Germany with 20%, Hungary with 8% and the Slovak Republic with 6%.

Income generating by country



Property portfolio



The main reasons for the increase in the property portfolio value in H1 2015 were as follows:

- acquisition of new retail premises in the Czech Republic for EUR 23 million;
- acquisition of new office premises in Berlin for EUR 7 million;
- completion of office premises in QUADRIO (located in Prague) in amount of EUR 7 million;
- valuation gain of EUR 18 million;
- translation differences in amount of EUR 40 million.



INCOME GENERATING

Income generating rental properties

INCOME GENERATING RENTAL PROPERTIES 30 Jun 2015	No of properties **	Carrying value MEUR	Carrying value %	Gross lettable area thds. sqm	Occupancy * %	Rental income 30 Jun 2015 MEUR	Rent per sqm EUR	WAULT	Outstanding financing MEUR
Retail	190	930	29%	644	94.3%	33	9.8	5.0	483
Office	88	1,538	49%	1,279	82.8%	48	7.7	3.3	852
Industry & logistics	17	139	4%	263	95.3%	6	4.3	4.2	64
Hotels	24	288	9%	201	99.9%	10	8.5	12.1	135
Residential	-	280	9%	759	82.8%	9	2.4	-	112
THE GROUP	319	3,175	100%	3,146	88.8%	106	6.5	5.0	1,646

*the Group occupancy rate does not include hotels

**excluding residential properties

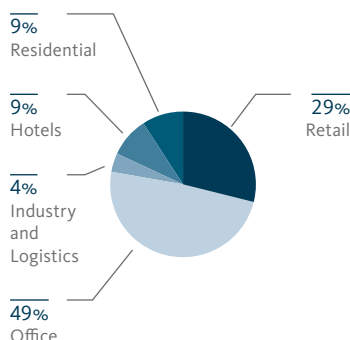
INCOME GENERATING RENTAL PROPERTIES 31 Dec 2014	No of properties ***	Carrying value MEUR	Carrying value %	Gross lettable area thds. sqm	Occupancy ** %	Pro forma rental income 30 Jun 2014* MEUR	Rent per sqm EUR	WAULT	Outstanding financing MEUR
Retail	189	892	29%	633	94.3%	33	9.2	5.0	451
Office	86	1,481	48%	1,250	82.5%	44	7.9	3.5	761
Industry & logistics	17	139	5%	263	95.5%	6	4.2	2.8	66
Hotels	23	267	9%	196	100.0%	7	7.0	12.7	119
Residential	0	277	9%	761	82.5%	11	1.9	--	112
THE GROUP	315	3,056	100%	3,103	88.7%	101	6.0	4.9	1,509

* as if CPI and CPI PROPERTY GROUP were combined as of 1 January 2013

**average occupancy rate does not include hotels

***excluding residential properties

Income generating rental properties by type of asset



Income generating rental portfolio with a carrying value of EUR 3,175 million (31 Dec 2014 EUR 3,056 million) represents the major part of the Group's property portfolio. The Group is renting out a great variety of assets but is primarily focusing on office and retail that together contribute 78% of the property portfolio carrying value and 1.9 million sqm of lettable area.

Income generating operational properties

Income generating operational properties currently include Hospitality and Agriculture portfolio.

Hospitality

Hospitality represents hotels operated by the Group. The portfolio has slightly decreased due to sale of one hotel and transfer of another hotel to Income generating rental properties portfolio (Hotels), both located in Warsaw, Poland and operated under Mamaison brand.

INCOME GENERATING OPERATIONAL PROPERTIES 30 Jun 2015	No of properties	Carrying value MEUR	Carrying value %	Number of beds	Hotel revenues 30 Jun 2015 MEUR	Net hotel income 30 Jun 2015 MEUR	Average occupancy %	Average daily rate EUR	Outstanding financing MEUR
Hospitality	4	57	100%	1,022	6	3	73.4%	89.2	28
THE GROUP	4	57	100%	1,022	6	3	73.4%	89.2	28

INCOME GENERATING OPERATIONAL PROPERTIES 31 Dec 2014	No of properties	Carrying value MEUR	Carrying value %	Number of beds	Proforma hotel revenues 30 Jun 2014* MEUR	Pro forma net hotel income 30 Jun 2014* MEUR	Average occupancy %	Average daily rate EUR	Outstanding financing MEUR
Hospitality	6	74	100%	1,370	2	1	70.0%	74.8	44
THE GROUP	6	74	100%	1,370	2	1	70.0%	74.8	44

* as if CPI and CPI PROPERTY GROUP were combined as of 1 January 2013

In July 2015 the Group obtained a 5-year refinancing for its boutique hotels portfolio and achieved the long-term EUR 58 million refinancing with Erste Bank.

Agriculture

INCOME GENERATING OPERATIONAL PROPERTIES 30 Jun 2015	Total Area thds. sqm	Carrying value MEUR	Property value %	Income form grants MEUR	Revenues from production MEUR	Net income from agriculture MEUR	Outstanding financing MEUR
Agriculture	111,401	59	100%	4	2	2	30
THE GROUP	111,401	59	100%	4	2	2	30

INCOME GENERATING OPERATIONAL PROPERTIES 31 Dec 2014	Total thds. sqm	Carrying value MEUR	Property value %	Pro forma income from subsidies 30 Jun 2014 MEUR	Pro forma revenues from production 30 Jun 2014 MEUR	Pro forma net income from agriculture 30 Jun 2014 MEUR	Outstanding financing MEUR
Agriculture**	111,401	57	100%	–	–	–	4
THE GROUP	111,401	57	100%	–	–	–	4

* as if CPI and CPI PROPERTY GROUP were combined as of 1 January 2013


** Agriculture portfolio purchased during half year to 31 Dec 2014, therefore no pro forma revenues recorded in half year to 30 Jun 2014

The Group has refinanced acquisition of its agriculture business by obtaining a new credit facility in the amount of EUR 34.5 million, out of which EUR 26 million are drawn as at 30 June 2015.



OFFICE

Key Figures – June 2015

82.8	%	88	
Occupancy		Number of properties	
48	MEUR	1,538	MEUR
Rental income 30 Jun 2015		Carrying value	
1,279 thousand	sqm		
Gross lettable area			

Office portfolio represents an important and constantly growing segment of investment activities of the Group. The Group owns buildings in the capital cities of Germany, the Czech Republic, Hungary and Poland as well as in regional cities of the Czech Republic.

OFFICE 30 Jun 2015	No of properties	Carrying value MEUR	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Rental income 30 Jun 2015 MEUR	Rent per sqm EUR	WAULT	Outstanding financing MEUR
Czech Republic	33	649	42%	298	87.3%	18	11.5	5.3	371
Germany	44	653	42%	815	83.5%	22	5.3	2.0	345
Hungary	8	176	11%	136	69.9%	6	11.8	2.8	105
Poland	2	51	4%	26	82.1%	2	17.2	3.4	28
Slovak Republic	1	9	1%	4	64.7%	0	13.5	3.0	3
THE GROUP	88	1,538	100%	1,279	82.8%	48	7.7	3.3	852

OFFICE 31 Dec 2014	No of properties	Carrying value MEUR	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Pro forma rental income 30 Jun 2014* MEUR	Rent per sqm EUR	WAULT	Outstanding financing MEUR
Czech Republic	32	604	41%	287	89.9%	17	12	5.9	328
Germany	43	643	43%	797	81.8%	20	5.4	2.0	290
Hungary	8	176	12%	136	71.4%	5	11.6	3.2	111
Poland	2	49	3%	26	80.0%	2	16.7	2.9	29
Slovak Republic	1	9	1%	4	61.3%	–	11.7	1.1	3
THE GROUP	86	1,481	100%	1,250	82.5%	44	7.9	3.5	761

* as if CPI and CPI PROPERTY GROUP were combined as of 1 January 2013

In October 2014 the Group finished development of its prime commercial property in the Czech Republic – QUADRIO. This multifunctional complex, found at a prestigious address with excellent transport and pedestrian access, has enriched the centre of Prague with its offer of offices of the highest standard. QUADRIO offers 16,400 sqm of modern A-class office space. In spring 2015 QUADRIO welcomed its first tenants in recently completed office premises. The first lease agreements were signed with companies associated with the Hungarian gas and oil group MOL and Czech branch of MetLife Europe Limited. In July 2015 the Group moved its headquarters to

QUADRIO

- prime commercial
property Czech Republic

QUADRIO. In general, tenants receive especially high comfort, modern design and above-standard quality of services accompanied with an attractive location of the building. In addition, the roof of the top eighth floor carries a spacious terrace with a fantastic view of all of Prague. The tenants appreciate not only remarkable efficiency of the offices and the high technical standard of the building, but also low operating costs. The compound consists of six buildings, which, viewed from above, form the shape of a four leaf clover. A unique ground plan with an above-standard proportion of glass facade allows maximum efficiency of the working space without so-called dead and unused spots and together with the latest technologies enables premises to be designed both as separated offices and open space. It also have a major influence on the operating costs of the building. QUADRIO succeeded in many competitions: Awards for the best office project and environmentally friendly building took home from the CIJ Awards, as well as the prestigious prize Developer of the Year 2014. QUADRIO succeeded in the competition Best of Realty in the category of best offices. Also, QUADRIO centre obtained LEED Silver international green building certification.


In April 2015 the third phase of successful office project Meteor Centre Office Park in Prague's Karlín district was opened. Meteor Centre Office Park C, located directly at Křižíkova metro station, comprises of approximately 5,000 sqm of offices, shops and other amenities, parking on two underground floors and rental apartments. Exceptional quality of construction and services fulfills the current demands on work environment and lifestyle.

In addition to extension of the portfolio, the Group has entered into many new rental contract with the tenants and extended a number of current rental contracts, notably in the Czech Republic and Poland. Among new tenants belong companies such as Metlife Europe Limited, Slovnaft Česká republika and Channel Crossings. Current contracts were extended with tenants such as Wincor Nixdorf, ExxonMobil in Czech Republic and Comarch in Poland.

The Group also succeeded in Germany and extended the lease agreements with several tenants such as beverage producer, automotive spectre leasing, consulting and marketing companies in Germany. These leased agreements closed with positively impacted operational metrics in total 6,479 sqm. These transaction have positive impact on the occupancy rate in the Germany, which increased from 81.8% at the end of 2014 to 83.5% as at June 2015.

RETAIL

Key Figures – June 2015

94.3	%	190	
Occupancy		Number of properties	
33	MEUR	930	MEUR
Rental income 30 Jun 2015		Carrying value	
644 thousand	sqm		
Gross lettable area			

Retail is a very stable category of income generating assets which is flexible to adapt to market conditions and economic changes without substantial losses. The Group focuses on mid-sized shopping areas such as retail parks and supermarkets with long-term contracts generating long-lasting income and experiencing a relatively high occupancy rate. The Group currently owns and manages retail spaces in the Czech Republic, the Slovak Republic, Hungary and Poland.

RETAIL 30 Jun 2015	No of properties	Carrying value MEUR	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Rental income 30 Jun 2015 MEUR	Rent per sqm EUR	WAULT	Outstanding financing MEUR
Czech Republic	169	765	82%	515	94.8%	26	9.9	4.8	391
Slovak Republic	16	112	12%	82	99.9%	5	10.1	7.2	54
Hungary	4	34	4%	39	87.4%	1	6.4	1.9	26
Poland	1	19	2%	8	94.4%	1	16.7	2.2	12
THE GROUP	190	930	100%	644	94.3%	33	9.8	5.0	483

RETAIL 31 Dec 2014	No of properties	Carrying value MEUR	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Pro forma rental income 30 Jun 2014* MEUR	Rent per sqm EUR	WAULT	Outstanding financing MEUR
Czech Republic	168	727	81%	504	94.2%	26	9.2	4.9	354
Slovak Republic	16	112	13%	82	99.9%	5	9.4	6.9	56
Hungary	4	34	4%	39	83.3%	1	6.7	1.9	28
Poland	1	19	2%	8	96.4%	1	15.9	2.5	13
THE GROUP	189	892	100%	633	94.3%	33	9.2	5.0	451

* as if CPI and CPI PROPERTY GROUP were combined as of 1 January 2013

Retail portfolio provides about 644 thousand sqm of lettable area which can be further divided as follows:

- Retail warehouse which comprise supermarkets, hypermarkets, hobby markets and retail parks of about 401 thousand sqm of lettable area;
- Shopping centres and galleries of about 162 thousand sqm of lettable area;
- So-called special properties (separate units and establishments, usually B class) which provide about 81 thousand sqm of lettable area.

In June the Group acquired Futurum Shopping Centre in Kolín, Czech Republic. The shopping centre, with a leasable area of 10,100 sqm comprises of supermarket, shopping gallery with 50 shops, restaurants and other amenities, as well as underground parking for 320 cars. Among major tenants belong Billa, Intersport ČR, DATART INTERNATIONAL, NEW YORKER CZ, Hoffmann Czech Republic, Takko Fashion, dm drogerie markt and others. The acquisition of this project is in line with the Company's strategy and perfectly fits its portfolio of high quality shopping centres in attractive locations with stable tenants.

Excluding Futurum's tenants shopping Centre in Kolín, the Group has entered 21 new leases with the tenants and extended a number of current rental contracts in the Czech Republic. Among new tenants belong companies such as AHOLD Czech Republic. Current contract were extended with tenants such as NEW YORKER, Billa and Lindex.

Portfolio keeps constantly high occupancy rate at 94.3% which is fully comparable to the end of previous year 2014 (94.3%).

RESIDENTIAL

Key Figures – June 2015

82.9	%	12,510	🏠
Occupancy		Number of residential units	
9	MEUR	280	MEUR
Rental income 30 Jun 2015		Carrying value	
759 thousand	sqm		
Gross lettable area			

The Group is an important player in the Czech Republic residential housing market holding the position of the second largest provider of the rental housing. The existing housing stock of the Group includes 12,510 rental flats in 15 cities of the Czech Republic concentrated mainly in the North Moravia, North Bohemia and Middle Bohemia regions. Rental housing portfolio is managed under the brand CPI BYTY, a.s.

RESIDENTIAL 30 Jun 2015	No of residential units	Carrying value MEUR	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Rental income 30 Jun 2015 MEUR	Rent per sqm EUR	Churn rate %	Outstanding financing MEUR
Czech Republic - Prague	527	43	16%	32	97.0%	1	4.6	6.26%	0
Czech Republic - other	11,980	233	83%	727	82.3%	8	2.3	5.46%	108
France	3	4	1%	0.17	100.0%	0.04	41.1	0.00%	4
THE GROUP	12,510	280	100%	759	82.9%	9	2.4	5.5%	112

RESIDENTIAL 31 Dec 2014	No of residential units	Carrying value MEUR	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Pro forma rental income 30 Jun 2014* MEUR	Rent per sqm EUR	Churn rate 30 Jun 2014 %	Outstanding financing MEUR
Czech Republic - Prague	569	45	16%	34	96.8%	1	5.3	4.6%	0
Czech Republic - other	11,964	229	83%	727	81.8%	10	2.4	5.8%	108
France	3	3	1%	0.17	100.0%	–	24.6	0.00%	4
THE GROUP	12,536	277	100%	761	82.5%	11	1.9	5.7%	112

* as if CPI and CPI PROPERTY GROUP were combined as of 1 January 2013

** Residential portfolio in France purchased during half year to 31 Dec 2014, therefore no proforma revenues recorded in half year to 30 Jun 2014

As for the prior years, the Group is implementing a long term and thorough refurbishment plan of the portfolio. Planned annual expenditures should cover reconstruction of roofs and sewers connections and reconstruction of flats that are intended for new lease.

In addition to ongoing refurbishment plan, the Group continues to create Client's centres in each location, which provides rent-related advisory services to the tenants. The personal approach through the Client's centres and continuous refurbishment of the apartments contribute positively to the long-term and stable relationship with the tenants and form the basis for a firm rental income.

HOTELS

Key Figures – June 2015

24		288	MEUR
Number of properties		Carrying value	
10	MEUR	8,739	
Rental income 30 Jun 2015		Number of beds	

The Group is one of the largest Czech owner and developer of hotels. As a result of acquisition of Hospitality Invest in December 2014 hotel portfolio has grown up and currently includes 24 hotels located in capitals and main cities of the Czech Republic, Hungary and Poland.

The diverse portfolio includes lodging houses for long-term accommodation and hotels in the two to five stars category. The flagship of the Group is a network of four-stars Clarion hotels aimed at the corporate and congress clientele.

As at 30 June 2015 the Group owns a unique collection of 8 well-established luxury boutique hotels and all-suite residence hotels operated under Mamaison brand. These hotels are operated by the external operator and generate a rental income to the Group. Hotels are located in Prague, Ostrava, Warsaw, and Budapest.

HOTELS 30 Jun 2015	No of properties	Carrying value	Carrying value	Gross lettable area	Number of beds	Rental income	Rent per sqm	WAULT	Outstanding financing
		MEUR	%	thds. sqm		MEUR	EUR		MEUR
Czech Republic	19	250	87%	179	8,205	8	8.3	12.3	108
Hungary	3	16	6%	13	320	1	7.1	10.1	12
Poland	2	22	7%	9	214	1	13.0	10.5	15
THE GROUP	24	288	100%	201	8,739	10	8.5	12.1	135

HOTELS 31 Dec 2014	No of properties	Carrying value	Carrying value	Gross lettable area	Number of beds	Pro forma rental income 30 Jun 2014*	Rent per sqm	WAULT	Outstanding financing
		MEUR	%	thds. sqm		MEUR	EUR		MEUR
Czech Republic	19	245	92%	179	8,205	7	7.0	13.0	107
Hungary	3	16	6%	13	320	–	7.4	7.4	12
Poland**	1	6	2%	4	92	–	7.8	11.0	0
THE GROUP	23	267	100%	196	8,617	7	7.0	12.7	119

* as if CPI and CPI PROPERTY GROUP were combined as of 1 January 2013

** as Mamaison portfolio was acquired in December 2014, no rental income is disclosed as at 30 June 2014

Among the major hotels of Mamaison portfolio belongs:

Mamaison Hotel Riverside Prague, uniquely located and boasting award-winning Art Nouveau-style design, which provides ideal accommodation for both leisure and business travellers in the trendy district of Prague. The hotel enjoys close connections to the city's business districts, the airport and its main cultural attractions. With elegant accommodation in 80 rooms, views and top facilities, the art hotel offers fantastic rates for city stays in stylish and historic surroundings.

Imperial Hotel Ostrava is one of the best-known hotels in the Ostrava city in Northern Silesia which has been offering above-standard services to guests continuously since it was opened in 1904. The combination of over a century of tradition and modern hotel trends makes this renowned hotel the perfect place for business meetings and also for pleasant relaxation following a demanding day. The hotel offers 162 comfortable and modern rooms, and an extensive conference centre for 490 guests.


Mamaison Hotel Andrássy Budapest, one of the most exclusive Budapest boutique hotels is conveniently close to the city's business, governmental and tourist districts. Uniquely designed in Bauhaus style, it offers superior accommodation in 68 rooms and genuine service.

Mamaison Hotel Le Regina Hotel Warsaw, a boutique hotel expertly blending historic charm with chic and modern interior design and offers excellent facilities, comfortable surroundings and top-class accommodation in 61 rooms. Set within the historic Mokrowski Palace, the hotel is not far away from the central train station and airport.

The existing hotels show that the Group cutting-edge facilities, in conjunction with an experienced and quality operator, are easily able to compete in this segment within CEE region. Building the Clarion brand and reconstruction of regional hotels into modern multipurpose hotels has resulted into positive feedback from hotels' visitors and has increased the hotels occupancy.

INDUSTRY AND LOGISTICS

Key Figures – June 2015

95.3	%	17	
Occupancy		Number of properties	
6	MEUR	139	MEUR
Rental income 30 Jun 2015		Carrying value	
263 thousand	sqm		
Gross lettable area			

Logistics is the most recent class of assets in which CPI started to invest and in which the Group will continue to expand. The Group currently owns about 262,000 sqm of rental space and manages 17 objects used for light industrial production, including the Autologistics Park Lozorno in the Slovak Republic, the Continental Logistics Park in the Czech Republic, commercial premises in Berlin as well as the Airport City Logistics Park in Hungary.

INDUSTRY AND LOGISTIC 30 Jun 2015	No of properties	Carrying value MEUR	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Rental income 30 Jun 2015 MEUR	Rent per sqm EUR	WAULT	Outstanding financing MEUR
Czech Republic	12	38	27%	65	90.2%	2	4.7	3.5	19
Slovak Republic	1	84	60%	119	98.1%	2	4.6	3.8	38
Germany	1	1	1%	52	100.0%	1	2.5	8.0	0
Hungary	3	16	12%	27	86.7%	1	5.2	4.0	7
THE GROUP	17	139	100%	263	95.3%	6	4.3	4.2	64

INDUSTRY AND LOGISTIC 31 Dec 2014	No of properties	Carrying value MEUR	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Pro forma rental income 30 Jun 2014* MEUR	Rent per sqm EUR	WAULT	Outstanding financing MEUR
Czech Republic	12	38	27%	65	88.9%	2	4.7	3.7	19
Slovak Republic	1	84	60%	119	98.0%	2	4.6	2.7	40
Germany	1	1	1%	52	100.0%	1	2.5	0.5	0
Hungary	3	16	12%	27	92.1%	1	5.1	3.2	7
THE GROUP	17	139	100%	263	95.5%	6	4.2	2.8	66

* as if CPI and CPI PROPERTY GROUP were combined as of 1 January 2013

The Group succeeded to expansion the lease contracts with several tenants in Airport City Logistics Park and the Autologistics Park Lozorno. The segment keeps relatively high occupancy at 95.3 % which is fully comparable to the 95.5% achieved in December 2014.

HOSPITALITY

Key Figures – June 2015

4		57	MEUR
Number of properties		Carrying value	
73.4	%	1,022	
Average occupancy		Number of beds	

The portfolio includes hotels operated by the Group. Within the portfolio of Mamaison hotels acquired in December 2014, 3 hotels in total of MEUR 40 million are still operated by the Group as at 30 June 2015.

The Group also operates the Courtyard by Marriott Budapest City Center hotel, acquired in June 2013. It is located at the heart of Budapest, only a few minutes away from the Rudas Thermal Bath, Buda Castle and Erzsébet Bridge. The hotel which is among the newest hospitality offerings of the Hungarian capital, having opened in 2010, has 235 bedrooms and is a part of the Europeum Shopping Centre.

HOSPITALITY 30 Jun 2015	No of properties	Carrying value	Carrying value	Number of beds	Hotel revenues 30 Jun 2015	Net hotel income 30 Jun 2015	Average occupancy	Average daily rate	Outstanding financing
		MEUR	%		MEUR	MEUR	%	EUR	MEUR
Hungary	1	17	29%	468	2	1	70.6%	58.6	17
Czech Republic	1	14	25%	322	2	1	64.0%	69.0	11
Russia	1	26	46%	168	2	1	75.0%	173.0	0
Slovak Republic	1	0.1	0%	64	0.3	0.1	75.0%	173.0	0
THE GROUP	4	57	100%	1,022	6	3	73.4%	89.2	28

Acquisition of Mamaison portfolio was finalized in December 2014, no hotel revenues and income from the hotel operations is disclosed as at 30 June 2014.

HOSPITALITY 31 Dec 2014	No of properties	Carrying value	Carrying value	Number of beds	Proforma hotel revenues 30 Jun 2014*	Pro forma net hotel income 30 Jun 2014*	Average occupancy	Average daily rate	Outstanding financing
		MEUR	%		MEUR	MEUR	%	EUR	MEUR
Hungary	1	17	23%	468	2	1	71.8%	52.6	18
Poland	2	17	22%	348	–	–	57.0%	77.0	10
Czech Republic	1	14	19%	322	–	–	70.0%	61.0	11
Russia	1	26	36%	168	–	–	70.0%	202.0	0
Slovak Republic	1	0.1	0%	64	–	–	90.0%	56.0	5
THE GROUP	6	74	100%	1,370	2	1	70.0%	74.8	44

* as if CPI and CPI PROPERTY GROUP were combined as of 1 January 2013

In half year to 30 June 2015 the Group disposed of the hotel Vienna in Poland that was sold to the third party. In addition the Group has reclassified hotel La Regina in Poland to Income generating rental properties – hotel, as a result of the change in business model.

The most attractive hotels within Mamaison portfolio includes:

Spa Hotel Pokrovka Residence Moscow, located in historic downtown is offering some of the most spacious accommodation in the Russian capital. The boutique hotel has 84 bedrooms and is a combination of modern design and warmth, unique amongst the luxury hotels in Moscow.

Marriott Courtyard Hotel Prague, is one of few Prague hotels located in the trendy Vinohrady area close to Prague city centre. Perfect for business travel or a relaxing Prague weekend, the hotel offers 161 rooms and 4 meeting rooms with 325 square meters of conference space.

AGRICULTURE

Key Figures – June 2015

111 million	sqm	59	MEUR
Total area		Carrying value	
2	MEUR	2	MEUR
Net income from agriculture		Revenues from agriculture	

The agriculture portfolio was acquired through 2014 acquisition of Spojené Farmy group (“Farmy”) which is one of the largest owners of farmland and producer of high-quality organic food in the Czech Republic. The portfolio includes above 11,000 hectares of land in total value of EUR 45 million and production farms and equipment used for agriculture production of EUR 12 million. In addition to own portfolio, Farmy operates 9,000 hectares of land hired outside the Group. Farmy produces high-quality organic beef, chicken and lamb with various certifications (kosher, halal and bio) and supplies international retail chains, restaurants, hotels and independent retailers under the brand of BIO FARMA. The expansion into agricultural business was an important move for the Group, as farmland is seen as one of the safest investments in property and with a high potential for growth in value.

Agriculture 30 Jun 2015	Total Area	Carrying value	Property value	Income form subsidies	Revenues from production	Net income form agriculture	Outstanding financing
	thds. sqm	MEUR	%	MEUR	MEUR	MEUR	MEUR
Czech Republic	111,401	59	100%	4	2	2	30
THE GROUP	111,401	59	100%	4	2	2	30

Agriculture 31 Dec 2014	Total Area	Carrying value	Property value	Pro forma income from subsidies 30 Jun 2014	Pro forma revenues from production 30 Jun 2014*	Pro forma net income from agriculture 30 Jun 2014*	Outstanding financing
	thds. sqm	MEUR	%	MEUR	MEUR	MEUR	MEUR
Czech Republic	111,401	57	100%	–	–	–	4
THE GROUP	111,401	57	100%	–	–	–	4

* as if CPI and CPI PROPERTY GROUP were combined as of 1 January 2013

** Agriculture portfolio purchased during half year to 31 Dec 2014, therefore no proforma revenues recorded in half year to 30 Jun 2014

The agriculture business receive state subsidies, which are provided by State Agricultural Intervention Fund in order to support agriculture from European Union funds. Subsidies are received on the annual basis and total EUR 8 million p.a. Half year revenues from agriculture, including subsidies are EUR 6 million, net income is EUR 2 million.

In June 2015 the Group obtained a new credit facility to refinance the acquisition Spojené farmy. The facility in the amount of EUR 34.5 million was provided by Československá obchodní banka. As at 30 June 2015 the Group drawn EUR 26 million.



DEVELOPMENT

Key Figures – June 2015

32 thousand	sqm	39	MEUR
Potential gross leasable area		Development for rental	
36 thousand	sqm	81	MEUR
Potential gross saleable area		Development for sale	

The Group views development as a mean of increasing the value of land or other assets by new construction. These assets will remain in the Group's portfolio as an income generating property or are planned for future sale.

DEVELOPMENT 30 Jun 2015	No of properties	Potential GLA thds. sqm	Potential GSA thds. sqm	Development for rental MEUR	Development for sale MEUR	Development for rental %	Development for sale %	Remaining development costs MEUR
Czech Republic	10	32	5	39	5	100%	6%	42
France	1	0	2	0	70	0%	87%	4
Italy	1	0	29	0	6	0%	7%	10
THE GROUP	12	32	36	39	81	100%	100%	56

DEVELOPMENT 31 Dec 2014	No of properties	Potential GLA thds. sqm	Potential GSA thds. sqm	Development for rental MEUR	Development for sale MEUR	Development for rental %	Development for sale %	Remaining development costs MEUR
Czech Republic	12	38	5	47	8	100%	10%	24
France	1	0	4	0	69	0%	83%	1
Italy	1	0	29	0	6	0%	7%	10
THE GROUP	14	38	38	47	83	100%	100%	35

Development projects are financed from external financing sources as well as through internal financing as summarised in the overview below:

DEVELOPMENT financing 30 Jun 2015	Bank loans	Other external financing	Internal financing	Total
	MEUR	MEUR	MEUR	MEUR
Czech Republic	22	0	17	39
France	33	0	41	74
THE GROUP	55	0	58	113

DEVELOPMENT financing 31 Dec 2014	Bank loans	Other external financing	Internal financing	Total
	MEUR	MEUR	MEUR	MEUR
Czech Republic	25	0	16	41
France	33	0	39	72
THE GROUP	58	0	55	113

The biggest focus is on the completion of current development project – the reconstruction of unique historical building in Prague and new project in Italy.

In 2013, the Group started an unique development project for the future use of historically valuable building in the centre of Prague (Žitnobanka). Once refurbished, the building will be opened to the public and will offer to Prague several exhibition spaces for a total area of 3,500 sqm that will be one of the largest exhibition dedicated to glass and utility design. The concept will also include a café and a restaurant, thematic programs for families, and also boutiques, showrooms and offices. The public areas will be complemented by retail spaces with glass, light and design and a wide variety of events and educational programs. Development finalization is planned at the end of 2016.

In 2014 the Group acquired luxury residential development project in Sardinia, Italy. The project Case Bianche will offer 15 detached luxury villas each with private access and swimming pool in a dominant panoramic position. The project is situated in the mediterranean scrub on an area of more than 30,000 sqm near Porto Cervo, one of the prime resorts of Sardinia and the whole Mediterranean. The project contains plots with building permits and all rights connected to the land. The villas to be constructed are planned to be sold to outside clients.

In half year to 30 June 2015 the Group has completed its development projects that mainly included reconstruction of the residential complex Palais Maeterlinck in France and the development project Meteor Centre Office Park – building C, located in Prague, the Czech Republic.

Palais Maeterlinck represented the first foreign development project of the Group. This former home of Belgian poet Maurice Maeterlinck is located on the Cote d'Azur which is one of the most popular locations on the French Riviera. The total area comprised about 6,000 sqm of residential area and 3 hectares of land. Reconstruction enabled the creation of luxurious apartments, which are intended for sale. The project was substantially finished in 2014 and four apartments were sold to the clients before the year end. Outstanding apartments which are subject to the interior customisation to each client's specifications should be finished by spring 2015.

The development project Meteor Centre Office Park – building C, located in Prague, offers above 5,000 sqm of office and commercial space and an enjoyable terrace. The Meteor project is of great interest, mainly due to its excellent location, excellent technical quality and modern design.



LAND BANK

Key Figures – June 2015

17,969 thousand	sqm	233	MEUR
Total area		Carrying value	

LAND BANK 30 Jun 2015	Total area thds. sqm	Area with zoning thds. sqm	Area without zoning thds. sqm	Carrying value MEUR	Carrying value %	Outstanding financing MEUR
Czech Republic	17,459	1,154	16,305	167	72%	0
Germany	20	20	0	6	3%	0
Hungary	163	163	0	39	17%	5
Poland	25	0	25	4	2%	0
Romania	302	268	34	17	7%	0
THE GROUP	17,969	1,605	16,364	233	100%	5

LAND BANK 31 Dec 2014	Total area thds. sqm	Area with zoning thds. sqm	Area without zoning thds. sqm	Carrying value MEUR	Carrying value %	Outstanding financing MEUR
Czech Republic	17,418	1,113	16,305	163	69%	2
Germany	20	20	0	6	3%	0
Hungary	186	186	0	47	20%	6
Poland	25	0	25	3	1%	0
Romania	302	268	34	17	7%	0
THE GROUP	17,951	1,587	16,364	236	100%	8

Land bank is comprised of a rather extensive portfolio of land plots throughout the Czech Republic and the Slovak Republic, as well as in Hungary, Poland, Romania and Germany. Plots are often in attractive locations, either separate or adjacent to existing commercial buildings or in the city centre and their value continues to increase with the growth of surrounding infrastructure. Out of the total plots area, approximately 9% are with zoning

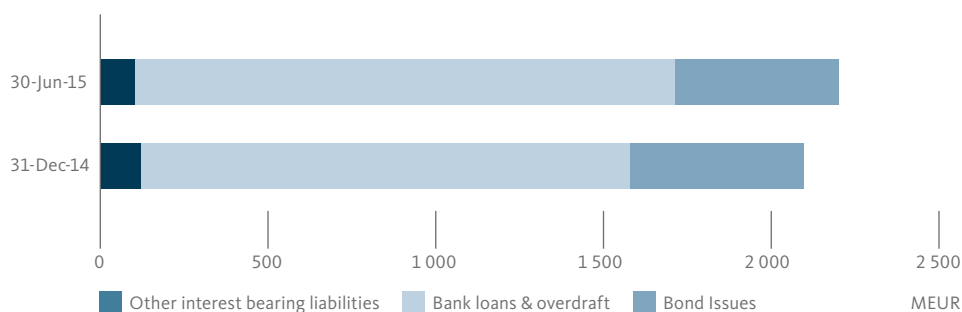
In June 2015 the Group extended its land bank portfolio by more than 41,000 sqm due to the acquisition of Karviná Property Development, a.s. The intention of the Group is to use the acquired plot for development purposes in the future. On the contrary, the Group sold 23,000 sqm of land bank representing selected projects in Hungary, which did not fit to corporate business strategy.



FINANCING

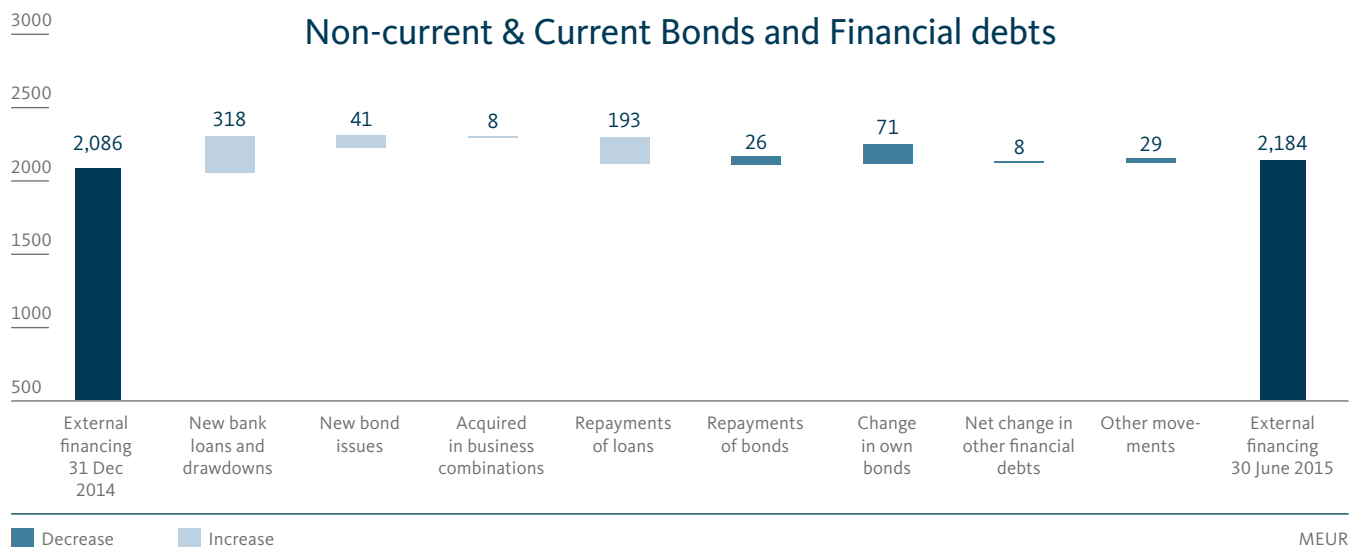
The external financing totals EUR 2,184 million as at 30 June 2015 (31 Dec 2014: EUR 2,086 million) of which financial debts represents EUR 1,692 million (31 Dec 2014: EUR 1,546 million) and issued bonds represents EUR 492 million (31 Dec 2014: EUR 540 million). Net interest expenses total EUR 33 million (30 Jun 2014: EUR 32 million). The structure of external financing did not change significantly compared to 31 December 2014 and bank loans and bonds remained at 96% of the Group's financing (31 Dec 2014: 96%).

Structure of external financing



In half year to 30 June 2015 total volume of new financing reached EUR 359 million, of which EUR 318 million represents acquired loans. New drawing were almost fully compensated by repayments of bank loans in amount of EUR 193 million and redemption of bonds in amount of EUR 71 million.

Changes in external financing

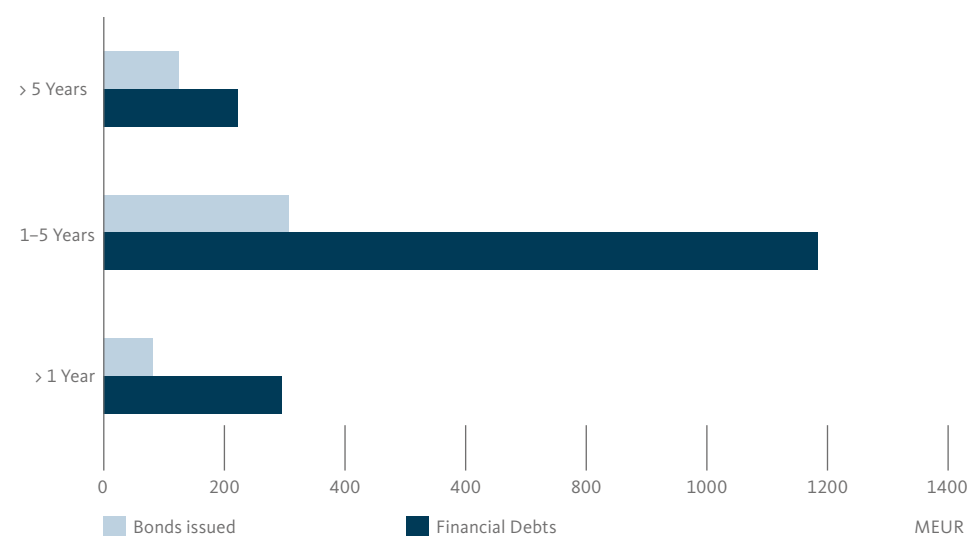


The Group continues to focus on establishing the most effective structure of sources of external financing alongside successful management of the property portfolio. Loan to value ratio of 55.5% remained at similar level as at 30 June 2015 (31 Dec 2014: 55.7%) as showed in the table below:

Net Debt		30-Jun-15	31-Dec-14
Financial debts (non-current)	MEUR	1,411	1,220
Financial debts (current)	MEUR	281	326
Bonds issued (non-current)	MEUR	428	507
Bonds issued (current)	MEUR	64	33
Cash and cash equivalents	MEUR	-163	-108
Net debt	MEUR	2,021	1,978
Property Portfolio	MEUR	3,644	3,553
Loan to value ratio in %	%	55.5%	55.7%

The maturity profile of the Group's external financing, including accrued interest, as at 30 June 2015 is showed in the chart below:

Maturity profile of external financing

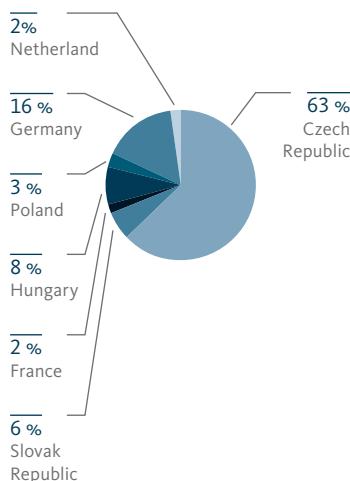


84% of the outstanding balance of external financing is due within 5 years. This is substantially driven by the maturity of interest-bearing liabilities of which 87% is payable within 5 years. Similarly 74% of the bonds will mature within 5 years.

The Group benefits from long-term business relationships with a number of banks in the Czech Republic, Germany, France and other CEE countries. With this diversification, the Group is not dependent on the actions of individual lenders and has access to a wide variety of financing sources.

Netherland financing share of 2% represents bonds issued by the financing group entity based in Netherland. Out of the 63% share of Czech Republic, 31% represent bonds financing which include project and corporate bonds of EUR 412 million.

Outstanding bank loans and bonds by location



Bank loans

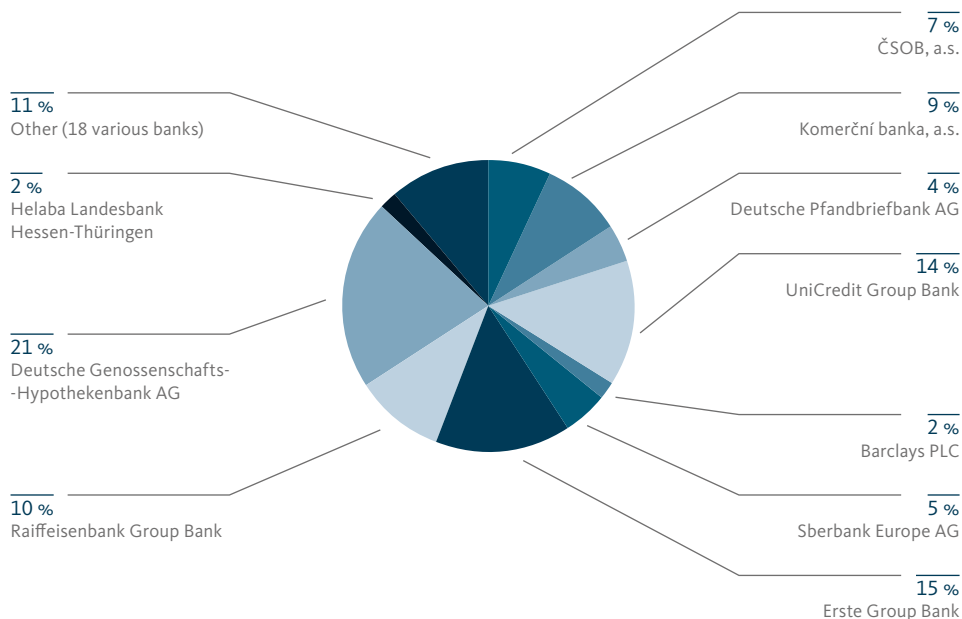
Significant part of the interest-bearing liabilities represents bank loans. Bank loans balance, including bank overdrafts total EUR 1,610 million as at 30 June 2015 and compared to 31 December 2014 increased by EUR 154 million. The main reason of increase were as follows:

- loans acquired with new portfolio in total value EUR 8 million;
- new loans drawn in 2015 of EUR 318 million;
- loans repaid in 2015 of EUR 193 million;
- other changes representing mainly FX differences.

A ratio of loans drawn in Czech crowns against loans drawn in Euro remains stable at the level 32:68 as at 30 June 2015 (31 Dec 2014: 31:69).

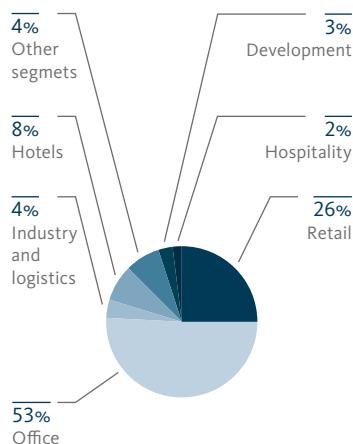
EUR 1,215 million which represents 76% of outstanding bank loan balance is drawn from 6 financing bank groups; in total the Group cooperate with 28 banks.

Bank loans by banks



The Group focuses on the secured financing; therefore majority of bank loans is drawn by the companies within the Group, which held the respective real estate property. Unsecured financing is limited to bank overdrafts mainly in the Group's service entities.

Bank loans by segments



Interest rate fluctuation could have significant impact on the Group's profit. The Group has therefore entered into interest rate swap contracts to hedge against an interest rate fluctuation. The fair value of the swap open position is negative of EUR 16 million (31 Dec 2014: EUR 21 million). The decrease is mainly due the change in fair value of derivatives resulting in gain of EUR 3 million in half year to 30 June 2015.

Within the outstanding bank loans balance, 57% bears variable interest and is hedged by derivatives, 35% bear variable interest and 7% bears a fixed interest. Bank loans bears an interest of EUR 24 million as at June 2015 (2014: EUR 45 million). Effective costs of financing are 3.15 % p.a. (2014: 3.14%).

Corporate bonds

Bonds represents significant additional source of the Group's financing. Bond balance total EUR 492 million as at 30 June 2015 (31 Dec 2014: EUR 540 million) and comprise of project bonds of EUR 159 million (31 Dec 2014: EUR 163 million) and corporate bonds of EUR 333 million (31 Dec 2014: EUR 377 million).

In H1 2015 the Group issued following new bonds:

- corporate bonds in total nominal value of EUR 30 million, with maturity in April 2018, bearing a fixed interest of 5.85% p.a.;
- project bonds CPI BYTY 2.50/17, issued on 11 May 2015 with maturity on 7 May 2017, bearing a fixed interest of 2.50% p.a.

Moreover, after the date of publication of financial statements, the Group issued two emissions of bonds with the following characteristics:

- On 20 August 2015, CPI PROPERTY GROUP issued new bonds in total nominal value of EUR 170 million, which mature on 20 August 2025 and bear a fixed interest of 5.0 % p.a.
- On 24 August 2015, the Group issued new bonds CPI 4.75/19. The bonds mature on 24 August 2019 and the Group issued bonds in total nominal value approx. EUR 50 million.
CPI 4.75/19 bonds bear the fixed interest rate of 4.75% p.a., interests are due quarterly. Bonds were accepted for trading at the Prague Stock Exchange.

The Group repaid two emissions of bonds during H1 2015. On 23 March 2015, the Group repaid CPI VAR/15 bonds, which were issued on 23 March 2012 and the nominal value of bonds issued amounted EUR 15 million. On 7 May 2015, bonds CPI BYTY 2.50/15, were repaid. These bonds were issued on 7 May 2013 and the nominal value amounted approx. EUR 11 million

In addition the bonds of EUR 78 million which were owned by the external holders as 31 December 2014, were acquired by the Group in H1 2015. Interest of EUR 9.5 million was accrued as at 30 June 2015.

Bonds bears an interest in of EUR 20 million in the six months of 2015 (six months of 2014: EUR 16 million).

More than 46% of the bonds outstanding balance (EUR 228 million) provide unsecured financing mainly at CPI level, while remaining part represents bonds which are secured by mortgage. Unsecured bonds are generally used as source of financing for current and future investment activities.

The significant volume of issued bonds (50% of the nominal balance) is held by other companies within the Group which provide certain level of flexibility of financing the investment activities. The volume of bonds held by other Group's companies decreased compared to 31 December 2014.

A ratio of bonds issued in Czech crowns against bonds issued in Euro is 79:21 as at 30 June 2015 (31 Dec 2014: 79:21).

Bonds with outstanding balance of EUR 349 million; (71%) were registered for trading on either the Prague Stock Exchange or on the Bratislava Stock Exchange. Certain bonds are subject of covenants, which were all met as at 30 June 2015.





RESULTS AND NET ASSETS

Income statements

Income statement for the six month period ended 30 June 2015 corresponds to the semi-annual condensed consolidated financial statements.

Pro forma income statement for the six month period ended 30 June 2014 represent the Group's income and expenses as if CPI and CPI PROPERTY GROUP were combined as of 1 January 2013.

MEUR	30-Jun-15	Pro Forma 30-Jun-14
Gross rental income	107	101
Net service revenue	12	6
Property operating expenses	-14	-12
Net rental income	105	95
Development sales	4	0
Cost of goods sold	-3	0
Development operating expenses	0	0
Net development income	1	0
Hotel revenue	7	2
Cost of goods sold	0	0
Hotel operating expenses	-4	-2
Net hotel income	3	1
Revenue from other business operations	6	0
Cost of goods sold	-1	0
Related operating expenses	-3	0
Net income from other business operations	2	0
Total revenues	135	110
Total direct business operating expenses	-25	-14
Net business income	110	96
Net valuation gain or loss on investment property	18	95
Net gain or loss on disposal of investment property	0	1
Net gain or loss on disposal of subsidiaries	1	0
Amortization, depreciation and impairments	-4	-5
Other operating income	4	2
Administrative expenses	-18	-14
Other operating expenses	-17	-4
Operating result	94	170
Interest income	12	11
Interest expense	-45	-43
Other net financial result	5	12
Net finance income / (costs)	-28	-19
Profit / (Loss) before income tax	66	151
Income tax expense	-8	-39
Net profit / (Loss) for the period	58	112

Net rental income

Net rental income grew by 10% to EUR 105 million in H1 2015 (H1 2014: EUR 95 million). The positive development in net rental income was driven mainly by increase in gross rental income by EUR 6 million reflecting the improved property performance as well as by impact of new acquisition in H2 2014 and H1 2015.

Increase in service income follows expansion of Group's rental activities. It includes mainly facility management, advisory and accounting services provided to the third parties.

Net development income

The development income represents primarily sale of apartments from the residential portfolio of QUADRIO Residence in the Czech Republic. The apartments were completed in December 2014.

Net hotel income

This substantial increase is attributable to the acquisitions performed by the Group over the last 12 months that were not contributing the revenues over the first half of 2014. The main impact represents acquisition of Hospitality Group in December 2014.

Net income from other business operations

Net income from other business operations relates to revenues from agriculture. The Group entered into agriculture business through the acquisition of Spojené farmy a.s., which operates farmland and producers of high-quality organic food in H2 2014.

Net valuation gain on investment property

Net valuation gain of EUR 95 million recognized in 2014 resulted from revaluation of the Berlin portfolio in March 2014. Net valuation gain of EUR 18 million in H1 2015 results primarily from the valuation gain on office and retail portfolio in the Czech Republic. The gain was driven primarily by the overall performance improvement of the projects as well as by improved assumptions (mainly on ERV and yields) retained by the independent expert.

Administrative expenses

Administrative expenses increased by 32% to EUR 18 million in H1 2015 (H1 2014: EUR 14 million). The increase is primarily attributable to the extension of Group's operations resulted in the increase in headcount as well as in the extended requirements for the financial and other advisory services.

Other operating expenses

The substantial increase in other operating expenses is directly attributable change in fair value by EUR 12 million of a contingent consideration reflecting the expected future settlement with the seller of the project that was acquired by the Group in 2012.

Net finance income / costs

Total net finance result dropped from net loss of EUR 19 million in H1 2014 to net loss of EUR 28 million in H1 2015. A slight increase in interest expenses of EUR 2 million reflects mainly additional costs of financing in respect of the Group's property portfolio extension. The main impact on the total net finance result has the fall of other net financial result from EUR 12 million in H1 2014 to EUR 5 million in H1 2015.

as the prior period was favourably affected by profit of EUR 17 million made on the acquisitions and further resale of discounted receivables.

Funds from operations (FFO)

Over the six month period ended 30 June 2015 the Group generated EUR 51 million Funds from operations (FFO)

Funds from operations (FFO)		30-Jun-15
Net profit for the period	MEUR	58
Deferred income tax	MEUR	3
Net valuation gain or loss on investment property	MEUR	-18
Net valuation gain or loss on revaluation of derivatives	MEUR	-3
Net gain or loss on disposal of investment property	MEUR	1
Net gain or loss on disposal of inventory	MEUR	-1
Net gain or loss on disposal of assets	MEUR	-1
Amortization, depreciation and impairments	MEUR	3
Other non-cash items	MEUR	-3
GW/Bargain purchase	MEUR	0
Other non-recurring items	MEUR	12
Funds from operations (FFO)	MEUR	51

Income statement – as reported

Income statement for the six month period ended 30 June 2015 corresponds to semi-annual condensed consolidated financial statements.

The income statement presented in the semi-annual condensed consolidated financial statements reflects 6 months of business activities of the combined Group. The comparative information disclose 6 months of business activities of CPI only.

Reported income statement for the period of 6 months ended 30 June 2015 is as follows:

MEUR	30-Jun-15	30-Jun-14
Gross rental income	107	80
Net service revenue	12	3
Property operating expenses	-14	-9
Net rental income	105	74
Development sales	4	1
Cost of goods sold	-3	-1
Development operating expenses	0	0
Net development income	1	0
Hotel revenue	7	2
Cost of goods sold	0	0
Hotel operating expenses	-4	-1
Net hotel income	3	1
Revenue from other business operations (activities)	6	0
Cost of goods sold	-1	0
Related operating expenses	-3	0
Net income from other business operations (activities)	2	0
Total revenues	135	86
Total direct business operating expenses	-25	-11
Net business income	110	75
Net valuation gain or loss on investment property	18	1
Net gain or loss on disposal of investment property	0	1
Net gain or loss on disposal of subsidiaries	1	0
Amortization, depreciation and impairments	-4	-5
Other operating income	4	83
Administrative expenses	-18	-8
Other operating expenses	-17	-2
Operating result	94	145
Interest income	12	9
Interest expense	-45	-37
Other net financial result	5	3
Net finance income / (costs)	-28	-25
Profit / (Loss) before income tax	66	120
Income tax expense	-8	-6
Net profit / (Loss) for the period	58	114

Gross rental income increased rapidly by 33%. The main reason represents contribution of GSG part (Berlin's properties). As the combination of CPI and CPI PG happened in June 2014, no gross rental income is recognized in the six month period ended 30 June 2014.

Net valuation gain of EUR 18 million results mainly from valuation gain on office and retail portfolio in the Czech Republic. The gain was driven primarily by the overall performance improvement of the projects as well as by improved assumptions (mainly on ERV and yields) retained by the independent expert.

Other operating income in 2014 represents mainly the gain on bargain purchase reflecting the combination of CPI and CPI PG.

Substantial increase in administrative expenses is generally attributable to Group's expansion in 2014 and mainly reflects the effect of the combination of CPI and CPI PG in June 2014.

Balance sheet

Balance sheet as at 30 June 2015 corresponds to semi-annual condensed consolidated financial statements.

MEUR	30-Jun-15	31-Dec-14
NON-CURRENT ASSETS		
Intangible assets and goodwill	73	73
Investment property	3,481	3,373
Property, plant and equipment	89	105
Biological Assets	3	2
Financial assets at fair value through profit or loss	1	0
Other non-current assets	90	86
Total non-current assets	3,737	3,639
CURRENT ASSETS		
Inventories	82	85
Biological Assets	6	4
Trade receivables	70	47
Cash and cash equivalents	163	108
Other current assets	366	336
Total current assets	687	580
TOTAL ASSETS	4,424	4,219
EQUITY		
Equity attributable to owners of the Company	1,632	1,552
Non controlling interests	8	7
Total equity	1,640	1,559
NON-CURRENT LIABILITIES		
Bonds issued	428	507
Financial debts	1,411	1,220
Deferred tax liabilities	397	385
Other non-current liabilities	55	57
Total non-current liabilities	2,291	2,169
CURRENT LIABILITIES		
Bonds issued	64	33
Financial debts	281	326
Trade payables	32	32
Other current liabilities	116	100
Total current liabilities	493	491
TOTAL EQUITY AND LIABILITIES	4,424	4,219

Total assets and total liabilities

Total assets increased by EUR 205 million (5%) to EUR 4,424 million as at 30 June 2015. The increase is primarily connected with the increase in property portfolio which rose by EUR 91 million and increase in cash and cash equivalents that rose by EUR 55 million (51%).

Non- current and current liabilities total EUR 2,784 million as at 30 June 2015 which represents increase by EUR 124 million (5%) compared to 31 December 2014. Main driver of this increase was a growth in external financing in total by EUR 98 million.

Equity (Net assets value)

Net assets value – NAV (total equity including non-controlling interest) totals EUR 1,640 million as at 30 June 2015 and compared to 31 December 2014 rose by 4.5%. The result for the period represents the main contributor of the increase.

Net Asset Value		30-Jun-15
Equity per the financial statements (NAV)	MEUR	1,632
Effect of exercise of options, convertibles and other equity interests	MEUR	0
Diluted NAV, after the exercise of options, convertibles and other equity interests	MEUR	1,632
Revaluation of trading property and PPE	MEUR	37
Fair value of financial instruments	MEUR	16
Deferred tax	MEUR	385
Goodwill	MEUR	-43
EPRA NAV	MEUR	2,027



OUTLOOK

Real estate opportunities in the Czech Republic and the CEE region are in abundance and have shown increased activity every month during 2015 up to the present time. The CPI Property Group is monitoring individual transactions, a reliable model of acquisitions which is focused on acquiring completed and functional projects generating a large income that will continue in the near future. The CPI Property Group maintains its strategic priorities with three key objectives: to deliver attractive long-term returns, to develop and co-ordinate an extensive property portfolio and which is appropriately diversified by geography, sector, and property activity. Capital is allocated between these, increasingly with regard to macro-economic and social trends. The CPI Property Group also continues to keep a strong, low-gearred balance sheet to withstand unexpected shocks. This is continuously reflected in the Group's role as stewards via the asset management of existing buildings, and as developers of new buildings.

Over the first half of 2015, the Group have been steadily building up the scale of new development which will increase the value of previously acquired land banks or other properties. Increasing the pipeline of planned activities, it now encompasses development projects in the Czech Republic, France, Germany, Italy and Switzerland. It is weighted towards residential but also provides exposure to office, retail and hotels.

The Group has a large number of various projects and has reached the construction stage on a number of these. For example the historically valuable building Zivnobanka in the centre of Prague has been transformed into a museum of glass and design. It is worth mentioning the administrative project at the Meteor Centre Office Park C in Prague and the first foreign residential project of Palais Maeterlinck on the Cote d'Azur in Nice (France), both were completed in spring 2015. The CPI Property Group desires to continue with multifunctional complexes in the regions, a potential for this kind of activity is currently seen in Hradec Králové. In the residential segment, it has started to complete new buildings with flats for the sale in Prague. In the long-term rental housing segment, which is a traditional part of CPI's portfolio, it is continuously providing the investment financial resources and focuses on three main areas: revitalizing properties, reducing energy consumption and the cost of delivered energy and the development of services for existing tenants and support for new leases. The plan is a continuous growth of the retail portfolio – In the first half of 2015, we acquired the Futurum shopping center in Kolín and we are searching for other opportunities for similar acquisitions. Under construction is the CPI Retail Park Jeseníky in the Czech Republic and other new retail parks are in the process of being prepared in Poland.

The long-term goal is to maintain existing tenants and extend leases for shopping centres, stores in retail parks and separate units, as well as offices. To focus on the tenant mix in shopping centres and assure their adaptation to local demand should be mentioned too. An important aim is to help create and manage attractive and vibrant cities with the focus on the customers, existing and potential ones, which is at the heart of everything the Group does through the improvement of their living experience and by working and visiting in the places and properties we build and manage.

The CPI Property Group also expects that the market will show a slight increase in the second half of 2015. It will be ready to invest in the case of unique opportunities, as the priority remains focused on maintaining the property portfolio diversification into

the different segments, as well as their geographical diversification and ensuring the internal stability of the Group through a strong financial base. The business objective is to create value for shareholders through the ownership, vigorous management and development of an exceptional range of properties around Europe. Building on recognised skills and track record, focusing on urban property, often mixed-use and with a retail focus, in cities and locations whose vibrancy will endure.

The CPI Property Group has been successfully developing its position as an international company, listed on the Frankfurt Stock Exchange, and all indicators show that from the perspective of economic performance the Group is heading towards an extremely prosperous year.

CORPORATE GOVERNANCE

Principles

Good corporate governance improves transparency and the quality of reporting, enables effective management control, safeguards shareholder interests and serves as an important tool to build corporate culture. The Company is dedicated to acting in the best interests of its shareholders and stakeholders.

The Company is committed to continually and progressively implement industry best practices with respect to corporate governance and has been adjusting and improving its internal practices in order to meet evolving standards. The Company aims to communicate regularly with its shareholders and stakeholders regarding corporate governance and to provide regular updates on its website.

The Company follows the Ten Principles and their Recommendations of the Luxembourg Stock Exchange as a reference for its Corporate Governance Rules.

Description of internal controls relative to financial information processing

The Company has organized the management of internal control by defining control environment, identifying the main risks to which it is exposed together with the level of control of these risks, and strengthening the reliability of the financial reporting and communication process.

There is a limited and defined scope of power of attorneys granted.

A senior internal auditor from CPI team has been involved since the CPI contribution with the aim to strengthen the internal audit process of the Group.

For the annual closure, the Company's executive management members indicate any transactions they have carried out with the Company as "Related parties".

The Audit Committee and the s have a specific duties in terms of internal control.





MANAGEMENT

The members of the management as of 30 June 2015 are::



Martin Němeček
CEO

Martin Němeček, CEO, was appointed in March 2014. Martin has recently led the integration of CPI and CPI PROPERTY GROUP. Before joining CPI PROPERTY GROUP, Martin was the Deputy CEO of CPI, where he was responsible for the real estate acquisitions and had managed transactions with total values over EUR 1.5 billion, including the foreign expansions. Martin also oversaw the bank project financing and legal affairs of CPI. From 2001 to 2011, he worked for Salans (today Dentons), Linklaters and Kinstellar law firms. He graduated from the Faculty of Law of the Charles University in Prague and from the University of Economics, Prague.



Zdeněk Havelka
Executive Director

Zdeněk Havelka, Executive Director, was appointed in June 2014. Before joining CPI PROPERTY GROUP, Zdeněk led CPI as CEO. He joined the CPI in 2002 as a senior accountant. Later, he was appointed CFO. In 2005, he was appointed CEO and his direct subordinates were directors of departments of internal audit, development, asset management, acquisitions, property management and operations. He attended the milestones the most important for the growth of CPI that has already expanded beyond the Czech Republic borders. Zdeněk is a graduate of the Faculty of Agriculture, University of South Bohemia in České Budějovice.



Tomáš Salajka

Director of Asset Management & Sales and Member of the Board

Tomáš Salajka, Director of Asset Management & Sales, was appointed in June 2014. Before joining CPI Property Group, Tomas was at a position of CEO of Orco Property Group and also was working over the last 10 years for GE Real Estate Germany/CEE where his latest position was the Head of Asset Management & Sales CEE and before that for ČSOB in the Restructuring Department. He studied foreign trade at University of Economics in Prague.



Pavel Semrád

Director of Asset Management CZ and SK

Pavel Semrád, Director of Asset Management CZ and SK, was appointed in June 2014. Before joining CPI PROPERTY GROUP, Pavel was working for CPI as the Director of Asset Management. He strengthened the CPI in 2002 as a project manager, in 2005, he was appointed the Director of the Development Department, and subsequently he took up his post as the Property Management Director. Pavel graduated from the Faculty of Finance and Accounting, University of Economics in Prague.



Pavel Měchura

CFO

Pavel Měchura, CFO, was appointed in June 2014. Before joining CPI PROPERTY GROUP, Pavel was working almost 4 years for CPI, at first as the IFRS specialist, two years later, he became manager of IFRS and analysis. In May 2014 he was appointed CFO and was responsible for the entire real estate accounting groups of CPI. Pavel gained many years of experience at KPMG where he was responsible for leading audit engagements of large companies, mainly from the automotive, real estate and petrochemical industries. Pavel graduated from the Faculty of Economics, Technical University of Liberec.



Pavel Menšík

Director of Investments

Pavel Menšík was appointed Director of Investments in March 2014. Pavel has a 10 years' experience within ORCO PROPERTY GROUP where he recently was the Senior Manager in Transactions and Finance, overseeing bank financing and transactions of sales and purchase of assets in real estate business. Between 2004 - 2009, he worked in ORCO as the Head of Group Project Finance, responsible for project finance, asset and share transactions, cash management and treasury. Before that, from 2002 to 2004, he was the Corporate Relationships Manager in ČSOB Bank (KBC Group). Pavel holds master's degree in foreign trade and finance at University of Economics in Prague, and has had a foreign internship experience from that time at First Republic Bank, San Francisco, US.



Igor Klajmon
Director of Development

Igor Klajmon, Director of Development, was appointed in June 2014. Before joining CPI PROPERTY GROUP, Igor was working as the Director of Development for CPI. His most significant projects include the QUADRIO, a multifunctional complex in the centre of Prague, and the Palais Maeterlinck, a luxury residential housing project in the French resort of Nice. He has many years of experience in working on large commercial and residential projects in Central Europe, United Kingdom and Brazil. Igor is a graduate of the Technical University in Brno, then he studied at the Mackenzie University in Sao Paolo (Brazil), and at the London Business School (UK).



Martin Stibor
Director of Property Management

Martin Stibor, Director of Property Management, was appointed in June 2014. Previously he has been working for the CPI, being responsible for technical, administrative and operating management of all properties of the CPI portfolio. He has gained valuable experience during his mission in the top management at the EMCM. Martin graduated from the Technical University in Brno.



Štěpán Rázga
Chief Operations Officer

Štěpán Rázga, Chief Operations Officer, was appointed in June 2014. Before joining the CPI PROPERTY GROUP, Štěpán was working for CPI, at first as the financial analyst, and later he held the position of a divisional manager. In 2013, he was appointed the Chief Operating Officer. In past, he worked as a financial manager, and subsequently in the controlling of the Czech-Slovak investment group. He graduated from the University of Economics in Prague, Faculty of Business Administration.

Board of Directors

The Company is administered and supervised by the Board of Directors. The Board of Directors represents the collective shareholders and acts in the best interests of the Company. The Board of Directors meetings are held as often as deemed necessary or appropriate at the request of the Chairman. All members, and in particular the independent and non-executive members, are guided by the interests of the Company and its business, such interests including but not limited to the interests of the Company's shareholders and employees.

The members of the Board of Directors are elected by the general meeting of shareholders for a period not exceeding six years. They are eligible for re-election and may be removed at any time, by a resolution adopted by a simple majority of votes of the general meeting of shareholders. The Directors may be either natural persons or legal entities. In the event of a vacancy on the Board of Directors, the remaining members may co-opt a new member. The Board of Directors has the following tasks and competencies, without such list being exhaustive:

- Setting the objectives and management policies of the Company;
- Preparing the annual operating and financing plans;
- Managing the Company's business affairs and performing all the acts and operations relating to the corporate purpose that do not fall within the duties attributed to other bodies of the Company;
- Representing the Company in or out of court;
- Acquiring, selling real estate;
- Incorporating companies;
- Adopting resolutions regarding issuance of bonds;
- New shares may be issued pursuant to the authorised share capital.

As at 30 June 2015, the Board of Directors consisted of the following members:

- Edward Hughes, Chairman of the Board
- Philippe Magistretti
- Martin Němeček
- Tomáš Salajka
- Oliver Schlink
- Radovan Vitek

The Board of Directors is comprised of 3 executive members representing the management of the Company: Martin Němeček, CEO; Tomáš Salajka, Director of Asset Management & Sales, and Oliver Schlink, CFO of GSG Berlin; 2 independent, non-executive members: Philippe Magistretti and Edward Hughes; and 1 non-executive member representing shareholders: Radovan Vitek.

OTHER REPORTING REQUIREMENTS

Subsequent events

Please refer to Note 11 of the Condensed Consolidated Interim Financial Statements as at 30 June 2015.

Financial risks exposure

For detail description of the principal risks and uncertainties, please refer to Note 2.1 Basis of Preparation of the Condensed Consolidated Interim Financial Statements as at 30 June 2015.

Required information

In reference to the information required by paragraphs (a) to (k) of Article 11(1) of the Law of 19 May 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, the Board of Directors states the following elements:

(a) The structure of the capital, including securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it and the percentage of total share capital that it represents:

The share capital of the Company is represented by 3,303,768,300 ordinary shares of one class. 230,056,445 Company shares (approx. 7% of the total number of shares) registered under ISIN code LU0251710041 are admitted to trading on the regulated market of the Frankfurt Stock Exchange in the General Standard segment. The remaining 3,073,711,855 Company shares (approx. 93% of the total number of shares) are currently not listed and not tradeable on a regulated market.

(b) Any restrictions on the transfer of securities, such as limitations on the holding of securities or the need to obtain the approval of the company or other holders of securities, without prejudice to Article 46 of Directive 2001/34/EC:

There are no restrictions on the transfer of Company's securities. 230,056,445 Company shares (approx. 7% of the total number of shares) registered under ISIN code LU0251710041 are admitted to trading on the regulated market of the Frankfurt Stock Exchange in the General Standard segment. The remaining 3,073,711,855 Company shares (approx. 93% of the total number of shares) are currently not listed and not tradeable on a regulated market.

(c) Significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC:

Based on the latest shareholders' declarations, the following table sets out information regarding the ownership of the Company's shares as at 30 June 2015.

Shareholder	Number of shares	Share held
Radovan Vitek and entities controlled by Mr. Vitek	3,044,030,691	92.14%
ORCO PROPERTY GROUP and entities controlled by OPG	159,132,897	4.82%
Others	100,604,712	3.04%
Total	3,303,768,300	100%

(d) The holders of any securities with special control rights and a description of those rights:

None of the Company's principal shareholders has voting rights different from any other holders of the Company's shares. The Company respects the rights of its shareholders and ensure they receive equitable treatment. The Company has established a policy of active communication with the shareholders.

(e) The system of control of any employee share scheme where the control rights are not exercised directly by the employees:

The Company has no employee share scheme.

(f) Any restrictions on voting rights, such as limitation on the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of securities:

There are no restriction on voting rights.

(g) Any agreements between shareholders which are known to the company and may result in restrictions on the transfer of securities and/or voting rights within the meaning of Directive 2001/34/EC:

In relationship to the 2014 mandatory public takeover offer (the „Mandatory Offer“) to the shareholders of the Company by Materali, a.s., and according to the related offer document, Materali, a.s. and Deutsche Bank AG entered into non-tender agreements with each of ORCO PROPERTY GROUP, Brillant 1419. GmbH & Co. Verwaltungs KG and Linkskaters Limited (the “Major Shareholders”) under which the Major Shareholders have undertaken not to tender a total of 137,464,693 Company shares held by the Major Shareholders into the Mandatory Offer or to exercise their right to tender. Furthermore, in July 2014, Materali, a.s. and Deutsche Bank AG entered into security blockage agreements with each of the Major Shareholders and their depositary banks (except for Brillant 1419. GmbH & Co. Verwaltungs KG and its depositary bank) in order to ensure that the depositary banks do not, without the Materali, a.s.' and Deutsche Bank AG's consent (i) transfer the Major Shareholder's Company shares to any other securities or sub-securities account, (ii) deliver the Majority Shareholder's Company shares to the Major Shareholders or to any third

party, (iii) execute any sales orders regarding the Majority Shareholder's Company shares or (iv) assist, carry out or otherwise support the transfer or other disposition of any of the Major Shareholder's Company shares.

To the knowledge of the Company, the above agreements expired over time and there are no shareholder or other agreements entered into by and between shareholders that are in effect as of the date of this report with similar effects.

(h) The rules governing the appointment and replacement of board members and the amendment of the articles of association:

The Company is managed by Board of Directors appointed as a collegiate body by the general meeting of shareholders. The Board of Directors shall be composed of the number of members determined by the general meeting of the shareholders, and shall amount to at least three members. The Directors are elected by the general meeting of shareholders for a period of maximum six years. The directors are eligible for re-election and may be removed with or without cause at any time by decision of the general meeting of shareholders by simple majority vote. In the event of a vacancy in the Board of Directors, the remaining members may co-opt a new member. The articles of association may be modified by an extraordinary general meeting of the shareholders, deliberating with a quorum of at least half of the corporate capital and deciding by a vote of at least a two-thirds majority of the votes cast.

(i) The powers of board members, and in particular the power to issue or buy back shares:

Please refer to the paragraph Board of Directors on page 77 of this Management report.

The General Meeting of the shareholders of the Company held on 28 August 2014 authorised the Board of Directors of the Company to repurchase, in one or several steps, a maximum number of 750,000,000 Company shares from the existing and/or future shareholders of the Company, for a purchase price comprised in the range between one eurocent (EUR 0.01-) and five euro (EUR 5.-), for a period of five (5) years from the date of the General Meeting.

The Extraordinary General Meeting of the shareholders of the Company held on 28 August 2014 also resolved to modify, renew and replace the existing authorised share capital of the Company and to set it to an amount of four hundred million euro (EUR 400,000,000.00) for a period of five (5) years from the date of the General Meeting. Following capital increases implemented under this authorised share capital since 28 August 2014, the Board of Directors is authorised to issue up to 3,617,055,604 new Company shares under this authorization within the period of 5 years since 28 August 2014, in addition to the 3,303,768,300 currently outstanding shares of the Company.

(j) Any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements:

Not applicable as of 30 June 2015.

(k) Any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid:

Not applicable as of 30 June 2015

Directors' compensation

Please refer to Note 10 of the Condensed Consolidated Interim Financial Statements as at 30 June 2015.

Other information

The Group does not have any activities in research and development.

The Company does not have any branch.

DECLARATION LETTER
INTERIM FINANCIAL REPORT
AS AT 30 JUNE 2015

1.1. Person responsible for the Semi - Annual Financial Report

Mr. Martin Němeček, acting as Chief Executive Officer and Managing Director of the Company, with professional address at 40 rue de la Vallée, L-2661 Luxembourg, Grand-Duchy of Luxembourg, m.nemecek@cpipg.com.

1.2. Declaration by the persons responsible for the Semi - Annual Financial Report

The undersigned hereby declares that, to the best of its knowledge:

- the condensed consolidated interim financial statements of the Company as at 30 June 2015, prepared in accordance with the International Accounting Standards ("IFRS") as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and result of the Company and its subsidiaries included in the consolidation taken as a whole; and
- the Management report as at 30 June 2015, provides a fair view of the development and performance of the business and the position of the Company and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

Approved by the Board of Directors and signed on its behalf by Mr. Martin Němeček.

Luxembourg, 28 August 2015



Mr. Martin Němeček
CEO & Managing Director

CPI PROPERTY GROUP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

(UNAUDITED)

CPI PROPERTY GROUP's Board of Directors has approved the condensed consolidated interim financial statements for the six-month period ended 30 June 2015 on 28 August 2015.
All the figures in this report are presented in thousands of Euros, except if explicitly indicated otherwise.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

The accompanying notes form an integral part of these consolidated financial statements.

For the six month period ended	Note	30 June 2015	30 June 2014 (RESTATED)*
Gross rental income	5.1	106,605	80,136
Service revenue	5.1	6,377	1,416
Net service charge income	5.2	5,286	1,443
Property operating expenses	5.3	(13,610)	(8,660)
Net rental income		104,658	74,335
Development sales	5.4	4,082	908
Cost of goods sold	5.4	(3,168)	(388)
Development operating expenses	5.4	(247)	(260)
Net development income		667	260
Hotel revenue	5.5	7,005	2,103
Cost of goods sold	5.5	(110)	--
Hotel operating expenses	5.5	(4,027)	(1,526)
Net hotel income		2,868	577
Revenue from other business operations	5.6	5,610	--
Cost of goods sold	5.6	(805)	--
Related operating expenses	5.6	(2,838)	--
Net income from other business operations		1,967	--
Total revenues		134,965	86,007
Total direct business operating expenses		(24,805)	(10,835)
Net business income		110,160	75,172
Net valuation gain	5.7	17,722	701
Net gain or loss on the disposal of investment property	5.8	(283)	622
Net gain or loss on disposal of subsidiaries	5.9	607	--
Amortization, depreciation and impairments	5.10	(3,407)	(5,297)
Other operating income	5.11	4,019	82,945
Administrative expenses	5.12	(17,526)	(7,556)
Other operating expenses	5.13	(17,122)	(1,386)
Operating result		94,170	145,201
Interest income	5.14	11,595	9,295
Interest expense	5.15	(44,810)	(36,716)
Other net financial result	5.16	4,944	2,334
Net finance income / (costs)		(28,271)	(25,087)
Profit before income tax		65,899	120,114
Income tax expense	5.17	(8,390)	(5,724)
Net profit from continuing operations		57,509	114,390
Items that may or are reclassified subsequently to profit or loss			
Foreign currency translation differences - foreign operations		19,729	(328)
Effective portion of changes in fair value of cash flow hedges		3,431	(3,025)
Income tax on other comprehensive expense		(479)	593
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post employment benefit obligations		--	--
Other comprehensive income for the period, net of tax		22,663	(2,760)
Total comprehensive income for the period		80,172	111,630
Profit attributable to:			
Non controlling interests		(318)	35
Owners of the Company		57,827	114,355
Profit for the period		57,509	114,390
Total comprehensive income attributable to:			
Non controlling interests		22	(10)
Owners of the Company		80,150	111,640
Total comprehensive income for the period		80,172	111,630
Earnings per share			
Basic earnings in EUR per share	6.12	0.02	0.05
Diluted earnings in EUR per share		0.02	0.05

* amounts shown here do not correspond to the Condensed consolidated interim financial statements for the six-month period ended 30 June 2014, refer to Note 2.1.1

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

The accompanying notes form an integral part of these consolidated financial statements.

	Note	30 June 2015	31 December 2014
NON-CURRENT ASSETS			
Intangible assets and goodwill	6.1	72,965	72,504
Investment property	6.2	3,480,692	3,373,050
Property, plant and equipment	6.3	89,447	104,567
Biological Assets	6.4	2,945	2,007
Available-for-sale financial assets	6.5	1,863	2,011
Financial assets at fair value through profit or loss		817	473
Loans provided	6.6	32,371	17,528
Trade and other receivables	6.7	34,521	46,318
Deferred tax asset	5.17	20,990	20,990
Total non-current assets		3,736,611	3,639,448
CURRENT ASSETS			
Inventories	6.8	81,513	84,674
Biological Assets	6.4	5,936	4,002
Current income tax receivables		5,474	5,145
Trade receivables	6.7	69,840	47,394
Derivative instruments		38	12
Loans provided	6.6	313,744	275,804
Cash and cash equivalents	6.9	163,261	108,172
Other financial current assets	6.10	9,723	6,134
Other non-financial current assets	6.11	38,152	48,641
Total current assets		687,681	579,978
TOTAL ASSETS		4,424,292	4,219,426
EQUITY			
Equity attributable to owners of the Company	6.12	1,632,176	1,552,026
Non-controlling interests		7,524	6,782
Total equity		1,639,700	1,558,808
NON-CURRENT LIABILITIES			
Bonds issued	6.13	428,219	506,641
Financial debts	6.14	1,410,845	1,220,343
Derivative instruments		10,359	13,957
Deferred tax liabilities		396,993	385,393
Provisions		18,533	16,630
Other non-current liabilities	6.15	26,146	25,918
Total non-current liabilities		2,291,095	2,168,882
CURRENT LIABILITIES			
Bonds issued	6.13	63,503	32,867
Financial debts	6.14	281,491	325,987
Trade payables	6.16	32,090	31,628
Advance payments	6.17	50,972	44,453
Derivative instruments		5,848	7,064
Other financial current liabilities	6.18	33,646	30,926
Other non-financial current liabilities	6.19	25,947	18,811
Total current liabilities		493,497	491,736
TOTAL EQUITY AND LIABILITIES		4,424,292	4,219,426

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Share capital	Share premium	Translation reserve	Legal reserve	Hedging reserve	Other reserves*	Retained earnings	Equity attributable to owners of the Company	Non controlling interests	Total equity
Balance at 1 January 2015		330,377	1,371,877	(74,058)	5,845	(25,093)	197,766	(254,688)	1,552,026	6,782	1,558,808
Comprehensive income:											
Profit / (loss) for the period		--	--	--	--	--	--	57,827	57,827	(318)	57,509
Total comprehensive income		--	--	19,389	--	--	--	--	19,389	340	19,729
Net changes in fair value of cash flow FX hedges		--	--	--	--	2,119	--	--	2,119	--	2,119
Related income tax on other comprehensive expense		--	--	--	--	(315)	--	--	(315)	--	(315)
Net changes in fair value of cash flow IRS hedges		--	--	--	--	1,312	--	--	1,312	--	1,312
Related income tax on other comprehensive expense		--	--	--	--	(182)	--	--	(182)	--	(182)
Total comprehensive income / (expense)		--	--	19,389	--	2,934	--	--	22,323	340	22,663
Total comprehensive income for the period		--	--	19,389	--	2,934	--	57,827	80,150	22	80,172
Other changes in non-controlling interests		--	--	--	--	--	--	--	--	720	720
Total changes in ownership interests in subsidiaries		--	--	--	--	--	--	--	--	720	720
Total transactions with owners of the Company		--	--	--	--	--	--	--	--	720	720
Balance at 30 June 2015		330,377	1,371,877	(54,669)	5,845	(22,159)	197,766	(196,861)	1,632,176	7,524	1,639,700

* **Other Reserves** are created from accumulated profits and losses and other equity operations, such as scope variations, variation of detention, or revaluation of assets. These reserves may be subject to the distribution of dividends. This item also includes measurements of post-employment defined benefit obligation.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Share capital	Share premium	Translation reserve	Legal reserve	Hedging reserve	Other reserves*	Retained earnings	Equity attributable to owners of the Company	Non controlling interests	Total equity
Balance at 1 January 2014		34,466	277,006	(67,824)	5,845	(20,540)	199,583	507,613	936,149	2,852	939,001
Comprehensive income:											
Profit / (loss) for the period		--	--	--	--	--	--	137,516	137,516	(81)	137,435
Total comprehensive income		--	--	(6,234)	--	--	(1,817)	--	(8,051)	(37)	(8,088)
Net changes in fair value of cash flow FX hedges		--	--	--	--	(656)	--	--	(656)	--	(656)
Related income tax on other comprehensive expense		--	--	--	--	125	--	--	125	--	125
Net changes in fair value of cash flow IRS hedges		--	--	--	--	(4,924)	--	--	(4,924)	--	(4,924)
Related income tax on other comprehensive expense		--	--	--	--	902	--	--	902	--	902
Total comprehensive income / (expense)		--	--	(6,234)	--	(4,553)	(1,817)	--	(12,604)	(37)	(12,641)
Total comprehensive income for the period		--	--	(6,234)	--	(4,553)	(1,817)	137,516	124,912	(118)	124,794
Contributions by and distributions to owners of the Company											
Capital increase prior to reverse acquisition		10,926	40,428	--	--	--	--	(51,355)	--	--	--
Reverse acquisition		246,690	912,754	--	--	--	--	(1,159,444)	--	--	--
Owner's contribution		38,294	141,689	--	--	--	--	--	179,984	--	179,984
Total contributions by and distributions to owners of the Company		295,911	1,094,871	--	--	--	--	(1,210,799)	179,984	--	179,984
Changes in ownership interests in subsidiaries		--	--	--	--	--	--	--	--	--	--
Reverse acquisition		--	--	--	--	--	--	310,972	310,972	(193)	310,779
Acquisition of subsidiary with non-controlling interests		--	--	--	--	--	--	--	--	4,207	4,207
Other changes in non-controlling interests		--	--	--	--	--	--	9	9	34	43
Total changes in ownership interests in subsidiaries		--	--	--	--	--	--	310,981	310,981	4,048	315,029
Total transactions with owners of the Company		295,911	1,094,871	--	--	--	--	(899,817)	490,965	4,048	495,013
Balance at 31 December 2014		330,377	1,371,877	(74,058)	5,845	(25,093)	197,766	(254,688)	1,552,026	6,782	1,558,808

* **Other Reserves** are created from accumulated profits and losses and other equity operations, such as scope variations, variation of detention, or revaluation of assets. These reserves may be subject to the distribution of dividends. This item also includes measurements of post-employment defined benefit obligation.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

The accompanying notes form an integral part of these consolidated financial statements.

Fox the six month period ended	Note	30 June 2015	30 June 2014 (RESTATED)*
PROFIT BEFORE INCOME TAX		65,899	120,114
<i>Adjusted by:</i>			
Net valuation gain on investment property	5.7	(17,722)	(701)
Gain / loss on the disposal of investment property	5.8	283	(622)
Depreciation / amortisation of tangible and intangible assets	5.10	2,626	1,014
Impairment of assets / Reversal of impairment of assets	5.10	781	3,616
Gain on the disposal of property, plant and equipment		--	(3)
Gain on the disposal of subsidiaries	5.9	(607)	--
Net finance costs	5.14, 5.15	28,271	25,088
Gain on bargain purchase		--	(80,968)
Exchange rate differences		(10,043)	(990)
Other non-cash adjustments		--	258
Profit before changes in working capital and provisions		69,488	66,806
(Increase) Decrease in inventories		3,141	(15,147)
(Increase) Decrease in trade receivables		(3,553)	6,273
Increase in trade payables		13,808	7,146
Changes in provisions		4,411	185
Income tax paid		1,869	(2,576)
NET CASH FROM OPERATING ACTIVITIES		89,164	62,687
Acquisition of subsidiaries, net of cash acquired	3.2	(16,343)	38,995
Acquisition of non-controlling interest		720	--
Acquisition of investment property		(18,379)	--
Capital expenditure and acquisition of investment property	6.2	--	(2,318)
Expenditure on investment property under development		(2,815)	(16,281)
Proceeds from sale of investment property	5.8	11,749	3,634
Proceeds from sale of property, plant and equipment		111	71
Proceeds from disposals of subsidiaries, net of cash disposed		(10,398)	--
Acquisition of property, plant and equipment		(3,821)	(113)
Acquisition of intangible assets		(523)	(432)
Other loans provided	6.6	(57,385)	(36,876)
Interest received		16,017	240
NET CASH USED IN INVESTING ACTIVITIES		(81,067)	(13,080)
Proceeds from bond issued/ (Repayment of bonds issued)	6.13	(58,666)	49,228
Interest paid		(44,708)	(8,477)
Drawings / (repayments) of loans and borrowings		150,672	(52,069)
Repayments of finance lease liabilities		(319)	(739)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		46,979	(12,057)
NET INCREASE IN CASH		55,076	37,550
Cash and cash equivalents at the beginning of the year		108,172	109,605
Effect of movements in exchange rates on cash held		13	(76)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		163,261	147,079

* amounts shown here do not correspond to the Condensed consolidated interim financial statements for the six-month period ended 30 June 2014, refer to Note 2.1.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

CPI PROPERTY GROUP (formerly named ORCO Germany S.A. and GSG GROUP respectively, hereinafter also the "Company" or "CPI PG", and together with its subsidiaries as the "Group") is a real estate group founded in 2004. Since its foundation it has been operating in Germany and concentrated mainly on commercial property, project development and asset management especially in Berlin. With its subsidiary Gewerbesiedlungs-Gesellschaft (GSG), the Group is the largest lessor of commercial property in the Berlin area. After the combination with CPI in 2014, the Group has expanded into number of CEE countries and significantly extended its current Berlin portfolio.

CPI PROPERTY GROUP is the parent company of the Group. The Company is a Luxembourg based *Société Anonyme*, whose shares registered under ISIN code LU0251710041 are listed on the regulated market of the Frankfurt Stock Exchange in the General Standard segment. Some shares of the Company are not listed yet, but the Company will seek to list them on the regulated market of the Frankfurt Stock Exchange in the General Standard segment as soon as practicable, subject to regulatory delays.

The registered office of the Company is located at 40, rue de la Vallée, L-2661 Luxembourg, Grand-Duchy of Luxembourg.

Description of the ownership structure

As at 30 June 2015, CPI PROPERTY GROUP is indirectly 92.14% owned by Radovan Vitek through its investment vehicles Lavagna, a.s.; Zacari, a.s.; Rivaroli, a.s.; Mondello, a.s.; Materiali, a.s. and Whislow Equities Ltd. For the list of shareholders as at 30 June 2015 please refer to 6.12.

Change in the Board of Directors and the management

Board of Directors

Board of Directors as at 30 June 2015

Chairman

Edward Hughes

CEO & Managing Director

Martin Němeček

Deputy CEO & Secretary of the Board of Directors

Tomáš Salajka

Members

Philippe Magistretti

Oliver Schlink

Radovan Vitek

Board of Directors as at 31 December 2014

Chairman

Edward Hughes

CEO & Managing Director

Martin Němeček

Deputy CEO & Secretary of the Board of Directors

Tomáš Salajka

Members

Philippe Magistretti

Oliver Schlink

Radovan Vitek

Change in the Board of Directors

No changes in the Board of directors in 2015 have been applied.

The management

The management team of the Company is comprised of the following members: Martin Němeček, CEO; Zdeněk Havelka, Executive Director; Tomáš Salajka, Director of Asset Management & Sales; Pavel Semrád, Deputy Director of Asset Management & Sales; Pavel Měchura, CFO; Pavel Menšík, Director of Investments; Igor Klajmon, Director of Development; Martin Stibor, Head of Property Management; Štěpán Rázga, Chief Operations Officer and Martin Matula, General Counsel.

Employees

The Group has 1,081 employees as at 30 June 2015 (as at 31 December 2014 – 797 employees). The significant employee's growth reflects the Group's expansion and extension of its investment property portfolio.

All of the above included employees were engaged in the core business activities of the Group.

2 Basis of preparation and significant accounting policies

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for the following material items in the condensed consolidated interim statement of financial position, which are measured as indicate below at each reporting date:

- investment property is measured at fair values;
- biological assets are measured at net realisable value;
- derivative financial instruments are measured at fair value;
- non-derivative financial instruments at fair value through profit or loss are measured at fair value;
- contingent consideration assumed in a business combinations is measured at fair value.

2.1 Basis of preparation

The condensed consolidated interim financial statements for the six month period ended 30 June 2015 have been prepared in accordance with IAS 34, Interim Financial Reporting. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2014.

The condensed consolidated interim financial statements are presented in thousands of Euros and all values are rounded to the nearest thousand except when otherwise indicated. The Group's objectives and policies for managing capital, credit risk and liquidity risk were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

The Group's operations are not any subject to seasonal fluctuations.

These condensed consolidated interim financial statements have not been audited.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 28 August 2015.

2.1.1 Restatement of comparatives

Transaction background

As at 12 June 2014 Mr. Vítek increased his shareholding in the CPI PROPERTY GROUP (at that time GSG GROUP, hereinafter also as the "Company" and together with its subsidiaries as the "Group") from 25.30 % to 71.29 % and gained control over the Company.

Consequently Mr. Vítek proposed to the Board of Directors to combine the Company with his fully controlled Central European real estate activities owned through Czech Property Investments, a. s. ("CPI"). After the approval by the Board of Directors, Mr. Vítek contributed 100% of CPI shares to the Company in exchange for 2,466,902,565 newly issued Company shares on 16 and 17 June 2014. Following this capital increase the shareholding interest of Mr. Vítek in the Company increased to 94.02 %.

As a result of the combination of CPI and former GSG GROUP (formerly named ORCO Germany S.A.), the Group considerably extended its property portfolio and became one of the key player in CEE region.

Accounting treatment applied as at 30 June 2014

The transaction was treated as a business combination of activities under common control since both of the groups were controlled by Mr. Vitek at the date of acquisition, although being an individual not subject to the financial reporting requirements of IFRSs. Pooling of interest method was considered as the most appropriate method for this transaction.

The assets and liabilities acquired were recognised in the condensed consolidated interim statement of financial position at the carrying amounts recognised previously in the CPI's condensed consolidated interim financial statements. No goodwill nor gain from bargain purchase was recorded as a result of the combination and the difference between the net book value of the acquired business and the consideration transferred was recognised in equity.

Consequently the condensed consolidated interim financial information of the Group provided for the period ended as at 30 June 2014 reflected 6 months of operations of former GSG GROUP whereas the comparatives should have reflected the 6 months of operations of CPI.

Restated accounting treatment applied as from 31 December 2014

Considering the pronouncements and guidance in the International Financial Reporting Standards as adopted by the European Union ("IFRS") as at the end of 2014, the increase in shareholding of Mr. Vitek in the former GSG GROUP from 25.30% to 71.29%, was consequently treated and accounted for as a reverse acquisition for the purpose of the consolidated financial statements of CPI PG S.A. as at 31 December 2014.

The identifiable assets and liabilities of the acquiree (former GSG GROUP) were measured at fair value as of acquisition date of 12 June 2014. The consolidated financial statements prepared following the "reverse acquisition" were issued under the name of the legal parent (former GSG GROUP) but described in the notes as a continuation of the financial statements of CPI.

We believe the restated accounting treatment – the reverse acquisition – reflects the commercial substance of the transaction based on which acquirer was identified. Main factors considered were:

- Relative voting rights where Mr. Vitek (sole owner of CPI) become majority shareholder in combined entity;
- Ability of the shareholder of CPI to appoint or remove members of governing body of the combined entity;
- Relative size of combined entities prior the business combination, where CPI was significantly larger in terms of assets, NAV and revenue than GSG;
- Composition of senior management of combined entity is dominated by senior management of the CPI.

Therefore, the condensed consolidated interim financial information of the Group for the 6 month period ended 30 June 2014 reflects the 6 months of CPI operations and former GSG GROUP operations were consolidated for the period from 12 June 2014* to 30 June 2014.

**Although the reverse acquisition became effective on 12 June 2014 the financial statements have been prepared using the consolidated financial information of former GSG GROUP as of 30 June 2014. The difference between these dates is deemed to be not significant.*

Restatement

To be consistent with restated accounting treatment being applied as from 31 December 2014 the comparatives to the condensed consolidated interim financial statements for the six-month period ended 30 June 2014 have been restated in order to reflect 6 months of consolidated activities of CPI instead of 6 months of consolidated activities of former GSG GROUP.

Following financial statements for the prior period have been restated as follows:

2014 CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME - restated

	6 months 2014 (as originally published)	Change	6 months 2014 (as restated)
Gross rental income	21,038	59,098	80,136
Service revenue	669	747	1,416
Net service charge income	2,303	(860)	1,443
Property operating expenses	(3,286)	(5,374)	(8,660)
Net rental income	20,724	53,611	74,335
Development sales	--	908	908
Cost of goods sold	--	(388)	(388)
Development operating expenses	--	(260)	(260)
Net development income	--	260	260
Hotel revenue	--	2,103	2,103
Hotel operating expenses	--	(1,526)	(1,526)
Net hotel income	--	577	577
Revenue from other business operations (activities)	12	(12)	--
Cost of goods sold	(8)	8	--
Net income from other business operations (activities)	5	(5)	--
Total revenues	24,022	61,985	86,007
Total direct business operating expenses	(3,294)	(7,541)	(10,835)
Net business income	20,728	54,444	75,172
Net valuation gain or loss on investment property	94,645	(93,944)	701
Net gain or loss on the disposal of investment property	--	622	622
Amortization, depreciation and impairments	154	(5,451)	(5,297)
Other operating income	233	82,712	82,945
Administrative expenses	(6,171)	(1,385)	(7,556)
Other operating expenses	(2,933)	1,547	(1,386)
Operating result	106,656	38,545	145,201
Interest income	1,962	7,333	9,295
Interest expense	(5,813)	(30,903)	(36,716)
Other net financial result	9,674	(7,340)	2,334
Net finance income / (costs)	5,823	(30,910)	(25,087)
Profit / (Loss) before income tax	112,479	7,635	120,114
Income tax expense	(33,373)	27,649	(5,724)
Net profit / (Loss) from continuing operations	79,106	35,284	114,390
Items that may or are reclassified subsequently to profit or loss			
Foreign currency translation differences - foreign operations	(883)	555	(328)
Effective portion of changes in fair value of cash flow hedges	--	(3,025)	(3,025)
Income tax on other comprehensive expense	--	593	593
Other comprehensive income for the period, net of tax	(883)	(1,877)	(2,760)
Total comprehensive income for the period	78,223	33,407	111,630
Profit attributable to:			
Non controlling interests	142	(108)	35
Owners of the Company	78,963	35,392	114,355
Profit for the period	79,106	35,284	114,390
Total comprehensive income attributable to:			
Non controlling interests	140	(150)	(10)
Owners of the Company	78,083	(66,444)	11,640
Total comprehensive income for the period	78,223	(66,594)	11,630
Earnings per share			
Basic earnings in EUR per share	0.13	(0.08)	0.05
Diluted earnings in EUR per share	0.13	(0.08)	0.05

2014 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS - restated

	6 months 2014 (as originally published)	Change	6 months 2014 (as restated)
PROFIT BEFORE INCOME TAX	112,479	7,635	120,114
<i>Adjusted by:</i>			
Net valuation gain on investment property	(94,645)	93,944	(701)
Loss on the disposal of investment property	--	(622)	(622)
Depreciation / amortisation of tangible and intangible assets	312	702	1,014
Impairment of assets / Reversal of impairment of assets	(466)	4,082	3,616
Gain / loss on the disposal of property, plant and equipment	--	(3)	(3)
Net finance (income) / costs	(5,823)	30,911	25,088
Goodwill write-off/ gain on bargain purchase	--	(80,968)	(80,968)
Exchange rate differences	--	(990)	(990)
Other non-cash adjustments	--	258	258
Profit before changes in working capital and provisions	11,858	54,949	66,806
Increase in inventories	(1,245)	(13,902)	(15,147)
Decrease in trade receivables	1,279	4,994	6,273
Increase in other current assets	(17,411)	17,411	--
Increase in trade payables	811	6,335	7,146
Increase in other liabilities	5,065	(5,065)	--
Changes in provisions	--	185	185
Income tax paid	(763)	(1,813)	(2,576)
NET CASH FROM /(USED IN) OPERATING ACTIVITIES	(408)	63,094	62,687
Acquisition of subsidiaries, net of cash acquired	107,772	(68,777)	38,995
Capital expenditure and acquisition of investment property	(15,052)	15,052	--
Capital expenditure on own investment property	--	(2,318)	(2,318)
Expenditure and purchase of property, plant and equipment	(4,765)	4,765	--
Expenditure on investment property under development	--	(16,281)	(16,281)
Proceeds from sale of investment property	--	3,634	3,634
Proceeds from sale of property, plant and equipment	--	71	71
Acquisition of property, plant and equipment	--	(113)	(113)
Acquisition of intangible assets	--	(432)	(432)
Acquisition of financial assets	(33,050)	33,050	--
Disposal of financial assets	33,962	(33,962)	--
Other loans provided	(3,489)	(33,387)	(36,876)
Interest received	1,228	(988)	240
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	86,606	(99,686)	(13,080)
Net issue of equity instruments to shareholders	51,355	(51,355)	--
Proceeds from borrowings	11,813	(11,813)	--
Proceeds from bond issued/ (Repayment of bonds issued)	--	49,228	49,228
Interest paid	(4,820)	(3,657)	(8,477)
Repayments of loans and borrowings	(5,577)	(46,492)	(52,069)
Repayments of finance lease liabilities	--	(739)	(739)
Repurchase of bonds issued by the Group	(43,139)	43,139	--
Refinancing fees and bank charges	(165)	165	--
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	9,467	(21,524)	(12,057)
NET INCREASE IN CASH	95,665	(58,115)	37,551
Cash and cash equivalents at the beginning of the year	51,586	58,019	109,605
Effect of movements in exchange rates on cash held	(98)	22	(76)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	147,154	(74)	147,080

2.2 Changes in accounting policies

The accounting policies applied in preparing these condensed consolidated interim financial statements are consistent with those used to prepare the financial statements for the year ended 31 December 2014.

2.3 New and amended standards adopted by the Group as from 1 January 2015

For the preparation of these condensed consolidated interim financial statements, the following new or amended standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2015 (the list does not include new or amended standards and interpretations that affect first-time adopters of IFRS or not-for-profit and public sector entities since they are not relevant to the Group).

The nature and the impact of each new standard/amendment are described below:

- IAS 19 (Amendment) "Employee Benefits", this narrow scope amendment applies to contributions from employees or third parties to defined plans and simplifies the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

2.4 New standards and interpretations not yet adopted

The following new standards, new interpretations and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015 and have not been early adopted by the Group:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted, subject to EU endorsement. It is very likely to affect the Group's accounting treatment of financial instruments. The Group is yet to assess IFRS 9's full impact.
- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted, subject to EU adoption. The Group is assessing the impact of IFRS 15.
- IFRIC 21 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy, and when should a liability be recognised. The Group is not currently subject to significant levies so the impact on the Group's financial statements is not material.

The Group has estimated the impact of the implementation of the other new standards and amendments not early adopted as non-significant.

The Group refers to the endorsement status of the new IFRS standards and amendments to standards and interpretations as they are published by the European Union (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

3 Group Structure

Control of the Group

CPI Property Group is the Group's ultimate parent.

As at 30 June 2015 the Group is formed by parent company and 293 subsidiaries controlled by the parent company and no associate (at 31 December 2014 - 290 subsidiaries). For list of subsidiaries refer to Appendix I.

3.1 Changes in the Group in 2015

During 2015, the Group has acquired/founded the following entities:

Entity	Change	Share in %	Date of acquisition/foundation
CPI Finance Slovakia, a.s.	founded	100.00%	4 March 2015
CPI Finance Ireland II Limited	founded	100.00%	22 January 2015
CPI Finance Netherlands II, B. V.	founded	100.00%	14 January 2015
GSG Gewerbehöfe Berlin 6. GmbH Co. KG	founded	99.75%	17 February 2015
GSG Wupperstraße GmbH	founded	99.75%	27 May 2015
ITL Alfa, s.r.o.	acquisition	100.00%	30 June 2015
Karviná Property Development, a.s.	acquisition	100.00%	1 June 2015
OC Futurum Kolín, a.s.	acquisition	100.00%	17 June 2015

The following entities were disposed of/liquidated in 2015:

Entity	Change	Share in %	Date of disposal/liquidation
Orco Hospitality Services Sp. z o.o.	disposal	94.00%	23 May 2015
Orco Investment Sp. z o.o.	disposal	94.00%	23 May 2015
Polma 1, S.à r.l.	disposal	100.00%	1 May 2015
SCTO, Kft.	liquidation	100.00%	13 January 2015
ZPS Kft.	liquidation	100.00%	2 March 2015

3.2 Acquisition of subsidiaries in 2015

OC Futurum Kolín, a.s.

On 17 June 2015, the Group acquired 100% share in OC Futurum Kolín, a.s. Due to the acquisition, the Group acquired Futurum Shopping Centre in Kolín, Czech Republic. The shopping center, with a leasable area of 10,100 sqm comprises of supermarket, shopping gallery with 50 shops, restaurants and other amenities, as well as underground parking lot for 320 cars. The net consideration paid represents EUR 18.6 million, with bank financing at the level of EUR 17.25 million.

The fair value of the identifiable assets and liabilities at the date of acquisition was as follows:

	OC Futurum Kolín, a.s.
Investment property	25,146
Total non-current assets	25,146
Trade receivables	111
Cash and cash equivalents	2,256
Other financial current assets	508
Other non-financial current assets	107
Total current assets	2,982
Identifiable acquired assets	28,128
Financial debts	(6,462)
Deferred tax liabilities	(2,112)
Other non-current liabilities	(394)
Total non-current liabilities	(8,968)
Financial debts	(30)
Trade payables	(234)
Advance payments	(9)
Other financial current liabilities	(285)
Other non-financial current liabilities	(36)
Total current liabilities	(594)
Identifiable acquired liabilities	(9,562)
Net ident. Assets of subsidiary acquired	18,566
Share acquired in %	100.00%
Share acquired	18,566
Consideration paid	18,566
Goodwill / (bargain purchase)	--
Cash and cash equivalents acquired	2,256
Cash outflow	16,310
POST-acquisition profit	131

Karviná Property Development, a.s.

On 1 June 2015, the Group acquired 100% share in Karviná Property Development. Due to the acquisition, the Group acquired more than 41 thousand sqm of land bank. The intention of the Group is to use the acquired plot for development purposes in the future.

The fair value of the identifiable assets and liabilities at the date of acquisition was as follows:

	Karviná Property Development, a.s.
Investment property	1,354
Total non-current assets	1,354
Cash and cash equivalents	2
Other non-financial current assets	1
Total current assets	3
Identifiable acquired assets	1,357
Financial debts	(1,502)
Deferred tax liabilities	(11)
Total non-current liabilities	(1,513)
Financial debts	(283)
Trade payables	(4)
Other financial current liabilities	(0)
Total current liabilities	(287)
Identifiable acquired liabilities	(1,801)
Net ident. Assets of subsidiary acquired	(444)
Share acquired in %	100.00%
Share acquired	(444)
Consideration paid	36
Goodwill / (bargain purchase)	480
Cash and cash equivalents acquired	2
Cash outflow	34
POST-acquisition (loss)	(5)

The following table summarizes the effect of all acquisitions made by the Group in 2015:

	OC Futurum Kolín, a.s.	Karviná Property Development, a.s.	Other	TOTAL
Intangible assets and goodwill	--	--	96	96
Investment property	25,146	1,354	--	26,500
Total non-current assets	25,146	1,354	96	26,596
Trade receivables	111	--	--	111
Cash and cash equivalents	2,256	2	4	2,262
Other financial current assets	508	--	--	508
Other non-financial current assets	107	1	3	111
Total current assets	2,982	3	7	2,992
Identifiable acquired assets	28,128	1,357	103	29,588
Financial debts	(6,462)	(1,502)	--	(7,964)
Deferred tax liabilities	(2,112)	(11)	--	(2,123)
Other non-current liabilities	(394)	--	--	(394)
Total non-current liabilities	(8,968)	(1,513)	--	(10,482)
Financial debts	(30)	(283)	--	(314)
Trade payables	(234)	(4)	(100)	(337)
Advance payments	(9)	--	--	(9)
Other financial current liabilities	(285)	(0)	--	(285)
Other non-financial current liabilities	(36)	--	--	(36)
Total current liabilities	(594)	(287)	(100)	(981)
Identifiable acquired liabilities	(9,562)	(1,801)	(100)	(11,463)
Net ident. Assets of subsidiary acquired	18,566	(444)	3	18,125
Share acquired in %	100.00%	100.00%	100.00%	--
Share acquired	18,566	(444)	3	18,125
Consideration paid	18,566	36	3	18,605
Goodwill / (bargain purchase)	--	480	0	480
Cash and cash equivalents acquired	2,256	2	4	2,262
Cash outflow/(inflow)	16,310	34	(1)	16,343
POST-acquisition profit / (loss)	131	(5)	--	127

3.3 Disposal of subsidiaries in 2015

On 1 May 2015, the Company disposed 100% stake in Polma 1, S.à r.l., company domiciled in Luxembourg, which was acquired on 1 October 2014 altogether with its mother company Endurance Asset S.à r.l.

On 23 May 2015, the Group disposed 94% stakes in two polish subsidiaries, which were purchased in 2014, as a part of the Hospitality Group. For further details of the sale refer to note 5.9.

3.4 Changes in the Group in 2014

During 2014, the Group has acquired the following entities:

Entity	Change	Share in %	Date of acquisition/foundation
Arena Corner Ingatlanfejlesztő Kft.	acquisition	100.00%	11 April 2014
CPI IMMO, S.a.r.l	founded	100.00%	27 March 2014
CPI Poland Sp. Z o.o.	acquisition	100.00%	7 February 2014
CPI Retail MB s.r.o.	acquisition	100.00%	31 March 2014
CPI Retail Portfolio VIII s.r.o.	acquisition	100.00%	11 April 2014
Čáslav Investments, a.s.	acquisition	100.00%	2 May 2014
ENDURANCE ASSET, S.à r.l	acquisition	100.00%	30 September 2014
Endurance Hospitality Asset S.à r.l.	acquisition	88.00%	19 December 2014
Endurance Hospitality Finance S.à r.l.	acquisition	88.00%	19 December 2014
Mercuda, a.s.	acquisition	100.00%	31 October 2014
GSG GROUP S.A.	reverse acquisition	100.00%	12 June 2014
Parco delle Case Bianche SRL	founded	100.00%	12 December 2014
Pelhřimov Property Development, a.s.	acquisition	100.00%	2 April 2014
Platněřská 10 s.r.o.	acquisition	100.00%	31 December 2014

The following entities were disposed of in 2014:

Entity	Change	Share in %	Date of disposal
MQM Czech, s.r.o.	disposal	100.00%	30 October 2014
Polygon BC s.r.o.	disposal	100.00%	30 October 2014
K.B.P. BUSINESS PARK sp. Zoo	disposal	50.00%	27 August 2014

4 Segment reporting

For all asset types, discrete financial information is provided to the Board of Directors, which is the chief operating decision maker, on an individual entity (subsidiary) basis. The information provided are revenues (consisting of sale of goods, rental activities, services and net service charge income), net gain/loss from fair value adjustment on investment property, cost of goods sold, impairments, amortization and other operating result which altogether form the operating result.

The individual entities are aggregated into reportable segments with similar economic characteristics for the purposes of consolidated reporting.

The structure of operating segments remains unchanged in 2015 compared to the financial statements as at 31 December 2014.

Income generating rental properties

Within the segment “Income generating rental properties” the Group is considered to have six types of assets as at 30 June 2015, as follows:

- Retail – acquires, develops and leases shopping malls
- Office – acquires, develops and leases offices
- Logistics – acquires, develops and leases warehouses and factories
- Residential – rents residential property
- Hotels – acquires, develops and leases hotels to operators
- Other – primarily includes intergroup service and financing entities

Income generating operational properties

The segment includes properties which primarily generate income from other than rental activities. As at 30 June 2015 the segment includes two types of assets:

- Hospitality – operates hotel premises as hotel operator
- Agriculture – operates farmland and produces the high-quality organic food

Development

Covers all real estate assets under construction or designated for future development in order to be sold to a third party or to be transferred to the Income generating rental properties operating segment.

Land bank

Acquires and retains lands for further Group’s utilization. The segment also includes building which are intended for future redevelopment and do not generate any rental income.

As at 30 June 2015

Consolidated profit or loss At as 30 June 2015	Income generating - rental properties						Income generating - operational properties		Land bank	Development	Total consolidated
	Office	Retail	Residential	Industry and Logistics	Hotels	Other	Agriculture	Hospitality			
Gross rental income	48,044	33,189	8,913	6,376	9,246	83	--	--	408	346	106,605
Service revenue	655	138	6	8	110	6,726	--	--	3	(1,269)	6,377
Net service charge income	4,599	162	(8)	128	11	1,059	--	--	(146)	(519)	5,286
Property operating expenses	(4,874)	(2,215)	(3,929)	(822)	(1,000)	(2,172)	--	--	(363)	1,765	(13,610)
Net rental income	48,424	31,274	4,982	5,690	8,367	5,696	--	--	(98)	323	104,658
Development sales	1,222	--	3,345	--	--	7	--	--	(492)	--	4,082
Cost of goods sold	(553)	(304)	(2,309)	--	--	--	--	--	(2)	--	(3,168)
Development operating expenses	--	--	--	--	--	--	--	--	--	(247)	(247)
Net development income	669	(304)	1,036	--	--	7	--	--	(494)	(247)	667
Hotel revenue	--	--	--	--	--	--	--	7,005	--	--	7,005
Cost of goods sold	--	--	--	--	--	--	--	(110)	--	--	(110)
Hotel operating expenses	--	--	--	--	--	--	--	(4,027)	--	--	(4,027)
Net hotel income	--	--	--	--	--	--	--	2,868	--	--	2,868
Revenue from other business operations (activities)	--	--	--	--	--	--	5,610	--	--	--	5,610
Cost of goods sold	--	--	--	--	--	--	(805)	--	--	--	(805)
Related operating expenses	--	--	--	--	--	--	(2,838)	--	--	--	(2,838)
Net income from other business operations (activities)	--	--	--	--	--	--	1,967	--	--	--	1,967
Total revenues	54,520	33,489	12,256	6,512	9,367	7,875	5,610	7,005	(227)	(1,442)	134,965
Total direct business operating expenses	(5,427)	(2,519)	(6,238)	(822)	(1,000)	(2,172)	(3,643)	(4,137)	(365)	1,518	(24,805)
Net business income	49,093	30,970	6,018	5,690	8,367	5,703	1,967	2,868	(592)	76	110,160
Net valuation gain or loss on investment property	11,796	3,494	(442)	--	1,684	--	866	--	898	(574)	17,722
Net gain or loss on the disposal of investment property	14	(19)	422	--	1	24	--	--	(725)	--	(283)
Net gain or loss on disposal of subsidiaries	(481)	--	--	--	7,872	71	--	(6,855)	--	--	607
Amortization, depreciation and impairments	(246)	(62)	(239)	2	(387)	(474)	(631)	(876)	(494)	--	(3,407)
Other operating income	969	240	57	47	441	284	1,772	15	188	6	4,019
Administrative expenses	(4,796)	(566)	(163)	(3,563)	(611)	(6,178)	2	(995)	(423)	(233)	(17,526)
Other operating expenses	(11,820)	(4,748)	(31)	630	(588)	(200)	--	(200)	(66)	(99)	(17,122)
Operating Results	44,529	29,309	5,622	2,806	16,779	(770)	3,976	(6,043)	(1,214)	(824)	94,170
Interest income	5,890	624	1	180	151	4,689	6	46	8	--	11,595
Interest expense	(12,492)	(8,874)	(3,029)	(1,497)	(2,210)	(15,061)	(628)	(322)	(199)	(498)	(44,810)
Other net financial result	3,257	1,201	(138)	(165)	(222)	(2,110)	244	2,339	30	508	4,944
Net finance income / (costs)	(3,345)	(7,049)	(3,166)	(1,482)	(2,281)	(12,482)	(378)	2,063	(161)	10	(28,271)
Profit / (Loss) before income tax	41,184	22,260	2,456	1,324	14,498	(13,252)	3,598	(3,980)	(1,375)	(814)	65,899
Income tax expense	(5,245)	(2,830)	(312)	(168)	(1,847)	1,683	(458)	509	175	103	(8,390)
Net profit / (Loss) from continuing operations	35,939	19,430	2,144	1,156	12,651	(11,569)	3,140	(3,471)	(1,200)	(711)	57,509

As at 30 June 2014

Consolidated profit or loss	Income generating - rental properties						Income generating - operational properties	Land bank	Development	Total consolidated
As at 30 June 2014	Office	Retail	Residential	Industry and Logistics	Hotels	Other	Hospitality			
Gross rental income	25,319	31,975	9,164	5,458	7,213	72	--	814	120	80,136
Service revenue	16	15	0	1	6	1,377	--	(1)	1	1,416
Net service charge income	78	46	(67)	160	(26)	1,309	(14)	(44)	2	1,443
Property operating expenses	(832)	(1,114)	(3,919)	(197)	(870)	(1,552)	(8)	(169)	(0)	(8,660)
Net rental income	24,582	30,922	5,178	5,422	6,323	1,206	(21)	600	124	74,335
Development sales	--	--	908	--	--	--	--	--	--	908
Cost of goods sold	--	--	(385)	--	--	--	--	(3)	--	(388)
Development operating expenses	--	--	(117)	--	--	--	--	--	(144)	(260)
Net development income	--	--	407	--	--	--	--	(3)	(144)	260
Hotel revenue	--	--	--	--	--	--	2,103	--	--	2,103
Hotel operating expenses	--	--	--	--	--	--	(1,526)	--	--	(1,526)
Net hotel income	--	--	--	--	--	--	577	--	--	577
Total revenues	25,414	32,036	10,006	5,618	7,193	2,758	2,089	769	124	86,007
Total direct business operating expenses	(832)	(1,114)	(4,421)	(197)	(870)	(1,552)	(1,533)	(172)	(144)	(10,835)
Net business income	24,582	30,922	5,585	5,422	6,323	1,206	556	598	(21)	75,172
Net valuation gain or loss on investment property	(68)	786	--	(3)	--	--	--	(14)	--	701
Net gain or loss on the disposal of investment property	--	2,220	(516)	6	--	(4)	--	(1,083)	--	622
Net gain or loss on disposal of subsidiaries	--	(6,513)	--	--	--	6,513	--	--	--	--
Amortization, depreciation and impairments	(1,174)	(934)	(152)	6	(426)	(484)	(501)	(1,012)	(619)	(5,297)
Other operating income	39	918	26	1	45	81,885	0	31	--	82,945
Administrative expenses	(669)	(559)	(241)	(60)	(106)	(6,446)	(12)	(147)	684	(7,556)
Other operating expenses	(560)	(310)	(221)	(27)	(9)	(115)	(14)	(37)	(92)	(1,386)
Operating Results	22,150	26,529	4,480	5,344	5,827	82,554	29	(1,665)	(48)	145,201
Interest income	130	84	--	5	528	8,533	1	14	--	9,295
Interest expense	(6,104)	(7,393)	(2,880)	(1,643)	(1,608)	(21,283)	(140)	(180)	4,515	(36,716)
Other net financial result	(2,897)	(1,994)	(11)	58	(330)	7,624	(844)	684	44	2,334
Net finance income / (costs)	(8,871)	(9,304)	(2,890)	(1,580)	(1,410)	(5,127)	(983)	519	4,558	(25,087)
Profit / (Loss) before income tax	13,279	17,226	1,590	3,765	4,417	77,427	(954)	(1,147)	4,510	120,114
Income tax expense	(2,567)	(1,325)	(358)	(345)	(173)	(153)	(98)	(518)	(186)	(5,724)
Net profit / (Loss) from continuing operations	10,712	15,901	1,232	3,420	4,244	77,274	(1,052)	(1,665)	4,324	114,390

As at 30 June 2015

Consolidated statement of financial position	Income generating - rental properties						Income generating - operational properties		Land bank	Development	Total consolidated
	Office	Retail	Residential	Industry and Logistics	Hotels	Other	Agriculture	Hospitality			
30 June 2015											
Gross assets value	1,539,649	930,769	283,632	139,711	288,800	3,226	59,792	57,516	233,644	114,913	3,651,652
Investment Property	1,525,808	930,124	279,759	139,276	288,169	--	45,688	--	232,759	39,109	3,480,692
Property, plant and equipment	13,808	639	17	434	627	3,214	13,259	57,386	7	56	89,447
Inventories	33	6	3,856	1	4	12	845	130	878	75,748	81,513
Biological assets	--	--	--	--	--	--	8,881	--	--	--	8,881
Other assets non-current	40,383	6,746	--	79,478	(21,263)	35,678	10,951	9,367	2,074	113	163,527
Other assets current	359,518	15,856	17,091	3,304	5,338	20,797	8,981	1,042	596	4,448	436,971
Cash and cash equivalents	37,277	31,850	6,939	4,935	6,174	50,804	6,705	1,944	1,871	14,762	163,261
Total Assets	1,976,827	985,221	307,662	227,428	279,049	110,505	95,310	69,869	238,185	134,236	4,424,292
Other payables non-current	197,515	94,760	43,275	63,761	19,050	(138)	11,477	509	18,057	3,765	452,031
Finance debts non-current	771,235	404,203	3,503	53,005	62,795	32,329	26,794	20,556	3,178	33,247	1,410,845
Bonds issued non-current	--	50,638	107,442	--	--	267,203	2,936	--	--	--	428,219
Other payables current	66,075	17,477	22,970	6,562	5,141	17,216	5,264	2,961	2,027	2,810	148,503
Finance debts current	77,641	28,955	85	9,762	72,591	50,997	1,724	11,827	5,909	22,000	281,491
Bonds issued current	--	567	777	--	--	61,774	385	--	--	--	63,503
Total Liabilities	1,112,466	596,600	178,052	133,090	159,577	429,381	48,580	35,853	29,171	61,822	2,784,592

As at 31 December 2014

Consolidated statement of financial position	Income generating - rental properties						Income generating - operational properties		Land bank	Development	Total consolidated
	Office	Retail	Residential	Industry and Logistics	Hotels	Other	Agriculture	Hospitality			
31 December 2014											
Gross assets value	1,484,000	892,511	277,169	138,608	267,004	3,523	58,312	74,606	236,368	130,190	3,562,291
Investment Property	1,470,346	891,921	277,146	138,608	266,683	--	44,897	--	236,362	47,087	3,373,050
Property, plant and equipment	13,654	590	23	--	305	3,523	12,001	74,410	6	55	104,567
Inventories	--	--	--	--	16	--	1,414	196	--	83,048	84,674
Biological assets	--	--	--	--	--	--	6,009	--	--	--	6,009
Other assets non-current	105,464	6,651	--	--	247	33,420	11,538	374	2,021	108	159,823
Other assets current	58,527	15,826	13,215	1,573	6,179	276,487	6,047	376	1,509	3,392	383,131
Cash and cash equivalents	33,930	30,984	4,925	3,749	4,973	7,460	3,356	1,621	2,237	14,937	108,172
Total Assets	1,681,921	945,972	295,309	143,930	278,403	320,890	85,262	76,977	242,135	148,627	4,219,426
Other payables non-current	231,910	87,394	42,341	19,086	16,741	1,499	19,563	1,179	17,438	4,746	441,897
Finance debts non-current	679,266	337,500	3,506	55,013	61,061	20,780	5,343	19,092	2,987	35,795	1,220,343
Bonds issued non-current	43	50,046	95,630	--	--	358,037	2,885	--	--	--	506,641
Other payables current	64,190	16,973	15,933	2,293	6,804	15,652	2,045	1,699	3,368	3,926	132,883
Finance debts current	80,173	67,042	100	9,785	62,928	38,422	11,938	24,440	8,800	22,359	325,987
Bonds issued current	--	475	13,275	--	--	18,865	252	--	--	--	32,867
Total Liabilities	1,055,582	559,430	170,785	86,177	147,534	453,255	42,026	46,410	32,593	66,826	2,660,618

As at 30 June 2015

Consolidated profit or loss 30 June 2015	Czech Republic	Slovak Republic	Germany	Hungary	Poland	Romania	Netherland	France	Ireland	Cyprus	British Virgin Islands	Guernsey	Luxembourg	Italy	Russia	Total consolidated
Gross rental income	63,620	8,064	22,686	8,761	3,425	--	--	42	--	--	--	--	5	--	2	106,605
Service revenue	(2,566)	(681)	115	420	5	--	--	4	--	--	--	8,525	555	--	--	6,377
Net service charge income	332	(29)	4,040	1,190	(247)	--	--	--	--	--	--	--	--	--	--	5,286
Property operating expenses	(8,025)	(848)	(2,870)	(911)	(750)	(17)	--	(10)	--	--	--	--	(142)	(37)	--	(13,610)
Net rental income	53,361	6,506	23,971	9,460	2,433	(17)	--	36	--	--	--	8,525	418	(37)	2	104,658
Development sales	2,853	--	1,222	7	--	--	--	--	--	--	--	--	--	--	--	4,082
Cost of goods sold	(3,154)	--	(12)	(2)	--	--	--	--	--	--	--	--	--	--	--	(3,168)
Development operating expenses	(247)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(247)
Net development income	(548)	--	1,210	5	--	--	--	--	--	--	--	--	--	--	--	667
Hotel revenue	1,788	309	--	2,378	437	--	--	--	--	--	--	--	113	--	1,980	7,005
Cost of goods sold	(110)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(110)
Hotel operating expenses	(706)	(196)	--	(1,575)	(357)	--	--	--	--	--	--	--	(294)	--	(899)	(4,027)
Net hotel income	972	113	--	803	80	--	--	--	--	--	--	--	(181)	--	1,081	2,868
Revenue from other business operations (activities)	5,610	--	--	--	--	--	--	--	--	--	--	--	--	--	--	5,610
Cost of goods sold	(805)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(805)
Related operating expenses	(2,838)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(2,838)
Net income from other business operations (activities)	1,967	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1,967
Total revenues	71,637	7,663	28,063	12,756	3,620	--	--	46	--	--	--	8,525	673	--	1,982	134,965
Total direct business operating expenses	(15,885)	(1,044)	(2,882)	(2,488)	(1,107)	(17)	--	(10)	--	--	--	--	(436)	(37)	(899)	(24,805)
Net business income	55,752	6,619	25,181	10,268	2,513	(17)	--	36	--	--	--	8,525	237	(37)	1,083	110,160
Net valuation gain or loss on investment property	15,355	(449)	--	39	2,777	--	--	--	--	--	--	--	--	--	--	17,722
Net gain or loss on the disposal of investment property	427	6	--	(716)	--	--	--	--	--	--	--	--	--	--	--	(283)
Net gain or loss on disposal of subsidiaries	9	--	31,542	11,988	11,427	--	--	--	--	--	--	(1)	(54,358)	--	--	607
Amortization, depreciation and impairments	(2,292)	(13)	(40)	(579)	(59)	(1)	--	--	--	--	--	--	(419)	--	(4)	(3,407)
Other operating income	2,847	14	420	228	27	--	--	--	--	--	--	--	488	--	(5)	4,019
Administrative expenses	(6,716)	(142)	(5,775)	(1,547)	(578)	(49)	(80)	(66)	(19)	(152)	(4)	(172)	(1,861)	(105)	(260)	(17,526)
Other operating expenses	(13,557)	(18)	(1,944)	(641)	(141)	--	--	(104)	--	--	--	--	(612)	--	(105)	(17,122)
Operating Results	51,825	6,017	49,384	19,040	15,966	(67)	(80)	(134)	(19)	(152)	(4)	8,352	(56,252)	(142)	709	94,170
Interest income	5,211	--	1,753	12	--	--	493	--	--	307	--	--	3,819	--	--	11,595
Interest expense	(33,865)	(2,094)	(5,136)	(1,679)	(778)	(10)	(1,187)	(7)	--	--	--	--	(54)	--	--	(44,810)
Other net financial result	2,077	(120)	454	(406)	1,692	69	(149)	--	1	(246)	(26)	(4)	1,636	--	(34)	4,944
Net finance income / (costs)	(26,577)	(2,214)	(2,929)	(2,073)	914	59	(843)	(7)	1	61	(26)	(4)	5,401	--	(34)	(28,271)
Profit / (Loss) before income tax	25,248	3,803	46,455	16,967	16,880	(8)	(923)	(141)	(18)	(91)	(30)	8,348	(51,124)	--	(34)	65,899
Income tax expense	(3,211)	(484)	(5,918)	(2,157)	(2,146)	1	117	18	2	11	4	(1,061)	6,502	18	(86)	(8,390)
Net profit / (Loss) from continuing operations	22,037	3,319	40,537	14,810	14,734	(7)	(806)	(123)	(16)	(80)	(26)	7,287	(44,622)	18	(120)	57,509

As at 30 June 2014

Consolidated profit or loss	Czech Republic	Slovak Republic	Hungary	Poland	Romania	Netherland	France	Ireland	Cyprus	British Virgin Islands	Guernsey	Total consolidated
30 June 2014												
Gross rental income	61,696	7,804	7,860	2,776	--							80,136
Service revenue	1,311	13	--	92	--							1,416
Net service charge income	394	58	1,113	(121)	--							1,443
Property operating expenses	(7,424)	(500)	(648)	(72)	(17)							(8,660)
Net rental income	55,977	7,375	8,324	2,675	(17)	--	--	--	--	--	--	74,335
Development sales	908	--	--									908
Cost of goods sold	(385)	--	(3)									(388)
Development operating expenses	(261)	--	--									(260)
Net development income	262	--	(3)	--	--	--	--	--	--	--	--	260
Hotel revenue			2,103									2,103
Hotel operating expenses			(1,526)									(1,526)
Net hotel income	--	--	577	--	--	--	--	--	--	--	--	577
Total revenues	64,310	7,875	11,075	2,747	--	--	--	--	--	--	--	86,007
Total direct business operating expenses	(8,071)	(500)	(2,176)	(72)	(17)	--	--	--	--	--	--	(10,835)
Net business income	56,239	7,375	8,899	2,675	(17)	--	--	--	--	--	--	75,172
Net valuation gain or loss on investment property	127	--	872	(9)	(288)	--	--	--	--	--	--	701
Net gain or loss on the disposal of investment property	622	--	--	--	--	--	--	--	--	--	--	622
Amortization, depreciation and impairments	(2,722)	(15)	(558)	(2,030)	(1)	--	30	--	--	--	--	(5,297)
Other operating income	82,753	17	56	119	--	--	--	--	--	--	--	82,945
Administrative expenses	(5,905)	(108)	(1,046)	(306)	(59)	(105)	400	(26)	(224)	(2)	(174)	(7,556)
Other operating expenses	(800)	(2)	(371)	(173)	(2)	--	(37)	--	(1)	--	(0)	(1,386)
Operating Results	130,315	7,267	7,850	276	(367)	(105)	393	(26)	(225)	(2)	(174)	145,201
Interest income	6,690	2	21	107	0	1,988	--	--	487	--	--	9,295
Interest expense	(28,158)	(1,869)	(1,547)	(652)	--	(7,156)	2,670	--	(3)	--	--	(36,716)
Other net financial result	(4,356)	(231)	(2,304)	(365)	1,162	75	5	(1)	8,352	--	(2)	2,334
Net finance income / (costs)	(25,825)	(2,099)	(3,829)	(911)	1,162	(5,093)	2,675	(1)	8,835	--	(2)	(25,087)
Profit / (Loss) before income tax	104,490	5,168	4,021	(635)	795	(5,198)	3,068	(27)	8,610	(2)	(176)	120,114
Income tax expense	(3,082)	(263)	(2,032)	(319)	(27)	--	--	--	(1)	--	--	(5,724)
Net profit / (Loss) from continuing operations	101,408	4,905	1,990	(954)	768	(5,198)	3,068	(27)	8,609	(2)	(176)	114,390

As at 30 June 2015

Consolidated statement of financial position 30 June 2015	Czech Republic	Slovak Republic	Germany	Hungary	Poland	Romania	Netherlands	France	Ireland	Cyprus	British Virgin Islands	Guernsey	Luxembourg	Italy	Russia	Total consolidated
Gross assets value	2,269,194	204,404	660,479	298,290	96,649	17,195	--	73,632	--	--	--	11	26,089	5,616	93	3,651,652
Investment Property	2,231,026	204,271	647,691	280,422	96,592	17,190	--	3,500	--	--	--	--	--	--	--	3,480,692
Property, plant and equipment	32,750	130	12,750	17,665	53	5	--	--	--	--	--	--	26,089	--	5	89,447
Inventories	5,418	3	38	203	4	--	--	70,132	--	--	--	11	--	5,616	88	81,513
Biological assets	8,881	--	--	--	--	--	--	--	--	--	--	--	--	--	--	8,881
Other assets non-current	27,027	223	77,468	50	19	--	--	--	--	9,035	2,139	--	47,546	3	17	163,527
Other assets current	75,260	1,138	34,809	3,467	1,005	34	4,717	3,092	14	9,279	37	1	302,549	1,321	248	436,971
Cash and cash equivalents	73,249	5,715	12,432	7,341	5,920	7	43,777	14,087	4	1	--	202	374	9	143	163,261
Total Assets	2,453,611	211,480	785,188	309,148	103,593	17,236	48,494	90,811	18	18,315	2,176	214	376,558	6,949	501	4,424,292
Other payables non-current	226,142	27,706	164,674	26,338	8,085	14	(120)	2,994	(2)	(11)	(4)	1,004	(4,856)	(18)	85	452,031
Finance debts non-current	810,017	88,688	333,385	98,029	39,061	--	--	36,747	--	--	--	--	4,918	--	--	1,410,845
Bonds issued non-current	350,137	30,000	--	--	--	--	48,082	--	--	--	--	--	--	--	--	428,219
Other payables current	83,942	1,362	45,226	5,641	2,165	(13)	869	2,790	20	22	(2)	35	6,054	5	387	148,503
Finance debts current	170,830	7,319	11,597	74,705	16,642	394	--	4	--	--	--	--	--	--	--	281,491
Bonds issued current	62,169	--	--	--	--	--	1,334	--	--	--	--	--	--	--	--	63,503
Total Liabilities	1,703,237	155,075	554,882	204,713	65,953	395	50,165	42,535	18	11	(6)	1,039	6,116	(13)	472	2,784,592

As at 31 December 2014

Consolidated statement of financial position 31 December 2014	Czech Republic	Slovak Republic	Germany	Hungary	Poland	Romania	Netherlands	France	Ireland	Cyprus	British Virgin Islands	Guernsey	Luxembourg	Russia	Italy	Total consolidated
Gross assets value	2,184,464	204,409	651,921	307,158	93,200	17,196	--	71,902	--	--	--	11	26,324	90	5,616	3,562,291
Investment Property	2,143,166	204,271	639,489	288,782	76,652	17,190	--	3,500	--	--	--	--	--	--	--	3,373,050
Property, plant and equipment	31,509	134	11,937	18,180	16,472	6	--	--	--	--	--	--	26,324	5	--	104,567
Inventories	9,789	4	495	196	76	--	--	68,402	--	--	--	11	--	85	5,616	84,674
Biological assets	6,009	--	--	--	--	--	--	--	--	--	--	--	--	--	--	6,009
Other assets non-current	29,473	237	75,653	52	22	--	--	--	--	5,136	2,139	--	47,108	--	3	159,823
Other assets current	313,810	3,014	32,786	2,226	1,015	32	4,731	3,119	--	9,408	2,119	1	9,389	162	1,319	383,131
Cash and cash equivalents	64,766	4,660	10,175	7,301	5,940	10	14	13,546	19	1	2	321	1,306	72	39	108,172
Total Assets	2,598,522	212,320	770,535	316,737	100,177	17,238	4,745	88,567	19	14,545	4,260	333	84,127	324	6,977	4,219,426
Other payables non-current	224,094	27,467	155,637	24,822	5,722	12	--	3,012	--	--	--	--	1,130	1	--	441,897
Finance debts non-current	677,954	93,574	281,471	97,894	27,660	--	--	36,757	--	--	--	--	5,033	--	--	1,220,343
Bonds issued non-current	417,148	--	--	--	--	--	89,450	--	--	--	--	--	43	--	--	506,641
Other payables current	74,533	1,392	41,449	7,489	2,476	(11)	781	2,707	19	62	6	35	1,636	280	29	132,883
Finance debts current	194,229	7,683	9,779	84,863	29,016	391	--	14	--	--	--	--	12	--	--	325,987
Bonds issued current	32,670	--	--	--	--	--	197	--	--	--	--	--	--	--	--	32,867
Total Liabilities	1,620,628	130,116	488,336	215,068	64,874	392	90,428	42,490	19	62	6	35	7,854	281	29	2,660,618

5 Condensed consolidated interim statement of comprehensive income

5.1 Gross rental income

For the six month period ended

	30 June 2015	30 June 2014
Gross rental income (1)	106,605	80,136
Service revenue (2)	6,377	1,416
Total gross rental income	112,982	81,552

- (1) Significant increase in rental income is generally attributable to Group's expansion in 2014 and mainly reflects the effect of the combination of CPI and CPI PG in June 2014 (effect EUR 23.0 million for six months of 2015).

Rental income is derived from a large number of tenants and no single tenant or group of tenants contribute more than 10% to the Group's rental income.

- (2) Increase in service income follows expansion of Group's rental activities. It includes mainly facility management provided to third parties. Another part of the service income represent advisory and accounting services, which relate to services provided to non-consolidated entities. These services derive directly from rental activities performed by the Group so they are disclosed as a part of service income.

Due to the combination of CPI and CPI PG, service revenue increased by EUR 0.5 million.

5.2 Net service charge income

For the six month period ended

	30 June 2015	30 June 2014
Service charge income	18,673	9,080
Service charge expenses	(13,831)	(8,045)
Total	4,842	1,035
Revenues from sales of goods and merchandise	2,021	1,721
Revenues from sales of energy	106	--
Cost of sales - goods and merchandise	(1,683)	(1,313)
Total	444	408
Total net service charge income	5,286	1,443

Significant increase in volume of service charge income and expenses reflects increase in rental activity. The increase was mainly driven by the combination of CPI and CPI PG (effect EUR 2.6 million on net service charges). Profit from sale of energies (the Group has license for the purchase and its further distribution) remains stable and also contributed to total positive result from service recharges.

5.3 Property operating expenses

For the six month period ended

	30 June 2015	30 June 2014
Building Maintenance	(4,504)	(3,020)
Utilities Supplies	(2,715)	(1,413)
Personnel expenses	(2,525)	(2,065)
Real estate tax	(1,606)	(457)
Other property related expenses	(1,064)	(949)
Insurance	(608)	(341)
Letting fee, other fees paid to real estate agents	(495)	(315)
Facility management	(52)	(69)
Leases and rents	(41)	(31)
Total property operating expenses	(13,610)	(8,660)

Property operating expenses include mainly building maintenance, personnel expenses, utilities supplies, facility management and other general overhead expenses related to properties which cannot be charged to current tenants based on existing rental contracts concluded. They also include Group's expenses related to vacant premises.

Generally, the increase in property operating expenses relates to the business combination of CPI and CPI PG.

5.3.1 Utility services

For the six month period ended

	30 June 2015	30 June 2014
Energy consumption	(2,271)	(816)
Material consumption	(223)	(202)
Waste management	(45)	(92)
Security services	(129)	(227)
Cleaning services	(47)	(76)
Total utility services	(2,715)	(1,413)

5.3.2 Personnel expenses

For the six month period ended

	30 June 2015	30 June 2014
Personnel operating expenses		
Wages and salaries	(1,822)	(1,501)
Social and health security contributions	(632)	(498)
Other social expenses	(71)	(66)
Total personnel operating expenses	(2,525)	(2,065)
Personnel administrative expenses		
Wages and salaries	(5,370)	(1,863)
Social and health security contributions	(1,406)	(612)
Other social expenses	(153)	(45)
Total personnel administrative expenses	(6,929)	(2,520)
Personnel expenses - hotel operations		
Wages and salaries	(1,222)	(285)
Social and health security contributions	(349)	(86)
Other social expenses	(86)	--
Total personnel expenses - hotel operations	(1,657)	(371)
Personnel expenses - other business activities		
Wages and salaries	(842)	--
Social and health security contributions	(309)	--
Total personnel expenses - other business activities	(1,151)	--
Total personnel expenses	(12,262)	(4,956)

5.4 Net development income

For the six month period ended

	30 June 2015	30 June 2014
Development sales (1)	4,082	908
Cost of goods sold (1)	(3,168)	(388)
Development operating expenses (2)	(247)	(260)
Total net development income	667	260

- (1) The development income represents primarily sale of apartments from the residential portfolio of Quadrio Residence, s.r.o. (project "QUADRIO") in the amount of EUR 3.3 million and related carrying value of apartments sold amounts to EUR 3.2 million. Net profit in the amount of EUR 1.2 million was realized in connection with sales of flats in Naunynstrasse (GSG Asset GmbH & Co. Verwaltungs KG).
- (2) Development operating expenses cover all property operating expenses occurred in connection with development in 2015 (utility services, real estate agents services, maintenance etc.).

5.5 Net hotel income

For the six month period ended

	30 June 2015	30 June 2014
Hotel revenue	7,005	2,103
Cost of goods sold	(110)	--
Personnel expenses	(1,657)	(371)
Other hotel expenses	(2,370)	(1,155)
Net result from hotel operations	2,868	577

Net result from hotel operations for the first six months of 2014 comprised of revenues from operating of Marriott Budapest City Center Hotel in Budapest only. Significant increase in net hotel income relates to the acquisition of Hospitality Group in December 2014.

5.6 Net income from other business operations

For the six month period ended

	30 June 2015	30 June 2014
Revenue from other business operations	5,610	--
Cost of goods sold	(805)	--
Personnel expenses	(1,151)	--
Related operating expenses	(1,687)	--
Net income from other business operations	1,967	--

Net income from other business operations relates primarily to revenues from agriculture activities. The Group entered into agriculture business through the acquisition of Spojené farmy a.s., which operates farmland and producers of high-quality organic food on 1 November 2014.

5.7 Net valuation gain

Generally, the majority of the property portfolio has not been valued using an independent appraisal as of 30 June 2015. The Group's management analysed the situation on the real estate market at the time together with current yields and then applied discount rates and other factors used by independent valuers in their appraisals as of 31 December 2014. As a result, the fair value of the majority of the property portfolio as of 30 June 2015 was determined based on the management's analysis described above and it does not significantly differ from the fair value as of 31 December 2014.

In instances where there have been indications of significant changes and therefore with potential impact on the property value during the first half of 2015, the value of the property has been updated based on the external appraisals as of 30 June 2015. A major part of the valuation gain relates primarily to the office segment and is mostly influenced by the multifunctional complex QUADRIO which was completed in Q4 2014.

5.8 Net gain or loss on the disposal of investment property

For the six month period ended

	30 June 2015	30 June 2014
Proceeds from disposal of investment property	10,894	5,017
Carrying value of investment property disposed of and related cost	(11,177)	(4,395)
Total loss/gain on the disposal of investment property	(283)	622

Main investment property disposal in first half of 2015 was represented by sale of selected "Land bank" projects in Hungary which did not fit to corporate business strategy.

At the date of sale total carrying value of investment properties mentioned above was set to EUR 8.4 million.

Other disposals of investment property in 2015 represent mainly sale of apartments in Praha – Letňany from residential portfolio of CPI BYTY, a.s. in total carrying value of EUR 2.2 million.

5.9 Net gain or loss on the disposal of subsidiaries in 2015

In 2015, the Group disposed three subsidiaries (note 3.3). Net asset value of the companies sold amounted EUR 1.7 million and it was sold for EUR 2.3 million resulting into gain on the disposal of subsidiary in the amount of EUR 0.6 million.

5.10 Amortization, depreciation and impairments

For the six month period ended

	30 June 2015	30 June 2014
Depreciation and amortization - rental	(1,109)	(514)
Depreciation and amortization - hotel (1)	(870)	(501)
Depreciation and amortization - other business operations	(647)	--
Total impairment of assets	(781)	(4,282)
Total depreciation, amortization and impairments	(3,407)	(5,297)

(1) Depreciation charge on hotel segment relates solely to Duna Office Center in Hungary.

5.10.1 Impairment of assets / Reversal of impairment of assets

For the six month period ended

	30 June 2015	30 June 2014
Impairment of goodwill (1)	(480)	(667)
Impairment of other intangible assets	(3)	--
Impairment of trading property	7	131
Impairment of other receivables	(146)	(13)
Impairment of trade receivables	(153)	(1,695)
Impairment of provided loans	(6)	(2,038)
Total impairment of assets	(781)	(4,282)

(1) Impairment of goodwill in 2015 relates to the acquisition of Karviná Property Development, a.s. (goodwill recognized and subsequently fully impaired of EUR 0.48 million). For detail of this business combination refer to note 3.2.

5.11 Other operating income

For the six month period ended

	30 June 2015	30 June 2014
Gain on bargain purchase relating to business combinations (1)	--	81,635
Gain on assignment of receivables	358	--
Income from penalties	317	76
Income from lands acquired based on court decision (2)	--	838
Insurance claims	223	78
Other (3)	3,010	315
Income from sale of PPE	111	3
Total other operating income	4,019	82,945

- (1) Gain on bargain purchase in 2014 related to the business combination of CPI and CPI PG.
- (2) In 2015 the Group won no litigation claims regarding ownership of land (in 2014: EUR 0.8 million).
- (3) Major part of other operating income relates to the change in the value of liability that arised in 2014 from the process of redemption of farmland into ownership of individual farms, instead of renting.

5.12 Administrative expenses

For the six month period ended

	30 June 2015	30 June 2014
Personnel expenses (1)	(6,929)	(2,520)
Audit, tax and advisory services	(3,800)	(1,448)
Legal services	(1,598)	(705)
Other administrative expenses	(1,374)	(633)
Advertising expenses	(1,230)	(535)
Lease and rental expenses	(931)	(678)
Telecommunication, internet and software related expenses	(834)	(258)
Representation expenses	(341)	(349)
Material consumption	(244)	(208)
Other insurance expenses	(126)	(134)
Repairs and maintenance	(112)	(80)
Energy consumption	(7)	(8)
Total administrative expenses	(17,526)	(7,556)

- (1) Personnel expenses increased due to the increase in number of employees from 593 (as at 30 June 2014) to 1,081 (as at 30 June 2015).

Generally, the increase in administrative expenses reflects Group's substantial growth affected by acquisitions carried out in the second half of 2014 and in 2015, mainly by the business combination of CPI and CPI PG and also by the extended requirements for financial and other advisory services.

5.13 Other operating expenses

For the six month period ended

	30 June 2015	30 June 2014
Penalties	(139)	(169)
Tax non-deductible VAT expenses	(179)	(260)
Taxes and fees	(1,599)	(529)
Loss on assignment of receivables	(394)	(47)
Gifts	(77)	(35)
Change in provisions	(1,938)	(78)
Other (1)	(12,796)	(268)
Total other operating expenses	(17,122)	(1,386)

- (1) In 2015, other operating expenses for the amount of EUR 12.3 million relates to the change in the fair value of a contingent liability reflecting the expected future settlement with the seller of the project, which was acquired by the Group in 2012. The value of the liability was set to zero in the previous reporting periods as the Group had no certain and valid indications concerning the project performance, which represents the fundamental basis for the calculation of the contingent liability.

5.14 Interest income

For the six month period ended

	30 June 2015	30 June 2014
Bank interest income	27	29
Interest income on bonds	147	230
Interest income on loans and receivables	11,421	9,036
Total interest income	11,595	9,295

5.15 Interest expense

For the six month period ended

	30 June 2015	30 June 2014
Interest expense related to bank and non-bank loans (1)	(24,323)	(20,418)
Interest expense on bonds issued (2)	(20,143)	(15,910)
Interest expense related to finance leases	(236)	(286)
Interest expense on other non-current liabilities	(108)	(102)
Total interest expense	(44,810)	(36,716)

- (1) Increase in interest expense related to bank and non-bank loans relates to the business combination of CPI and CPI PG in June 2014 (for the six months period of 2015 – EUR 5.1 million).
- (2) Substantial increase in interest on bonds relates mainly to new bonds issued by the Group in 2015 and in April 2014 and also with the process of resale of bonds hold by companies within the Group to third parties (refer to note 6.13).

5.16 Other net financial results

For the six month period ended

	30 June 2015	30 June 2014
Change in fair value and realized result on derivative instruments	3,154	(2,831)
Other net financial results	(1,028)	8,007
Net foreign exchange gain	4,607	--
Net foreign exchange loss	--	(1,287)
Bank charges	(1,789)	(1,555)
Total other net financial results	4,944	2,334

5.17 Income tax expense

Tax recognized in profit or loss

For the six month period ended

	30 June 2015	30 June 2014
Current income tax expense		
Current year	--	--
Adjustment for prior years	(1,594)	(609)
Total	(1,594)	(609)
Deferred income tax expense		
Origination and reversal of temporary differences	(6,796)	(5,115)
Total	(6,796)	(5,115)
Income tax from continuing operations recognised in profit and loss	(8,390)	(5,724)
Total income tax recognised in profit or loss	(8,390)	(5,724)

Tax expense for the six month period ended 30 June 2015 is recognized based on management's best estimate of the effective tax rate for full financial year 2015. The Group expects, that effective tax rate for 2015 will not significantly differ from effective tax rate for 2014.

The Company's effective tax rate in respect of continuing operations for the six months ended 30 June 2015 was approximately 13 %.

6 Condensed consolidated interim statement of financial position

6.1 Intangible assets and goodwill

Reconciliation of carrying amount

		Goodwill
Cost		
Balance at 1 January 2015		61,644
Acquisition through business combinations		480
Translation differences		150
Balance at 30 June 2015		62,274
Impairment losses		
Balance at 1 January 2015		1,972
Acquisition through business combinations		480
Translation differences		(1)
Balance at 30 June 2015		2,451
Carrying amounts		
Balance at 1 January 2015		59,672
Balance at 30 June 2015		59,823

Goodwill

Opening balance of goodwill consists of:

- goodwill and trademark recognized as result of the combination of CPI and CPI PG in June 2014. The goodwill allocated to CPI PG cash-generating unit amounts to EUR 42.6 and reflects the original goodwill recognized in CPI PG prior the acquisition. This goodwill relates to deferred tax liabilities recognized at CPI PG level that are not expected to crystalize in future years;
- Amount of EUR 8.8 million relates to goodwill recognized at acquisition of Hospitality Group (Mamaisons brand hotels) in 2014;
- In connection with acquisition of Spojené farmy a.s. in 2014, goodwill in the amount of EUR 6.5 million was recognized;
- Goodwill of EUR 1.8 million was recognized by the Group in 2013. The goodwill relates to acquisition of former ABLON Group on 30 June 2013. Goodwill is allocated to retail segment. The goodwill that arose on the business combination is attributed to the synergies expected to be derived from the combination.

None of the goodwill recognized is expected to be deductible for tax purposes.

Impairment of goodwill

As at 30 June 2015 there are no indicators of impairment recognized by the Group in previous years. As a result of the acquisition of Karviná Property Development, a.s. (note 3.2), the Group recognized goodwill in the total amount of EUR 0.48 million, which was subsequently fully impaired (note 5.10).

6.2 Investment property

	Income Generating - Rental properties					Subtotal - rental properties	Income Generating - operation properties Agriculture	Land bank	Development	Total
	Office	Retail	Residential	Industry and logistics	Hotels					
Balance at 1 January 2014	721,993	817,755	281,358	137,530	223,261	2,181,896	--	283,529	85,659	2,551,084
Investments/acquisitions	692,411	5,058	278	603	42,680	741,030	44,827	6,120	874	792,851
Transfers	61,175	50,218	(2,490)	--	--	108,903	--	(24,251)	(84,652)	--
Development costs	--	--	--	--	--	--	--	--	43,439	43,439
Additions	5,929	2,757	4,391	958	5,934	19,970	--	1,426	--	21,396
Disposals	--	(2,986)	(4,833)	--	(19)	(7,838)	--	(17,400)	--	(25,238)
Valuation gain/(loss)	(3,647)	26,755	1,477	(273)	(2,734)	21,578	--	(10,972)	2,434	13,040
Translation differences	(7,515)	(7,636)	(3,034)	(210)	(2,438)	(20,833)	70	(2,091)	(667)	(23,522)
Balance at 31 December 2014	1,470,346	891,922	277,146	138,608	266,683	3,044,705	44,897	236,362	47,087	3,373,050
Investments/acquisitions	--	25,146	--	--	--	25,061	--	1,354	--	26,500
Transfers	10,966	--	--	--	16,097	27,063	--	--	(10,966)	16,097
Development costs	--	--	--	--	--	--	--	--	2,815	2,815
Additions	17,291	614	442	--	32	18,379	--	--	--	18,379
Disposals	(847)	--	(2,187)	--	--	(3,034)	--	(8,715)	--	(11,749)
Valuation gain/(loss)	16,159	(882)	(442)	--	1,684	16,519	(1,880)	911	(574)	14,976
Translation differences	11,893	13,324	4,800	668	3,673	34,443	2,671	2,847	747	40,623
Balance at 30 June 2015	1,525,808	930,124	279,759	139,276	288,169	3,163,136	45,688	232,759	39,109	3,480,692

Investments/acquisitions

2015

Due to the acquisition of OC Futurum Kolín, a.s. (note 3.2) the Group acquired Futurum Shopping Centre in Kolín in total value of EUR 25.1 million.

The Group also acquired land bank in the total value of EUR 1.4 million due to the acquisition of Karviná Property Development, a.s. (note 3.2).

In total, the Group acquired investment property portfolio in total amount of EUR 26.5 million in 2014.

2014

In June 2014, the Group acquired by the combination of CPI and CPI PG a portfolio of investment properties in total amount of EUR 640 million.

Other significant items of investment property acquired in 2014 through the business combinations were:

- Acquisition of Hospitality Group portfolio which represents a unique collection of well-established luxury boutique hotels and all-suite residence hotels under Mamaison brand, mostly located in prime central locations of the CEE capitals. Investment property value per Hospitality Group was EUR 42.7 million.
- In connection with the acquisition of Spojené farmy a.s. increased the amount of Investment property by amount of EUR 44.8 million.
- Acquisition of Arena Corner on 11 April 2014. Its portfolio include administrative building Arena Corner in Budapest comprised of office spaces on 8 floors in 3 office towers with direct connections to each other, with large efficient spaces ideal for operation of shared service centers.
- Poštová Office Center, refurbished office building located in the prime downtown area of Bratislava, Slovakia.

In total, the Group acquired investment property portfolio in total amount of EUR 793 million in 2014.

Transfers among segments

2015

At the end of February 2015, phase C of the project “Meteor Centre Office Park”, located in Prague – Karlín, was completed. Due to completion, the Group reclassified this project from development segment to segment income generating rental properties – office (EUR 11 million).

Due to the fact, that the Group ceased operation of hotel La Regina (EUR 16.1 million), from the portfolio of Hospitality Group acquired in 2014, this hotel has been transferred from property, plant and equipment to investment property (in accordance with the requirements of IAS 16 and IAS 40).

2014

Major investment property project “QUADRIO” (CPI Národní s.r.o.) was completed in the second half of 2014. Consequently the Group reclassified this project from development segment to segment income generating rental properties. Within this segment, two asset types have been recognized – retail and office – in the total value amounting EUR 108.5 million.

“Retail Park Čáslav” was transferred from development operating segment to the operating segment income generating rental properties – retail (EUR 3.0 million).

Investment property project “Glass museum” (Příkopy Property Development, a.s.), which was part of land bank operating segment in 2013, was transferred to development segment in 2014, due to the beginning of development work (EUR 34.3 million).

Due to the beginning of construction works on the retail project “Jeseník City Park”, the property was transferred to development operating segment (EUR 0.7 million).

Development costs

2015

Development costs mainly relate to the “Meteor Centre Office Park” project, which was completed in 2015 (EUR 1.6 million). Developments costs in the amount of EUR 0.6 million relate to the “Glass museum” project (Příkopy Property Development, a.s.).

2014

Development costs in 2014 represent mainly costs expensed on multifunctional complex QUADRIO (CPI Národní, s.r.o.) of EUR 34.8 million.

Additions

2015

Additions in the amount of EUR 7.3 million relates to the newly acquired industrial complex Ullsteinstrasse 73, in Berlin-Tempelhof (office asset type) purchased by the newly established company GSG Gewerbehöfe Berlin 6. GmbH Co. KG. Other additions in 2015 represent capital expenditures in connection with project “QUADRIO” – EUR 8.3 million (office asset type) and EUR 0.6 million (retail asset type).

The Group also acquired new flat which is part of the residential portfolio of CPI Flats, a.s. (EUR 0.4 million).

2014

In 2014 the most significant additions represent purchase of apartments in Cannes (CPI IMMO, S.à r.l.) of EUR 3.5 million. Furthermore, additions of EUR 2.8 million were recognized in connection with revitalization of Areál Hloubětín hostel (BAYTON Alfa, a.s.) and EUR 2.1 million relates to partial refurbishment of Clarion Grand Hotel Zlatý Lev in Liberec (Conradian, a.s.).

Disposals

2015

Disposals of land bank in the amount of EUR 8.7 million relates to the asset deals in Hungary (note 5.8).

Other disposals represent sale of apartments in Praha – Letňany from residential portfolio of CPI BYTY, a.s. to current tenants (EUR 2.2 million).

2014

Investment property in the amount of EUR 15.2 million was disposed of due to the sale of two subsidiaries in 2014.

Other disposals represent mainly sale of apartments in Praha – Letňany from residential portfolio of CPI BYTY, a.s. to current tenants (EUR 4.3 million) and sale of investment property from the portfolio of CPI – Reality, a.s. (EUR 2.9 million).

6.3 Property, plant and equipment

Hotel	
Cost	
Balance at 1 January 2015	75,653
Disposals out of the Group	(601)
Transfer from/ to investment property	(16,097)
Effect of movements in exchange rates	515
Balance at 30 June 2015	59,469
Accumulated depreciation and impairment losses	
Balance at 1 January 2015	1,504
Depreciation for the period	830
Effect of movements in exchange rates	(19)
Balance at 30 June 2015	2,315
Carrying amounts	
At 1 January 2015	74,149
At 30 June 2015	57,154

Decrease of balance of property, plant and equipment in the amount of EUR 16.1 million is directly attributable to transfer of hotel La Regina from property, plant and equipment to investment property portfolio (note 6.2). Due to the sale of Orco Hospitality Services Sp. z o.o. from the portfolio of Hospitality Group, the Group also disposed of hotel Vienna (EUR 0.6 million).

6.4 Biological assets

Biological assets	
Balance at 31 December 2014	
Non-current	2,007
Current	4,002
Total biological assets as at 31 December 2014	6,009
Balance at 30 June 2015	
Non-current	2,945
Current	5,936
Total biological assets as at 30 June 2015	8,881

On 1 November 2014, the Group acquired Spojené farmy a.s. Due to this business combination, the Group acquired biological assets in the amount of EUR 6.0 million. Biological assets are measured at fair value less cost to sell. Fair value of biological assets at the end of the reporting period is based on internal valuations performed by the Group.

6.5 Available-for-sale financial assets

	30 June 2015	31 December 2014
Vodovody a kanalizace Přerov, a.s. (share 1,60%)	249	245
Vodovody a kanalizace Hodonín, a.s. (share 1,99%)	169	166
GSG Holding 2 GmbH	--	212
Orco Property Group S.A.	44	--
Uniborc SA	2	--
Other equity securities	24	13
Total equity investments (1)	488	636
Debentures (2)	1,375	1,375
Total available-for-sale financial assets	1,863	2,011

- (1) Equity investments represent investments with the ownership interest not exceeding 10 %. These investments do not have a quoted market price in an active market and their fair values cannot be reliably measured, which is why they are measured at cost less accumulated impairment. There is no indication of impairment as at 30 June 2015.
- (2) The Group acquired debentures issued by 3rd party in total nominal value of EUR 1.4 million. Debentures are denominated in EUR. The debentures bear interest rate of 10 % p.a. and are due on 10 December 2016. Interest is paid on annual basis. Debentures are not publicly traded and not secured.

6.6 Loans provided

Non-current

	30 June 2015	31 December 2014
Loans provided - related parties	20,033	5,985
Loans provided - third parties	12,338	11,718
Total non-current loans provided	32,371	17,703
Impairment to non-current loans provided to third parties	--	(175)
Total non-current loans provided net of impairment	32,371	17,528

Current

	30 June 2015	31 December 2014
Loans provided - related parties (1)	302,685	266,889
Loans provided - third parties	8,597	9,747
Bills of exchange - third parties	4,872	1,536
Total current loans provided	316,154	278,172
Impairment to current loans provided to third parties	(2,410)	(2,368)
Total current loans provided net of impairment	313,744	275,804

- (1) In 2014, the Group has assigned loans provided to third and related parties and other receivables from third and related parties to one related party. This process resulted into new loan due to related party (refer to note 10). Majority shareholder of the Company issued full guarantee in respect of the loan and accrued interest as at 31 December 2014. The guarantee is valid till 31 December 2015. New loan bears fixed interest rate between 5-7% equal to the original effective interest rate of assigned loans and other receivables. The loan matures on 31 December 2015. Nominal value of the loan amount to EUR 261 million as at 30 June 2015.

Balances of non-current loans include loan principal and unpaid interest that are expected to be settled more than 12 months after the reporting period. Balances of current loans include loan principal and unpaid interest that are due to be settled within 12 months after the reporting period.

Current loans provided to third parties were impaired to reflect the recoverable amount.

6.7 Trade and other receivables

Non-current

	30 June 2015	31 December 2014
Advances paid	176	182
Advances paid for financial investments	6,812	137
Other receivables due from third parties (1)	33,937	32,226
Other receivables due from related parties	--	20,215
Impairment of other receivables due from third parties (1)	(6,443)	(6,442)
Other items of trade and other receivables	39	--
Total non-current trade and other receivables	34,521	46,318

Current

	30 June 2015	31 December 2014
Trade receivables due from related parties	3,869	4,264
Trade receivables due from third parties (2)	85,941	67,631
Impairment to trade receivables due from third parties	(19,970)	(24,501)
Total current trade and other receivables	69,840	47,394

- (1) Most of the receivables relate to net present value of the deferred consideration on the sale of Leipziger Platz amounting to EUR 27.5 million as at 30 June 2015 (EUR 25.7 million as at 31 December 2014). To calculate the net present value of deferred consideration the expected cash flows were reduced by expected recovery and the litigation risk resulting to impairment of EUR 6.4 million recognized as at 30 June 2015 (EUR 6.4 million as at 31 December 2014).
- (2) Trade receivables due from third parties in the amount of EUR 63.6 million represent trade receivables due from tenants (in 2014: EUR 55.4 million) and receivables from invoicing of utilities of EUR 12.5 million (2014: EUR 10.5 million). Receivables from invoicing of utilities will be settled against Advances received from tenants when final amount of utilities consumption is known and final utilities invoicing is performed. Significant part of impairment to trade receivables due from third parties is created for trade receivables from tenants overdue more than 181 days. Creation of adjustments for receivables is recognized in statement of comprehensive income as impairment loss.

6.8 Inventories

	30 June 2015	31 December 2014
Projects and property for resale	185	154
Projects under development (1)	80,337	82,896
Other inventory	991	1,624
Total inventories	81,513	84,674

- (1) Project under development primarily relates to "Palais Maeterlinck" project in total amount of EUR 70.1 million, to residential part of project "QUADRIO" (Quadrio Residence, s.r.o.) in amount of EUR 3.9 million, to the new development project in Italy (Parco delle Case Bianche) in the amount of EUR 5.6 million and "Jižní stráž" project (Březiněves, a.s.) totalling of EUR 0.7 million. Decrease in projects under development represent mainly apartment sales in respect of "Jižní stráž" project (EUR 2.2 million).

6.9 Cash and cash equivalents

	30 June 2015	31 December 2014
Bank balances	161,058	106,865
Cash on hand	2,203	1,307
Total cash and cash equivalents	163,261	108,172

6.10 Other financial current assets

	30 June 2015	31 December 2014
Other receivables due from related parties	1,292	604
Other receivables due from third parties	8,807	5,953
Impairment - other receivables due from other parties	(485)	(433)
Other	109	10
Total other financial current assets	9,723	6,134

6.11 Other non-financial current assets

	30 June 2015	31 December 2014
Other advances paid to third parties (C)	11,335	7,325
Value added tax receivables	1,544	110
Other tax receivables (excl. CIT and VAT)	488	2,697
Receivables from grants	8,226	5,434
Prepaid expenses	16,559	31,706
Other assets	--	1,369
Total other non-financial current assets	38,152	48,641

6.12 Equity

Changes in equity

The condensed consolidated interim statement of changes in equity is presented on the face of the condensed consolidated interim financial statements.

Share capital and share premium

As of 30 June 2015 the share capital of the Company amounts to EUR 330,376,830 and is represented by 3,303,768,300 ordinary fully paid shares with a nominal value of EUR 0.10 each.

Each share is entitled in the profits and corporate capital to a pro rata portion of the corporate capital it represents, as well as to voting rights.

Based on the latest shareholders' declarations received to the 30 June 2015, the following table sets out information regarding the ownership of the Company's shares.

Shareholder	Number of shares	Share held
Radovan Vitek and entities controlled by Mr. Vitek	3,044,030,691	92.14%
ORCO PROPERTY GROUP (held directly or indirectly)	159,132,897	4.82%
Others	100,604,712	3.04%
Total	3,303,768,300	100%

The share premium account comprises of the amount received in excess of the nominal value of the shares issued by way of subsequent issue of ordinary shares predominantly in connection with consequential increases of share capital in 2014 as shown in table below.

	Number of shares	Share Capital	Share premium
Balance at 31 December 2013	344,656,445	34,466	277,006
Capital increase of 5th of March 2014	76,600,000	7,660	28,342
Capital increase of 30th of April 2014	32,664,894	3,266	12,086
Capital increase of 16th of June 2014	576,673,203	57,667	213,369
Capital increase of 17th of June 2014	1,890,229,362	189,023	699,385
Capital increase of 25th of September 2014	65,957,446	6,596	24,404
Capital increase of 18th of December 2014	316,986,950	31,699	117,285
Balance at 31 December 2014	3,303,768,300	330,377	1,371,877
Balance at 30 June 2015	3,303,768,300	330,377	1,371,877

Authorized capital not issued:

The Extraordinary General Meeting of the shareholders of the Company held on 28 August 2014 also resolved to modify, renew and replace the existing authorised share capital of the Company and to set it to an amount of four hundred million euro (EUR 400,000,000.00) for a period of five (5) years from the date of the Extraordinary General Meeting. Following capital increases implemented under this authorised share capital since 28 August 2014, the Board of Directors is authorised to issue up to 3,617,055,604 new Company shares under this authorization within the period of 5 years from 28 August 2014, in addition to the 3,303,768,300 currently outstanding shares of the Company.

Share buy-back program

The Extraordinary General Meeting held on 28 August 2014 resolved to approve the terms and conditions of the buy-back program of the Company, enabling the redemption of Company's own shares. The Extraordinary General Meeting authorized the Board of Directors of the Company to repurchase, in one or several steps, a maximum number of 750,000,000 Company shares from the existing and/or future shareholders of the Company, for a purchase price comprised in the range between one eurocent (EUR 0.01) and five euro (EUR 5) for a period of five (5) years from the date of the Extraordinary General Meeting.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations from their functional to the presentation currency.

Hedging reserve

Group maintains several interest rate swaps for hedging of future interest payments on liabilities. These are swaps where the Group pays a fixed interest rate and receives a floating rate.

Since January 2011 the Group applies hedge accounting in respect of foreign currency risks and interest rates risk in selected subsidiaries. The hedging reserve includes effective portion of the fair value changes of hedging instruments designated as a cash flow hedge in accordance with accounting policy. Ineffective portion of cash flow hedges represents part of finance costs or income.

Earnings per share

	30 June 2015	30 June 2014
At the beginning of the period	2,740,714,160	2,466,902,565
Shares issued	2,740,714,160	2,466,902,565
Treasury shares	--	--
Weighted average movements	--	32,783,208
Reverse acquisition	--	32,783,208
Treasury shares	--	--
Weighted average outstanding shares for the purpose of calculating the basic earnings per share	2,740,714,160	2,499,685,773
Weighted average outstanding shares for the purpose of calculating the diluted earnings per share	2,740,714,160	2,499,685,773
Net (loss)/ profit attributable to the Equity holders of the Company	57,827	114,355
Net (loss)/ profit attributable to the Equity holders of the Company after assumed conversions/exercises	57,827	114,355
Total Basic earnings in EUR per share	0.02	0.05
o/w discontinued operations	--	--
Diluted earnings in EUR per share	0.02	0.05
o/w discontinued operations	--	--

*Number of shares at the beginning of the period for year 2014 represents the number of shares issued in exchange for shares of CPI a.s. by the Company as part of the acquisition

Basic earnings per share (EPS) is calculated by dividing the profit / (loss) attributable to the Group by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

6.13 Bonds issued

6.13.1 Non-current bonds issued

Czech Property Investment, a.s.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
CPI VAR/15 (EUR)	--	--	--	--
Proceeds from issued bonds - CPI VAR/18	100,000	93,415	100,000	93,317
Less: bonds owned by Group	(42,674)	(42,674)	(46,229)	(46,229)
Less: transaction costs	--	(7)	--	(79)
CPI VAR/18 (EUR)	57,326	50,734	53,771	47,009
Proceeds from issued bonds - CPI VAR/19 - CZK	2,000,000,000	73,408	2,000,000,000	72,137
Less: transaction costs	--	(271)	--	(309)
CPI VAR/19 (CZK)	2,000,000,000	73,137	2,000,000,000	71,828
Proceeds from issued bonds - CPI VAR/19 - EUR	116,000	58,000	116,000	58,000
Less: bonds owned by Group	(77,373)	(38,687)	(11,640)	(5,820)
Less: transaction costs	--	(769)	--	(992)
CPI VAR/19 (EUR)	38,627	18,544	104,360	51,188
Proceeds from issued bonds - CPI 2021	1,215	89,191	1,215	87,647
Less: bonds owned by Group	(1,215)	(89,191)	(1,215)	(87,647)
CPI 2021	--	--	--	--
Proceeds from issued bonds - CPI 6.05/16	--	--	150,000	53,356
Less: transaction costs	--	--	--	(603)
CPI 6.05/16	--	--	150,000	52,753
Proceeds from issued bonds - CPI 7.00/22	1,000,000,000	36,704	1,000,000,000	36,069
Less: bonds owned by Group	(1,000,000,000)	(36,704)	(1,000,000,000)	(36,069)
Less: transaction costs	--	(65)	--	(62)
CPI 7.00/22	--	(65)	--	(62)
Proceeds from issued bonds - CPI 7.00/22	1,000,000,000	36,704	1,000,000,000	36,069
Less: bonds owned by Group	(898,880,396)	(32,992)	(901,680,396)	(32,522)
Less: transaction costs	--	(66)	--	(62)
CPI 7.00/22	101,119,604	3,646	98,319,604	3,485
Proceeds from issued bonds - CPI 7.00/22	1,000,000,000	36,704	1,000,000,000	36,069
Less: bonds owned by Group	(1,000,000,000)	(36,704)	(1,000,000,000)	(36,069)
Less: transaction costs	--	(65)	--	(62)
CPI 7.00/22	--	(65)	--	(62)
Proceeds from issued bonds - CPI 8.00/42	1,000,000,000	36,704	1,000,000,000	36,069
Less: bonds owned by Group	(52,000,000)	(1,909)	(52,000,000)	(1,876)
Less: transaction costs	--	(88)	--	(84)
CPI 8.00/42	948,000,000	34,707	948,000,000	34,109
Proceeds from issued bonds - CPI 8.00/42	1,000,000,000	36,704	1,000,000,000	36,069
Less: bonds owned by Group	(766,477,976)	(28,133)	(766,477,976)	(27,646)
Less: transaction costs	--	(88)	--	(84)
CPI 8.00/42	233,522,024	8,483	233,522,024	8,339
Subtotal - bonds issued by Czech Property Investments a.s.	3,282,737,581	189,120	3,280,149,759	268,587

CPI Finance Netherlands B.V.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
Proceed from issued bonds - CPI Finance Netherlands B.V. (2011)	500	183,520	500	180,343
Less: bonds owned by Group	(369)	(135,438)	(252)	(90,893)
CPI Finance Netherlands B.V. (2011)	131	48,082	248	89,450
Proceed from issued bonds - CPI Finance Netherlands B.V. (2012)	100	36,704	100	36,069
Less: bonds owned by Group	(100)	(36,704)	(100)	(36,069)
CPI Finance Netherlands B.V. (2012)	--	--	--	--
Proceed from issued bonds - CPI Finance Netherlands B.V. (2013)	100	3,670	100	3,607
Less: bonds owned by Group	(100)	(3,670)	(100)	(3,607)
CPI Finance Netherlands B.V. (2013)	--	--	--	--
Subtotal - bonds issued by CPI Finance Netherlands B. V.	131	48,082	248	89,450

CPI BYTY, a.s.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds - CPI BYTY 2.50/17 (CZ0003512485)	300,000	11,011	--	--
Proceeds from issued bonds - CPI BYTY 3.50/17 (CZ0003510687)	500,000	18,352	500,000	18,034
Proceeds from issued bonds - CPI BYTY 4.80/19 (CZ0003510695)	900,000	33,034	900,000	32,462
Proceeds from issued bonds - CPI BYTY 4.80/19 (CZ0003511412)	500,000	18,352	500,000	18,034
Proceeds from issued bonds - CPI BYTY 5.80/21 (CZ0003510703)	800,000	29,363	800,000	28,855
Less: transaction costs	--	(2,670)	--	(1,755)
Subtotal bonds - CPI BYTY, a.s.	3,000,000	107,442	2,700,000	95,630

CPI Alfa, a.s.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds - CPI Alfa, a.s.	279,000,000	10,240	279,000,000	10,063
Less: transaction costs	--	(121)	--	(153)
Subtotal bonds - CPI Alfa, a.s.	279,000,000	10,119	279,000,000	9,910

CPI RETAIL PORTFOLIO I, a.s.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds - CPI Retail Portfolio I, a.s.	112,500	41,292	112,500	40,577
Less: transaction costs	--	(773)	--	(441)
Subtotal bonds - CPI Retail Portfolio I, a.s.	112,500	40,519	112,500	40,136

Spojené farmy a.s.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds - Spojené farmy a.s.	80,000,000	2,936	80,000,000	2,928
Subtotal bonds - Spojené farmy a.s.	80,000,000	2,936	80,000,000	2,928

CPI Finance Slovakia, a.s.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds - CPI Finance Slovakia, a.s.	30,000	30,000	--	--
Subtotal bonds - CPI Finance Slovakia, a.s.	30,000	30,000	--	--

Total non-current bonds	428,219	506,641
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6.13.2 Current bonds issued

Czech Property Investment, a.s.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds - CPI VAR/15 - EUR			30,000	15,000
Less: transaction costs			--	(476)
CPI VAR/15 (EUR)	--	--	30,000	14,524
Proceeds from issued bonds - CPI 6.05/16	150,000	54,597	--	--
Less: transaction costs	--	(647)	--	--
CPI 6.05/16	150,000	53,950	--	--
Subtotal - bonds issued by Czech Property Investments a.s.	150,000	53,950	30,000	14,524

CPI BYTY, a.s.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds - CPI BYTY 2.50/15 (CZ0003510679)			300,000	10,821
Less: transaction costs			--	(864)
CPI BYTY 2.50/15	--	--	300,000	9,956

Accrued interest on bonds	9,553	8,387
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Total current bonds	63,503	32,867
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Total bonds	491,722	539,508
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Changes in the period ended 30 June 2015

On 4 March 2015, the Group founded new company CPI Finance Slovakia, a.s., domiciled in Slovak Republic. On 16 April 2015, CPI Finance Slovakia, a.s. issued new bonds with the following characteristics:

CPI 5.85/2018 (ISIN SK4120010653)

CPI 5.85/2018 bonds were issued on 16 April 2015. The bonds mature on 16 April 2018. The nominal value of each bond is EUR 1,000 and the total nominal value of bonds issued amounts to EUR 30 million. CPI 5.85/2018 bonds bear the fixed interest rate of 5.85 % p.a. Interests are due quarterly, on 16 April, 16 July, 16 October and 16 January.

Bonds were issued as bearer notes in listed form (registered in Central Securities Depository, the abbreviation is CPI 5.85/2018, ISIN SK4120010653). The prospectus and the issuing terms were approved by the decision of the National Bank of Slovakia on 9 April 2014, reference number ODT-3557/2015-1 that came into force on 10 April 2015.

Bonds were accepted for trading on the Bratislava Stock Exchange.

On 23 March 2015, the Group repaid CPI VAR/15 bonds (ISIN CZ0003501835), which were issued on 23 March 2012. The nominal value of bonds issued amounted EUR 15 million.

On 7 May 2015, bonds CPI BYTY 2.50/15 (ISIN CZ0003510679), were repaid. These bonds were issued on 7 May 2013 and the nominal value amounted to CZK 300 million (app. EUR 11 million). In connection with this repayment, the Group issued new bonds with the following characteristics:

CPI BYTY 2.50/17 (ISIN CZ0003512485)

CPI BYTY 2.50/17 bonds were issued on 11 May 2015. The bonds mature on 7 May 2017. The nominal value of each bond is CZK 1 thousand. Bonds bear fixed interest rate of 2.50 % per annum. Interests are due annually on 7 May. These bonds are traded on Prague Stock Exchange, altogether with other emissions issued by CPI BYTY, a.s.

Covenants

Issued bonds CPI VAR/15 (EUR), CPI VAR/19 (CZK) and CPI VAR/19 (EUR) are subject to a number of covenants. All covenant ratios were met as at 30 June 2015.

Issued bonds CPI 6.05/16 are subject to a number of covenants. All covenant ratios were met as at 30 June 2015.

Issued bonds CPI VAR/18 are subject to a number of covenants. All covenant ratios were met as at 30 June 2015.

Issued bonds CPI 5.85/2018 are subject to a number of covenants. All covenant ratios were met as at 30 June 2015.

6.14 Financial debts

	30 June 2015	31 December 2014
Loans from related parties (1)	--	1,866
Loans from third parties	7,897	12,664
Bank loans (2)	1,364,685	1,180,564
Finance lease liabilities	18,521	19,038
Bills of exchange	19,742	6,211
Total non-current financial debts	1,410,845	1,220,343

	30 June 2015	31 December 2014
Loans from related parties (1)	286	2,273
Loans from third parties	2,756	19,234
Bank loans including overdraft (2)	244,897	275,305
Finance lease liabilities	1,395	1,433
Bills of exchange	32,157	27,742
Total current financial debts	281,491	325,987

(1) Majority of loans received from related parties was repaid in the first half of 2015 (note 10).

(2) The value of bank loans increased mainly due to the major refinancing in 2015:

- The Group has obtained financing for its major project in the Czech Republic, QUADRIO shopping centre. Following the successful completion of QUADRIO project, the Group agreed with the current club of financing banks, Helaba and UniCredit, on a major increase of the financing from EUR 73 million up to EUR 135 million;
- The obtained aggregate amount of EUR 117.7 million will be used to refinance and increase the existing investment loans of three shopping centres in Czech Republic and also to finance construction of a new shopping centre in the Czech Republic;
- 5-year refinancing for Group's boutique hotels portfolio was obtained in July 2015, by which the Group achieved the long-term EUR 58 million refinancing with Erste bank;
- The Group obtained a credit facility to refinance the acquisition of farm land held in Spojené farmy a.s. in the amount of EUR 34.5 million, which was provided by Československa obchodní banka.

6.15 Other non-current liabilities

	30 June 2015	31 December 2014
Advances received	1,338	575
Trade payables due to third parties	673	170
Tenant deposits (1)	12,824	8,286
Payables from retentions (2)	7,408	4,180
Other payables due to third parties	3,903	12,707
Total other non-current liabilities	26,146	25,918

- (1) Deposits from tenants represent payables of the Group from received rental related deposits. Its classification corresponds to terms in rental contracts with respect of the termination options of the tenants.
- (2) Increase in payables from retentions represent restraint in the amount EUR 5.4 million related to project "QUADRIO" (CPI Národní, a.s.).

6.16 Trade payables

	30 June 2015	31 December 2014
Trade payables due to related parties	3,588	2,334
Trade payables due to third parties	28,502	29,294
Total trade payables	32,090	31,628

6.17 Advance payments

	30 June 2015	31 December 2014
Advances received from related parties	4,406	1,451
Advances received from third parties	29,562	31,535
Tenant deposits (1)	17,004	11,467
Total advance payments	50,972	44,453

- (1) Advances received from tenants in 2015 represented payments received from tenants for utilities that will be settled against trade receivables when final amount of utilities consumption is known and final respective invoicing is performed.

6.18 Other financial current liabilities

	30 June 2015	31 December 2014
Deferred income/ revenue	11,246	14,681
Payables from unpaid capital contributions	3	9
Other payables due to related parties	503	4,831
Payables from retentions	102	--
Other items of trade and other payables	198	--
Other payables due to third parties (1)	21,594	11,405
Total other financial current liabilities	33,646	30,926

- (1) Other payables due to third parties in the amount of EUR 12.6 million represent the fair value of the contingent liability. For more details refer to note 5.13.

6.19 Other non-financial current liabilities

	30 June 2015	31 December 2014
Current income tax liabilities	4,292	5,664
Value added tax payables	4,710	1,089
Other tax payables (excl. CIT and VAT)	1,459	3,334
Payables due to employees, SHI, employees income tax	3,529	3,127
Liabilities from grants	3,852	--
Provisions	8,105	5,597
Total other non-financial current liabilities	25,947	18,811

7 Fair value measurement

7.1 Fair value of financial instruments

Fair value measurements of financial instruments reported at fair value are classified by level of the following measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading securities and financial assets at fair value through profit or loss) is based on quoted market prices at the reporting date. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group is using a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Valuations are performed regularly on the basis of the management best estimates of the credit risk of the Group or of the specific entity concerned in the light of existing, available and observable market data.

- For the derivatives (interest rate swaps, options and forwards) the valuation is provided by the Group's banks;
- For the available-for-sale financial assets and for the bonds, the fair values as of 30 June 2015 have been determined in accordance with generally accepted pricing models based on the discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

The fair value of financial instruments reflects, inter alia, current market conditions (interest rates, volatility and share price). Changes in fair values are recorded in the consolidated income statement under the "other net financial results" line.

Accounting classification and fair values

The following tables show the carrying amounts at fair value of financial assets and liabilities, including their level in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2015	Carrying amount Financial assets & liabilities measured at fair value	Financial assets & liabilities not measured at fair value (*)	Level 1	Fair value Level 2	Level 3
FINANCIAL ASSETS					
Call option	817	--	--	817	--
Financial assets at fair value through profit or loss (**)	817	--			
Long-term Equity investments	--	488	--	--	488
Debentures issued by third parties	--	1,375	--	--	1,431
Financial assets available-for-sale	--	1,863			
Leipziger Platz deferred consideration	--	27,510	--	--	27,510
Advances paid	--	6,988	--	--	--
Receivable related to assignment of receivables	--	--	--	--	--
Loans provided	--	32,371	--	--	32,371
Other non-current receivables	--	23	--	--	--
Non-current loans and receivables	--	66,892			
Trade and other receivables	--	69,840	--	--	--
Derivative instruments	38	--	--	38	--
Loans provided	--	308,872	--	--	308,872
Bills of exchange	--	4,872	--	--	4,872
Other current financial assets	--	9,723	--	--	--
Cash and cash equivalent	--	163,261	--	--	--
Current financial assets	38	556,568			
FINANCIAL LIABILITIES					
Bonds	--	428,219	304,048	--	145,194
Financial debt (floating rate bank debts)	--	1,295,985	--	--	1,295,985
Financial debt (fixed rate bank debts)	--	68,700	--	--	68,248
Financial debt (other borrowings)	--	46,160	--	--	46,794
Derivative instruments	10,359	--	--	10,359	--
Non-current financial liabilities	10,359	1,839,064			
Bonds	--	63,503	56,157	--	--
Financial debt (floating rate bank debts)	--	211,622	--	--	211,622
Financial debt (fixed rate bank debts)	--	33,275	--	--	33,136
Financial debt (other borrowings)	--	36,594	--	--	38,488
Derivative instruments	5,848	--	--	5,848	--
Advanced payments	--	50,972	--	--	--
Trade payables	--	32,090	--	--	--
Contingent liability	--	12,054	--	--	12,054
Other financial current liabilities	--	21,592	--	--	--
Current financial liabilities	5,848	461,702			

(*) It does not include fair value information for financial assets and liabilities not measured at fair value if the carry amount is a reasonable approximation of the fair value.

(**) Designated at fair value.

31 December 2014	Carrying amount		Level 1	Fair value	
	Financial assets & liabilities measured at fair value	Financial assets & liabilities not measured at fair value (*)		Level 2	Level 3
FINANCIAL ASSETS					
Call option	473		--	473	--
Financial assets at fair value through profit or loss (**)	473	--			
Long-term Equity investments	--	636	--	--	--
Debentures issued by third parties	--	1,375	--	--	1,480
Financial assets available-for-sale	--	2,011			
Leipziger Platz deferred consideration	--	25,784	--	--	25,784
Advances paid	--	319	--	--	--
Loans provided	--	17,528	--	--	17,528
Other non-current receivables	--	20,215	--	--	--
Non-current loans and receivables	--	63,846			
Trade receivables	--	47,394	--	--	--
Derivative instruments	12	--	--	12	--
Loans provided	--	274,268	--	--	274,268
Bills of exchange	--	1,536	--	--	1,532
Other current financial assets	--	6,134	--	--	--
Cash and cash equivalent	--	108,172	--	--	--
Current financial assets*	12	437,504			
FINANCIAL LIABILITIES					
Bonds issued	--	506,641	314,936	--	186,910
Financial debt (floating rate bank debts)	--	1,135,776	--	--	1,135,776
Financial debt (fixed rate bank debts)	--	44,788	--	--	43,830
Financial debt (other borrowings)	--	39,779	--	--	39,540
Derivative instruments	13,957	--	--	13,957	--
Non-current financial liabilities	13,957	1,726,984			
Bonds issued	--	32,867	25,821	--	--
Financial debt (floating rate bank debts)	--	243,310	--	--	243,310
Financial debt (fixed rate bank debts)	--	31,995	--	--	33,135
Financial debt (other borrowings)	--	50,682	--	--	52,005
Derivative instruments	7,064	--	--	7,064	--
Advanced payments	--	44,453	--	--	--
Trade payables	--	31,628	--	--	--
Other financial current liabilities	--	30,926	--	--	--
Current financial liabilities*	7,064	465,861			

(*) It does not include fair value information for financial assets and liabilities not measured at fair value if the carry amount is a reasonable approximation of the fair value.

(**) Designated at fair value.

Valuation technique used for measurement of fair value of derivatives

Liabilities from derivative are measured by discounted cash flow method. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

7.2 Fair value measurement of investment property

The fair value of the majority of the property portfolio as of 30 June 2015 was determined based on the management's analysis described in note 5.7 and it does not significantly differ from the fair value as of 31 December 2014.

In instances where there have been indications of significant changes and therefore with potential impact on the property value during the first half of 2015, the value of the property has been updated based on the external appraisals as of 30 June 2015.

At 1 January 2015 the fair value measurement for investment property of EUR 3,373.1 million has been categorized as Level 3 recurring fair value based on the inputs to the valuation technique used in accordance with IFRS 13. There were no transfers between Levels during the year.

7.2.1 Main observable and unobservable inputs

The table below presents the fair value hierarchy of the valuation, the valuation method, the key observable and unobservable inputs for each class of property owned by the Group, used by the valuers as at the end of 31 December 2014.

31 December 2014	Asset type	Valuation technique	Fair value hierarchy	Significant unobservable inputs	Weighted average		
Czech Republic - Central Bohemia	Industry and logistics	Income capitalisation	Level 3	Estimated rental value per sqm	45 EUR/sqm	49 EUR/sqm	(47 EUR/sqm)
				Net current income per sqm	46 EUR/sqm	65 EUR/sqm	(58 EUR/sqm)
				Equivalent yield	8.46%	12.00%	(8.80%)
				Vacancy rate	0.00%	4.39%	(1.61%)
Czech Republic - West Bohemia	Industry and logistics	Income capitalisation	Level 3	Estimated rental value per sqm	26 EUR/sqm		
				Net current income per sqm	20 EUR/sqm		
				Equivalent yield	12.00%		
				Vacancy rate	38.20%		
Slovakia	Industry and logistics	Income capitalisation	Level 3	Estimated rental value per sqm	51 EUR/sqm		
				Net current income per sqm	53 EUR/sqm		
				Equivalent yield	8.25%		
				Vacancy rate	2.02%		
Hungary	Industry and logistics	Income capitalisation	Level 3	Estimated rental value per sqm	57 EUR/sqm	58 EUR/sqm	(58 EUR/sqm)
				Net current income per sqm	54 EUR/sqm	55 EUR/sqm	(55 EUR/sqm)
				Equivalent yield	8.75%	9.00%	(8.92%)
				Vacancy rate	5.91%	8.54%	(7.75%)
Germany	Industry and logistics	Sales comparison	Level 3	Price/sqm	12 EUR/sqm		
Czech Republic - Prague Center	Retail	Income capitalisation	Level 3	Estimated rental value per sqm	160 EUR/sqm	354 EUR/sqm	(335 EUR/sqm)
				Net current income per sqm	144 EUR/sqm	169 EUR/sqm	(167 EUR/sqm)
				Equivalent yield	5.00%	5.25%	(5.23%)
				Vacancy rate	4.93%	19.18%	(17.80%)
Czech Republic - Prague Other	Retail	Income capitalisation	Level 3	Estimated rental value per sqm	68 EUR/sqm	87 EUR/sqm	(71 EUR/sqm)
				Net current income per sqm	63 EUR/sqm	80 EUR/sqm	(66 EUR/sqm)
				Equivalent yield	8.78%	9.00%	(8.82%)
				Vacancy rate	17.20%	19.69%	(17.67%)
Czech Republic - Prague Other	Retail	DCF method	Level 3	Estimated rental value per sqm	188 EUR/sqm		
				Vacancy rate	2.20%		
				Exit yield	6.87%		
				Discount rate	8.00%		

31 December 2014	Asset type	Valuation technique	Fair value hierarchy	Significant unobservable inputs	Weighted average		
Czech Republic - Other	Retail	Income capitalisation	Level 3	Estimated rental value per sqm	48	197	(54
					EUR/sqm	-	EUR/sqm
				Net current income per sqm	44	204	(122
					EUR/sqm	-	EUR/sqm
				Equivalent yield	6.77%	-	9.00%
							(7.63%)
				Vacancy rate	0.00%	-	16.90%
							(4.06%)
Czech Republic - Other	Retail	DCF method	Level 3	Estimated rental value per sqm			183 EUR/sqm
				Vacancy rate			36.89%
				Exit yield			7.96%
				Discount rate			8.93%
Hungary - Budapest Center	Retail	Income capitalisation	Level 3	Estimated rental value per sqm			287 EUR/sqm
				Net current income per sqm			245 EUR/sqm
				Equivalent yield			8.50%
				Vacancy rate			7.60%
Hungary - Other	Retail	Income capitalisation	Level 3	Estimated rental value per sqm	56	65	(59
					EUR/sqm	-	EUR/sqm
				Net current income per sqm	24	42	(36
					EUR/sqm	-	EUR/sqm
				Equivalent yield	9.31%	-	10.63%
							(9.76%)
				Vacancy rate	0.00%	-	23.91%
							(18.55%)
Slovakia	Retail	Income capitalisation	Level 3	Estimated rental value per sqm	89	125	(108
					EUR/sqm	-	EUR/sqm
				Net current income per sqm	88	140	(112
					EUR/sqm	-	EUR/sqm
				Equivalent yield	7.50%	-	8.50%
							(7.93%)
				Vacancy rate	0.00%	-	1.04%
							(0.12%)
Poland	Retail	Income capitalisation	Level 3	Estimated rental value per sqm			198 EUR/sqm
				Net current income per sqm			167 EUR/sqm
				Equivalent yield			7.80%
				Vacancy rate			3.58%
Czech Republic - Prague	Office	Income capitalisation	Level 3	Estimated rental value per sqm	87	354	(181
					EUR/sqm	-	EUR/sqm
				Net current income per sqm	67	337	(156
					EUR/sqm	-	EUR/sqm
				Equivalent yield	5.25%	-	9.27%
							(6.86%)
				Vacancy rate	0.00%	-	25.00%
							(10.11%)
Czech Republic - Other	Office	Income capitalisation	Level 3	Estimated rental value per sqm			102 EUR/sqm
				Net current income per sqm			88 EUR/sqm
				Equivalent yield			7.75%
Czech Republic - Other	Office	DCF method	Level 3	Estimated rental value per sqm	87	133	(94
					EUR/sqm	-	EUR/sqm
				Vacancy rate	39.20%	-	51.22%
				Exit yield	7.50%	-	7.96%
							(7.89%)
				Discount rate	8.93%	-	9.50%
							(9.02%)
Poland	Office	Income capitalisation	Level 3	Estimated rental value per sqm			205 EUR/sqm

31 December 2014	Asset type	Valuation technique	Fair value hierarchy	Significant unobservable inputs	Weighted average		
				Net current income per sqm	168 EUR/sqm		
				Equivalent yield	8.69%		
				Vacancy rate	15.04%		
Hungary	Office	Income capitalisation	Level 3	Estimated rental value per sqm	51 EUR/sqm	152 EUR/sqm	(130 EUR/sqm)
				Net current income per sqm	- 12 EUR	- 138 EUR/sqm	(94 EUR/sqm)
				Equivalent yield	8.00%	- 13.05%	(9.10%)
				Vacancy rate	4.70%	- 100.00%	(21.70%)
Hungary	Office	DCF method	Level 3	Estimated rental value per sqm	144 EUR/sqm		
				Net current income per sqm	128 EUR/sqm		
				Vacancy rate	38.71%		
				Exit yield	8.80%		
Slovakia	Office	DCF method	Level 3	Discount rate	9.25%		
				Estimated rental value per sqm	157 EUR/sqm		
				Net current income per sqm	152 EUR/sqm		
				Vacancy rate	38.71%		
Germany	Office	Income capitalisation	Level 3	Exit yield	8.80%		
				Discount rate	9.25%		
				Estimated rental value per sqm	53 EUR/sqm	107 EUR/sqm	(69 EUR/sqm)
				Net current income per sqm	24 EUR/sqm	92 EUR/sqm	(51 EUR/sqm)
Czech	Residential	DCF method	Level 3	Equivalent yield	5.92%	- 7.13%	(6.24%)
				Vacancy rate	7.19%	- 27.81%	(17.13%)
				Estimated rental value per sqm	28 EUR/sqm	60 EUR/sqm	(29 EUR/sqm)
				Exit yield	4.75%	- 7.78%	(7.75%)
France	Residential	Sales comparison	Level 3	Vacancy rate	23.37%	- 25.39%	(25.37%)
				Discount rate	5.75%	- 8.82%	(8.79%)
				Price/sqm	21 EUR/sqm		
				Rate per key	55,185 EUR/key	150,845 EUR/key	(92,803 EUR/key)
Czech Republic - Prague	Hotel	Comparable method	Level 3	Net current income per sqm	253 EUR/sqm	253 EUR/sqm	(61 EUR/sqm)
				Exit yield	7.75%	- 7.75%	(7.75%)
				Discount rate	10.25%	- 10.50%	(10.43%)
				Rate per key	9,684 EUR/key	39,892 EUR/key	(24,737 EUR/key)
Czech Republic - Prague	Hotel	DCF method	Level 3	Rate per key	26,763 EUR/key	57,808 EUR/key	(47,373 EUR/key)
				Net current income per sqm	47 EUR/sqm		
				Exit yield	8.75%		
				Discount rate	11.25%		
Czech Republic - Other	Hotel	Income capitalisation	Level 3	Net current income per sqm	252 EUR/sqm		

31 December 2014	Asset type	Valuation technique	Fair value hierarchy	Significant unobservable inputs	Weighted average		
				Estimated rental value per sqm	278 EUR/sqm		
				Equivalent yield	7.32%		
Hungary	Hotels	DCF method	Level 3	Net current income per sqm	95 EUR/sqm	103 EUR/sqm	(99 EUR/sqm)
				Exit yield	8.25%	-	8.25% (8.25%)
				Discount rate	10.25%	-	10.75% (10.52%)
Hungary	Hotels	Comparable method	Level 3	Rate per key	97,595 EUR/key		
Poland	Hotels	DCF method	Level 3	Net current income per sqm	105 EUR/sqm		
				Exit yield	8.25%		
				Discount rate	10.75%		
Land Bank - Czech Republic - Prague Center	Land bank	Comparable method	Level 3	Sales price per sqm	2,885 EUR/sqm	2,954 EUR/sqm	(2,910 EUR/sqm)
Land Bank - Czech Republic - Prague	Land bank	Comparable method	Level 3	Sales price per sqm	11 EUR/sqm	1,099 EUR/sqm	(323 EUR/sqm)
Land Bank - Czech Republic - Other	Land bank	Comparable method	Level 3	Sales price per sqm	4 EUR/sqm	933 EUR/sqm	(59 EUR/sqm)
Hungary	Land bank	Comparable method	Level 3	Sales price per sqm	51 EUR/sqm	8,396 EUR/sqm	(682 EUR/sqm)
Land Bank - Romania - Bucharest	Land bank	Comparable method	Level 3	Sales price per sqm	820 EUR/sqm		
Romania - Other	Land bank	Comparable method	Level 3	Sales price per sqm	31 EUR/sqm	145 EUR/sqm	(78 EUR/sqm)
Poland	Land bank	Comparable method	Level 3	Sales price per sqm	157 EUR/sqm		
Germany	Land bank	Comparable method	Level 3	Sales price per sqm	309 EUR/sqm		
Czech Republic	Agriculture	Comparable method	Level 3	Sales price per sqm	0.40 EUR/sqm		
Czech Republic - Prague - Project 1	Investment property under development	Income capitalisation	Level 3	Estimated rental value	156 EUR/sqm		
				Equivalent yield	6.51%		
Czech Republic - Prague - Project 2	Investment property under development	Income capitalisation	Level 3	Estimated rental value	187 EUR/sqm		
				Equivalent yield	6.25%		
Czech Republic - Other - Projekt 1	Investment property under development	Development Appraisal	Level 3	Gross development value	19,897 TEUR		
				Residual value	12,940 TEUR		
Czech Republic	Hospitality	DCF method	Level 3	Exit yield	7.50%		
				Discount rate	10.00%		
Hungary	Hospitality	DCF method	Level 3	Exit yield	7.50%		
				Discount rate	9.00%		
Slovakia	Hospitality	DCF method	Level 3	Exit yield	15.00%		
				Discount rate	18.00%		
Russia	Hospitality	DCF method	Level 3	Exit yield	10.00%		

31 December 2014	Asset type	Valuation technique	Fair value hierarchy	Significant unobservable inputs	Weighted average		
				Discount rate			12.50%
Poland	Hospitality	DCF method	Level 3	Exit yield	7.50%	-	11.00% (7.63%)
				Discount rate	10.00%	-	14.00% (10.15%)

8 Contingencies and Litigations

The Group has given guarantees in the ordinary course of business, more specifically on the residential units delivered. Such guarantees are internally covered by the guarantees granted by the general contractor and provisions where needed.

CPI PG has guaranteed certain debt of Orco Property Group.

On 7 November 2014, the Group entered into a trust deed (the Orco Trust Deed) pursuant to which it unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by Orco Property Group in relation to its notes registered under ISIN code XS0820547742, which were issued on 4 October 2012 (and amended and restated pursuant to the Orco Trust Deed) (the Orco Notes). The Group has also undertaken in the Orco Trust Deed to be bound by certain limitations on its activities and to maintain certain financial ratios.

As of the date hereof, the principal amount outstanding of the Orco Notes is EUR 65,064,248.49. Interest on the Orco Notes accrues at a rate of 7 per cent. per annum, payable semi-annually in arrear. Unless previously redeemed, or purchased and cancelled, the Orco Notes will be redeemed at their then outstanding principal amount on 7 November 2019.

In consideration of Group's entry into the Orco Trust Deed and the guarantee given thereunder, Orco Property Group has agreed to pay to the Group a guarantee fee of three per cent. of the outstanding principal balance of the Orco Notes, payable on a payment in kind (PIK) basis falling due on the business day after all amounts payable in connection with the Orco Notes have been paid in full. For more details about the Orco Notes please refer to Orco Trust Deed available at www.orcogroup.com.

Kingstown dispute

The Group announced that on 20 January 2015 it was served with a summons containing petition of the three companies namely Kingstown Partners Master Ltd. of the Cayman Islands, Kingstown Partners II, LP of Delaware and Ktown LP of Delaware (together referred to as „Kingstown“), claiming to be the shareholders of OPG, filed with the „Tribunal d'Arrondissement de et a Luxembourg“. The petition seeks condemnation of the Group together with Orco Property Group, S.A. („OPG“) and certain members of OPG's board of directors as jointly and severally liable to pay damages in the amount of EUR 14,485,111.13 and compensation for moral damage in the amount of EUR 5,000,000. According to Kingstown's allegation the claimed damage has arisen as a consequence of inter alia alleged violation of OPG's minority shareholders rights. To the best of Group's knowledge, Kingstown was not at the relevant time (and is not till now) the shareholder of the Group. Therefore and without any assumption regarding the possible violation, the Group believes that it cannot be held liable for the violation of the rights of the shareholders of another entity. Management of the Group will take all available legal actions to oppose these allegations in order to protect the corporate interest as well as the interest of its shareholders.

Leipziger Platz litigations

Deferred consideration on the sale of Leipziger Platz amounting to EUR 30 million was due to GSG Asset GmbH & Co Verwaltungs KG in June 2015 at the latest, but was not paid by the debtor company HGHI. To secure the claim as early as possible the court proceedings have been initiated already in 2014. Currently, there are three litigations against HGHI group at the regional court in Berlin. Hearings are scheduled to take place in the second half of 2015.

The separate litigation of HGHI against Orco Immobilien GmbH for the release of EUR 10 million from the escrow account to HGHI is still pending in the second instance. First instance was won by Orco Immobilien, the claim was rejected. The second instance court decision about to whether the appeal is to be dismissed or not is expected in 2016.

As at the date of the publication of the consolidated financial statements, the Group does not have in evidence any other contingent liabilities except the one mentioned above. No legal proceeding is currently active the result of which would influence consolidated financial statements and the Group is not aware of any potential upcoming law-suit.

9 Capital and other commitments

Capital commitments

The Group has capital commitments of EUR 5.6 million in respect of capital expenditures contracted for at the date of the statement of financial statements (EUR 5.0 million in 2014). There are no other commitments except as disclosed above.

10 Related party transactions

The Group has a related party relationship with its members of Board of Directors (current and former) and executive management (key management personnel), shareholder and companies in which these parties held controlling or significant influence or are joint ventures.

Key management personnel and members of Board of Directors

The remuneration of key management personnel and members of Board of Directors are summarized in following table.

TEUR	30 June 2015	31 December 2014
Remuneration paid to key management personnel and members of Board of Directors	361	410
Total remuneration	361	410

Breakdown of balances and transactions between key management personnel and members of Board of Directors and the Group is as follows:

Balances at	30 June 2015	31 December 2014
Loans provided	125	168
Trade receivables	1	2
Other receivables	6	5
Advances received	756	496
Transactions for the six month period ended	30 June 2015	30 June 2014
Interest income and other revenues	3	6

Other related parties		
Entities over which the sole shareholder has control		
Balances at	30 June 2015	31 December 2014
Trade receivables	--	2
Loans received	--	1,892
Transactions for the six month period ended	30 June 2015	30 June 2014
Interest expense	8	94
interest expense on bonds issued	--	1,571
Other administrative expenses	1	--

Entities over which the sole shareholder has significant influence		
Balances at	30 June 2015	31 December 2014
Trade receivables	685	224
Other receivables	1,286	--
Loans provided	9,917	--
Trade payables	2,307	12
Advances received	--	3
Loans received	42	--
Transactions for the six month period ended	30 June 2015	30 June 2014
Service charge income	--	97
Rental Income	--	49
Interest income	179	--
Other finance cost	--	60
Advisory and accounting services	130	--
Audit, tax and advisory services	--	47
Telecommunication fees	11	--
Letting fee	15	--
Other services	26	--
Service charge expense	--	2
Close family members/entities controlled by close family members		
Balances at	30 June 2015	31 December 2014
Trade receivables	--	1
Loans provided	271,521	264,575
Other payables	--	2,164
Loans received	--	1,125
Transactions for the six month period ended	30 June 2015	30 June 2014
Interest income	6,846	1,869
Loss on assignment of receivables	--	183,318
Interest expense	12	--
Entities controlled by members of Board of Directors		
Trade receivables	30 June 2015	31 December 2014
Trade receivables	3,183	4,032
Advances received	530	951
Loans provided	14,161	--
Trade payables	1,281	2,292
Loans received	244	240
Tenant deposits	--	11
Major shareholder of CPI PG		
Balance at	30 June 2015	31 December 2014
Loans provided	26,994	6,264
Loans received	--	878
Other payables	503	503
Advances received	3,120	--
Advances paid for FI	6,680	--
Transactions for the six month period ended	30 June 2015	30 June 2014
Interest income and other revenues	243	--

Main selected transactions with other related parties

Transactions with OPG

Management Fees

The Group (CPI Property, s.r.o.) provided property management services to certain assets OPG in the Czech Republic. The value of such services amounted to EUR 6 thousand in the first half of 2015 (12 months of 2014: EUR 0.1 million).

From 1 July 2014, the Group began providing outsourcing services in the field of general administration, tax, accounting, reporting, human resources and IT to certain assets of OPG the Czech Republic. The value of such services amounted to EUR 0.6 million in the first half of 2015 (EUR 0.4 million for 12 months of 2014).

Loan provided to OPG

On 17 June 2014, the Group provided the OPG with loan bearing the following main characteristics: EUR 3.5 million facility framework, repayment in 3 months and interest rate 8 % p.a. The parties agreed to extend the maturity until 31 December 2015, the facility limit was extended to EUR 10.0 million, and the interest decreased to 5 % p.a. As at 30 June 2015 the outstanding balance amounts to EUR 9.6 million and accrued interest EUR 0.3 million.

Capital subscription of OPG

On 24 September 2014, 65,957,446 new ordinary shares issued by CPI PG were subscribed by OPG at the subscription price of EUR 0.47 per share, which is approximately 12 % below the current market price of EUR 0.53. The subscription price of EUR 30,999,999.62 was received and new shares were issued by CPI PG on 24 September 2014.

Notes guarantee

On 7 November 2014, the Company and OPG entered into a trust deed (the "Trust Deed") pursuant to which CPI PG agreed to unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by OPG in relation to its Notes (registered under ISIN code XS0820547742), which were issued on 4 October 2012 and amended and restated pursuant to the Trust Deed. CPI PG has also undertaken in the Trust Deed to be bound by certain limitations on its activities and to maintain certain financial ratios.

In consideration of CPI PG's entry into the Trust Deed and the guarantee given thereunder, OPG has agreed to pay to the Company a guarantee fee of 3 % p.a. of the outstanding principal balance of the Notes, payable on a payment in kind (PIK) basis falling due on the business day after all amount payable in connection with the Notes have been paid in full.

Treasury Shares Sale

On 5 November 2014 OPG sold 117,980 of its treasury shares to CPI PG at then prevailing market price of EUR 0.37 per share.

Hospitality Transaction

On 19 December 2015, OPG sold its interest in hospitality Mamaison joint venture to CPI PG through transfer of its ownership in Endurance Hospitality Assets S.à r.l. and Endurance Hospitality Finance S.à r.l., entities holding 50 % share in Hospitality Invest S.à r.l. As part of the transaction, OPG sold the receivables (loans) provided to those entities. The transaction price for shares and the receivables was EUR 13.3 million.

Transactions with Scampia, a.s.

In June 2014, the Group had performed financial assets restructuring and consolidation of a number of receivables of related parties. Such receivables of the third parties were assigned to Scampia, a.s., an entity closely associated with Mr. Vítek, in order to simplify related parties transaction structure. Following this operation, the aggregate amount of loans provided by the Group to Scampia, a.s. amounts to EUR 261 million as at 30 June 2015 and bear interest rate between 5-7 % p.a. For more details refer to note 6.6.

Transactions with Materiali, a.s.

In June 2014, Materiali, a.s., an entity closely associated with Mr. Vítek, provided interest bearing loan to the Group. As at 31 December 2014 the nominal value of the loan amounted EUR 1.1 million and accrued interest represented EUR 0.8 million. The loan, denominated in EUR, was repaid in January 2015.

11 Events after the reporting period

11.1 New bonds issued

CPI PROPERTY GROUP bonds

On 20 August 2015, the Company issued new bonds, which mature on 20 August 2025. The nominal value of each bond is EUR 100 thousand. The aggregate principal amount amounts to EUR 170 million. CPI PG bonds bear the fixed interest rate of 5.0 % p.a. Interests are due annually, on 20 August. Bonds were issued as bearer notes in listed form and are governed by Luxembourg law.

CPI 4,75/19 (ISIN CZ0003512782)

On 24 August 2015, the Group issued new bonds CPI 4,75/19. The bonds mature on 24 August 2019. The nominal value of each bond is CZK 10 thousand. The nominal value of issued bonds amounts to CZK 1,335 million (app. EUR 50 million).

CPI 4,75/19 bonds bear the fixed interest rate of 4.75 % p.a. Interests are due quarterly, on 24 February, 24 May, 24 August and 24 November.

Bonds were issued as bearer notes in listed form (registered in the Central Securities Depository, the abbreviation is CPI 4,75/19, ISIN CZ0003512782). The prospectus for the bonds was approved by the Czech National Bank on 1 July 2015, reference number 2015/074029/CNB/570. Bonds were accepted for trading on the Prague Stock Exchange.

APPENDIX I – LIST OF GROUP ENTITIES

Subsidiaries fully consolidated

Company	Country	30 June 2015	31 December 2014
ABLON s.r.o.	Czech Republic	100.00%	100.00%
ABLON sp. z o.o.	Poland	100.00%	100.00%
ACGATE Kft. (1)	Hungary	100.00%	100.00%
Agrome s.r.o.	Czech Republic	99.34%	99.34%
Airport City Kft.	Hungary	100.00%	100.00%
Airport City Phase B Kft. (2)	Hungary	100.00%	100.00%
Airport City s.r.o.	Czech Republic	100.00%	100.00%
ALAMONDO LIMITED	Cyprus	100.00%	100.00%
Angusland s.r.o.	Czech Republic	99.56%	99.56%
Arkáda Prostějov, s.r.o.	Czech Republic	100.00%	100.00%
AVACERO LIMITED	Cyprus	100.00%	100.00%
AVIDANO LIMITED	Cyprus	100.00%	100.00%
Balvinder, a.s.	Czech Republic	100.00%	100.00%
Baudry Alfa, a.s.	Czech Republic	100.00%	100.00%
Baudry Beta, a.s.	Czech Republic	100.00%	100.00%
Baudry, a.s.	Czech Republic	100.00%	100.00%
BAYTON Alfa, a.s.	Czech Republic	100.00%	100.00%
BAYTON Delta, a.s.	Czech Republic	100.00%	100.00%
BAYTON Gama, a.s.	Czech Republic	86.54%	86.54%
BC 30 Property Kft. (3)	Hungary	100.00%	100.00%
BC 91 Real Estate Kft. (4)	Hungary	100.00%	100.00%
BC 99 Office Park Kft. (5)	Hungary	100.00%	100.00%
Beroun Property Alfa, a.s.	Czech Republic	100.00%	100.00%
Beroun Property Development, a.s.	Czech Republic	100.00%	100.00%
Best Properties South, a.s.	Czech Republic	100.00%	100.00%
Biochov s.r.o.	Czech Republic	98.40%	98.40%
Biopark s.r.o.	Czech Republic	100.00%	100.00%
Biopotraviny s.r.o.	Czech Republic	99.20%	99.20%
BPT Development, a.s.	Czech Republic	100.00%	100.00%
Brandýs Logistic, a.s.	Czech Republic	100.00%	100.00%
BREGOVA LIMITED	Cyprus	100.00%	100.00%
Bright Site Kft.	Hungary	100.00%	100.00%
Březiněves, a.s.	Czech Republic	100.00%	100.00%
Budaörs Office Park Kft. (6)	Hungary	100.00%	100.00%
Buy-Way Dunakeszi Kft. (7)	Hungary	100.00%	100.00%
Buy-Way Soroksár Kft. (8)	Hungary	100.00%	100.00%
Camuzzi, a.s.	Czech Republic	100.00%	100.00%
Carpenter Invest, a.s.	Czech Republic	100.00%	100.00%
CB Property Development, a.s.	Czech Republic	100.00%	100.00%
CD Property s.r.o.	Czech Republic	100.00%	100.00%
CENTRAL TOWER 81 Sp. z o.o.	Poland	100.00%	100.00%
Codiazella Ltd	Cyprus	100.00%	100.00%
Conradian, a.s.	Czech Republic	100.00%	100.00%
CPI - Bor, a.s.	Czech Republic	100.00%	100.00%
CPI - Facility, a.s.	Czech Republic	100.00%	100.00%
CPI - Krásné Březno, a.s.	Czech Republic	99.96%	99.96%
CPI - Land Development, a.s.	Czech Republic	100.00%	100.00%
CPI - Orlová, a.s.	Czech Republic	100.00%	100.00%
CPI - Real Estate, a.s.	Czech Republic	100.00%	100.00%
CPI - Štupartská, a.s.	Czech Republic	100.00%	100.00%
CPI - Zbraslav, a.s.	Czech Republic	100.00%	100.00%
CPI Alfa, a.s.	Czech Republic	100.00%	100.00%
CPI Beta, a.s.	Czech Republic	100.00%	100.00%
CPI BYTY, a.s.	Czech Republic	100.00%	100.00%
CPI City Center ÚL, a.s.	Czech Republic	100.00%	100.00%
CPI CYPRUS LIMITED	Cyprus	100.00%	100.00%
CPI Delta, a.s.	Czech Republic	100.00%	100.00%
CPI East, s.r.o.	Czech Republic	100.00%	100.00%
CPI Epsilon, a.s.	Czech Republic	100.00%	100.00%
CPI Facility Slovakia, a.s.	Slovak Republic	100.00%	100.00%
CPI FINANCE (BVI) LIMITED	British Virgin Islands	100.00%	100.00%

Company	Country	30 June 2015	31 December 2014
CPI Finance Ireland II Limited	Ireland	100.00%	--
CPI Finance Ireland Limited	Ireland	100.00%	100.00%
CPI Finance Netherlands B.V.	Netherland	100.00%	100.00%
CPI Finance Netherlands II B.V.	Netherland	100.00%	--
CPI Finance Slovakia, a.s.	Slovak Republic	100.00%	--
CPI Flats, a.s.	Czech Republic	100.00%	100.00%
CPI France, a SASU	France	100.00%	100.00%
CPI Group, a.s.	Czech Republic	100.00%	100.00%
CPI Heli, s.r.o.	Czech Republic	100.00%	100.00%
CPI Hotels Properties, a.s.	Czech Republic	100.00%	100.00%
CPI Hungary Kft.	Hungary	100.00%	100.00%
CPI IMMO, S.a.r.l	France	100.00%	100.00%
CPI Jihlava Shopping, a.s.	Czech Republic	100.00%	100.00%
CPI Lambda, a.s.	Czech Republic	100.00%	100.00%
CPI Management, s.r.o.	Czech Republic	100.00%	100.00%
CPI Meteor Centre, s.r.o.	Czech Republic	100.00%	100.00%
CPI Národní, s.r.o.	Czech Republic	100.00%	100.00%
CPI North, s.r.o.	Czech Republic	100.00%	100.00%
CPI Palmovka Office, s.r.o.	Czech Republic	100.00%	100.00%
CPI Park Mlýnec, a.s.	Czech Republic	100.00%	100.00%
CPI Park Žďárek, a.s.	Czech Republic	99.96%	99.96%
CPI PG Management, S.á r.l	Luxembourg	100.00%	100.00%
CPI Poland Sp. Z o.o.	Poland	100.00%	100.00%
CPI Property, s.r.o.	Czech Republic	100.00%	100.00%
CPI Reality, a.s.	Czech Republic	100.00%	100.00%
CPI Retail MB s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio I, a.s.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio II, a.s.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio III, s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio IV, s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio V, s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio VI, s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio VII, s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio VIII s.r.o.	Czech Republic	100.00%	100.00%
CPI Retails FIVE, a.s.	Slovak Republic	100.00%	100.00%
CPI Retails FOUR, a. s.	Slovak Republic	100.00%	100.00%
CPI Retails ONE, a.s.	Czech Republic	100.00%	100.00%
CPI Retails THREE, a.s.	Slovak Republic	100.00%	100.00%
CPI Retails TWO, a.s.	Czech Republic	100.00%	100.00%
CPI Romania S.R.L. (9)	Romania	100.00%	100.00%
CPI Services, a.s.	Czech Republic	100.00%	100.00%
CPI Shopping MB, a.s.	Czech Republic	100.00%	100.00%
CPI Shopping Teplice, a.s.	Czech Republic	100.00%	100.00%
CPI South, s.r.o.	Czech Republic	100.00%	100.00%
CPI West, s.r.o.	Czech Republic	100.00%	100.00%
CURITIBA, a.s.	Czech Republic	100.00%	100.00%
Czech Property Investments, a.s.	Czech Republic	100.00%	100.00%
Čadca Property Development, s.r.o.	Slovak Republic	100.00%	100.00%
Čáslav Investments, a.s.	Czech Republic	100.00%	100.00%
Českolipská farma s.r.o.	Czech Republic	91.00%	91.00%
Českolipská zemědělská a.s.	Czech Republic	75.00%	75.00%
Český Těšín Property Development, a.s.	Czech Republic	100.00%	100.00%
Děčínská zemědělská a.s.	Czech Republic	65.00%	65.00%
DERISA LIMITED	Cyprus	100.00%	100.00%
Diana Development Sp. Z o.o.	Poland	94.00%	94.00%
Diensehoferovy sady 5 s.r.o.	Czech Republic	94.00%	94.00%
DORESTO LIMITED	Cyprus	100.00%	100.00%
Družstvo Land	Czech Republic	99.96%	99.96%
Ekodružstvo Severozápad, družstvo	Czech Republic	100.00%	100.00%
ELAMOR, a.s.	Slovak Republic	100.00%	100.00%
EMH North, s.r.o.	Czech Republic	100.00%	100.00%
EMH South, s.r.o.	Czech Republic	100.00%	100.00%
EMH West, s.r.o.	Czech Republic	100.00%	100.00%
Endurance Hospitality Asset S.á r.l.	Luxembourg	88.00%	88.00%
Endurance Hospitality Finance S.á r.l.	Luxembourg	88.00%	88.00%
ES Bucharest Development S.R.L.	Romania	100.00%	100.00%

Company	Country	30 June 2015	31 December 2014
ES Bucharest Properties S.R.L.	Romania	100.00%	100.00%
ES Hospitality S.R.L.	Romania	100.00%	100.00%
Europeum Kft. (10)	Hungary	100.00%	100.00%
Farhan, a.s.	Czech Republic	100.00%	100.00%
Farma Ploučnice a.s.	Czech Republic	91.04%	91.04%
Farma Svitavka s.r.o.	Czech Republic	96.75%	96.75%
Farmy Frýdlant a.s.	Czech Republic	65.00%	65.00%
First Site Kft.	Hungary	100.00%	100.00%
FL Property Development, a.s.	Czech Republic	100.00%	100.00%
Fogarasi 3 BC Kft. (11)	Hungary	100.00%	100.00%
GADWALL, Sp. z o.o.	Poland	100.00%	100.00%
GARET Investment Sp. z o.o.	Poland	100.00%	100.00%
GATEWAY Office Park Kft. (12)	Hungary	100.00%	100.00%
Gebauer Höfe Liegenschaften GmbH	Germany	94.75%	94.75%
Gewerbesiedlungs-Gesellschaft mbH	Germany	100.00%	100.00%
GLOBAL INVESTMENT Kft.	Hungary	100.00%	100.00%
GOMENDO LIMITED	Cyprus	100.00%	100.00%
GORANDA LIMITED	Cyprus	100.00%	100.00%
GSG 1. Beteiligungs GmbH	Germany	99.75%	99.75%
GSG Asset GmbH & Co Verwaltungs KG	Germany	99.75%	99.75%
GSG Berlin Invest GmbH (former ORCP Berlin Invest GmbH)	Germany	94.90%	94.90%
GSG Gewerbehöfe Berlin 1. GmbH & Co KG	Germany	99.75%	99.75%
GSG Gewerbehöfe Berlin 2. GmbH & Co KG	Germany	99.75%	99.75%
GSG Gewerbehöfe Berlin 3. GmbH & Co KG	Germany	99.75%	99.75%
GSG Gewerbehöfe Berlin 4. GmbH & Co KG	Germany	99.75%	99.75%
GSG Gewerbehöfe Berlin 5. GmbH & Co KG	Germany	99.75%	99.75%
GSG Gewerbehöfe Berlin 6. GmbH & Co KG	Germany	99.75%	--
GSG Holding 2 GmbH	Germany	100.00%	100.00%
GSG Solar Berlin GmbH	Germany	99.75%	99.75%
GSG Wupperstraße GmbH	Germany	99.75%	--
HD Investment s.r.o.	Czech Republic	100.00%	100.00%
Hightech Park Kft. (13)	Hungary	100.00%	100.00%
Hofnetz und IT Services GmbH	Germany	99.75%	99.75%
Hospitality Invest Sàrl	Luxembourg	94.00%	94.00%
Hotel Pokrovka , org. Unit	Russia	94.00%	94.00%
Hotel Rosslyn Kft.	Hungary	100.00%	100.00%
Hraničář, a.s.	Czech Republic	100.00%	100.00%
IGY2 CB, a.s.	Czech Republic	100.00%	100.00%
Insite Kft.	Hungary	100.00%	100.00%
Isalotta GP GmbH & Co. Verwaltung KG	Germany	95.00%	95.00%
ISTAFIA LIMITED	Cyprus	100.00%	100.00%
ITL Alfa, s.r.o.	Czech Republic	100.00%	--
JAGRA spol. s r.o.	Czech Republic	99.00%	99.00%
Janáčkovo nábřeží 15, s.r.o.	Czech Republic	94.00%	94.00%
Jeseník Investments, a.s.	Czech Republic	100.00%	100.00%
JONVERO LIMITED	Cyprus	100.00%	100.00%
Karviná Property Development, a.s.	Czech Republic	100.00%	--
Kerina, a.s.	Czech Republic	100.00%	100.00%
Komárno Property Development, a.s.	Slovak Republic	100.00%	100.00%
LD Praha, a.s.	Czech Republic	100.00%	100.00%
Lerigos Kft.	Hungary	100.00%	100.00%
LERIEGOS LIMITED	Cyprus	100.00%	100.00%
Limagro s.r.o.	Czech Republic	75.00%	75.00%
Liptovský Mikuláš Property Development, a.s.	Slovak Republic	100.00%	100.00%
LN Est-Europe Development SRL	Romania	100.00%	100.00%
Lockhart, a.s.	Czech Republic	100.00%	100.00%
M3 BC Kft. (14)	Hungary	100.00%	100.00%
Malerba, a.s.	Czech Republic	100.00%	100.00%
MaMaison Bratislava, s.r.o.	Slovak Republic	94.00%	94.00%
Mamaison management, s.r.o.	Czech Republic	94.00%	94.00%
Marissa Delta, a.s.	Czech Republic	100.00%	100.00%
Marissa East, a.s.	Czech Republic	100.00%	100.00%
Marissa Epsilon, a.s.	Czech Republic	100.00%	100.00%
Marissa Gama, a.s.	Czech Republic	100.00%	100.00%
Marissa Ióta, a.s.	Czech Republic	100.00%	100.00%
Marissa Kappa, a.s.	Czech Republic	100.00%	100.00%

Company	Country	30 June 2015	31 December 2014
Marissa Lambda, a.s.	Czech Republic	100.00%	100.00%
Marissa North, a.s.	Czech Republic	100.00%	100.00%
Marissa Omega, a.s.	Czech Republic	100.00%	100.00%
Marissa Omikrón, a.s.	Czech Republic	100.00%	100.00%
Marissa Sigma, a.s.	Czech Republic	100.00%	100.00%
Marissa South, a.s.	Czech Republic	100.00%	100.00%
Marissa Tau, a.s.	Czech Republic	100.00%	100.00%
Marissa Théta, a.s.	Czech Republic	100.00%	100.00%
Marissa West, a.s.	Czech Republic	100.00%	100.00%
Marissa Yellow, a.s.	Czech Republic	100.00%	100.00%
Marissa Ypsilon, a.s.	Czech Republic	100.00%	100.00%
Marissa, a.s.	Czech Republic	100.00%	100.00%
MB Property Development, a.s.	Czech Republic	100.00%	100.00%
Mercuda, a.s.	Czech Republic	100.00%	100.00%
MESARGOSA LIMITED	Cyprus	100.00%	100.00%
MH Bucharest Properties S.R.L	Romania	88.00%	88.00%
Michalovce Property Development, a.s.	Slovak Republic	100.00%	100.00%
MMR Russia S.à r.l	Luxembourg	94.00%	94.00%
Modřanská Property, a.s.	Czech Republic	100.00%	100.00%
MUXUM, a.s.	Czech Republic	100.00%	100.00%
NERONTA, a. s.	Slovak Republic	100.00%	100.00%
New Age Kft. (15)	Hungary	100.00%	100.00%
New Field Kft.	Hungary	100.00%	100.00%
Nymburk Property Development, a.s.	Czech Republic	100.00%	100.00%
OC Futurum Kolín, a.s.	Czech Republic	100.00%	--
OC Nová Zdobov, a.s.	Czech Republic	100.00%	100.00%
OC Spektrum, s.r.o.	Czech Republic	100.00%	100.00%
Office Center Poštová, s.r.o.	Slovak Republic	100.00%	100.00%
Olomouc City Center, a.s.	Czech Republic	100.00%	100.00%
Olomouc Office, a.s.	Czech Republic	100.00%	100.00%
Orco Germany Prague, s.r.o.	Czech Republic	100.00%	100.00%
Orco Germany Sp. z o.o.	Poland	100.00%	100.00%
Orco Hospitality Services Sp. z o.o.	Poland	--	94.00%
Orco Hotel Development Sp. z o.o.	Poland	94.00%	94.00%
ORCO Hotel Management Kft.	Hungary	94.00%	94.00%
Orco Hotel Ostrava, a.s.	Czech Republic	94.00%	94.00%
Orco Hotel Project Sp. z o.o.	Poland	94.00%	94.00%
Orco Hotel Riverside, s.r.o.	Czech Republic	94.00%	94.00%
Orco Hotel, Zrt.	Hungary	94.00%	94.00%
Orco Immobilien Gmbh	Germany	100.00%	100.00%
Orco Investment Sp. z o.o.	Poland	--	94.00%
Orco Pokrovka Management o.o.o.	Russia	94.00%	94.00%
ORCO PROPERTY START, a.s.	Czech Republic	94.00%	94.00%
Orco Warsaw Sp. z o.o.	Poland	94.00%	94.00%
OSMANIA LIMITED	Cyprus	100.00%	100.00%
Ozrics, Kft.	Hungary	94.00%	94.00%
Parco delle Case Bianche SRL	Italy	100.00%	100.00%
Pastviny a.s.	Czech Republic	85.00%	85.00%
Pelhřimov Property Development, a.s.	Czech Republic	100.00%	100.00%
Platněřská 10 s.r.o.	Czech Republic	100.00%	100.00%
Polma 1 S.à r.l	Luxembourg	--	100.00%
Považská Bystrica Property Development, a.s.	Slovak Republic	100.00%	100.00%
Prague Property Development, s.r.o.	Czech Republic	100.00%	100.00%
Prievidza Property Development, a.s.	Slovak Republic	100.00%	100.00%
PRINGIPO LIMITED	Cyprus	100.00%	100.00%
Pro Tower Development S.R.L. (16)	Romania	100.00%	100.00%
Prosta 69 Sp. z o.o.	Poland	100.00%	100.00%
Přibor Property Development, s.r.o.	Czech Republic	100.00%	100.00%
Příkopy Property Development, a.s.	Czech Republic	100.00%	100.00%
PV - Cvikov s.r.o.	Czech Republic	99.30%	99.30%
Quadrio Residence, s.r.o.	Czech Republic	100.00%	100.00%
R40 Real Estate Kft. (17)	Hungary	100.00%	100.00%
Residence Belgická, s.r.o.	Czech Republic	94.00%	94.00%
Residence Izabella, Zrt.	Hungary	94.00%	94.00%
RL - Management s.r.o.	Czech Republic	100.00%	100.00%
RSL Est-Europe Properties SRL	Romania	100.00%	100.00%

Company	Country	30 June 2015	31 December 2014
RSL Real Estate Development S.R.L.	Romania	100.00%	100.00%
Ružomberok Property Development, a.s.	Slovak Republic	100.00%	100.00%
SASHKA LIMITED	Cyprus	100.00%	100.00%
SCTO, Kft.	Hungary	--	100.00%
SHAHEDA LIMITED	Cyprus	100.00%	100.00%
Spojené farmy a.s.	Czech Republic	100.00%	100.00%
ST Project Limited	Guernsey	100.00%	100.00%
Statenice Property Development, a.s.	Czech Republic	100.00%	100.00%
Strakonice Property Development, a.s.	Czech Republic	100.00%	100.00%
Svitavy Property Alfa, a.s.	Czech Republic	100.00%	100.00%
Svitavy Property Development, a.s.	Czech Republic	100.00%	100.00%
Szolgáltatóház Kft.	Hungary	100.00%	100.00%
Telč Property Development, a.s.	Czech Republic	100.00%	100.00%
Trebišov Property Development, s. r. o.	Slovak Republic	100.00%	100.00%
Trutnov Property Development, a.s.	Czech Republic	100.00%	100.00%
Třinec Investments, s.r.o.	Czech Republic	100.00%	100.00%
Třinec Property Development, a.s.	Czech Republic	100.00%	100.00%
TUNELIA LIMITED	Cyprus	100.00%	100.00%
Týniště Property Development, s.r.o.	Czech Republic	100.00%	100.00%
Tyršova 6, a.s.	Czech Republic	94.00%	94.00%
U Svatého Michala, a.s.	Czech Republic	100.00%	100.00%
Valanto Consulting a.s.	Czech Republic	94.00%	94.00%
VERETIX, a.s.	Czech Republic	100.00%	100.00%
Verneřický Angus a.s.	Czech Republic	92.70%	92.70%
Vigano, a.s.	Czech Republic	100.00%	100.00%
Vitericon Projektentwicklung GmbH	Germany	100.00%	100.00%
VM Property Development, a.s.	Czech Republic	100.00%	100.00%
VOLANTI LIMITED	Cyprus	100.00%	100.00%
Vyškov Property Development, a.s.	Czech Republic	100.00%	100.00%
Wertpunkt Real Estate Experts GmbH	Germany	99.75%	99.75%
Zelená farma s.r.o.	Czech Republic	40.00%	40.00%
Zelená louka s.r.o.	Czech Republic	91.00%	91.00%
Zelená pastva s.r.o.	Czech Republic	94.00%	94.00%
ZEMSPOL s.r.o.	Czech Republic	96.54%	96.54%
ZLATICO LIMITED	Cyprus	100.00%	100.00%
ZPS Kft.	Hungary	--	100.00%
Zvolen Property Development, a.s.	Slovak Republic	100.00%	100.00%
Žďár Property Development, a.s.	Czech Republic	100.00%	100.00%
Ždírec Property Development, a.s.	Czech Republic	100.00%	100.00%

- 1) Arena Corner Ingatlanfejlesztő Kft. has merged with ACGATE Kft. (the „successor company“) with the effective date of 30 April 2015. All assets and liabilities of Arena Corner Ingatlanfejlesztő Kft. passed to the successor company.
- 2) New Sites Ingatlanforgalmazó changed its name Airport City Phase B Kft. with the effective date of 1 April 2015.
- 3) B.C.P. Ingatlanfejlesztő changed its name BC 30 Property Kft. with the effective date of 1 April 2015.
- 4) Global Development Ingatlanbefektetési changed its name BC 91 Real Estate Kft. with the effective date of 1 April 2015.
- 5) ICL Budapest Ingatlankezelő és Építési Tanácsadó changed its name BC 99 Office Park Kft. with the effective date of 1 April 2015.
- 6) HUNGATE 2013 Kft. changed its name Budaörs Office Park Kft. with the effective date of 1 April 2015.
- 7) Century City Ingatlanbefektetési changed its name Buy-Way Dunakeszi Kft. with the effective date of 1 April 2015.
- 8) Stripmall Management Ingatlanbefektetési changed its name Buy-Way Soroksár Kft. with the effective date of 1 April 2015.
- 9) DH Est Europe Real Estate S.R.L. changed its name CPI Romania S.R.L. with the effective date of 18 May 2015.
- 10) Duna office Center Ingatlankezelő changed its name Europeum Kft. with the effective date of 1 April 2015.
- 11) Global Properties Ingatlanbefektetési changed its name Fogarasi 3 BC Kft. with the effective date of 1 April 2015.
- 12) Global Immo Ingatlanbefektetési changed its name GATEWAY Office Park Kft. with the effective date of 1 April 2015.
- 13) Global Center Ingatlanbefektetési changed its name Hightech Park Kft. with the effective date of 1 April 2015.
- 14) Global Estates Ingatlanbefektetési changed its name M3 BC Kft. with the effective date of 1 April 2015.
- 15) Global Management Ingatlanbefektetési changed its name New Age Kft. with the effective date of 1 April 2015.
- 16) Ablon Bucharest Real Estates Development S.R.L. changed its name Pro Tower Development S.R.L. with the effective date of 21 April 2015.
- 17) First Chance Ingatlanbefektetési changed its name R40 Real Estate Kft. with the effective date of 1 April 2015.