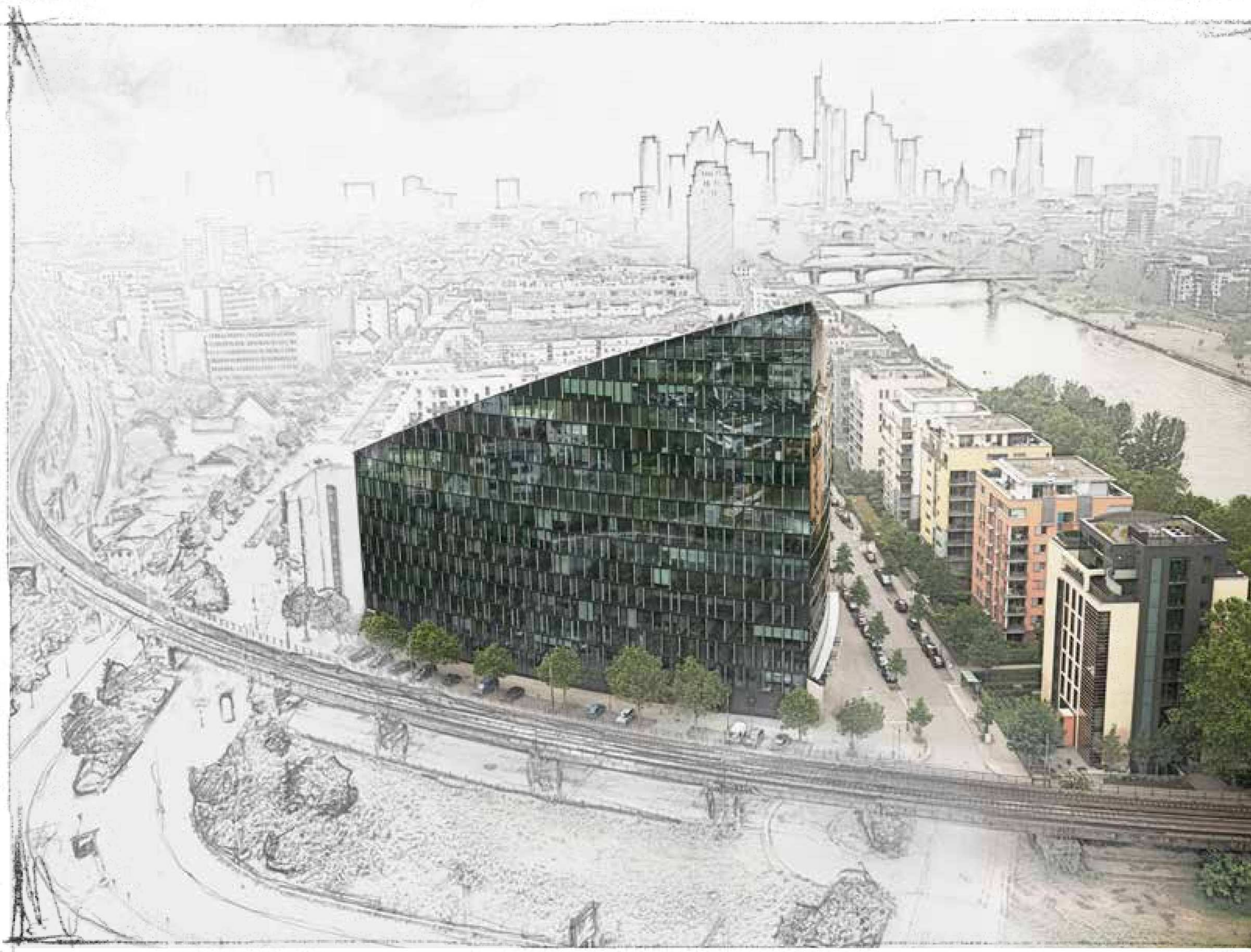
INTERIM FINANCIAL REPORT 2016



WCM

Beteiligungs- und Grundbesitz-AG

GROUP KEY FIGURES IN ACCORDANCE WITH IFRS

WCM KEY INCOME FIGURES kEUR	1 JANUARY - 30 JUNE 2016	1 JANUARY - 30 JUNE 2015	CHANGE ABSOLUTE	CHANGE %
Rental income	15,442	2,193	13,249	>100%
Net rental income	14,321	2,125	12,196	>100%
Net profit	13,372	785	12,587	>100%
FFO I	8,301	221	8,080	>100%
FFO I per share (in EUR)	0.07	0.01	0.06	>100%
FFO II	9,100	n/a	n/a	n/a
FFO II per share (in EUR)	0.08	n/a	n/a	n/a
Earnings per share, basic	0.11	0.02	0.09	>100%
Earnings per share, diluted	0.11	0.02	0.09	>100%

WCM KEY BALANCE SHEET RATIOS kEUR	30 JUNE 2016	31 DECEMBER 2015	CHANGE ABSOLUTE	CHANGE %
Investment properties	575,569	505,731	69,838	13.8
Total equity and liabilities	659,123	550,924	108,199	19.6
Equity[1]	309,605	269,582	40,023	14.8
Financial Liabilities	325,970	264,131	61,839	23.4
Net loan-to-value (LTV), %	50.1	50.0	0.1	0.2
EPRA NAV	334,938	290,608	44,330	15.3
EPRA NAV per share (in EUR)	2.54	2.38	0.16	6.6
EPRA NNNAV per share (in EUR)	2.19	2.22	-0.03	-1.4

[1] *Including minority interests*

KEY PORTFOLIO FIGURES	30 JUNE 2016	31 DECEMBER 2015
Number of properties	49	49
Lettable area	271,056 m²	293,986 m²
Annualised rental income in (kEUR)	33,725	31,533
EPRA net initial yield (NIY) in percent	5.3	5.6
EPRA vacancy rate in percent	4.1	4.8
Weighted average remaining lease time (WALT) in years	9.4	9.4
Average cost of debt in percent	2.0	2.1

By segment as of 30 June 2016	OFFICE	RETAIL
Number of properties	12	37
Lettable area	113,985 m²	157,071 m²
Annualised rental income in (kEUR)	18,147	15,578
EPRA vacancy rate in percent	6.9	0.7
Weighted average remaining lease time (WALT) in years	8.4	10.6

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LETTER FROM THE EXECUTIVE BOARD

Stavros Efremidis / CEO

Ralf Struckmeyer / CFO

Dear Shareholder,

Dear Sir or Madam,

WCM AG has steadily grown in the 1st half of 2016. We have strengthened our internal structures and business processes further and successfully expanded our real estate portfolio. As of June 30 2016 our portfolio comprised 49 properties with a current market value of EUR 575.6 million. Thus we were able to expand our portfolio in the past six months by approx. EUR 70 million.

Our active portfolio management is reflected in the reduction of our EPRA vacancy rate from 4.8 percent at the end of 2015 to currently 4.1 percent. The annualized rental income rose from EUR 31.5 million to EUR 33.7 million, the weighted average remaining lease term (WALT) remained at 9.4 years, unchanged from six months ago. Our financing structure was further optimized: With a net loan-to-value of 50.1 percent, our real estate portfolio is financed with an average interest rate of only 2.0 percent. In summary our company has an above-average property portfolio with an optimal financing structure.

At the end of the 2nd Quarter 2016, we acquired 94.9 percent of a retail center in Straubing, Bavaria, for a purchase price of EUR 54.8 million through issuing new shares. The asset was paid in its entirety via newly issued shares.

Our consistent goal is to grow through further acquisitions. Our focus on office and retail properties is unchanged, as well as the strategic specialization in properties in the categories Core, Core + and in individual cases, value-add. We use our expertise in optimizing the tenant mix and reducing vacancy. For the current fiscal year, we are confident that we will close several further transactions that are currently under negotiations.

Our major strategic objectives are unchanged: profitable growth measured through a rising net asset value and FFO. During the first half of 2016 we have further increased the EPRA NAV compared to the year end of 2015. We increased EPRA NAV by around 15 percent to EUR 335 million. Funds from Operations, FFO, rose to EUR 8.3 million as compared to EUR 0.2 million for the same period in 2015.

Consolidated earnings improved significantly from EUR 0.8 million to EUR 13.4 million. The major driver to achieve these results are growing rental revenues, which increased from EUR 2.2 million to EUR 15.4 million. Other determinants which impacted the results were non-recurring expenses in the course of expanding our portfolio and non- one-off effects. After adjusting the result by income from investment revaluation, non-recurring expenses and one-off effects we were able to increase our result (before taxes) from EUR 0.2 million in Q2 2015 to EUR 8.6 million.

The operational success of WCM is rewarded by the capital markets. With a gain of about 22 percent as of June 30 2016, the WCM share price has outperformed the German and international indices. In the same period, DIC Asset AG has acquired a 24,9 percent stake in WCM.

Due to the positive business performance during the 1st half-year 2016, we are well-positioned to meet our annual forecast. Based on this, we are targeting to pay out a dividend next year.

We would like to thank the employees of WCM for their outstanding commitment to the development of our company. In addition, we would like thank our long-term shareholders and the new investors for their support and look forward to jointly taking the next steps in developing our company.

Yours sincerely,

Stavros Efremidis
CEO of WCM AG

Ralf Struckmeyer
and CFO of WCM AG

THE PORTFOLIO OF WCM

Frankfurt/Main

Zum Laurenburger Hof 76

WCM's portfolio developed constantly over the first six months. With two additions and four disposals, the portfolio was optimised following the significant expansion in the previous year. The additions related to two retail properties in Göppingen and Straubing. The aim of these strategic acquisitions was to maintain the balance of the portfolio between Office and Retail properties with a view to the portfolio as a whole. Through active asset management, new or extended leases can be concluded at the specialist retail centre in Straubing, thereby generating additional value.

HEININGER STRASSE, 73037 GÖPPINGEN

PROPERTY TYPE:	DIY store
MARKET VALUE:	EUR 24.1 million
RENTAL INCOME:	n/a*
GROSS INITIAL YIELD:	n/a*
RENTAL AREA:	13,481 m²
REMAINING TERM (AT JUNE 2016):	14.5 years
STRATEGY:	Hold

HEBBELSTRASSE 14B, 94315 STRAUBING

PROPERTY TYPE:	Specialist retail centre
MARKET VALUE:	EUR 55.6 million
RENTAL INCOME:	EUR 3.5 million
GROSS INITIAL YIELD:	6.4 %
RENTAL AREA:	35,178 m²
REMAINING TERM (AT JUNE 2016):	5.3 years
STRATEGY:	Value-add (new/extended leases)

** No disclosures on rental income for competitive reasons*

All in all, the four disposals generated an above-average net gain. In particular, the sale of the property in Bremerhaven means that the future focus of the portfolio has been placed on the Retail and Office segments, while the non-cash contribution in connection with the restart in late 2014 has been largely converted into cash. The other three disposals related to smaller office properties in Dresden and Frankfurt/Main that did not fit the strategy. These properties formed part of the North Portfolio, ownership of which was obtained in late December 2015. The three properties from this portfolio were successfully sold at 26% above their carrying amount as of December 2015[1]. The four transactions underline the fact that WCM is a successful player on the real estate market that can buy and sell properties at attractive conditions.

[1] *Excluding transaction costs*

In the area of asset management, a large number of new or extended lease contracts were concluded in the first six months. The EPRA vacancy rate is at a low 4.1% and was positively influenced in particular by the new leases in Bonn, at the Prohlis Center in Dresden, and in Straubing. Extensions at improved conditions were concluded in Mainz and Neu-Isenburg, thereby clearly underlining the quality of WCM's property locations. The new leases of around 2,000 m² will generate annualised rent of around kEUR 260. The extended leases of 3,800 m² were concluded with annualised rent of EUR 600 thousand. The analysis does not include the almost 1,000 m² in Bremerhaven that made a positive contribution to the disposal. Around 800 m² was terminated and is being actively offered on the rental market.

As well as the changes to the portfolio, the Company's other key figures also developed positively:

KEY PORTFOLIO FIGURES	30 JUNE 2016	31 DECEMBER 2015
Number of properties	49	49
Lettable area	271,056 m²	293.986 m²
Annualised rental income in (kEUR)	33,725	31.533
EPRA net initial yield (NIY) in percent	5.3	5,6
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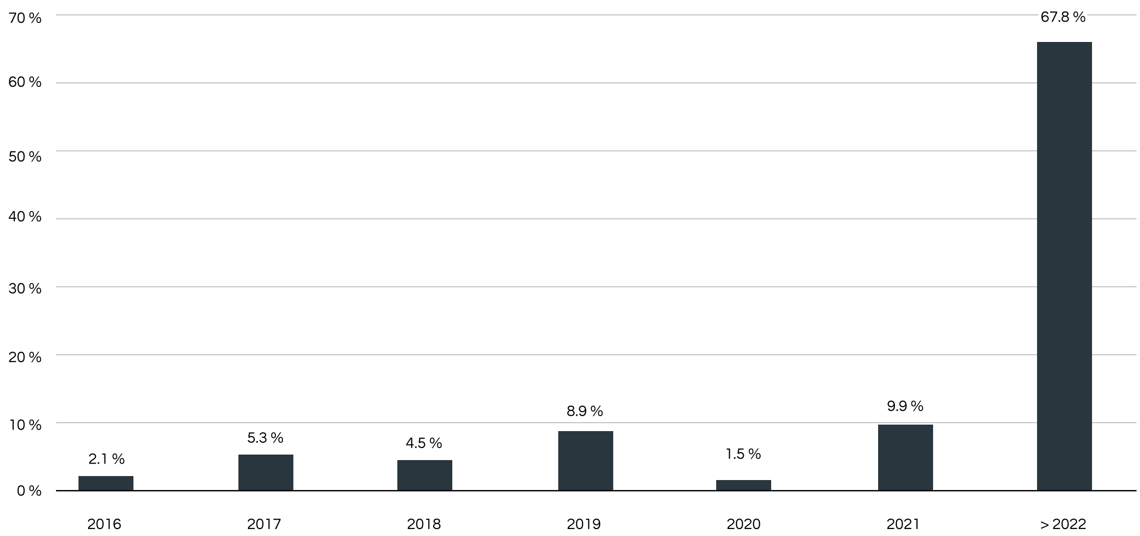
Weighted average remaining lease time (WALT) in years	9.4	9.4
Average cost of debt in percent	2.0	2.1

By segment as of 30 June 2016	OFFICE	RETAIL
Number of properties	12	37
Lettable area	113,985 m²	157,071 m²
Annualised rental income in kEUR	18,147	15,578
Portfolio value in kEUR	233,609	341,960
Gross initial yield in percent	5.3	6.7
Average rent p.m. in EUR/m²	14.40	8.47
EPRA vacancy rate in percent	6.9	0.7
Weighted average remaining lease time (WALT) in years	8.4	10.6

With its current portfolio and long weighted average lease term, WCM has a unique selling proposition compared with its peer group. The proportion of lease expiries as a percentage of total rental income is secured for the long term and offers ideal foundations for continued growth.

LEASE EXPIRIES AS % OF TOTAL RENT



The tenant structure of the portfolio is ideally divided between the Office and Retail usage types. The ten largest tenants in the portfolio are all high-profile German and foreign companies.

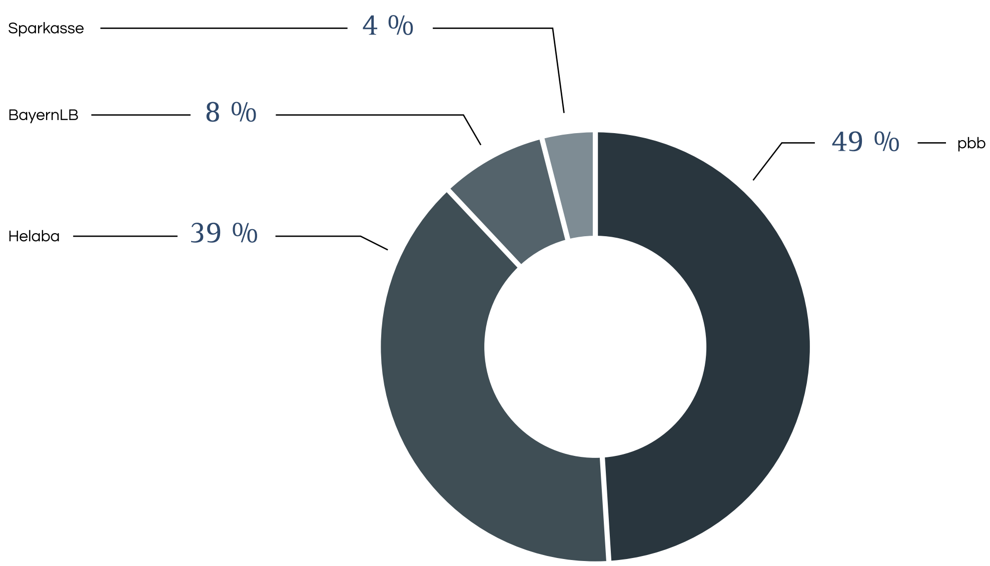
TENANT	RENTAL INCOME in EUR million	NET BASIC RENT in %	RENTAL AREA in m²	WALT in years
EDEKA	n/a*	n/a*	85,041	13.4
State of Hessen	3.4	10.1	16,698	23.3
OBI	n/a*	n/a*	22,403	14.1
Randstadt Deutschland	1.7	5.2	9,855	4.4
General Electric	1.6	4.6	5,855	6.5
PSI AG	1.5	4.5	9,559	5.8
DuPont de Nemours	1.1	3.4	6,768	6.3
Kaufland	n/a*	n/a*	7,315	3.3
Kombiverkehr	0.8	2.3	4,401	7.5
Accovion	0.8	2.2	4,064	4.7
Top 10 tenants	**22.2**	**65.8**	**171,959**	**11.9**
Other	11.5	34.2	99,097	4.6
Total	**33.7**	**100.0**	**271,056**	**9.4**

** No disclosures on rental income for competitive reasons*

The financing of the portfolio is secured for the long term. At the reporting date, the average fixed interest rate for the loan portfolio was over six years, taking advantage of the favourable market interest rate at present and resulting in an average interest rate of 2.0%. The average repayment for the portfolio as a whole is 2.2%. WCM works together with Germany's leading property finance banks.

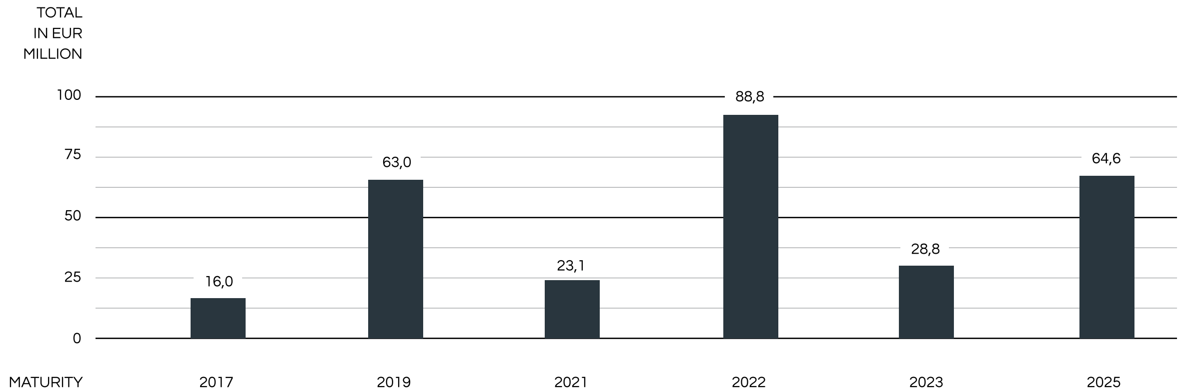
The outstanding debt over five years is 72%. The Company's bank structure is as follows:

BANK STRUCTURE



The Company's financing requirements as of 30 June 2016 are as follows:

REFINANCING REQUIREMENTS (RESIDUAL DEBT ON THE DATE OF MATURITY)



EPRA KEY PERFORMANCE INDICATORS AT A GLANCE

The European Public Real Estate Association (EPRA) represents the interests of European listed real estate companies. WCM AG joined EPRA at the beginning of 2016 as a member with the aim to fully comply with all regulatory and reporting standards in the industry. EPRA defines industry-wide and Europe-wide key performance indicators that allow investors and analysts to compare real estate companies in Europe. WCM AG was added to the FTSE EPRA/NAREIT Global Developed Index on 20 June 2016, reflecting the level of interest among institutional and private investors.

EPRA KEY PERFORMANCE INDICATORS AT A GLANCE kEUR	30 JUNE 2016
EPRA NAV	334,938
EPRA NAV per share (in EUR)	2.54
EPRA earnings	5,160
EPRA NNNAV	288.343
EPRA net initial yield (NIY) in %	5.3
EPRA vacancy rate in %	4.1

Frankfurt/Main
Bleichstraße 64-66

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Zum Laurenburger Hof 76

EPRA EARNINGS

The EPRA earnings calculation is a methodology for evaluating the underlying operating income of a real estate company that earns most of its income through the leasing and management of real estate. The earnings before minority interests form the basis and are adjusted for EPRA defined positions. In particular, fair value gains, real estate disposals and other non-real estate specific inputs and outputs are eliminated and adjusted for the minority accordingly.

EPRA EARNINGS kEUR	30 JUNE 2016
Net income	13,372
Result of revaluation of investment properties	-14,158
Result of investment property disposals	0
Result of 'held for sale' disposals	-799
Taxes on profits or losses on disposals	0
Capitalised losses carried forward (not an EPRA requirement)	-777
Deferred and actual tax in respect of EPRA adjustments	4,548
Non-controlling interests in respect of the above	-677
EPRA earnings	**1,509**
Exceptional item	3,651
Adj. EPRA earnings	5,160
Average number of shares in the period (thousands)	121,328
EPRA earnings per share (EUR)	0.01
Adj. EPRA earnings per share (EUR)	0.04

EPRA NET ASSET VALUE (NAV)

EPRA NAV is a key figure for determining the net asset value of a real estate company, assuming a traditional real estate business model. The general assumption for this KPI is the long-term ownership of the real estate investments without any disposals. For this reason, deferred taxes on revaluation of investment properties are eliminated and reduce the tax liability. In addition, financial instruments that are held until maturity are excluded. WCM AG did not conclude any financial instruments in the first half of 2016. All other positions and assets, including properties that are held for sale, finance leases and other short-term investments are adjusted to their fair value.

EPRA NET ASSET VALUE (NAV) kEUR	30 JUNE 2016
Diluted equity (after exercise of options and convertible bonds)	309,605
Result of revaluation of trading properties (IAS 2)	810
Deferred tax	24,522
EPRA net asset value (NAV)	**334,938**
Number of shares including exercise of mandatory convertible bond	131,965
EPRA net asset value (NAV) per share	**2.54**

EPRA TRIPLE NET ASSET VALUE (NNNAV)

EPRA triple NAV is based on the same calculation method as EPRA NAV, but includes the fair value of deferred tax and other financial liabilities as well as financial instruments. The KPI can be considered as current snapshot in terms of net asset value of the Company. NNNAV follows a similar methodology but re-adjusts for the current fair value and market value of deferred taxes and other financial instruments.

EPRA TRIPLE NET ASSET VALUE (NNNAV) kEUR	30 JUNE 2016
EPRA net asset value (NAV)	334,938
Fair value of debt	-22,073
Deferred tax	-24,522
EPRA triple net asset value (NNNAV)	**288.343**
Number of shares including exercise of mandatory convertible bond	131,965
EPRA triple net asset value (NNNAV) per share	**2.19**

EPRA NET INITIAL YIELD (NIY)

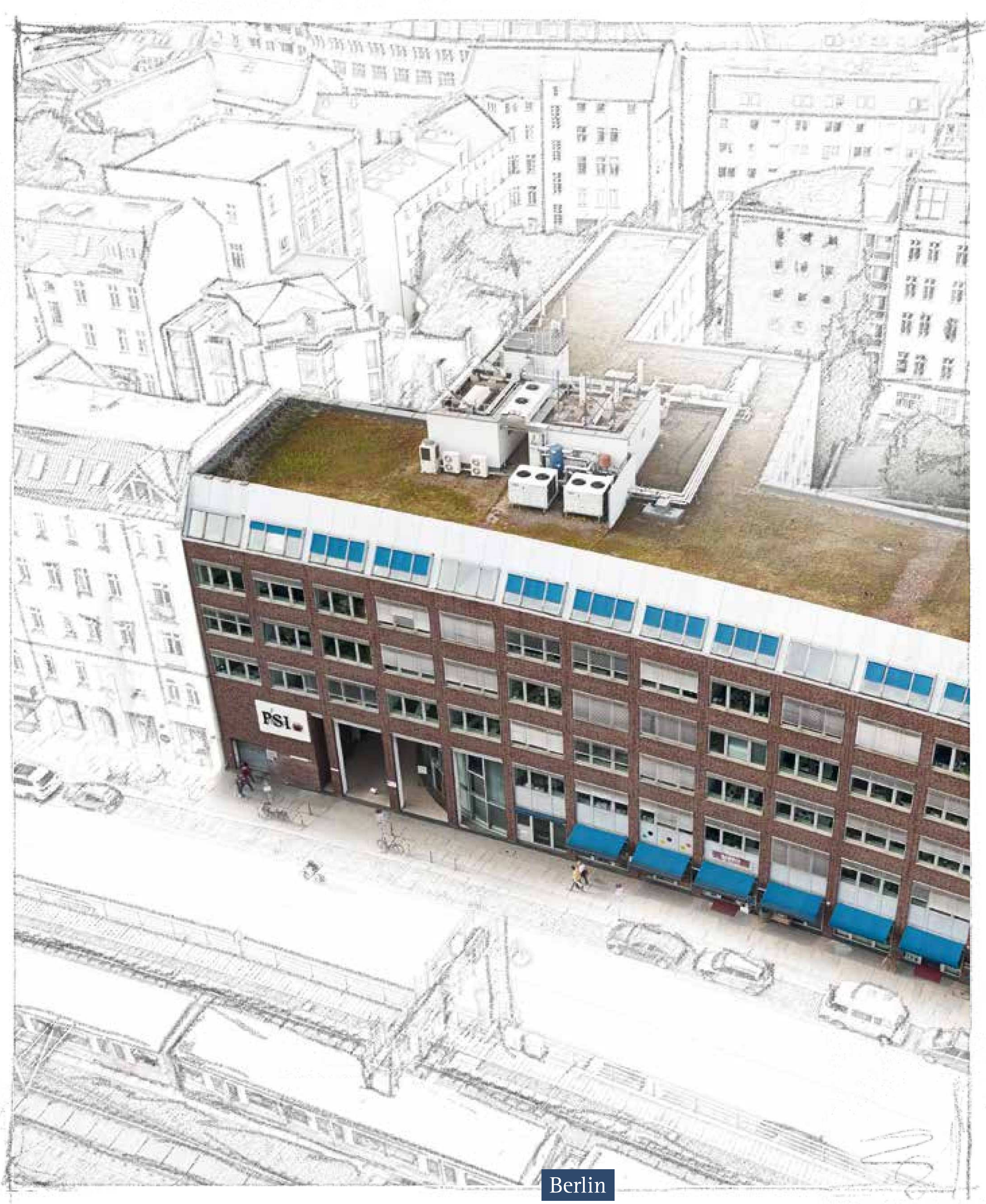
EPRA net initial yield (NIY) is a KPI that measures the percentage return based on the annualised rental income less the non-recoverable operating costs (i.e. service fees, property taxes, ground rents, etc.) divided by the gross market value of the portfolio including all transaction costs that occurred.

EPRA NET INITIAL YIELD (NIY) in TEUR	30 JUNE 2016
Investment property	574,989
Trading property 'held for sale'	1,390
Net market value of portfolio	**576,379**
Transaction costs	25,456
Gross market value of portfolio	**601,835**
Annualised rental income	33,725
Property outgoings	-2,037
Annualised net rental income	**31,688**
EPRA net initial yield	**5.3**

EPRA VACANCY RATE

The EPRA vacancy rate is based on the average rent applied to the vacant space in the total portfolio divided by the total rental income (including the potential rent) of the portfolio. The KPI differentiates itself from the traditional square metre calculation in that it allows a more detailed analysis of the vacancy of a portfolio.

EPRA VACANCY RATE kEUR	30 JUNE 2016
Rental income for vacant areas	1,456
Annualised rental income	35,182
EPRA vacancy rate in %	**4.1**



Berlin
Dircksenstraße 42

WCM AND THE CAPITAL MARKETS

The development of the business and the positive outlook in the German real estate market were reflected in a 22 percent increase of the share price of WCM AG since the beginning of the year. Since WCM joined the SDAX of Deutsche Börse AG in December 2015, the company has received strong interest and demand from both institutional and foreign investors.

In the first half of 2016, the German stock market slowly recovered initial losses due to the continuous expanding monetary policy of the European Central Bank. On 30 June 2016 the DAX closed at 9,680.09 points - a decline of around 10 percent since the year-end 2015. The SDAX index closed at 8,782.23 points, 3.5 percent weaker than at the beginning of the year.

On 20 June 2016, WCM concluded a capital increase for the acquisition of a retail center in Straubing. In total 10,000,000 new no-par shares under the exclusion of subscription rights were issued to the vendor at a price of EUR 2.80 per share. The company's share capital increased by 8.3 percent to EUR 130.772.500. The new shares from the capital increase are entitled to a dividend from 1 January 2016.

The successful business development in the first half of 2016 was also associated with higher trading volumes in the WCM shares. In 2015 the combined average daily trading volume on all German stock exchanges was 375,335. In the first half of 2016 the average daily trading volume stood at 578,462 shares. In addition, almost 87 percent of the combined volume was executed via XETRA with an average of 501,761 WCM shares per day.

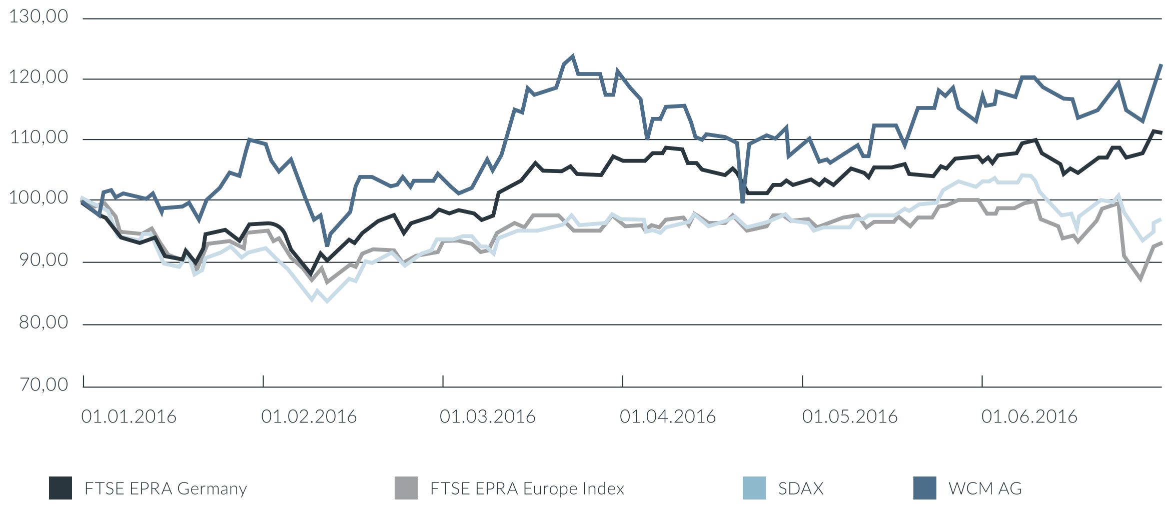
The shareholder structure of WCM AG is as follows: After DIC Asset AG's stake purchase in February 2016, DIC Asset AG is holding a stake of 24.6 percent as of 30 June 2016. The free float is 60.6 percent. Along with CEO Stavros Efremidis who currently owns 2.6 percent of WCM shares, 6.1 percent are held by the shareholders Karl P. Ehlerding and John Ehlerding. In addition, Karl Ehlerding - who is Member of the Supervisory Board of WCM since 1985 - acquired shares worth total 595,308 euros at the end of April.

Equinet Bank AG and Oddo Seydler Bank AG, two prestigious local German Banks, are designated sponsors of WCM. WCM is part of the regulated market and since 8 July 2015 also listed on the Prime Standard, offering the highest level of transparency for the German Stock Exchange.

For WCM, Investor Relations has a very high priority. Accordingly, the company regularly communicates with institutional and private investors, analysts and the financial press.

WCM is seeking active and trusting relationship with investor relations activities. The company presents itself regularly at major investor and industry conferences. In the first six months 2016, WCM participated at the Oddo Seydler Small & Mid Cap Forum in Frankfurt, the MIPIM in Cannes, a J.P. Morgan roadshow in London and the DVFA Spring Conference in Frankfurt. In addition, the Management Board went on several national and international roadshows.

The company and the shares of WCM are analyzed by various research companies: Berenberg, Equinet, First Berlin, Oddo Seydler and SRC Research. The target prices range from EUR 3.15 to EUR 3.90 with the recommendations of „buy“ and „Accumulate“. The studies of analysts are available on the company's investor relations page.



DATA ON THE WCM SHARE

Sector	Commercial Property
SIN/ISIN	A1X3X3 / DE000A1X3X33
Ticker symbol:	WCMK
Nominal share capital:	EUR 130.772.500
Number of stocks:	130.772.500
High / low 1st half 2016	EUR 3,282 / 2,47
Closing price June 30, 2016	EUR 3,24
Closing price December 30, 2015	EUR 2,66
Market capitalization 30 June 2015	EUR 321,1 m
Market capitalization 30 June 2016	EUR 423,7 m
Market segment:	SDAX, Prime Standard
Designated Sponsor:	Oddo Seydler Bank AG, Equinet Bank AG
Stock exchanges:	Xetra, Frankfurt, München, Berlin, Düsseldorf, Hamburg, Stuttgart

Neu Isenburg
Hugenottenallee 167

INTERIM GROUP MANAGEMENT REPORT

MACROECONOMIC SITUATION AND SITUATION IN THE GERMAN REAL ESTATE INDUSTRY

The German economy continued on a moderate growth path in the second quarter of 2016 despite the Brexit vote in the United Kingdom. The economic barometer of the German Institute for Economic Research (DIW) recorded average growth of around 0.3 percent. The growth outlook for the third quarter is similar. However, the manufacturing industries expect their sales market to increasingly weaken in the near future as a result of the impact of the Brexit decision on German exports as well as the depreciation of the pound sterling, which could curb demand for German products. On the other hand, private consumption will continue to enjoy positive development. This is reflected in particular by the low levels of unemployment and above-inflation wage growth. The pension increase midway through the year is expected to provide an additional boost to consumer spending.

With regard to the real estate industry, Brexit could lead to increased demand for German properties, thereby having a positive impact in the medium to long term. However, for the time being the financial markets are showing signs of greater uncertainty, meaning that the European Central Bank is unlikely to change its policy of low interest rates in the medium term. According to JLL, the transaction volume for commercial properties in the first half of 2016 was around EUR 18 billion, down 25 percent on the same period of the previous year. This was primarily due to the sharp reduction in available properties. In terms of yields, office properties in major German cities are now expected to generate a net initial yield of 3.9 percent. The yield requirement for retail properties, and particularly specialist stores, is around 5.5 percent. However, yield compression is being accompanied by new all-time highs on the office rental market as a result of the drive for expansion and property optimisation. Take-up of office space is constantly high at 17 percent above the five-year average.

COURSE OF BUSINESS

PROPERTY ACQUISITIONS

With the transfer of ownership rights, benefits and obligations on 30 March 2016, a DIY store in Göppingen with a long-term lease contract was acquired for a purchase price of EUR 22 million. Ancillary acquisition costs of kEUR 1,188 were incurred in connection with the transaction.

In addition, a retail centre in Straubing was acquired for around EUR 55 million on 20 June 2016 as part of a share deal (94.9 percent). The retail centre, which encompasses around 35,000 m² of space, currently generates annual rental income of around EUR 3.5 million. The sellers contributed their shares to the Company as a non-cash contribution in connection with a non-cash capital increase.

PROPERTY DISPOSALS

The property held for sale in Radebeul, Hauptstrasse 24 (Office/Retail), was sold with the transfer of ownership rights, benefits and obligations on 1 January 2016, generating proceeds of kEUR 2,550.

In connection with the disposal of the industrial property in Bremerhaven, the general partner company Seebeck Verwaltung GmbH, Bremerhaven, and the property company Seebeck Offshore Industriepark GmbH & Co. KG, Bremerhaven, were sold as part of share deals. The companies were sold at a purchase price of kEUR 30 and kEUR 13,810 respectively (including the liabilities taken over). They were sold to the Supervisory Board member Karl Ehlerding. The purpose of the property sale was to ensure that the portfolio structure is focused on office and retail assets. The property was sold on 16 May 2016.

In addition, the property held for sale in Frankfurt/Main, Niddagaustrasse 32-38 (Office), was sold with the transfer of ownership rights, benefits and obligations on 13 May 2016 for a purchase price of kEUR 4,425.

The property held for sale in Dresden, Marsdorfer Strasse 5 (Office), was sold on 30 June 2016 for a purchase price of kEUR 900.

NON-CASH CAPITAL INCREASE

On 20 June 2016, the Executive Board and the Supervisory Board resolved a non-cash capital increase from authorised capital in connection with the acquisition of the retail centre in Straubing. A total of 10,000,000 new no-par value bearer shares were issued with shareholders' subscription rights disapplied. The sellers of the retail centre contributed their combined 94.9 percent share in the property company as a non-cash contribution. Consideration of EUR 2.80 per share was applied.

The share capital of the Company increased by 8.3 percent to EUR 130,772,500 as a result.

FINANCING

On 6 January 2016, the last tranche of the Green Portfolio was disbursed in the amount of kEUR 15,595. The portfolio was acquired in the 2015 fiscal year.

On 8 and 19 January 2016, two loan disbursements (tranche A and B) totalling kEUR 70,750 were made for the North Portfolio that was acquired in December 2015.

On 29 February 2016, a loan in the amount of kEUR 19,725 was taken out to refinance the property acquired in 2015 in Berlin, Dircksenstrasse.

A loan in the amount of kEUR 14,300 was taken out to finance the OBI DIY Store in Goppingen, which was acquired on 31 March 2016.

In connection with the acquisition of the retail centre in Straubing, a loan in the amount of EUR 36 million was taken over; EUR 10.5 million of this loan was repaid as part of the closing of the transaction, meaning that the remaining loan amount as of 30 June 2016 was EUR 25.5 million.

CHANGES IN THE WCM EXECUTIVE BOARD

On 26 April 2016, the Supervisory Board terminated the existing contract of employment with the CEO, Stavros Efremidis, with effect from 30 April 2016 and concluded a new contract of employment with effect from 1 May 2016 until 30 April 2021.

In addition, Ralf Struckmeyer was appointed to the WCM Executive Board with effect from 5 May 2016 until 30 April 2019. Mr. Struckmeyer assumes responsibility for finance from the previous CFO, Frank Roseen, who stepped down from his position by mutual agreement on 5 May 2016. Mr. Struckmeyer received an option to purchase 400,000 no-par value shares.

The termination agreement dated 5 May 2016 grants Mr. Roseen an option to purchase 400,000 no-par value shares. No other severance arrangements were made. The contract of employment ends on 31 July 2016.

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

RESULTS OF OPERATIONS

The Group's results of operations in the first half of 2016 were as follows:

kEUR	H1 2016	H1 2015
Net rental income	14,321	2,125
Net gain/loss from sale of property	799	0
Other operating expenses and income	-9,010	-4,186
Operating profit/loss (EBITDA)	**6,110**	**-2,061**
Depreciation expense	-666	-151
Operating profit/loss (EBIT)	**5,443**	**-2,212**
Net income from real estate valuation	14,158	3,938
Net finance costs	-3,716	-468
Total comprehensive income before taxes (EBT)	**15,885**	**1,258**
Income taxes	-2,513	-473
Profit or loss for the period	**13,372**	**785**

Consolidated profit for the period increased primarily as a result of the larger property portfolio compared with the same period of the previous year. Positive measurement effects also contributed to the substantial growth. By contrast, consolidated total comprehensive income was adversely affected by non-recurring effects and exceptional items.

Adjusted for non-recurring effects, exceptional items and measurement effects, consolidated total comprehensive income developed as follows:

in TEUR	H1 2016	H1 2015
Total comprehensive income before taxes (EBT)	**15,885**	**1,258**
Non-recurring expenses	3,183	2,898
Net income from real estate valuation	-14,158	-3,938
Other non-cash exceptional items	3,651	0
Adjusted total comprehensive income before taxes	**8,562**	**218**

Non-recurring expenses relate in particular to transaction and financing costs for acquisition projects as well as non-recurring projects.

Other non-cash exceptional items primarily comprise adjustments to items of the statement of financial position recognised in profit or loss for the North Portfolio, which was acquired in late 2015. This mainly relates to corrections to the value of other assets following a detailed review in the first half of 2016. As these items were not relevant to the purchase price, this only constitutes a technical correction to the relevant carrying amounts with no economic impact.

Non-cash exceptional items also include non-cash expenses for the stock option programme and for loan amortisation.

NET RENTAL INCOME

kEUR	H1 2016	H1 2015
Rental income	15,442	2,193
Non-apportionable operating costs	-328	0
Maintenance expenses	-245	-21
Other rental expenses	-547	-47
Net rental income	**14,321**	**2,125**

Rental income increased primarily as a result of the larger property portfolio compared with the same period of the previous year. This also led to a corresponding increase in current management expenses.

NET GAIN/LOSS FROM SALE OF PROPERTY

In the first half of the 2016 fiscal year, three properties in Radebeul, Dresden and Frankfurt/Main were sold as part of asset deals. This resulted in proceeds of kEUR 7,875. This figure was offset by disposals in the amount of kEUR 6,241 and selling expenses of kEUR 835.

OPERATING EXPENSES

Operating expenses can be broken down as follows:

kEUR	H1 2016	H1 2015
Staff costs	-2,511	-436
Other operating expenses	-7,299	-3,899
Operating expenses	**-9,809**	**-4,335**

The higher level of staff costs was due to the increased workforce compared with the previous year. Staff costs also contain non-cash expenses for the stock option programme in the amount of kEUR 621.

At the end of the first half of 2016, the Company had 27 salaried employees (previous year: nine) in addition to the two members of the Executive Board (previous year: one). The contract with Mr. Roseen also runs until 31 July 2016.

The increase in other operating expenses is attributable in particular to non-recurring expenses and exceptional items.

NET FINANCE COSTS

kEUR	H1 2016	H1 2015
Interest income	58	15
Interest expenses	-3,452	-483
Loan amortisation	-322	0
Net finance costs	**-3,716**	**-468**

The increase in interest expenses was due to the growth in the property portfolio and the resulting significantly higher loan portfolio. This item includes non-recurring expenses for an acquired portfolio in the amount of kEUR 262.

Expenses for loan amortisation relate to non-cash loan discounting under the effective interest method in accordance with IFRS.

INCOME TAXES

Income taxes in the first half of 2016 primarily contained non-cash expenses and income for deferred taxes in the amount of kEUR -2,385 (H1 2015: kEUR -457).

FUNDS FROM OPERATIONS (FFO)

The key performance indicator FFO developed as follows in the first half of 2016:

kEUR	H1 2016	H1 2015
Profit or loss for the period	**13,372**	**785**
Profit or loss on disposals	-799	0
Depreciation expense	666	151
Net income from real estate valuation	-14,158	-3,938
Non-cash expenses/income	3,651	-132
Deferred tax	2,385	457
Non-recurring expenses	3,183	2,898
FFO I excluding profit or loss on disposals (before minority interests)	**8,301**	**221**
FFO II including profit or loss on disposals (before minority interests)	**9,100**	**221**
Average number of shares outstanding in the period (thousands)	121,328	33,783
FFO I per share (EUR)	0.07	0.01
FFO II per share (EUR)	0.08	0.01

NET ASSETS AND FINANCIAL POSITION

Net assets and financial position are as follows:

kEUR	30 JUNE 2016	%	31 DECEMBER 2015	%
Property held for sale	580	0.1	4,185	0.8
Other current assets	13,618	2.1	15,125	2.7
Cash and cash equivalents	37,372	5.7	11,136	2.0
Total current assets	**51,570**	**7.8**	**30,446**	**5.5**
Investment property	574,989	87.2	501,546	91.0
Deferred tax assets	14,439	2.2	10,933	2.0
Other non-current assets	18,125	2.7	7,999	1.5
Total non-current assets	**607,553**	**92.2**	**520,478**	**94.5**
Total equity and liabilities	**659,123**	**100.0**	**550,924**	**100.0**
Financial liabilities	6,707	1.0	76,316	13.9
Other current liabilities	14,349	2.2	12,561	2.3
Total current liabilities	**21,056**	**3.2**	**88,877**	**16.1**
Financial liabilities	319,263	48.4	187,815	34.1
Deferred tax liabilities	9,198	1.4	4,650	0.8
Total non-current liabilities	**328,461**	**49.8**	**192,465**	**34.9**
Equity	**309,605**	**47.0**	**269,582**	**48.9**
Total equity and liabilities	**659,123**	**100.0**	**550,924**	**100.0**

Investment property, which is the main item of the statement of financial position, increased as a result of acquisitions (kEUR 77,741) and value appreciation (kEUR 14,158). This was offset by disposals in the amount of kEUR 17,300, which mainly related to the sale of the property in Bremerhaven.

Equity increased largely as a result of the non-cash capital increase conducted as of 30 June 2016 and the profit for the period. The equity ratio is 47 percent.

This meant that EPRA NAV increased as follows:

kEUR	30 JUNE 2016	31 DECEMBER 2015
Equity (before minority interests)	309,605	269,582
Valuation of trading properties	810	1,052
Deferred tax adjustment	24,522	19,974
EPRA NAV	**334,938**	**290,608**
Number of shares (thousands)	131,965	121,965
EPRA NAV per share (EUR)	**2.54**	**2.38**

LTV (net) remained at a stable level as of 30 June 2016:

kEUR	30 JUNE 2016	31 DECEMBER 2015
Financial liabilities	325,970	264,131
less cash and cash equivalents	-37,372	-11,136
Net debt	**288,598**	**252,995**
Investment property	574,989	501,546
Property held for sale	580	4,185
Total real estate assets	**575,569**	**505,731**
LTV (net), %	**50.1**	**50.0**

The average Group-wide interest rate for bank loans was around 2.0 percent as of 30 June 2016. Around 25 percent of the loans have a variable interest rate.

The cash flow statement for the first half of 2016 is as follows:

kEUR	H1 2016	H1 2015
Cash flow from operating activities	6,742	-4,829
Cash flow from investing activities	-42,009	-58,982
Cash flow from financing activities	61,503	45,129
Net change in cash and cash equivalents since the start of the period	**26,235**	**-18,683**
Cash and cash equivalents as of 1 January	11,136	19,376
Cash and cash equivalents as of 30 June	**37,371**	**693**

The increase in the cash flow from operating activities primarily reflects the portfolio expansion compared with the previous year and the current operating cash flow it is now generating.

The cash flow from investing activities contains the purchase price payments for the acquisition of a specialist retail centre in Göppingen and the purchase price payment for the acquisition of the North Portfolio at the start of the fiscal year (kEUR 55,598). This was offset by partial purchase price receipts from the sale of SOI KG in the amount of kEUR 6,000 and the sale of other properties held for sale (kEUR 7,641).

The cash flow from financing activities primarily consists of inflows from borrowings (kEUR 120,370) and outflows for loan repayments (kEUR 51,365). It also contains payments for the cost of the capital increase and current interest payments.

The Company was able to meet its financial obligations at all times.

SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

These transactions are presented in the notes.

SUPPLEMENTARY REPORT

Invivo Capital GmbH, Berlin (formerly Kalamata Grundbesitz GmbH, Berlin) exercised its conversion right for the mandatory convertible bond with a nominal amount of kEUR 1,800 on 1 July 2016. A total of 1,192,052 no-par value bearer shares were issued to Invivo Capital GmbH, Berlin, on 12 July 2016 at the agreed conversion price of EUR 1.51 per share. The share capital of WCM AG increased to kEUR 131,965 as a result.

Greenman 1D GmbH, Berlin, acquired a partial plot of around 250 m² in Holle (Lower Saxony) for kEUR 60 under the terms of a land purchase agreement dated 7 July 2016. The reason for the acquisition is the extension of the parking area for the food retail store at the site.

Two limited partnerships - WCM Handelsmärkte V and VI GmbH & Co. KG, both Berlin - were formed by way of partnership agreements dated 13 July 2016. The limited liability capital for each company amounts to kEUR 100 and is held in full by WCM AG.

FORECAST, RISK AND OPPORTUNITY REPORT

The Company intends to grow further in the 2016 fiscal year. The portfolio expansion is focused on office and retail properties. Individual and portfolio transactions are being implemented as asset or share deals.

The number of employees will only increase moderately as the portfolio continues to grow.

The six three months of 2016 proceeded as expected and were largely dominated by the structure and setup of the portfolio as well as the continued establishment of internal structures and business processes. As part of this process, additional staff were employed as planned.

Further acquisitions and the expansion of the portfolio are continuously examined and carried out.

In this respect, the Executive Board does not currently see any reason to change its existing forecast for the 2016 fiscal year (see Annual Report 2015, p. 50/51).

WCM AG's business activities are also based on the use of borrowed funds. The Company is subject to the risk of negative covenants from loans. Typical market covenants have been agreed for the existing loan financing. These financial covenants were complied with at all reporting dates during the reporting period.

We described the risks and opportunities of WCM AG's business in detail in the relevant section of the Group management report for the 2015 fiscal year. There have been no significant changes to the risk situation in the meantime.

Frankfurt/Main, 22 August 2016

Stavros Efremidis
CEO

Ralf Struckmeyer
CFO

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS) AS OF 30 JUNE 2016

kEUR	NOTE	30 JUNE 2016	31 DECEMBER 15
ASSETS			
Current assets			
Cash and cash equivalents	4.1	37,372	11,136
Trade receivables		137	309
Property held for sale		580	4,185
Other financial assets		251	174
Other current assets	4.2	13,230	14,642
Total current assets		**51,570**	**30,446**
Non-current assets			
Investment property	4.3	574,989	501,546
Intangible assets		111	103
Technical equipment and machinery		1,468	961
Other equipment, operating and office equipment		3,688	3,690
Advance payments for property, plant and equipment		132	53
Deferred tax assets		14,439	10,933
Other financial assets	4.4	12,726	3,192
Total non-current assets		**607,553**	**520,478**
Total Assets		**659,123**	**550,924**
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables		3,642	6,070
Other liabilities		7,719	4,663
Other financial liabilities	4.5	6,707	76,316
Other provisions		2,988	1,828
Total current liabilities		**21,056**	**88,877**
Non-current liabilities			
Other financial liabilities	4.5	319,263	187,815
Deferred tax liabilities		9,198	4,650
Total non-current liabilities		**328,461**	**192,465**
EQUITY			
Share capital	4.6	130,773	120,773
Capital reserves	4.6	92,773	76,366
Mandatory convertible bond	4.6	1,800	1,800
Retained earnings (previous year: accumulated loss)	4.6	77,123	62,420
Equity attributable to owners of the parent		**302,468**	**261,359**
Non-controlling interests		7,137	8,223
Total equity		**309,605**	**269,582**
Total Liabilities		**659,123**	**550,924**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS) FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

kEUR	NOTE	1 JANUARY - 30 JUNE 2016	1 JANUARY - 30 JUNE 2015	1 APRIL - 30 JUNE 2016	1 APRIL - 30 JUNE 2015
Rental income		15,442	2,193	7,768	1,494
Operating and ancillary costs		-1,121	-68	-603	9
Net rental income	**3.1**	**14,321**	**2,125**	**7,165**	**1,503**
Proceeds from disposal of properties held for sale		7,875		5,325	
Expenses of the sale from property held for sale		-7,076		-5,009	
Net gain/loss from sale of property held for sale		**799**		**316**	
Unrealised net gain/loss from fair value measurement of investment property		14,158	3,938	13,555	
Net gain/loss from fair value adjustments	**3.2**	**14,158**	**3,938**	**13,555**	
Other operating income		799	149	364	114
Operating income		**799**	**149**	**364**	**114**
Staff costs	3.3	-2,511	-436	-1,650	-264
Depreciation and amortisation		-666	-151	-366	-72
Other operating expenses	3.4	-7,299	-3,899	-4,851	-576
Operating expenses		**-10,476**	**-4,486**	**-6,866**	**-912**
Operating profit/loss		**19,601**	**1,726**	**14,533**	**705**
Financial income		58	15	37	13
Finance expenses	3.5	-3,774	-483	-2,009	-340
Net finance costs		**-3,716**	**-468**	**-1,973**	**-327**
Total comprehensive income or loss before taxes		**15,885**	**1,258**	**12,560**	**378**
Income taxes	3.6	-2,513	-473	-918	-8
Other taxes					43
Consolidated net profit for the period/total comprehensive income		**13,372**	**785**	**11,642**	**413**
Consolidated net profit/total comprehensive income attributable to:		**13,372**	**785**	**11,642**	**413**
Owners of the parent		14,049	554	12,472	381
Non-controlling interests		-677	231	-829	32
Earnings per share					
Basic earnings per share in	3.7	0.11	0.02	0.10	0.01
Diluted earnings per share in	3.7	0.11	0.02	0.10	0.01

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

kEUR	NOTE	SHARE CAPITAL	CAPITAL RESERVES	CONVER-TIBLE BOND	RETAINED EARNINGS/ ACCUMULATED LOSS	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS IN EQUITY	TOTAL CONSOLIDATED EQUITY
As at 1 January 2015		33,783	13,775		-16,799	30,759	1,050	31,809
Total comprehensive income					554	554	231	785
Mandatory convertible bond				1,800		1,800		1,800
Change in scope of consolidation							910	910
As at 30 June 2015		**33,783**	**13,775**	**1,800**	**-16,245**	**33,113**	**2,191**	**35,304**
As at 1 January 2016		**120,773**	**76,366**	**1,800**	**62,420**	**261,359**	**8,223**	**269,582**
Total comprehensive income					14,049	14,049	-677	13,372
Mandatory convertible bond								
Contribution in kind		10,000	18,000			28,000		28,000
Withdrawals for transaction costs			-1,593			-1,593		-1,593
Change in scope of consolidation							-257	-257
Equalisation payments					33	33	-152	-119
Share-based remuneration					621	621		621
As at 30 June 2016	**4.6**	**130,773**	**92,773**	**1,800**	**77,123**	**302,468**	**7,137**	**309,605**

CONSOLIDATED CASH FLOW STATEMENT (IFRS) FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016

in kEUR	NOTE	1 JANUARY - 30 JUNE 2016	1 JANUARY - 30 JUNE 2015
Profit or loss for the period		13,372	785
Net finance costs		3,716	468
Net gain/loss from fair value adjustments		-14,158	-3,938
Amortisation and depreciation expense		666	151
Loss (+)/gain (-) on the disposal of assets		-799	
Tax expense		128	
Increase (+)/decrease (-) in provisions		1,160	-10
Increase (-)/decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities		-1,885	-2,234
Increase (+)/decrease (-) in trade payables and other liabilities not attributable to investing or financing activities		-1,173	-1,495
Other non-cash expenses (+)/income (-)		5,714	1,445
Net cash flow from operating activities		**6,742**	**-4,829**
Outflows for investment property		-55,598	-58,702
Outflows for investments in intangible assets and property, plant and equipment		-110	-280
Inflows from desinvestments of property		13,641	
Gained Interest		58	
Cash flow from investing activities		**-42,009**	**-58,982**
Outflows for the costs of the capital increase		-2,340	
Inflows from borrowing loans		120,370	47,000
Outflows from repaying loans		-51,365	-758
Outflows for granting loans to non-controlling interests		-1,710	-817
Interest paid		-3,452	-296
Cash flow from financing activities	5.	**61,503**	**45,129**
Increase/decrease in cash and cash equivalents		26,235	-18,683
Cash and cash equivalents at beginning of period		11,136	19,376
Cash and cash equivalents as at 30 June		**37,371**	**693**

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2016

1. INFORMATION ON THE COMPANY

WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft (hereinafter referred to as the „Company“ or „WCM AG“) is headquartered in Frankfurt/Main and is the parent company of the WCM Group. It is entered in the commercial register of the Frankfurt/Main Local Court under HR B 55695.

The purpose of the Company is to acquire and administer domestic and foreign investments in properties and property companies, including developing, renting and leasing properties, in its own name and for its own account.

As at 30 June 2016, the Group holds 49 investment properties.

In the period from 1 January to 30 June 2016, the Company reported rental income of kEUR 15,442 (previous year: kEUR 2,193) and realised a net gain on the fair value measurement of investment property in the amount of kEUR 14,158 (previous year: kEUR 3,938).

2. ACCOUNTING POLICIES

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The condensed interim consolidated financial statements (hereinafter referred to as the „interim financial statements“) for the period from 1 January to 30 June 2016 were prepared in accordance with IAS 34 as adopted by the EU. The interim financial statements have not been audited or undergone an audit review.

These interim financial statements do not contain all of the information and disclosures required for consolidated financial statements as at the end of a fiscal year. They should therefore be read in conjunction with the consolidated financial statements as at 31 December 2015.

The interim financial statements are prepared using the cost method except in the case of investment property, which is measured at fair value.

The interim financial statements were prepared in euro. Unless stated otherwise, all figures are rounded to the nearest thousand euro (kEUR). This may result in rounding differences in some individual cases in the tables included in these interim financial statements and in the amounts referred to in the notes.

The Group‘s operations are largely free of seasonal and cyclical influences.

The segmentation of the portfolio is based on the three criteria “Office“, „Retail“ and „Other”. The Executive Board of the Group regularly assesses operations on the basis of these segments.

The results for the first six months to 30 June 2016 do not necessarily allow conclusions to be drawn with regard to the development of future results.

SIGNIFICANT ACCOUNTING STANDARDS

The accounting policies used to prepare the consolidated financial statements for the year ended 31 December 2015 were applied in preparing these interim financial statements without any changes.

Standards and interpretations required to be newly applied from 1 January 2016 were applied as necessary. This did not have a material impact on the financial statements.

SCOPE OF CONSOLIDATION

The interim financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2016. The financial statements of the subsidiaries are prepared as at the same reporting date and using the same accounting policies as the financial statements of the parent company.

In addition to the parent company WCM AG, the scope of consolidation includes those companies in which WCM AG directly holds the majority of the voting rights. The scope of consolidation as of 30 June 2016 comprises WCM AG, 23 domestic subsidiaries and four foreign subsidiaries (31 December 2015: 24 domestic subsidiaries and four foreign subsidiaries).

There were the following changes to the scope of consolidation in the first half of 2016:

- Deconsolidation of Seebeck Verwaltung GmbH, Bremerhaven, with effect from 30 April 2016
- Deconsolidation of Seebeck Offshore Industriepark GmbH & Co. KG, Bremerhaven, with effect from 30 April 2016
- Consolidation of WCM Handelmärkte IV GmbH, Berlin, with effect from 20 June 2016

The net loss on the deconsolidations (kEUR -57) is reported in other operating expenses.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the interim financial statements requires the Executive Board to make judgements, estimates and assumptions relating to the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised prospectively.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

PORTFOLIO TRANSACTIONS

Under the terms of a contract dated 21 September 2015 and an addendum dated 29 December 2015, the asset in Radebeul, Hauptstrasse 24 (Office/ Retail), was sold for a purchase price of kEUR 2,550. The cost of the asset was kEUR 2,067. The transfer of ownership rights, benefits and obligations arising from the property took place on 1 January 2016.

With the transfer of ownership rights, benefits and obligations on 30 March 2016, WCM AG acquired a DIY store in Göppingen with a long-term lease contract for a purchase price of EUR 22 million. Ancillary acquisition costs of kEUR 1,188 were incurred.

Under the terms of a contract dated 31 March 2016, the asset in Frankfurt/Main, Niddagaustrasse 32-38 (Office), was sold for a purchase price of kEUR 4,425. The cost of the asset was kEUR 3,442. The transfer of ownership rights, benefits and obligations arising from the property took place on 14 May 2016.

Under the terms of a contract dated 18 April 2016, the asset in Dresden, Marsdorfer Strasse 5 (Office), was sold for a purchase price of kEUR 900. The cost of the asset was kEUR 743. The transfer of ownership rights, benefits and obligations arising from the property took place on 30 June 2016.

Under the terms of a contract dated 27 April 2016, WCM AG sold the general partner company Seebeck Verwaltung GmbH, Bremerhaven, as part of a share deal. The purchase price for the disposal was kEUR 30.

Under the terms of a contract dated 9 May 2016, WCM AG sold the industrial property in Bremerhaven (Seebeck Offshore Industriepark GmbH & Co. KG, Bremerhaven) as part of a share deal. The purchase price for the disposal was kEUR 13,810. There was no significant book profit or loss. The purpose of the sale was to ensure that the portfolio structure is clearly focused primarily on office and retail assets. The two companies were sold to the Supervisory Board member Karl Ehlerding.

NON-CASH CAPITAL INCREASE

On 20 June 2016, the Executive Board and the Supervisory Board of WCM AG resolved a non-cash capital increase from authorised capital in connection with the acquisition of a retail centre in Straubing, Bavaria. A total of 10,000,000 new no-par value bearer shares were issued with shareholders' subscription rights disapplied. The sellers of the retail centre contributed their combined 94.9 percent share in the property company as a non-cash contribution. Consideration of EUR 2.80 per share was applied. The share capital of the Company increased by 8.3 percent to EUR 130,772,500 as a result.

The purchase price for the property is composed of EUR 28.0 million paid in the form of the newly issued shares and the assumption of net financial liabilities in the amount of EUR 25.5 million. The retail centre currently generates annual rental income of around EUR 3.5 million. The cost of the capital increase was kEUR -1,593.

FINANCING

On 6 January 2016, the last tranche of the Green Portfolio was disbursed in the amount of kEUR 15,595. The portfolio was acquired in 2015. As of 30 June 2016, the interest rate for the variable-interest and fixed-interest tranches was 1.38 percent p.a. and 1.89 percent p.a. respectively.

On 8 and 19 January 2016, two loan disbursements (tranche A and B) totalling kEUR 70,750 were made for the North Portfolio that was acquired in December 2015. As of 30 June 2016, the interest rate for the variable-interest and fixed-interest tranches was 1.80 percent p.a. and 2.32 percent p.a. respectively.

On 29 February 2016, a loan in the amount of kEUR 19,725 was taken out to finance the property acquired in 2015 in Berlin, Dircksenstrasse. The loan has a fixed interest rate of 1.58 percent p.a.

As of 30 June 2016, the loan acquired in connection with the acquisition of the Straubing property company in the amount of kEUR 25,500 has a variable interest rate of 1.43 percent p.a.

CHANGES TO THE EXECUTIVE BOARD

On 26 April 2016, the Supervisory Board terminated the existing contract of employment with the CEO, Stavros Efremidis, with effect from 30 April 2016 and concluded a new contract of employment with effect from 1 May 2016 until 30 April 2021.

In addition, Ralf Struckmeyer was appointed to the WCM Executive Board with effect from 5 May 2016 until 30 April 2019. Mr. Struckmeyer assumes responsibility for finance from the previous CFO, Frank Roseen, who stepped down from his position by mutual agreement on 5 May 2016. Mr. Struckmeyer received an option to purchase 400,000 no-par value shares.

The termination agreement dated 5 May 2016 grants Mr. Roseen an option to purchase 400,000 no-par value shares. No other severance arrangements were made. The contract of employment ends on 31 July 2016.

3. SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

3.1 RENTAL INCOME

kEUR	H1 2016	H1 2015
Rental income	15,442	2,193
Management costs		
Maintenance	-245	-21
Non-apportionable operating costs	-328	0
Other	-547	-47
Net rental income	**14,321**	**2,125**

Rental income and management costs increased year-on-year as a result of the growth in the property portfolio.

3.2 UNREALISED NET GAIN/LOSS FROM FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTY

kEUR	H1 2016	H1 2015
Gains from fair value measurement	14,202	4,510
Losses from fair value measurement	-44	-572
Total	**14,158**	**3,938**

A valuation of the property portfolio was conducted as of 30 June 2016. This resulted in an overall measurement gain of kEUR 14,158. Value appreciation related in particular to the assets in Berlin, Düsseldorf and Frankfurt/Main.

3.3 STAFF COSTS

kEUR	H1 2016	H1 2015
Wages and salaries	1,733	405
Social security contributions	157	31
Share-based remuneration	621	-
Total	**2,511**	**436**

As expected, staff costs increased substantially year-on-year in connection with the expansion of operating business. Staff costs include expenses for the stock option programme in the amount of kEUR 621 (previous year: 0) that were transferred to retained earnings.

3.4 OTHER OPERATING EXPENSES

kEUR	H1 2016	H1 2015
Transaction costs	58	2,898
Legal and consulting costs	963	331
Borrowing costs	1,755	144
Insurance	67	71
Miscellaneous	4,456	455
Total	**7,299**	**3,899**

Legal and consulting costs comprise expenses for various projects in connection with capital market topics, as well as for year-end closing and other audit services. Borrowing costs were incurred in connection with the refinancing of various acquired portfolios at the start of the 2016 fiscal year. Miscellaneous other operating expenses include non-recurring adjustments to the value of an acquired portfolio, among other things.

3.5 FINANCE EXPENSES

kEUR	H1 2016	H1 2015
Interest on bank loans	3,452	314
Interest on loans from Supervisory Board members and others	0	169
Loan amortisation	322	0
Total	**3,774**	**483**

The increase in interest expense is attributable to the higher volume of loans resulting from portfolio acquisitions.

3.6 INCOME TAXES

kEUR	H1 2016	H1 2015
Deferred tax expense	-2,385	-457
Current tax expense	-128	-16
Income tax expense	**-2,512**	**-473**

Net income tax expense of kEUR -2,385 primarily relates to the increased adjustment of deferred tax assets on tax loss carryforwards due to the sale of the industrial properties in Bremerhaven and the recognition of deferred tax liabilities due to property value growth. It also contains non-recurring deferred tax expenses for the North portfolio in the amount of kEUR 615 that were required in order to enable uniform Group-wide accounting.

The deferred tax liabilities, which relate to the tax group of WCM AG, were offset against the deferred tax assets and reported as a net figure in the statement of financial position under “Deferred tax assets”. As in the previous year, the combined tax rate was 31.925 percent.

Current taxes primarily related to corporation and trade tax expenses.

3.7 EARNINGS PER SHARE

Diluted and basic earnings per share developed as follows:

	H1 2016	H1 2015
Net income (kEUR)	13,372	785
/ average number of shares outstanding in the period (thousands), basic	121,328	33,783
Earnings per share (basic), EUR	**0.11**	**0.02**
/ average number of shares outstanding in the period (thousands), diluted	122,520	34,474
Earnings per share (diluted), EUR	**0.11**	**0.02**

The average number of shares outstanding in the period was as follows:

Number	H1 2016	H1 2015
Shares outstanding as of 1 January	120,772,500	33,782,538
Shares issued due to non-cash capital increase on 20 June 2016 (pro rata)	555,556	-
Average number of shares outstanding (basic)	**121,328,056**	**33,782,538**
Potential number of shares due to mandatory convertible bond (pro rata)	1,192,053	691,522
Average number of shares outstanding (diluted)	**122,520,109**	**34,474,060**

4. SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4.1 CASH AND CASH EQUIVALENTS

kEUR	30 JUNE 2016	31 DECEMBER 2015
Cash and cash equivalents	37,372	11,136
Total	**37,372**	**11,136**

There were no restrictions on cash and cash equivalents as of 30 June 2016.

4.2 OTHER CURRENT ASSETS

kEUR	30 JUNE 2016	31 DECEMBER 2015
Transfer tax receivables	4,950	4,950
Operating costs not yet invoiced	5,623	2,611
Receivable from the guarantee fund		1,710
Notary trust accounts	100	1,500
Tax receivables	1,508	1,200
Receivables from contractual safeguard clause	500	500
Other current assets	549	2,171
Total	**13,230**	**14,642**

The receivables from the guarantee fund and some of the tax receivables were assumed as part of the acquisition of the North portfolio with effect from 31 December 2015. Following a detailed review of the recoverability of the items acquired and in order to enable uniform Group-wide accounting, these items were derecognised through profit or loss as of 30 June 2016.

4.3 INVESTMENT PROPERTY

Investment property developed as follows in the first half of 2016:

kEUR	30 JUNE 2016	31 DECEMBER 2015
As of 1 January	501,546	17,337
Additions	77,741	426,219
Disposals	-18,456	0
Gains from fair value measurement	14,202	54,904
Losses from fair value measurement	-44	0
Reclassifications	-	3,086
As of 30 June / 31 December	**574,989**	**501,546**

Additions in the first half of 2016 resulted from the asset acquisitions in Göppingen and Straubing.

Disposals primarily related to the sale of the industrial property in Bremerhaven.

The fair value of investment property as of 30 June 2016 was determined on the basis of a detailed valuation performed by the independent external property valuer Cushman & Wakefield.

The market value was determined in line with the guidelines and implementation regulations of the International Valuation Standards and the Royal Institution of Chartered Surveyors. The discounted cash flow (DCF) method was applied for the valuation.

The yield recognised takes account of the following parameters: rent indexing, future market rental price increases and cost inflation. A capitalisation rate of between 5.0 percent (previous year: 5.5 percent) and 7.0 percent (8.75 percent) and a discount rate of between 3.63 percent (5.0 percent) and 6.25 percent (8.0 percent) were applied. This resulted in gross multipliers of between 10.7 (9.8) and 22.9 (17.1) and a weighted gross multiplier for the portfolio as a whole of 17.0. Taking account of additional leases, the existing rental agreements were largely recognised as concluded as at the measurement date.

4.4 OTHER FINANCIAL ASSETS

Other financial assets increased as a result of the deferred payment price receivable of kEUR 7,810 in connection with the sale of the industrial property in Bremerhaven.

4.5 OTHER FINANCIAL LIABILITIES

kEUR	30 JUNE 2016		31 DECEMBER 2015	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Secured bank loans	318,651	6,700	186,756	44,176
Loans from related parties	0	0	462	0
Fair value share of guaranteed dividends for non-controlling interests in subsidiaries	564	0	597	0
Deposits received	0	0	0	8
Purchase price liability for “North” portfolio	0	0	0	32,132
Other	0	7	0	0
Total	**319,263**	**6,707**	**187,815**	**76,316**

Financial liabilities increased as a result of the asset acquisitions in Göppingen and Straubing in particular. This was offset by current repayments. As of 30 June 2016, the average Group-wide interest rate was 2.0 percent.

4.6 EQUITY

As of 30 June 2016, consolidated equity was composed as follows:

kEUR	30 JUNE 2016	31 DECEMBER 2015
Share capital	130,773	120,773
Capital reserves	92,773	76,366
Mandatory convertible bond	1,800	1,800
Retained earnings	77,123	62,420
Equity attributable to owners of the parent	**302,469**	**261,359**
Non-controlling interests	**7,137**	**8,223**
Total equity	**309,606**	**269,582**

Share capital increased by kEUR 10,000 as a result of the non-cash capital increase on 20 June 2016. Taking into account the cost of the capital increase (kEUR -1,593), capital reserves also increased by kEUR 16,407.

Further information can be found in the statement of changes in equity.

5. DISCLOSURES ON THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow from financing activities includes the partial repayment of the loan assumed in connection with the acquisition of the specialist retail centre in Straubing in the amount of kEUR 10,500, which was required to be borne by the seller under the terms of the contract. Accordingly, the cash inflow and the outflow for the repayment are offset in the consolidated cash flow statement.

6. DISCLOSURES ON SEGMENT REPORTING

SEGMENT REPORTING

The Company operates solely as a lessor on the German market. The Company held 49 investment properties as of 30 June 2016. The properties are owned by the Company but not occupied by it.

The key indicators for the segments were as follows:

The segmentation of the portfolio is based on the three criteria “Office“, „Retail“ and „Other”.

kEUR	OFFICE	RETAIL	OTHER	ADMINISTRATION/ CONSOLIDATION	GROUP
Revenue	9,381	5,718	343	0	15,442
Proceeds from property disposal	7,875	0	0	0	7,875
Revenue generated between segments	164	23	82	-269	0
Segment revenue	**17,420**	**5,741**	**425**	**-269**	**23,317**
Gain from fair value measurement of investment property	8,331	5,871	0	0	14,202
Loss from fair value measurement of investment property	0	-44	0	0	-44
Depreciation	-419	-64	-117	-66	-666
Interest income	0	0	0	58	58
Interest expenses	-2,329	-1,381	-39	-25	-3,774
Total comprehensive income or loss before taxes	**12,741**	**19,535**	**-33**	**-16,358**	**15,885**
Income taxes	-3,366	-1,908	0	2,761	-2,513
Net income attributable to the owners of the parent	**10,175**	**17,510**	**-39**	**-13,597**	**14,049**
Assets	364,123	240,300	215	54,485	659,123
Additions to non-current assets	346	78,550	0	185	79,081
Liabilities	208,100	136,681	64	4,672	349,517

7. EVENTS AFTER 30 JUNE 2016

Invivo Capital GmbH, Berlin (formerly Kalamata Grundbesitz GmbH, Berlin) exercised its conversion right for the mandatory convertible bond with a nominal amount of kEUR 1,800 on 1 July 2016. A total of 1,192,052 no-par value bearer shares were issued to Invivo Capital GmbH, Berlin, on 12 July 2016 at the agreed conversion price of EUR 1.51 per share. The share capital of WCM AG increased to kEUR 131,965 as a result.

Greenman 1D GmbH, Berlin, acquired a partial plot of around 250 m² in Holle (Lower Saxony) for kEUR 60 under the terms of a land purchase agreement dated 7 July 2016. The reason for the acquisition is the extension of the parking area for the food retail store at the site.

Two limited partnerships - WCM Handelsmärkte V and VI GmbH & Co. KG, both Berlin - were formed by way of partnership agreements dated 13 July 2016. The limited liability capital for each company amounts to kEUR 100 and is held in full by WCM AG.

8. OTHER DISCLOSURES

OTHER FINANCIAL OBLIGATIONS

The Company has concluded rental agreements for office space at Joachimsthaler Strasse 34, Berlin, since 2015 and 2016. The agreements have a fixed term of five years and end on 31 January 2020. The total net rent for this period, including the advance payment of operating costs, amounts to kEUR 805.

CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Company did not have any contingent liabilities resulting from guarantees, warranties or the provision of collateral for third-party liabilities.

EMPLOYEES

As of 30 June 2016, the Company had 27 salaried employees (previous year: nine) in addition to the two members of the Executive Board (previous year: one). The contract with Mr. Roseen also runs until 31 July 2016.

EXECUTIVE BOARD

As of 30 June 2016, the members of the Executive Board were as follows:
Mr. Stavros Efremidis (Chief Executive Officer)
Mr. Ralf Struckmeyer (from 5 May 2016)

SUPERVISORY BOARD

There were no changes to the composition of the Supervisory Board compared with the disclosures made in the 2015 annual financial statements.

RELATED PARTY DISCLOSURES

There were no significant changes with regard to related parties in the period under review compared with the disclosures made as of 31 December 2015.

In April 2016, the industrial property in Bremerhaven was sold to a Supervisory Board member in the form of two share deals. A portion of the purchase price receivable in the amount of kEUR 7,810 was deferred and is payable by the buyer in five equal annual instalments until 31 December 2020. Interest of 1.5 percent p.a. is charged on the loan.

Frankfurt/Main, 22 August 2016

Stavros Efremidis
CEO

Ralf Struckmeyer
CFO

RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable accounting principles for interim reporting, the condensed interim consolidated financial statements for the period from 1 January to 30 June 2016 present a true and fair view of the Group‘s net assets, financial position and results of operations and the interim management report presents a true and fair view of the Group‘s business performance, including its results and situation, and describes the material risks and opportunities of the Group‘s expected development.”

Frankfurt/Main, 22 August 2016

Stavros Efremidis
CEO

Ralf Struckmeyer
CFO

FINANCIAL CALENDER

The financial calendar of WCM can be found on the WCM website in the Investor Relations section:

www.wcm.de/en/investor-relations/financial-calendar-events/

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