WCM AG

Quarterly Report as of 30 September 2015

WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft
Bleichstraße 64-66
60313 Frankfurt am Main

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Dear Sir or Madam

Dear Shareholders

After 9 months of the financial year 2015 WCM is proud to report strong interim results. We have successfully built up our real estate portfolio and currently have over 50 properties contractually secured or closed with a volume of more than € 500.0 million. As a result of our core strategy our portfolio will generate attractive long-term rental income and a steady cash flow. We have acquired office properties in attractive locations such as the Rhine-Main region, Bonn, Dusseldorf and Berlin as well as retail properties in the Rhine-Main region, Saxony-Anhalt, Lower Saxony and Berlin.

Since our operational restart in December 2014, our balance sheet has steadily increased with the number of invested properties – we kept the promises we have made at the beginning of the year. Thanks to our extensive network and an experienced real estate team we are able to source and buy attractive assets. Furthermore, we are working actively through our asset management, increasing lettings at our properties and hence the overall value of the entire portfolio. The market value of assets with transfer of ownership as of 30.09.2015 stands at € 280.4 million and we have increased the value of these properties by € 17.0 million during this quarter due to external evaluation. The rental income generated by these assets within the last 9 months amount to € 6.0 million.

We have announced the acquisition of a DIY store in Olpe at a price of € 10 million and a fully let office property in the target region of Frankfurt with a purchase price of € 49.3 million in Q3 2015. In the first 9 months of 2015 we have achieved a net income of € 17.6 million on a consolidated basis, which corresponds to earnings of € 0.29 per WCM share. The net income includes non-recurring transaction costs in the amount of € 4.7 million, which occurred as part of the portfolio expansion.

Even more representative than the current balance sheet numbers is the pro-forma market value of more than € 500.0 million for the combined closed and contractually secured real estate portfolio per 30 September 2015. The net yield on the overall portfolio stands at 6.3 percent. The weighted average remaining lease term (WALT) of 9.4 years as of end of November 2015 provides a steady rental income with high predictability.

The strong growth in our portfolio is complemented by attractive financing conditions as we are taking advantage of the low interest rate environment. The current portfolio is financed with an average interest rate of 2.2 percent and a loan maturity of 7.5 years. Pro-forma the entire portfolio the average pro forma interest rate stands at 2.1 percent with a loan maturity of 6.1 years as of 31 December 2015.

Given the strong growth of the portfolio, WCM AG will announce annualized rental income and FFO on a quarterly basis going forward. Based on the total contractually secured and closed portfolio, the annualized rental income amounts to € 31.6 million. WCM AG's funds from operations (FFO I), the result of operating activities, are expected to equal € 20.2 million or € 0.18 per share in 2016.

In summary we remain on course after the nine months 2015 and will continue our successful portfolio growth.

Sincerely,

Stavros Efremidis

CEO

Frank Roseen

CIO/CFO

KEY FIGURES FOR THE GROUP

in accordance with IFRS	1 January - 30 September 2015	1 January - 30 September 2014	Change (absolute)	Change (%)
Revenue	5,999	0	5,999	>100%
Net rental income	5,691	0	5,691	>100%
Consolidated net income	17,586	-977	18,563	>100%
FFO	3,908	-977	4.885	>100%
Earnings per share, basic	0.29	-0.07	0.36	>100%
Earnings per share, diluted	0.29	-0.07	0.36	>100%
FFO per share (in €)	0.07	-0,07	0,14	>100%

in €k **Key balance sheet figures**	30 September 2015	31 December 2014	Change (absolute)	Change (%)
Investment property	280,416	17,337	263,079	>100%
Total assets	333,550	43,889	289,661	>100%
Equity[1)]	208,546	31,809	176,737	>100%
Liabilities	125,004	12,080	112,924	>100%
Net operating assets (NAV) per share	1.84	0.91	0.93	>100%
Diluted NAV per share (in €)	1.82	0.91	0.91	100%
Capital ratio (%)	62.5%	72.5%	-10 pp.	-13.8%

1) Including minority interests

Interim Group management report

MACROECONOMIC SITUATION AND SITUATION IN THE GERMAN REAL ESTATE INDUSTRY

The information that we provided in this respect in the management report for the annual financial statements as at 31 December 2014, which were published in April 2015, still applies.

BUSINESS PERFORMANCE

The first nine months of the 2015 fiscal year were dominated by the following significant events:

On 16 March 2015, **WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft (referred to hereinafter as "the Company" or "WCM AG")** closed a transaction for the acquisition of three office properties in Bonn, Düsseldorf and Frankfurt am Main from GE Real Estate Capital Property GmbH/its associated companies as part of a share deal for a purchase price of €64m. The purchase price was financed using a bank loan and the funds from the capital increase for cash that was successfully implemented at the end of December 2014.

On 20 April 2015, the Company concluded a purchase agreement in the form of a share deal for an office property in Berlin-Mitte ("River Berlin"). The property was constructed in 1997 and has a central location between Hackescher Markt and Alexanderplatz. The fully let property has rentable space of approximately 9,600 m^2 and around 50 parking spaces. The purchase price is €22.0m. The transfer of benefits and liabilities is scheduled for early December 2015.

In addition, on 28 April 2015 WCM AG acquired a trading portfolio consisting of retail properties with 29 EDEKA stores ("Green") by way of a conditional purchase agreement. The total purchase price is approximately €95m. The rentable space amounts to around 77,150 square metres, while the initial rental yield is around 7 per cent. Most of the properties are located in Saxony-Anhalt, Lower Saxony and Berlin. EDEKA has concluded new rental agreements with a term of 15 years for all of the properties. For 25 of the 29 stores, the closing took place on 1 September 2015. The closing for the four remaining stores will take place in December 2015. The stores that have already been acquired are held via the property companies Aschgo GmbH & Co. KG, Barisk GmbH & Co. KG, Berkles GmbH & Co. KG and Greenman 1D GmbH.

Supervisory Committee member Christoph Kroschke resigned his position with effect from 6 May 2015. On 12 October 2015, an extraordinary Shareholders' Meeting of the Company elected Ms Nicola Sievers as his successor.

On 22 June 2015, the Company notarised a purchase agreement for an office property in Frankfurt ("Triangel"). The property was constructed in 2006 and has total rental space of approximately 28,400 square metres. With the occupancy rate currently at 86.6 per cent, annualised rental income amounts to around €4.74m. 72 per cent of the rental income is generated with a rental agreement with the State of Hesse that has a remaining term of 24 years. The average remaining lease term (WALT) for the property as a whole is around 19 years. The purchase price amounts to approximately €92m. The transaction was closed on 1 September 2015. The associated property companies Triangel Frankfurt Immobilien GmbH and Main Triangel Gastronomie GmbH were integrated in the Group.

On 6 July 2015, the Company concluded a purchase agreement for the acquisition of a commercial portfolio consisting of 16 properties (“North”) in the Rhine-Main area and in the Dresden region. The initial rental yield on the net purchase price of approximately €113m is around 9 per cent. The occupancy rate is currently around 90 per cent and the average remaining lease term (WALT) is 5 years. The closing of this transaction is scheduled for 30 November 2015.

On 8 July 2015, the Company concluded a capital increase for cash from the authorised capital. A total of 76,010,706 ordinary shares were placed at an issue price of €2.05 per share. The share capital of WCM AG was thereby increased by €76,010,706 to €109,793,244. The gross cash inflow from the capital increase amounted to €155.8m. The cash inflow from the capital increase is being used to finance the expansion of the property portfolio that has been contractually secured over the past months, as well for the repayment of loans and the further development of WCM AG.

Furthermore, the Company has been admitted to the segment of the regulated market with additional admission requirements (Prime Standard). The admission related to the Frankfurt Stock Exchange and the stock exchanges in Berlin, Düsseldorf, Hamburg and Stuttgart.

As at 1 September 2015, WCM AG expanded its Executive Board. Mr Frank Roseen joined the Executive Board as Chief Investment Officer/Chief Financial Officer. The Supervisory Committee appointed Mr Stavros Efremidis as Chief Executive Officer.

On 8 October 2015, the Company acquired an office property in the Eschborn office location next to the Frankfurt metropolitan area ("Trevista"). The property has total rental space of approximately 18,300 m^2. The property is almost fully let to highly creditworthy companies. Annual rental income amounts to €3.3m. The average remaining lease term (WALT) is around 5 years. It has been agreed for the transfer of benefits and liabilities to take place on 31 December 2015.

Taking advantage of the current favourable conditions, WCM AG intends to finance the transactions described above with bank loans and available equity.

For a detailed description of company formations and acquisitions, please refer to the notes.

RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

Key portfolio figures

Office segment

		30 September 2015*
Total usable floor space	m²	50,178
Total office space	m²	45,486
Parking spaces	Number	633
Vacancy – total space	m²	5,373
Vacancy – office space	m²	4,943
Average rent – total	€/m²	14.27
Average rent – office	€/m²	14.15
Revenue	€k	2,458
Assets	€k	185,799

Retail segment

		30 September 2015*
Total usable floor space	m²	67,733
Total retail space	m²	67,733
Parking spaces	Number	253
Vacancy – total space	m²	0
Average rent – total	€/m²	7.21
Average rent – retail	€/m²	7.21
Revenue	€k	2,135
Assets	€k	92,714

Other segment

		30 September 2015*
Total usable floor space	m²	68,342
Total other space	m²	55,151
Parking spaces	Number	380
Vacancy – total space	m²	6,305
Vacancy – other space	m²	2,345
Average rent – total	€/m²	2.80
Average rent – other space	€/m²	4.35
Revenue	€k	1,406
Assets	€k	18,916

*The Company commenced operations at the beginning of 2015. For this reason, no prior-year comparative figures are stated.

Rental income for the first nine months of 2015 amounted to €5,999k and resulted from the properties in the portfolio as at 30 September 2015. No comparative figures can be derived from the same period of the previous year, as there were no investment properties in the portfolio at that time.

The Company breaks down its revenue by segment in accordance with IFRS 8 in conjunction with IAS 34. The segmentation of the portfolio is based on the four criteria "Office", "Retail", "Other" and "Administration". As at 30 September 2015, income was generated by three segments for the first time.

At the end of January 2015, the largest tenant in the industrial property in Bremerhaven filed for insolvency. The proceedings were opened on 1 April 2015. This tenant's share of the total rent is around 66 per cent. The lease agreement has a term ending on 31 December 2020. It was terminated early as at 31 July 2015 by way of termination by the insolvency administrator as permitted under the Insolvency Code. A member of the Supervisory Committee of WCM AG has issued a rent guarantee with regard to the terminated lease agreement. This guarantee covers the loss of rent in full until 31 December 2020. The Executive Board expects that a new lease with better conditions will have been concluded by this date at the latest.

The unrealised net gain from the fair value measurement of investment property resulted in income of €16,961k (30 September 2014: €0k). Due to the start of business activities and the hiring of employees, staff costs rose as expected from €70k (30 September 2014) to €775k. Other operating expenses increased from €1,278k as at 30 September 2014 to €6,315k as at 30 September 2015, chiefly due to the transaction costs incurred (€4,671k).

As expected, there was a rise in finance expenses to €880k as a result of taking out bank loans. Taking account of finance income, net finance costs amounted to €755k.

Income taxes were influenced by the recognition of deferred tax assets (€9,780k) and deferred tax liabilities (€7,096k).

Net profit for the period amounted to €17,586k, representing an improvement of €18,563k compared to the same period of the previous year (net loss of €977k).

Compared to 31 December 2014, total assets increased by €289,661k to €333,550k as at 30 September 2015. This was due chiefly to the addition of investment property in the first nine months of 2015. Cash increased by €9,139k to €28,515k.

As a result of borrowing funds to finance the new properties, current and non-current financial liabilities climbed from €8,167k (31 December 2014) to €110,526k (30 September 2015). Equity increased by €176,737k to €208,546k as at 30 September 2015. The share of the minority shareholders rose to €7,027k (31 December 2014: €1,050k).

Operating activities resulted in a cash inflow of €2,951k (30 September 2014: cash outflow of €206k). Payments of €240,174k (30 September 2014: €0k) were made for the acquisitions of investment property that took effect in the first nine months of 2015.

In the same period, there were cash receipts from borrowing loans of €110,900k (30 September 2014: €360k) and from a capital increase for cash in the amount of €155,822k. Payments were made for the repayment of loans in the amount of €8,309k (30 September 2014: €0k). Cash and cash equivalents amounted to €28,515k as at 30 September 2015 (31 December 2014: €19,376k).

SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

These transactions are presented in the notes.

FORECAST, RISK AND OPPORTUNITY REPORT

In the final quarter of 2015, the Company plans to execute the purchase contracts concluded to date in cases where this is still necessary. The properties acquired are subsequently to be taken over in the Company's administration and optimised. 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 increase further due to the portfolio growth. As at 30 September 2015, there were a total of fifteen employees, including the Executive Board. We will report on further details in our 2015 annual report.

Given the fresh start of operations and extending the investment portfolio of properties, forecasts for the fiscal year 2015 made in the financial report for the year 2014 need to be adjusted.

We are currently planning to achieve a highly positive result at year end.

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 financing with loans. 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 2014 fiscal year.

Frankfurt am Main, 17 November 2015

Stavros Efremidis

Frank Roseen

Interim consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

in €k	30 September 2015	31 December 2014
Assets		
Current assets		
Cash and cash equivalents	28,515	19,376
Trade receivables	11	1
Other financial assets	3,610	260
Advance payments	0	3,086
Other current assets	9,360	588
Total current assets	**41,496**	**23,311**
Non-current assets		
Investment property	280,416	17,337
Intangible assets	74	0
Technical equipment and machinery	551	445
Other equipment, operating and office equipment	369	38
Advance payments for property, plant and equipment	2,241	0
Deferred tax assets	6,745	2,380
Other financial assets	1,658	378
Total non-current assets	**292,054**	**20,578**
Total assets	**333,550**	**43,889**
Equity and liabilities		
Current liabilities		
Trade payables	11,103	3,505
Other liabilities	2,854	123
Other financial liabilities	3,072	1,966
Other provisions	521	285
Total current liabilities	**17,550**	**5,879**
Non-current liabilities		
Other financial liabilities	107,454	6,201
Total non-current liabilities	**107,454**	**6,201**
Equity		
Share capital	109,793	33,783
Capital reserves	90,002	13,775
Other reserves	1,800	0
Accumulated loss	-76	-16,799
Equity of owners of the parent	**201,519**	**30,759**
Non-controlling interests	7,027	1,050
Total equity	**208,546**	**31,809**
Total assets	**333,550**	**43,889**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 30 SEPTEMBER 2015

in €k	1 January - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2015	1 July - 30 September 2014
Rental income	5,999	0	3,806	0
Operating and ancillary costs	-308	0	-240	0
Net rental income	**5,691**	**0**	**3,566**	**0**
Unrealised net gain/loss from fair value measurement of investment property	16,961	0	13,023	0
Net gain/loss from fair value adjustments	**16,961**	**0**	**13,023**	**0**
Other operating income	547	491	398	351
Operating income	**547**	**491**	**398**	**351**
Staff costs	-775	-70	-339	-45
Depreciation and amortisation	-240	0	-89	0
Other operating expenses	-6,315	-1,278	-2,416	-763
Operating expenses	**-7,330**	**-1,348**	**-2,844**	**-808**
Operating profit/loss	**15,869**	**-857**	**14,143**	**-457**
Finance income	125	1	110	0
Finance expenses	-880	-121	-397	-40
Net finance costs	**-755**	**-120**	**-287**	**-40**
Earnings before taxes	**15,114**	**-977**	**13,856**	**-497**
Income taxes	2,472	0	2,945	0
Other taxes	0	0	0	-9
Profit or loss for the period/total comprehensive income	**17,586**	**-977**	**16,801**	**-506**
Allocation of total comprehensive income	**17,586**	**-977**	**16,801**	**-506**
Owners of the parent	16,723	-977	16,168	-506
Non-controlling interests	863	0	632	0
Total comprehensive income	**17,586**	**-977**	**16,801**	**-506**
Earnings per share				
Basic earnings per share	0.29	-0.07	0.16	-0.04
Diluted earnings per share	0.29	-0.07	0.16	-0.04

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2015

in €k	Share capital	Capital reserves	Other reserves	Accumulated loss	Share attributable to shareholders of the parent	Share attributable to non-controlling shareholders	Total equity
As at 1 January 2013	**288,825**	**221,683**	**0**	**-512,114**	**-1,606**	**0**	**-1,606**
Total comprehensive income	**0**	**0**	**0**	**-514**	**-514**	**0**	**-514**
Transactions with owners							
Capital reduction	-274,384	0	0	274,384	0	0	0
Withdrawal from capital reserves	0	-220,239	0	220,239	0	0	0
As at 31 December 2013	**14,441**	**1,444**	**0**	**-18,005**	**-2,120**	**0**	**-2,120**
As at 1 January 2014	**14,441**	**1,444**	**0**	**-18,005**	**-2,120**	**0**	**-2,120**
Total comprehensive income	**0**	**0**	**0**	**1,206**	**1,206**	**0**	**1,206**
Withdrawals for transaction costs	0	-803	0	0	-803	0	**-803**
Capital increase for cash	14,442	4,332	0	0	18,774	0	**18,774**
Capital increase for contributions in kind	4,900	8,802	0	0	13,702	0	**13,702**
Acquisition of SOI KG, Bremerhaven	0	0	0	0	0	1,050	**1,050**
As at 31 December 2014	**33,783**	**13,775**	**0**	**-16,799**	**30,759**	**1,050**	**31,809**
As at 1 January 2015	**33,783**	**13,775**	**0**	**-16,799**	**30,759**	**1,050**	**31,809**
Total comprehensive income	**0**	**0**	**0**	**16,723**	**16,723**	**863**	**17,586**
Mandatory convertible bond	0	0	1,800	0	1,800	0	1,800
Company acquisitions	0	0	0	0	0	7,106	7,106
Capital increase for cash	76,010	79,811	0	0	155,821	0	155,821
Withdrawals for transaction costs	0	-3,584	0	0	-3,584	0	**-3,584**
Acquisition of third-party shares	0	0	0	0	1	-1,992	-1,992
As at 30 September 2015	**109,793**	**90,002**	**1,800**	**-76**	**201,519**	**7,027**	**208,546**

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2015

in €k	1 January - 30 September 2015	1 January - 30 September 2014
Profit or loss for the period	17,586	-977
Net finance costs	755	-120
Net gain/loss from fair value adjustments	-16,961	0
Amortisation and depreciation expense	240	0
Loss (+)/gain (-) on the disposal of assets	3	0
Increase (+)/decrease (-) in provisions	235	131
Increase (-)/decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	-8,495	-2,004
Increase (+)/decrease (-) in trade payables and decrease in other liabilities not attributable to investing or financing activities	11,217	0
Taxes paid	-8	0
Other non-cash expenses (+)/income (-):	1,063	2,764
Deferred tax	-2,684	0
Net cash flow from operating activities	**2,951**	**-206**
Outflows for investment property	-240,174	0
Outflows for investments in intangible assets and property, plant and equipment	-814	0
Inflows from the disposal of property, plant and equipment	66	0
Cash flow from investing activities	**-240,922**	0
Inflows from the capital increase	155,822	0
Outflows for the costs of the capital increase	-5,266	0
Outflows from granting loans	-4,917	0
Inflows from borrowing loans	110,900	360
Outflows from repaying loans	-8,309	0
Interest paid	-1,120	0
Cash flow from financing activities	**247,110**	**360**
Increase/decrease in cash and cash equivalents	9,139	154
Cash at beginning of period	19,376	4
Cash and cash equivalents as at 30 September 2015	28,515	158

Rounding differences may occur due to mathematical reasons.

Notes to the condensed interim consolidated financial statements

[1] Information on the company

WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft (referred to hereinafter as “the Company” or “WCM AG”) is headquartered in Frankfurt am Main and is the parent company of the WCM Group. It is entered in the commercial register of the Local Court there under the number 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 September 2015, the Group holds 31 investment properties.

[2] Accounting policies

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The condensed interim consolidated financial statements (referred to hereinafter as the "interim financial statements") for the period from 1 January to 30 September 2015 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 2014.

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 (€k). 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 WCM Group has four segments into which its business activities are divided. These four segments are "Office", "Retail", "Other" and "Administration". The Executive Board of the Group regularly assesses operations on the basis of these segments.

The results for the first nine months up to 30 September 2015 do not necessarily allow conclusions to be drawn with regard to the development of future results.

SIGNIFICANT ACCOUNTING STANDARDS

The interim financial statements were prepared using the same accounting policies as for the preparation of the consolidated financial statements as at 31 December 2014, with the exception of the standards to be applied for the first time as at 1 January 2015.

The following new interpretations and amended standards are required to be applied for the first time for reporting periods beginning on 1 January 2015:

The first-time adoption of the newly applicable IFRSs does not have any significant effects on the presentation of the interim consolidated financial statements.

EU endorsement by 30 September 2015	Standards/interpretations	Content	Applicable to fiscal years from/after	Anticipated effects
13 June 2014	IFRC 21	New interpretations: “Levies”	17 June 2014	None
18 December 2014	Annual improvements project	“Improvements to IFRSs 2011-2013 Cycle”	1 January 2015	None

The following new standards, interpretations and amendments to published standards, which were not yet mandatory in 2015, were not applied early by the Group:

EU endorsement	Standards/interpretations	Content	Applicable to fiscal years from/after	Anticipated effects
Not yet adopted	IFRS 9	New standard: “Financial Instruments: Classification and Measurement of Financial Instruments”	1 January 2018	No significant effects
Not yet adopted	IFRS 14	New standard: “Regulatory Deferral Accounts”	1 January 2016	None
Not yet adopted	IFRS 15	New standard: “Revenue from Contracts with Customers”	1 January 2017	Notes
Not yet adopted	Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	None
Not yet adopted	Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	None
Not yet adopted	Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016	None
Not yet adopted	Amendments to IAS 1	Disclosure Initiative	1 January 2016	Notes
Not yet adopted	Amendment to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	None
Not yet adopted	Amendment to IAS 16 and IAS 41	Agriculture: Bearer Plants	1 January 2016	None
17 December 2014	Amendment to IAS 19	Defined Benefit Plans: Employee Contributions	1 February 2015	None
Not yet adopted	Amendment to IAS 27	Equity Method in Separate Financial Statements	1 January 2016	None
17 December 2014	Annual improvements project	“Improvements to IFRSs 2010-2012 Cycle”	1 February 2015	None
Not yet adopted	Annual improvements project	“Improvements to IFRSs 2012-2014 Cycle”	1 January 2016	Still under review

The IASB did not adopt any new standards or interpretations or any amendments to published standards or interpretations between 31 December 2014 and the date these interim consolidated financial statements were prepared.

SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

The interim financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2015. 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.

Besides the parent company WCM AG, the scope of consolidation also includes companies in which WCM AG directly holds the majority of the voting rights. As at 30 September 2015, the scope of consolidation comprises WCM AG, 18 domestic subsidiaries and one foreign subsidiary (as at 31 December 2014: one domestic subsidiary).

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 continuously reviewed. Revisions of estimates are recognised prospectively.

At the end of January 2015, the largest tenant in the industrial property in Bremerhaven filed for insolvency. The proceedings were opened on 1 April 2015. This tenant's share of the total rent for this property is around 66 per cent. The lease agreement has a term ending on 31 December 2020. The insolvency administrator terminated the lease agreement early as at 31 July 2015 by way of a termination permitted under the Insolvency Code. A member of the Company's Supervisory Committee has issued a rent guarantee in this regard that covers any loss of rent in full until 31 December 2020. The Company expects that a new lease with better conditions will have been concluded by this date.

SEGMENT REPORTING

The Company operates solely as a lessor on the German market. It currently holds 31 “investment properties”, one of which was added in the previous year, three on 16 March 2015, 26 on 1 September 2015 and one on 30 September 2015. The properties are owned by the Company but not occupied by it. The segmentation of the portfolio is based on the three criteria “Office”, ”Retail” and ”Other”. In addition, there is an “Administration” segment comprising the services performed within the Group by its parent company. The “Administration” segment does not manage any properties. The key indicators for the segments were as follows:

in €k

	Office	**Retail**	**Other**	**Administration**	**Total**
Revenue	2,458	2,135	1,406	0	5,999
Revenue generated between segments	63	0	14	142	219
Total revenue	2,521	2,135	1,420	142	6,218
Ttotal comprehensive income or loss before taxes	17,131	3,209	1,318	-6,544	15,114
Interest income				125	125
Interest expense	-572	-4	-107	-197	-880
Depreciation and amortisation	0	-2	-208	-30	-240
Losses from revaluation	0	1,775	0	0	-1,775
Gains from revaluation	15,642	2,961	133	0	18,736
Assets	185,799	92,714	18,916	36,121	333,550
Additions to non-current assets	162,288	83,936	321	388	246,933
Liabilities	114,147	5,126	3,441	2,290	125,004
Income taxes	-5,072	-511	-43	8,098	2,472

ACQUISITION OF PROPERTIES

On 8 December 2014, the Company concluded a purchase agreement for majority interests of 94.9 per cent each in three corporations that hold office properties in Bonn, Düsseldorf and Frankfurt am Main. The transfer of benefits and liabilities took place on 16 March 2015.

The amounts recognised as at the acquisition date for the assets and liabilities of the acquired company River Bonn B.V., Frankfurt am Main, are as follows:

	in €k
Non-current assets	
Investment property	17,360
Assets acquired	**17,360**
Current liabilities	
Trade payables	1,060
Liabilities assumed	**1,060**
Net assets acquired	**16,300**
Purchase price	**16,300**

The amounts recognised as at the acquisition date for the assets and liabilities of the acquired company River Düsseldorf Immobilien GmbH, Frankfurt am Main, are as follows:

	in €k
Non-current assets	
Investment property	5,500
Assets acquired	**5,500**
Net assets acquired	**5,500**
Purchase price	**5,500**

The amounts recognised as at the acquisition date for the assets and liabilities of the acquired company River Frankfurt Immobilien GmbH, Frankfurt am Main, are as follows:

	in €k
Non-current assets	
Investment property	42,580
Assets acquired	**42,580**
Current liabilities	
Trade payables	380
Liabilities assumed	**380**
Net assets acquired	**42,200**
Purchase price	**42,200**

The amounts recognised as at the acquisition date for the assets and liabilities of the acquired company Triangel Frankfurt Immobilien GmbH, Frankfurt am Main, are as follows:

	in €k
Non-current assets	
Investment property	91,700
Assets acquired	**91,700**
Net assets acquired	**91,700**
Purchase price	**91,700**

On 28 April 2015, WCM AG acquired a retail portfolio consisting of retail properties with 29 EDEKA stores by way of a conditional purchase agreement. Most of the properties are located in Saxony-Anhalt, Lower Saxony and Berlin. For 25 of the properties, the transfer of benefits and liabilities took place on 1 September 2015.

The amounts recognised as at the acquisition date for the assets and liabilities are as follows:

	in €k
Non-current assets	
Investment property	66,500
Assets acquired	**66,500**
Net assets acquired	**66,500**
Purchase price	**66,500**

As at 30 September 2015, the transfer of benefits and liabilities took place for an OBI DIY store in the state of North Rhine-Westphalia.

The amounts recognised as at the acquisition date for the assets and liabilities are as follows:

	in €k
Non-current assets	
Investment property	10,000
Assets acquired	**10,000**
Net assets acquired	**10,000**
Purchase price	**10,000**

FORMATION OF NEW SUBSIDIARIES AND OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

The first quarter was dominated by the fact that on 16 March 2015 WCM AG closed a transaction for the acquisition of three office properties in Bonn, Düsseldorf and Frankfurt am Main from GE Real Estate Capital Property GmbH/its associated companies as part of a share deal for a purchase price of €64m. The purchase price was financed using a bank loan and the funds from the capital increase, successfully concluded at the end of December 2014.

On 20 April 2015, the Company concluded a purchase agreement in the form of a share deal for an office property in Berlin-Mitte. The property was completed in 1997 and has a central location between Hackescher Markt and Alexanderplatz. The fully let property has rentable space of approximately 9,600 m^2 and around 50 parking spaces. The purchase price is €22.0m. The transfer of benefits and liabilities is scheduled for December 2015.

In addition, on 28 April 2015 WCM AG, acquired a retail portfolio consisting of retail properties with 29 EDEKA stores by way of a conditional purchase agreement. The total purchase price is approximately €95m. The rentable space amounts to around 77,150 m^2, while the initial rental yield is around 7 per cent. Most of the properties are located in Saxony-Anhalt, Lower Saxony and Berlin. EDEKA has concluded new rental agreements with a term of 15 years for all of the properties. For 25 of the 29 stores, the closing took place on 1 September 2015. The acquisition will be closed in full in December. The stores that have already been acquired have been integrated in the property companies Aschgo GmbH & Co. KG, Barisk GmbH & Co. KG, Berkles GmbH & Co. KG and Greenman 1D GmbH.

On 22 June 2015, the Company notarised a purchase agreement for a commercial property in Frankfurt. The purchased commercial property was constructed in 2006 and has total rental space of approximately 28,400 m^2. With the occupancy rate currently at 86.6 per cent, annualised rental income amounts to around €4.74m. 72 per cent of the rental income is generated with a rental agreement with the State of Hesse that has a remaining term of 24 years. The average remaining lease term (WALT) for the property as a whole is around 20 years. The purchase price on a 100 per cent basis amounts to approximately €92m. The transfer of benefits and liabilities for this transaction was completed on 1 September 2015. This also includes the property companies Triangel Frankfurt Immobilien GmbH and Main Triangel Gastronomie GmbH.

On 6 July 2015, the Company concluded a purchase agreement for the acquisition of a commercial portfolio consisting of 16 properties in the Rhine-Main area and in the Dresden region. The initial rental yield on the net purchase price of approximately €113m is around 9 per cent. The occupancy rate is currently around 90 per cent and the average remaining lease term is 5 years. The closing of this transaction has been agreed for 30 November 2015.

In addition, the following companies were established to expand the Group's operations:

- WCM Beteiligungsgesellschaft mbH, Frankfurt am Main, was established with a company agreement dated 10 June 2015. Its nominal capital amounts to €25k and is held in full by WCM AG.
- WCM Besitzgesellschaft mbH, Frankfurt am Main, was established with a company agreement dated 10 June 2015. Its nominal capital amounts to €25k and is held in full by WCM Beteiligungsgesellschaft mbH.
- WCM Beteiligungsgesellschaft mbH & Co. Objekte North KG, Frankfurt am Main, was established as at 25 June 2015. The limited liability capital amounts to €1.0m and is held in full by WCM AG.
- WCM Technical Services GmbH, Frankfurt am Main, was established as at 22 July 2015. Its nominal capital amounts to €25k and is held in full by WCM Beteiligungsgesellschaft mbH.
- WCM Handelsmärkte GmbH & Co. KG, Frankfurt am Main, was established as at 23 July 2015. The limited liability capital amounts to €100k and is held by WCM AG alone.
- WCM Verwaltungs GmbH, Frankfurt am Main, was established with a company agreement dated 18 September 2015. Its nominal capital amounts to €25k and is held in full by WCM Beteiligungsgesellschaft mbH.
- WCM Office 1 GmbH & Co. KG, Frankfurt am Main, was established as at 29 September 2015. The limited liability capital amounts to €500k and is held in full by WCM AG.

On 8 July 2015, the Company concluded a capital increase for cash from the authorised capital. A total of 76,010,706 of common stock shares were placed at an issue price of €2.05 per share. The capital stock of WCM AG was thereby increased by €76,010,706 to €109,793,244. The gross cash inflow from the capital increase amounts to €155.8m. The cash inflow from the capital increase is being used to finance the expansion of the property portfolio that has been contractually secured over the past months, as well for the repayment of loans and the further development of WCM AG.

Furthermore, the Company has been admitted to the segment of the regulated market with additional admission requirements (Prime Standard). The admission related to the Frankfurt Stock Exchange and the stock exchanges in Berlin, Düsseldorf, Hamburg and Stuttgart.

As at 1 September 2015, the Supervisory Committee appointed Mr Frank Roseen as a second member of the Company's Executive Board.

As at 30 September 2015, the transfer of benefits and liabilities took place for an OBI DIY store in the state of North Rhine-Westphalia.

Further information regarding company law aspects can be found in the description of the business performance in the interim management group report.

[3] Selected notes to the consolidated statement of comprehensive income

RENTAL INCOME

in €k

	30 September 2015	30 September 2014
Rental income	5,999	0
Total	**5,999**	**0**

As a result of the acquisition of a total of 31 properties as at 30 September, the Company reported rental income of €5,999k.

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

in €k

	30 September 2015	30 September 2014
Gains from fair value measurement	18,736	0
Losses from fair value measurement	-1,775	0
Total	**16,691**	**0**

The gains as at 30 September 2015 primarily relate to office properties in Frankfurt am Main (€13,722k) and Düsseldorf (€1,500k).

STAFF COSTS

in €k

	30 September 2015	30 September 2014
Wages and salaries	713	70
Social security contributions	62	0
Total	**775**	**70**

As expected, staff costs increased substantially year-on-year in connection with the start of operating business.

OTHER OPERATING EXPENSES

in €k

	30 September 2015	30 September 2014
River transaction costs	2,971	0
Triangel transaction costs	1,700	0
Borrowing costs	326	0
Legal and consulting expenses	313	586
Miscellaneous	1,005	692
Total	**6,315**	**1278**

The transaction costs relate to the acquisition of properties/companies.

FINANCE EXPENSES

in €k

	30 September 2015	30 September 2014
Interest on loans from Supervisory Committee members and others	201	121
Interest on loans from Weser-Elbe Sparkasse and from shareholders	107	0
Interest on loans from Deutsche Pfandbriefbank AG	572	0
Total	**880**	**121**

INCOME TAXES

in €k

	30 September 2015	30 September 2014
Deferred tax income	2,684	0
Current tax expenses	-212	0
Tax income	**2,472**	**0**

The net amount of deferred tax income of €2,684k results chiefly from deferred tax liabilities from the unrealised net gain from the fair value measurement of investment property in the amount of €5,415k and from the different valuation of transaction costs (€1,681k). The other key factor is the capitalisation of deferred taxes on the use of tax loss carryforwards. This effect amounts to €9,706k.

The deferred tax liabilities, which relate to revaluation of the portfolio, were offset against the deferred tax assets that result from the use of the loss carry forward and shown as a net figure in the statement of financial position under "Deferred tax assets".

ALLOCATION OF PROFIT OR LOSS FOR THE PERIOD

in €k

	30 September 2015	30 September 2014
Profit or loss for the period/total comprehensive income	**17,586**	**-977**
Owners of the parent	16,723	0
Non-controlling interests	863	0
Total	**17,586**	**-977**

EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share as at 30 September 2015 were calculated based on the profit attributable to common stock holders of €16,723k and the average number of ordinary shares outstanding of 57,660,084.

Diluted earnings per share

Diluted earnings per share as at 30 September 2015 were calculated based on the profit attributable to common stock holders of €16,742k and a weighted average number of ordinary shares outstanding after adjustment for all dilutive effects of potential ordinary shares of 58,063,279. The convertible bond was taken into account here for the period starting from 16 March 2015.

[4] Selected notes to the consolidated statement of financial position

CASH AND CASH EQUIVALENTS

in €k

	30 September 2015	31 December 2014
Cash and cash equivalents	28,515	19,376
Total	**28,515**	**19,376**

The Company can dispose freely of the cash.

OTHER CURRENT FINANCIAL ASSETS

in €k

	30 September 2015	31 December 2014
Security deposits paid	233	184
Loans to minority shareholders	3,377	76
Total	**3,610**	**260**

OTHER CURRENT ASSETS

in €k

	30 September 2015	31 December 2014
Notary trust accounts	7,919	0
Operating costs not yet invoiced	894	506
Value added tax receivables	320	0
Miscellaneous	227	82
Total	**9,360**	**588**

Other current assets of €7,919k (previous year: €0) include the amounts deposited in notary trust accounts for the handling of the River, North and Triangel projects.

INVESTMENT PROPERTY

in €k

	30 September 2015	31 December 2014
As at 1 January	17,337	0
Additions	246,118	17,337
Gains from fair value measurement	18,736	0
Losses from fair value measurement	-1,775	0
As at 30 September 2015 / 31 December 2014	**280,416**	**17,337**

As at 30 September 2015, this item comprises 31 properties located in the German federal states of Berlin, Bremen, North Rhine-Westphalia, Hesse, Saxony-Anhalt, Saxony and Lower Saxony.

As at 30 September 2015, the fair values of the investment properties were determined by way of a detailed appraisal by an external, independent property valuer with relevant professional qualifications and recent experience with regard to the location and category of the properties being valued. 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 valuer's remuneration is paid as a lump sum.

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 3.0 and 8.75 per cent and a discount rate of between 3.75 and 8.25 per cent were recognised. This resulted in gross multipliers of between 8.5 and 21.7 based on market rents. The existing rental agreements, taking account of additional leases/a rent guarantee, were largely recognised as they were concluded as at the measurement date.

ADVANCE PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT

in €k

	30 September 2015	31 December 2014
Green project	1,167	0
North project	627	0
River Berlin project	447	0
Total	**2,241**	**0**

The advance payments consist of transaction costs already paid for the Green project (retail stores) and the North and River Berlin projects (commercial properties).

OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets include loans already granted to minority shareholders in the amount of €1,658k (previous year: €378k).

TRADE PAYABLES

in €k

	30 September 2015	31 December 2014
Accruals for outstanding invoices	5,924	1,070
Trade payables	5,179	2,435
Total	**11,103**	**3,505**

Accruals for outstanding invoices mainly include anticipated invoices for property tax in the amount of €5,850k.

OTHER LIABILITIES

in €k

	30 September 2015	31 December 2014
Advance payments of operating costs	1,015	0
Liabilities to shareholders	1,449	0
Miscellaneous	390	123
Total	**2,854**	**123**

Other liabilities consist chiefly of advance payments of operating costs by tenants and liabilities to shareholders.

OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

in €k

	30 September 2015	31 December 2014
Loans from Deutsche Pfandbriefbank AG	107,694	0
Loans from Weser-Elbe Sparkasse	2,008	1,690
Loans from shareholders	506	3,845
Miscellaneous	318	0
Total	**110,526**	**8,167**

Non-current financial liabilities consist chiefly of loans for property financing.

EQUITY

in €k

	30 September 2015	31 December 2014
Share capital	109,793	33,783
Capital reserves	90,002	13,775
Other reserves	1,800	0
Accumulated loss	-76	-16,799
Equity of owners of the parent	**201,519**	**30,759**
Non-controlling interests	**7,027**	**1,050**
Total equity	**208,546**	**31,809**

The acquisition of the three investments in the River property companies was brokered by Invivo Capital GmbH, Berlin (formerly Kalamata Grundbesitz GmbH, Berlin). A commission of €1,800k was contractually agreed with this company on 8 August 2014 and fell due when the transaction was closed on 16 March 2015. This amount was recognised under other operating expenses in the reporting period.

The commission was not paid in cash, but instead – as resolved by the Supervisory Committee on 18 December 2014 – was converted into a mandatory convertible bond. The interest rate up until conversion is 2.0 per cent p.a. Conversion into new shares of the Company can take place from 1 January 2016 at the earliest until 30 December 2018 at the latest. The conversion price of €1.51 per share was determined based on the weighted average price of the WCM share during the reference period from 1 December 2014 to 30 January 2015.

These liabilities were transferred to the other reserves item directly in equity, as they relate to a mandatory convertible bond. They will be reclassified to the share capital and capital reserves at the time of conversion.

FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

in €k	Carrying amount as at	Loans and receivables	Other financial liabilities	Total
Financial assets not measured at fair value				
Cash and cash equivalents	30 September 2015	28,515	0	28,515
	31 December 2014	19,376	0	19,376
Other current assets	30 September 2015	12,981	0	12,981
	31 December 2014	3,935	0	3,935
Total	30 September 2015	41,496		41,496
	31 December 2014	23,311		23,311

Financial liabilities not measured at fair value				
Trade payables	30 September 2015		11,103	11,103
	31 December 2014	0	3,505	3,505
Other liabilities	30 September 2015	0	113,901	113,901
	31 December 2014	0	8,575	8,575
Total	30 September 2015	0	125,004	125,004
	31 December 2014	0	12,080	12,080

OTHER FINANCIAL OBLIGATIONS

As at 23 January 2015, the Company concluded a rental agreement for office space at Joachimsthaler Straße 34 in Berlin. The agreement has a fixed term of five years, starting on 1 February 2015 and ending on 31 January 2020. Total rent for this period, including advance payment of operating costs, comes to a net amount of €599k.

There is a lease commitment of approximately €68k for a remaining term of around three years for vehicles used internally by the Company.

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 at 30 September 2015, WCM AG had a total of 15 employees, including the Executive Board.

SHARE OPTION SCHEME

During the first half of the year, there were no share-based payment agreements as part of the share option scheme resolved by the Shareholders' Meeting of the Company on 10 June 2015 ("2015 Share Option Scheme").

EXECUTIVE BOARD

Dr Manfred Schumann left the Company's Executive Board with effect from 12 February 2015.

As at 30 September 2015, the Executive Board consisted of the following members:

Mr Stavros Efremidis (Chief Executive Officer)

Mr Frank Roseen

SUPERVISORY COMMITTEE

As at 30 September 2015, the Supervisory Committee consisted of the following members:

Rainer Laufs (Chairman)

Bernd Günther (Vice-Chairman)

Thomas Hechtfischer

Karl Ehlerding

Arthur Wiener

[5] Related Party Disclosures

There have not been any significant changes with regard to related parties as compared to the disclosures made as at 31 December 2014.

[6] Events after 30 September 2015

In the fourth quarter, the purchase agreements already concluded are to be executed. On 6 July 2015, the Company concluded a purchase agreement for the acquisition of a commercial portfolio consisting of 14 properties in the Rhine-Main area and in the Dresden region. The closing has been agreed for 30 November 2015.

The four remaining Edeka supermarkets will be held by the property companies 14. Planbau GmbH and MESOS Beteiligungs GmbH & Co. KG. In December 2015, majority interests in both companies will be transferred to WCM AG.

On 8 October 2015, the Company acquired an office property in the Eschborn office location next to the Frankfurt metropolitan area. The property has total rental space of approximately 18,300 m^2. The property is fully let to highly creditworthy companies. Annual rental income amounts to €3.3m and the average remaining lease term (WALT) is around 5 years. The transfer of benefits and liabilities will take place on 31 December 2015.

Annualised rental income for all properties for which a transfer of benefits and liabilities has taken place or a purchase agreement has been concluded amounts to approximately €31.6m.

In the 2015 fiscal year to date, Supervisory Committee meetings have been held on 12 February, 16 April, 10 June and 25 August 2015.

An extraordinary Shareholders' Meeting was held in Hamburg on 12 October 2015. The aim of the Shareholders' Meeting was to adopt the following resolutions:

- Election of a Supervisory Committee member
- Approval of control and profit transfer agreements
- Creation of authorised capital
- Issue of warrant bonds and/or convertible bonds together with creation of contingent capital
- Issue of share options to members of the Executive Board and selected employees, together with creation of contingent capital

The Shareholders' Meeting adopted all resolutions proposed by the management with a large majority.

Frankfurt am Main, 19 November 2015

Stavros Efremidis

Frank Roseen

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 September 2015 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 am Main, 19 November 2015

Stavros Efremidis

Frank Roseen

The WCM share

ISIN	DE000A1X3X33
German Securities Identification Number (WKN)	A1X3X3
Number of shares 19 November 2015:	109,793,244
Market segment:	Prime Standard
Stock markets	Xetra, Munich, Frankfurt, Berlin, Düsseldorf, Hamburg, Stuttgart
Share price 30 September 2015	€2.02
Market capitalisation 30 September 2015	€221,782,353

Financial calendar, company details and contact

23 November 2015	Berenberg: 5th Annual 1-on-1 Symposium Frankfurt
24 November 2015	Commerzbank: German Commercial Property Forum London
2 May 2016	Annual financial report

Company details
Publisher:
The Executive Board of
WCM Beteiligungs- und Grundbesitz-AG

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