ANNUAL REPORT **2012**

YOUNIQ
AKTIENGESELLSCHAFT

YOUNIQ AKTIENGESELLSCHAFT

KEY PERFORMANCE INDICATORS

In EUR million	2012	2011
Earnings figures (continuing business)		
EBITDA	1,265	3,607
EBIT	1,074	3,357
Consolidated net profit / loss for the period	54	1,400
	31/12/2012	**31/12/2011**
Balance sheet ratios (Group)		
Balance sheet total	157,574	183,696
Real estate assets	131,758	151,594
Equity	81,160	87,633
Equity ratio in %	51.51	47.71
Net financial liabilities*	57,486	63,942
Net gearing in %**	43.63	42.18
Net asset value per share in EUR	7.78	8.41
Employees	36	31

* Financial liabilities minus liquid assets
** Financial assets minus liquid assets / real estate assets

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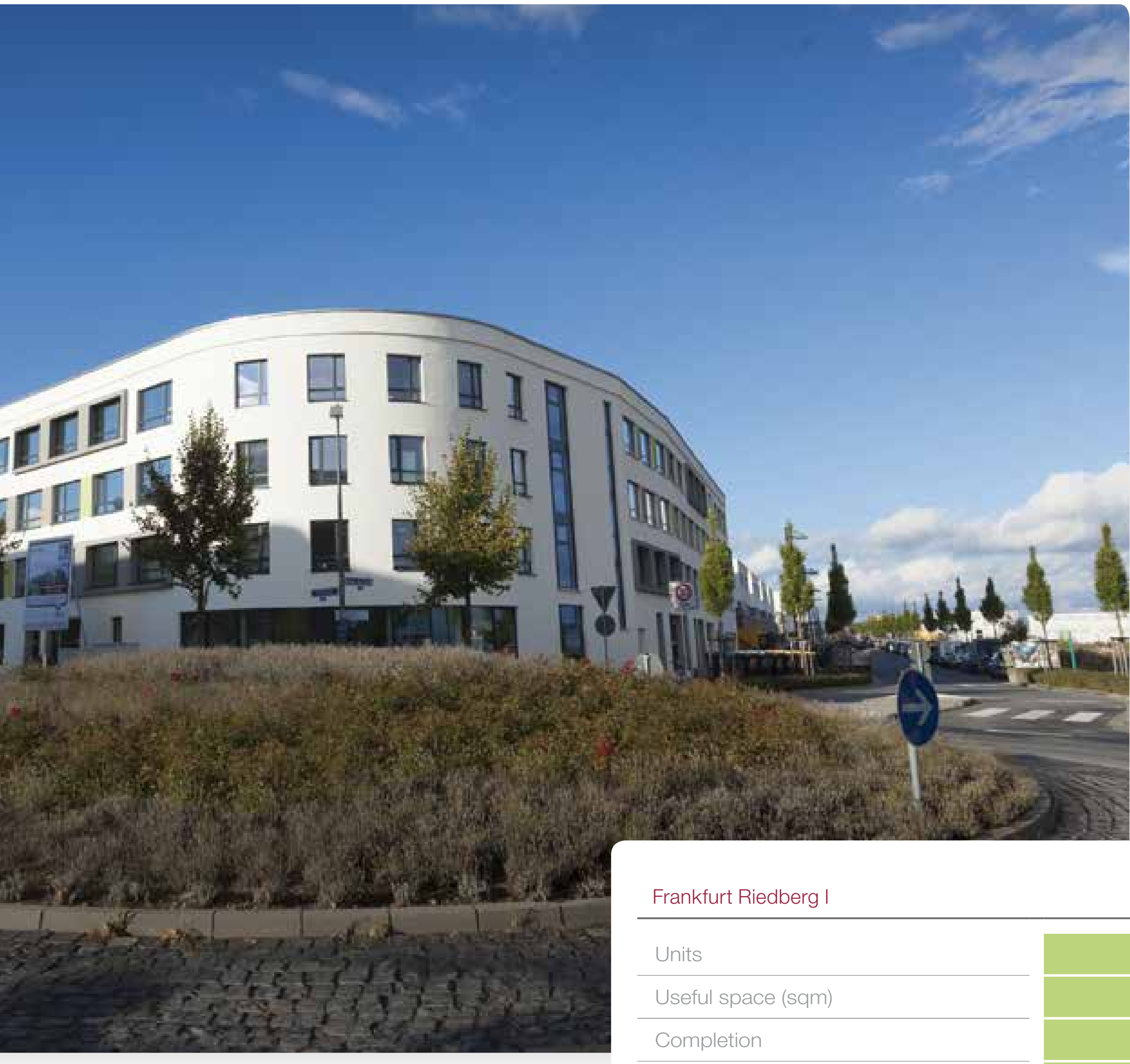

Frankfurt Riedberg I

Units	232
Useful space (sqm)	5,483
Completion	Q4/2012
Rental income (EUR million with full letting p. a.)	1.1

2012 HIGHLIGHTS

Q1

February

- Publication of the provisional 2011 business figures; in this framework, the strategic decision for the accelerated sale of the “Renting and Trading” portfolio was announced
- Transfer of the Karlsruhe and Greifswald projects to MPC

March

- Publication of the 2011 business figures: The “Student Housing” division is once again the mainstay of revenue of YOUNIQ Group

Q2

May

- Publication of the business figures for the first quarter; EBITDA of EUR 1.0 million generated; more transparent design of the consolidated profit and loss account clearly showing the motors driving results
- Investor road shows in Geneva, Paris and Luxembourg

June

- Investor road show in London

Q3

August

- Publication of the business figures for the first half of the year; sale of 195 units within the “Renting and Trading” segment in the first six months; EBITDA of EUR 2.5 million

September

- Presentation at the SRC Forum Financials & Real Estate

Q4

November

- Completion of the project in Munich, Schleißheimer Straße comprising 80 apartments which were fully let within an extremely short period of time
- Completion of the first facility in Frankfurt-Riedberg; approx. 70 % of the 232 apartments were let by the end of February 2013
- Presentation at the German Equity Forum
- Publication of the business figures for the first nine months; in total, 319 units from the existing portfolio were sold; EBITDA of EUR 3.3 million generated
- Investor road show in Vienna
- Transfer of the project in Munich, Schleißheimer Straße to MPC completed

LETTER OF THE MANAGEMENT BOARD

Dear Shareholders,

With earnings before interest and taxes (EBIT) of EUR 5.9 million and a comprehensive income of EUR 4.0 million, our core segment "YOUNIQ – Student Housing" was once again the mainstay of our business and again confirmed its profitability in the financial year 2012. In the past financial year, we handed over the three sites in Karlsruhe, Greifswald and Munich I to the MPC Fund Deutschland 11 – and, as a result, we have already successfully concluded three of the four transactions agreed on with MPC.

In the year 2012, the focus of our activities was, in particular, on our on-going projects within the "YOUNIQ – Student Housing" segment. In addition to the Munich I project, the first site in Frankfurt-Riedberg was completed. In addition, construction work began on the projects in Mainz, Potsdam and Bayreuth, as well as on the second project in Frankfurt. These properties are to be completed in time for the 2013/14 winter term. The development of the letting processes was also very positive. At the end of the year 2012, the completed properties in Greifswald, Karlsruhe and Munich, Schleißheimer Straße reported full letting and 85% of the apartments in our development in Frankfurt-Riedberg have now been let.

In our "Renting and Trading Real Estate" segment we were able to sell approximately 60% of the existing portfolio (compared with the situation at the end of 2011). Overall, we were able to sell 528 residential and commercial units with a lettable space of 40,500 square metres to investors. This corresponds to a sales volume of circa EUR 35.2 million. Furthermore, we were able to discontinue the "Project Development" segment in the course of the year (as had been planned).

We are convinced that there is a positive outlook for YOUNIQ and expect the "YOUNIQ – Student Housing" segment to develop positively in 2013 and 2014. As a result, we expect positive earnings before interest and taxes (EBIT) in this segment for these financial years.

We would like to use this opportunity to thank our staff for their commitment and you, our esteemed shareholders, for the confidence placed in us in the past financial year.

Frankfurt am Main, March 2013

Rainer Nonnengässer, CEO   Marcus Schmitz, CFO

PORTRAIT OF THE MANAGEMENT BOARD

MARCUS SCHMITZ, CFO

Marcus Schmitz joined the Management Board of YOUNIQ AG (where he holds the position of Chief Financial Officer) on 1st January 2012. He has many years of experience on the capital market, and expertise in operating activities and in project development. Starting in 2007, he worked as the CFO of the listed IFM Immobilien AG, which has offices in Heidelberg and Frankfurt am Main. Prior to that he worked as a stock analyst and fund manager at the renowned banking house Hauck & Aufhäuser Privatbankiers between 1999 and 2007. Marcus Schmitz is from Daun in the Rhineland-Palatinate. He is married and has one daughter.

RAINER NONNENGÄSSER, CEO

Rainer Nonnengässer was appointed as chairman of the Management Board of YOUNIQ AG on 1st July 2010. In this capacity he is responsible for the “Student Housing”, project development and compliance divisions. During his 20-year career in the real estate sector, Rainer Nonnengässer held various management positions within Union Investment and the AXA Group, starting in 1998. He was responsible for asset management in his final position at AXA where he was the Global COO of the Property Service Group of AXA Real Estate Investment Managers. Rainer Nonnengässer was born in Bad Kreuznach, is married and has two daughters.

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BUSINESS MODEL OF YOUNIQ AG

BUSINESS MODEL & MARKET

YOUNIQ AG is a real estate company focusing on the "YOUNIQ – Student Housing" segment. The company has operated under its current name since 2009 and with, at present, 3,270 apartment units in the planning or construction stage or under management, it is the leading German provider in the field of "Student Housing".

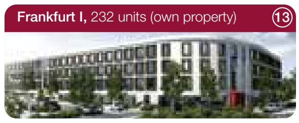
The current YOUNIQ projects

Planned / under construction

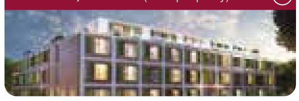
- **Lübeck,** 187 units (planned) 1
- **Potsdam,** 387 units (under construction) 2
- **Frankfurt II,** 260 units (under construction) 3
- **Mainz,** 392 units (under construction) 4
- **Bayreuth,** 234 units (under construction) 5

Completed

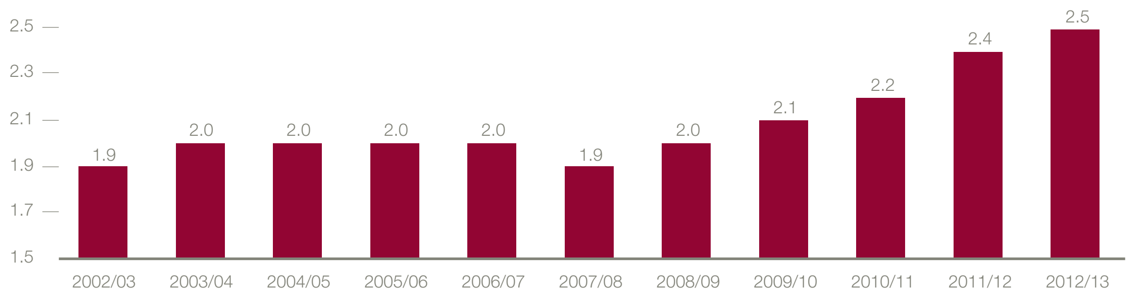
- **Greifswald,** 176 units (managed) 6
- **Berlin,** 375 units (own property) 7
- **Göttingen,** 95 units (own property) 8
- **Leipzig,** 253 units (managed) 9
- **Erlangen,** 99 units (managed in part) 10
- **Karlsruhe,** 377 units (managed) 11
- **Munich I,** 80 units (managed) 12
- **Frankfurt I,** 232 units (own property) 13



- **Munich II,** 123 units (own property) 14



Number of students in Germany from 2001 / 2002 on



Value as of winter term (million)

Source: Federal Statistical Office

Constantly growing numbers of students – for a number of reasons, such as: the double number of school-leavers because of the switch from 13 to 12 years of school, the abolition of compulsory military service (and community service in lieu of military service), the creation of additional college places in the framework of the higher education pact II and the ever growing share of school leavers with university entrance qualifications. All these aspects constitute the background to the high demand for suitable accommodation among the student target group.

In its latest projection, the conference of the German ministers of education and cultural affairs assumes that the number of first-term students will amount to more than 450,000 first-term students per year up until 2019 and that the number of first-term students will remain considerably above 400,000 up until the 2025. At the same time, the supply of apartments for the student target group is low. These factors have created an attractive market and will underpin this attractive market into the future – a market which YOUNIQ caters to with its tried and tested business model.

THE YOUNIQ CONCEPT

YOUNIQ's offer in the field of "YOUNIQ – Student Living" was tailored specifically to the concrete wishes and ideas of students on the basis of a Forsa survey. This includes the wish for an own bathroom and kitchen as well as an Internet connection in addition to furnished apartments. Moreover, YOUNIQ properties have communal facilities, such as learning lounges, and are centrally located and close to the campus (which takes account of the students' wishes for social contacts) with easy accessibility to the university and the city centre.

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ALL-IN RENT FOR COST TRANSPARENCY

The completed properties are usually operated by YOUNIQ. The apartments are let on the basis of an all-in rent which includes a fully furnished apartment with its own bathroom, Internet access, cable TV and all utility costs paid. Moreover, the YOUNIQ properties have washing machines and tumble dryers, fitness studios and communal rooms. Furthermore, a YOUNIQ Scout is available as a contact on site to help and assist the tenants in all matters regarding their daily needs.

The all-in rent is intended to ensure the highest possible degree of cost certainty and transparency. In covers all costs at YOUNIQ and, for this reason, it is easy to calculate. This is exactly in line with the student target group – they prefer a fixed rental amount which cannot be driven up by various ancillary expenses.

On account of the comprehensive services included in the rent, the all-in rent cannot be compared with conventional rent including heating. On average, the share of the net rent exclusive of heating at the YOUNIQ properties (including furnishings) amounts to approximately 77 % of the all-in rent. The remaining 23 % cover ancillary expenses, such as water and power, but also Internet, cable TV and services, such as those provided by the YOUNIQ Scouts. As a result, an attractive rental level is reached compared with the private housing market. Moreover, the tenants benefit from the comprehensive furnishings of their YOUNIQ apartments and from the services available.

The tenancy agreements are concluded for a term of one year each with the parents assuming the role of a party to the tenancy agreement on principle. As a result, a high degree of security with regard to the rent payments is achieved. On account of the fluctuation rate (of approx. 35 % per year) - which is high compared with the private housing market - YOUNIQ can regularly adjust its rental rates to the market level (regardless of the development of the standard rent levels). This is a desirable characteristic, in particular, for investors.

THE VALUE CHAIN

Within the "YOUNIQ – Student Housing" segment the Group covers a significant part of the value chain. This includes the selection and subsequent acquisition of suitable real estate properties and/or plots of land in attractive university towns or cities, project development (including planning, obtaining planning permission and construction) and extends to commercial and technical management. At the moment, the Company has a total of 3,270 apartments under management, or which are currently being built. These properties are located in twelve cities throughout Germany, including Frankfurt am Main, Munich, Bayreuth, Lübeck, Mainz, Potsdam and Leipzig.

THE INVESTMENT CRITERIA

Potential sites for new projects are assessed according to predetermined criteria. YOUNIQ AG prepares a ranking of cities and instigates new projects on this basis. Specifically, the college or university at the respective location should have more than 10,000 students - and this number should be increasing. The level of demand by students in the relevant housing market should be high and this should be in conjunction with a tight supply of apartments suitable for the student target group and, hence, resulting in an attractive price level. Furthermore, YOUNIQ usually plans developments with at least 200 residential units per site and which should have a total floor area of at least 5,000 sqm. Moreover, the central location of the plots of land or real estate properties, being close to the university and having a good infrastructure in the vicinity constitutes an important set of criteria for the YOUNIQ projects. "Good infrastructure" implies that, in addition to having good public transport facilities, there is also the possibility for students to find everything that they need on a daily basis close to the respective YOUNIQ property.

The Company's business model within the "YOUNIQ – Student Housing" segment is based on a long-term approach. New projects are usually developed within a timeframe of up to 24 months – starting with the acquisition, including construction and extending to management of the property. The revenue is distributed over this period.

THE SHARES

DEVELOPMENT OF THE SHARE PRICE

The shares of YOUNIQ AG have been listed in the Prime Standard of the Frankfurt Stock Exchange and, hence, in the exchange segment with the highest transparency and publication requirements since 22nd July 2011.

The shares of YOUNIQ began the year 2012 at EUR 6.23. This price also constitutes the highest price for the year 2012 at the same time. Following a downward movement in the first quarter of 2012, the YOUNIQ share reached its lowest value at a price of EUR 4.20 on 3rd April 2012. After that, the shares developed more stably. On the last trading day in the reporting year 2012 (28th December 2012), the YOUNIQ AG shares closed at EUR 4.99. A significant upward trend began in mid-January 2013 and led to a closing price of EUR 5.43 on the cut-off date, 28th February 2013.

On 28th February 2013, the market capitalisation of YOUNIQ AG was approximately EUR 56.5 million. The market capitalisation of the free float according to the definition of Deutsche Börse AG amounted to approximately EUR 18.9 million.

2012 GENERAL MEETING

The 2012 annual general meeting took place at the Radisson Blu Hotel in Frankfurt am Main on 18th July 2012. In total 68.58 % of the voting capital was represented. The shareholders present heard the Management Board's report regarding the development of business during the year 2011 and the outlook for the current business year. In addition to the presentation of the annual and consolidated financial statement and the approval of the activities of the Management Board and of the Supervisory Board, the election of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as the auditor of the annual and consolidated financial statement were items on the agenda. The resolutions regarding the items on the agenda were all adopted with a clear majority.

INVESTOR RELATIONS

The investor relations activities of YOUNIQ AG pursue the aim of further strengthening and expanding the relationship of trust between shareholders, investors, financial analysts and other capital market participants. For this reason, we maintain an open and intense dialogue with all interested parties.

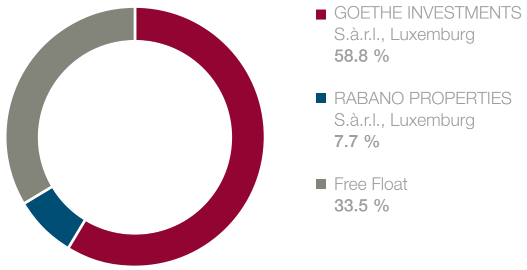
In 2012, the management of YOUNIQ AG carried out five road shows and took part in three capital market conferences in Germany and abroad. As a result, the business model with the clear focus on the "Student Housing" segment was presented to a broad public. In addition, the YOUNIQ Management Board also answered investors' and analysts' questions regarding the company.

The good cooperation with our investors and analysts and the positive feedback resulting from our financial communications has motivated us to further maintain and intensify our dialogue with capital market participants in 2013.

2013 financial calendar

17th May 2013	Financial report on Q1/2013
17th July 2013	Annual general meeting
30th August 2013	Publication of the report on the first half of the year 2013
14th November 2013	Financial report on Q3/2013

Shareholder structure on 31st December 2012



Master data

German Securities Identification No. (WKN)	A0B7EZ
ISIN	DE000A0B7EZ7
Exchange abbreviation	YOU
Trading segment	Prime Standard
Nominal capital on 31st December 2012	EUR 10,400,000.00
Nominal capital on 31st December 2011	EUR 10,400.000.00
First listing	08.12.2006
Initial sales price	EUR 17.00
Share price at the beginning of the financial year (XETRA)	EUR 6.23
Share price on 28th December 2012 (XETRA)	EUR 4.99
Maximum price during the year	EUR 6.23
Minimum price during the year	EUR 4.20

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

In the financial year 2012, the Supervisory Board carefully executed the tasks with which it is entrusted according to the applicable laws, the articles of association and the rules of procedure. It regularly supported the work of the Management Board through consultations and monitored the management of YOUNIQ AG. The Supervisory Board was involved in all decisions of fundamental significance to the Company in due time. The Management Board informed the Supervisory Board regularly, as well as promptly, in the form of detailed written and verbal communications regarding all relevant questions of planning, the development of current operations and risk management as well as the development of profitability of the Company. Deviations of the course of business from the plans and targets were explained to the Supervisory Board in depth; the Supervisory Board then examined these deviations based on the documents submitted. The Management Board coordinated the strategic alignment of the Company with the Supervisory Board. In the framework of its meetings, the Supervisory Board was informed by the Management Board with regard to all topics material to the Company. After thorough examination and deliberation, the Supervisory Board passed resolutions on the reports and draft resolutions submitted by the Management Board in so far as this was required according to the applicable laws, the articles of association and the rules of procedure. In addition to the intensive work done in the context of regular meetings, the chairman and other members of the Supervisory Board were also in regular contact with the Management Board outside the meetings. In this way, they were able to thoroughly acquaint themselves with the current development of business and essential business transactions, as well as being able to advise the Management Board accordingly. Furthermore, the Chairman of the Supervisory Board discussed the perspectives and the future alignment of the individual fields of business in separate meetings with the Management Board.

In the course of the financial year 2012, the Supervisory Board discussed, in particular, the business situation and the operative, as well as strategic, development of the Company and its business fields, in a total of seven meetings. The Management Board also informed the Supervisory Board of special business transactions of fundamental importance for the assessment of the Company's situation and development as well as for the management of the Company, comprehensively and promptly – even in periods between meetings of the Supervisory Board. The Management Board submitted matters requiring approval to the Supervisory Board in due time or obtained the required approval of the Supervisory Board forthwith. Conflicts of interest on the part of members of the Management and Supervisory Board, which must be disclosed to the Supervisory Board without delay, and of which the general meeting must be informed, did not occur during the year under review.

Focus of the deliberations

In the financial year 2012, the Supervisory Board dealt, in particular, with the development of the business of YOUNIQ AG, the important individual transactions, the allocation of share options to executives and other key staff of YOUNIQ Group in accordance with the YOUNIQ AG 2011 share option plan, the sale of the "Renting and Trading Portfolio", planning and maintenance of the liquidity of the company and the issue of a subordinate bond in this connection.

Furthermore, the Supervisory Board dealt, in particular, with the development of the Company in the fields of turnover, profits and employment, the adoption of the annual and consolidated financial statement for the financial year 2011, the interim financial report and the individual quarterly reports for the financial year 2012, the further development in the business segment "YOUNIQ – Student Housing", the preparation of the annual general meeting and the approval of the acquisition of properties in Düsseldorf and Reutlingen. In performing these tasks, the Supervisory Board convened a total of seven meetings (in which the Management Board also participated) – as mentioned above.

Work in the committees of the Supervisory Board

In order to carry out its work efficiently, the Supervisory Board has established in total three committees. They prepare the resolutions to be adopted by the Supervisory Board, as well as the subjects to be covered by the board. In addition, decision-making competences of the Supervisory Board have been transferred to committees in as far as this is legally permissible. The chairmen of the committees report to the Supervisory Board on the work of the committees at the respective next meeting. The structure of the individual committees, the number of meetings and resolutions can be summarised as follows:

Until the end of their respective terms of office, Dr. Manfred Püschel, Ralph Winter, Daniel Schoch and Dr. Carsten Strohdeicher were members of the presiding committee. In accordance with the rules of procedure, the chairman of the Supervisory Board, Dr. Manfred Püschel, also holds the office of the chairman of the presiding committee. During the year under review, the presiding committee met twice. It discussed the acquisition of the property in Ulmenstraße 15-29 in Nuremberg and adopted a corresponding resolution. Moreover, it also discussed the acquisition of a property in Bamberg.

Until the end of their respective terms of office, Dr. Manfred Püschel, Ralph Winter, Daniel Schoch and Dr. Carsten Strohdeicher were members of the auditing committee, with Daniel Schoch assuming the function of the chairman of the committee. The auditing committee met once in the year under review. It discussed the adoption of the 2011 annual financial statement of the Company, the adoption of the 2011 consolidated financial statement and the management report of the company and of the Group (in the presence of the auditors). Moreover, it discussed the audit reports with the auditors of the annual financial statement in detail and prepared the resolution by the Supervisory Board.

Until the end of their respective terms of office, Dr. Manfred Püschel, Ralph Winter, Daniel Schoch and Dr. Carsten Strohdeicher were members of the nomination committee. In accordance with the rules of procedure for the Supervisory Board, the chairman of the Supervisory Board, Dr. Manfred Püschel assumed the position of the chairman of this nomination committee. In 2012, there was no need for the nomination committee to convene.

Annual and consolidated financial statement

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart audited the annual financial statement, the consolidated financial statement and the report on the situation of the Company and of the Group for the financial year 2012, which were prepared by the Management Board, and issued an unqualified audit certificate for each of these. At its meeting on 22nd March 2013, following preparation by the auditing committee, and after inspection of the annual financial statement, the consolidated financial statement and the report on the situation of the Company and the group for the financial year 2012, the Supervisory Board approved the result of the audit by the auditor of the annual accounts and adopted the annual financial statement and the consolidated financial statement. The annual financial statement is henceforth taken as adopted. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft participated in the supervisory board meeting on 22nd March 2013 and reported to the Supervisory Board regarding the essential results of the audit.

Report by the Management Board on Relations with Affiliated Companies according to Art. 312 AktG [German Exchange Act]

The Management Board of YOUNIQ AG has forwarded the report on the relations with affiliated companies pursuant to Art. 312 AktG (as well as the audit report prepared with regard to this by the auditor of the annual accounts) to the Supervisory Board in due time. According to the conclusion of the audit, the auditor of the annual accounts has not raised any objections regarding the report and has issued the following certificate:

"Following the audit and assessment in accordance with our duty, we hereby confirm that:

1) The factual statements contained in the report are correct,
2) The performance of the Company with regard to the legal transactions listed in the report was not disproportionately high under consideration of the circumstances which were known at the time at which such was provided.
3) With regard to the measures listed in the report there are no indications for a materially different assessment than the one by the Management Board."

The report on the relations with affiliated companies was inspected by the Supervisory Board. Based on its own inspection of the report, the Supervisory Board agrees to the assessment by the auditor of the annual accounts and does not raise any objections as to the statement by the Management Board regarding the relations with affiliated companies.

Changes to the Management Board and the Supervisory Board

With effect from 1st January 2012 Mr. Marcus Schmitz was appointed a member of the Company's Management Board. The member of the Management Board Dr. Marcel Crommen resigned from his position on the Management Board by agreement with the Company on 31st December 2011. Rainer Nonnengässer's term of office will end on 30th June 2013. There are no plans for a renewal of his term of office.

There were no changes on the Supervisory Board of YOUNIQ AG in the financial year 2012. Information on the member of the Supervisory Board and its committees is provided on pages 19 et seqq.

Corporate Governance

With only a few exceptions, the Management Board and the Supervisory Board take the requirements of the German Corporate Governance Codes into account. More detailed explanations on this are provided below in the framework of the Corporate Governance Report and in the summarised management report of the Company and of the Group. The joint declaration of compliance required according to Art. 161 Paragraph 1 AktG [German Stock Corporation Act] is contained in the Corporate Governance report and in the declaration on corporate governance according to Art. 289a HGB [German Commercial Code], which is included in the management report, and, moreover, it is available on the internet at www.youniq-group.de.

The members of staff of YOUNIQ AG and its subsidiaries have contributed to the development of the Company in the year under review by showing a high degree of commitment. The Supervisory Board would like to give thanks and pay tribute for the work performed to the Management Board, as well as all members of staff.

Frankfurt am Main, March 2013

On behalf of the Supervisory Board
Dr. Manfred Püschel
- Chairman -

CORPORATE GOVERNANCE REPORT

Responsible and transparent corporate management and governance - based on sustainable value creation (Corporate Governance) - take a high priority at YOUNIQ AG. Through these principles we foster the trust of national and international investors, the financial markets, our business partners and members of staff as well as that of the general public. Efficient co-operation between the Management Board and the Supervisory Board, consideration of shareholders' interests as well as transparency in corporate communications constitute essential aspects of good corporate governance. The Management Board regularly, promptly and comprehensively reports to the Supervisory Board regarding all relevant questions of corporate planning and strategic development and the course of business as well as the current situation of the group. At the same time, good corporate governance also includes responsible corporate risk management. In the context of its value-based corporate management, YOUNIQ AG employs systematic risk management in order to ensure that risks are detected and assessed early on and, furthermore, that risk positions are optimised. The recommendations of the government commission “German Corporate Governance Codex“ (DCGK) constitute an established benchmark for the assessment of German listed companies' corporate management and, hence, they constitute an important tool for the capital market-oriented further development of transparency, comprehensibility, trust and control. The Management and Supervisory Board of YOUNIQ AG accept the principles of the German Corporate Governance Codex in the versions of 6 June 2008, 18 June 2009, 26 May 2010 and 15 May 2012 and these have been implemented (with only a few exceptions). The relevant details are provided in the Declaration of Compliance according to Art. 161 Paragraph 1 AktG, issued by the Management Board and the Supervisory Board in March 2013.

Shareholders and general meeting

The shareholders exercise their rights of company co-administration and co-governance at the general meeting. Each share in YOUNIQ AG corresponds to one vote. At the general meeting, the shareholders have the possibility of discharging their right to vote themselves, or to have their wishes acted upon by an authorised representative of their choice, or by an instruction-bound proxy of the Company. The Company makes sure that the instruction-bound proxies appointed by the Company are available during the general meeting. There is no maximum limit of the voting rights held by an individual shareholder; moreover, there are no special voting rights. Every shareholder is entitled to take part in the general meeting, to take the floor regarding the respective items on the agenda during these meetings and to request information regarding the affairs of the Company, in so far as required for the proper consideration of an item on the agenda.

Collaboration between the Management Board and the Supervisory Board

The Management Board and the Supervisory Board cooperate closely and on the basis of trust for the benefit of YOUNIQ AG in order to safeguard a sufficient supply of information for the Supervisory Board. The joint aim is to increase the value of the Company in a sustainable manner.

Management Board

The Management Board of YOUNIQ AG manages the Company on its own responsibility and in the best interests of the Company with the aim of creating sustainable value. The work of the Management Board, the matters reserved for the entire Management Board, as well as the required majorities for a resolution and transactions requiring approval are established by the Supervisory Board in the rules of procedure for the Management Board. In the course of the financial year 2012, the composition of the Management Board changed as follows:

The member of the Supervisory Board, Dr. Marcel Crommen, resigned from his position on the Management Board with effect from 31st December 2011. Mr. Marcus Schmitz was appointed a member of the Company's Management Board with effect from 1st January 2012. At present, the Management Board consists of two members:

RAINER NONNENGÄSSER,

born on 6th July 1963, was appointed the chairman of the Management Board of the Company for a term of 36 months on 25th June 2010. His term of office began on 1st July 2010 and expires on 30th June 2013. There are no plans for a renewal of his term of office. This member of the Management Board holds sole power of representation with the authority to conclude legal transactions with himself as a legal representative of a third party on behalf of the Company.

MARCUS SCHMITZ,

born on 17th March 1973, was appointed a member of the Company's Management Board for a term of 36 months on the basis of a resolution by the Supervisory Board on 20th October 2011. His term of office began on 1st January 2012 and ends on 31st December 2014. This member of the Management Board holds sole power of representation with the authority to conclude legal transactions with himself as a legal representative of a third party on behalf of the Company.

Supervisory Board

The Supervisory Board of YOUNIQ AG regularly advises and monitors the Management Board with regard to the management of the Company and closely co-operates with the Management Board. The entire Supervisory Board regularly receives reports on the essential developments at YOUNIQ AG.

At the first meeting of the Supervisory Board on 26th September 2011, Dr. Manfred Püschel was elected the chairman of the Supervisory Board. Daniel Schoch was elected the first deputy of the chairman of the Supervisory Board. As a result, Dr. Manfred Püschel is the chairman of the Supervisory Board, Daniel Schoch is his first deputy and Martin Hitzer is the second deputy of the chairman.

At the current time, the following persons are members of the Supervisory Board:

DR. MANFRED PÜSCHEL,

born on 13th May 1953, is the chairman of the Supervisory Board of YOUNIQ AG. Mr. Püschel is an independent management consultant. Dr. Püschel is a member of the administrative council of Thyssen Vermögensveraltung GmbH, Düsseldorf, a member of the advisory council of the Anita Thyssen Foundation, Munich and the chairman of the advisory council of WITTE Automotive GmbH, Velbert.

DANIEL SCHOCH,

born on 31st March 1974, is the first deputy chairman of the Supervisory Board of YOUNIQ AG. Mr. Schoch is a management expert and member of the management board of CORESTATE CAPITAL AG, Zug, Switzerland. Furthermore, Mr. Schoch was a member of the supervisory board of Roth & Rau Aktiengesellschaft, Hohenstein-Ernstthal until 26th August 2011 and a member of the supervisory board of Suiteside AG, Frankfurt am Main, until 24th August 2012.

MARTIN HITZER,

born on 19th November 1968, is the second deputy chairman of the Supervisory Board of YOUNIQ AG. Martin Hitzer is a lawyer and partner in the law firm of Gleiss Lutz, Düsseldorf. In a letter dated 24th September 2012, Mr. Hitzer resigned from his office as a member of the Supervisory Board with effect from the end of the next general meeting of the company.

RALPH WINTER,

born on 13th May 1963, is the managing director of Corestate German Residential Ltd., St Peter Port, Guernsey and of Corestate German Commercial Properties Fund LP, St Peter Port, Guernsey.

DR. CARSTEN STROHDEICHER,

born on 5th January 1961, is the managing director of Arcadius Advisory GmbH, Munich. Dr. Strohdeicher is a member of the Supervisory Board of Magnet Real Estate AG, Frankfurt am Main, and of SQUADRA Immobilien GmbHG & Co. KGaA, Frankfurt am Main.

BARBARA BUSCH,

born on 27th April 1958, is a lawyer, tax consultant and auditor as well as a partner with Anwaltssozietät Bögner Hensel & Partner, Frankfurt am Main.

At the meeting of the Supervisory Board on 26th September 2011, the Supervisory Board established a presiding, an auditing and a nomination committee and amended the rules of procedure for the Supervisory Board accordingly.

- Dr. Manfred Püschel, Ralph Winter, Daniel Schoch and Dr. Carsten Strohdeicher are members of the presiding committee until the end of their respective terms of office. Dr. Manfred Püschel, the chairman of the Supervisory Board, assumes the function of chairman of the presiding committee in accordance with the rules of procedure of the Supervisory Board.
- Until the end of their respective terms of office Dr. Manfred Püschel, Ralph Winter, Daniel Schoch and Dr. Carsten Strohdeicher are members of the auditing committee. Daniel Schoch assumes the function of the chairman of the auditing committee.
- Dr. Manfred Püschel, Ralph Winter, Daniel Schoch and Dr. Carsten Strohdeicher are members of the nomination committee until the end of their respective term of office. Dr. Manfred Püschel, the chairman of the Supervisory Board, assumes the position of the chairman of the nomination committee, in accordance with the rules of procedure for the Supervisory Board.

Transparency

In order to ensure the highest-possible degree of transparency YOUNIQ AG has the aim of providing the same information to all stakeholder groups concurrently. For this reason, all press releases and ad-hoc communications are published on the website of YOUNIQ AG (www.youniqgroup.de). Additionally, our shareholders are informed of key dates through a financial calendar that is published on the website.

Even before the annual general meeting, the shareholders are comprehensively informed of events of the past financial year as well as of the individual items on the agenda with the management report and the invitation to attend the annual general meeting. Furthermore, all other reports and documents required by law for the general meeting are provided in conjunction with the agenda in an easily accessible format on the Company website. Moreover, YOUNIQ AG also publishes its interim reports and interim statements on its website immediately after their publication, in addition to the annual reports. Furthermore, the annual document (which has to be prepared according to Art. 10 of the German Securities Prospectus Act (WpPG) and in which all the relevant corporate information for the previous calendar year is compiled) is also provided on the website of YOUNIQ AG.

Accounting and Auditing

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was elected as the auditor of the annual accounts and auditor for the consolidated financial statement for the financial year expiring on 31st December 2012 and commissioned by the Supervisory Board to audit the annual and consolidated financial statement at the annual general meeting 2012.

DIRECTORS' DEALINGS: SHARE OPTION PROGRAMME FOR AND SHAREHOLDINGS BY (A) MEMBER(S) OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD

According to Art. 15a of the German Securities Trading Act, the members of the Management Board and of the Supervisory Boards, other persons holding management tasks who have regular access to insider information of the Company and are authorised to take essential entrepreneurial decisions, as well as certain persons that have a close relationship to the persons referred to above are obliged by law to disclose the acquisition and sale of YOUNIQ shares and of financial instruments referring to these and, in particular, derivatives from an amount of more than EUR 5,000 per calendar year to YOUNIQ AG. Notifications regarding such transactions have been published, e.g. on the internet at www.youniq-group.de, forthwith. In the financial year 2011, the members of the Management Board and of the Supervisory Board did not hold any shares in YOUNIQ AG at any time. In the financial year 2011, the members of the Management Board and of the Supervisory Board did not hold more than 1 % of the shares issued by YOUNIQ AG at any time.

At the annual general meeting of YOUNIQ AG on 10th August 2011, the "YOUNIQ AG Share Option Plan 2011" regarding issuing of subscription rights for shares to executive staff and other important employees of YOUNIQ AG and its Group subsidiaries was introduced. The Management Board was authorised to issue one or several share option plans under which option rights involving in total up to 520,000 bearer shares of YOUNIQ AG will be issued to members of the Management Board and employees of YOUNIQ AG and to employees of the management and to employees of YOUNIQ Group companies in one or several issues until 9th August 2016 with the approval of the Supervisory Board. The shareholders have no subscription rights in this case. Fulfilment of the exercised subscription rights can be effected either through the use of the Conditional Capital II/2011, (which was created at the annual general meeting of YOUNIQ AG on 10th August 2011 for fulfilling these rights), through own shares of the Company or by means of cash settlement - at the Company's choice. In the case of the issue of option rights to members of the Management Board of YOUNIQ AG, the authorisation applies to the Supervisory Board alone. In as far as members of the Management Board are concerned, the exact scope of the parties entitled to subscription rights and the number of the subscription rights are determined by the Supervisory Board and in all other cases, they are determined by the Management Board with the approval of the Supervisory Board. The allocated subscription rights can be exercised within a period of seven years from the day of allocation; however, they cannot be exercised before the end of a four-year waiting period as commencing from the allocation day. During certain blocking periods in connection with the end of the respective quarter or of the end of the business year and the publication of the respective results as well as the annual general meeting, the subscription rights must not be exercised. Exercising of the subscription right is subject to the condition that the closing price of the share of YOUNIQ AG reaches or exceeds the exercise price on at least one trading day during the term of the subscription price. The exercise price of a YOUNIQ share amounts to 110 % of the average of the final auction prices of the YOUNIQ share on the five trading days preceding the respective allocation day of the subscription rights. With regard to the share options granted to members of the Management Board, the Supervisory Board shall provide for a restriction possibility for extraordinary developments – a "cap". In case that events, such as capital measures, lead to a change in the commercial value of the subscription rights, the terms of the options can provide for an adjustment of the exercise price to make sure that the value of the option does not change as a result of such events. The subscription rights cannot be transferred and can only be exercised by the allottee. Further details for the granting and fulfilment of subscription rights and the further conditions of the scheme shall be determined by the Supervisory Board in as far as members of the Management Board are concerned and, in all other cases, these are specified by the Management Board with the approval of the Supervisory Board.

Compensation report

The Compensation Report for the financial year 2012, which is provided in the framework of the Corporate Governance Report, is contained in section 1.5 of the Consolidated Management Report. The Supervisory Board has thoroughly inspected the Compensation Report and adopts the statements contained therein. In order to avoid repetition, a renewed inclusion at this point is dispensed with. The statements included in the consolidated management report also concurrently constitute an integral component of the Corporate Governance Report.

Declaration of Compliance according to Art. 161 Paragraph 1 AktG

In March 2013, the Management Board and the Supervisory Board issued the following joint declaration of compliance according to Art. 161 Paragraph 1 AktG. Moreover, the declaration of compliance is also contained in the corporate governance statement according to Art. 289a HGB, which is included in the management report, and also provided on the internet at www.youniq-group.de together with the German Corporate Governance Codex.

"DECLARATION BY THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF YOUNIQ AG REGARDING THE RECOMMENDATIONS BY THE "GOVERNMENT COMMISSION GERMAN CORPORATE GOVERNANCE CODEX" ACCORDING TO ART. 161 PARA. 1 AKTG

In the financial year 2012, YOUNIQ AG complied with, and still complies with, all recommendations by the "Government Commission on German Corporate Governance Code" in their respectively valid version dated 18th June 2009, 6th June 2008, 26th May 2010 and 15th May 2012 with the following exceptions:

Figure 3.8 DCGK: A D&O insurance has been taken out for the members of the Supervisory Board. This insurance does not provide for any personal excess contribution, as the Supervisory Board is already obliged to act responsibly and properly by virtue of the rule of law and as the current statutory obligation to agree on a personal excess contribution for members of the Management Board does not apply with regard to members of Supervisory Boards. For members of the Supervisory Board, a personal excess contribution is also to be dispensed with in the future. The nature of the office of a member of the Supervisory Board, which is also shown by the different design of the compensation package, makes this approach appear appropriate.

Figure 4.1.5 DCGK: At the current time, the Company has dispensed with the recommendation to pay attention to diversity in staffing executive positions within the Company and, in particular, to strive to ensure adequate consideration of women for these positions since, in the opinion of the Management Board, adequate expertise and technical knowledge are of primary importance in this respect and the market for appropriate executive staff is limited.

Figure 5.1.2 DCGK: The Management Board, the Supervisory Board and the Company are of the opinion that the knowledge and experience of members of the bodies of the Company should not be dispensed with simply because of age limitations. For this reason, the Supervisory Board decides on the establishment of an age limit for the appointment of members of the Management Board and the suitability of the person on a case-by-by-case basis. However, there is currently no need for an age limit on account of the current composition and age structure of the Management Board. The recommendation regarding the consideration of diversity in staffing of the Management Board is dispensed with in the present case since the Supervisory Board is convinced that the required expertise and technical knowledge are of primary importance and the market for appropriate executive staff is limited.

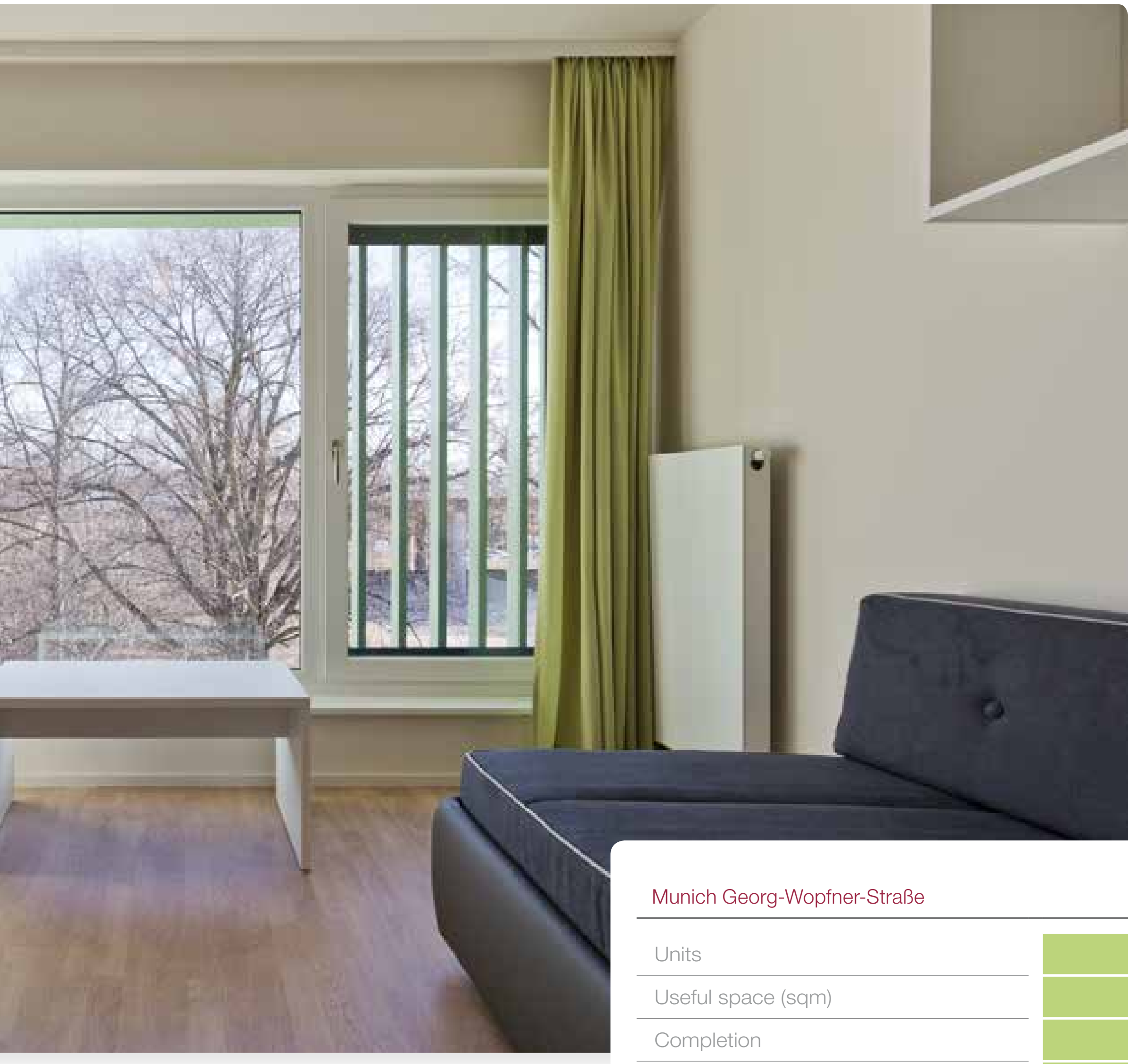
Figure 5.4.1 DCGK: The specification of concrete aims regarding the composition of the Supervisory Board is dispensed with since, according to the Articles of Association, the specification of concrete aims regarding the composition of the Supervisory Board does not appear appropriate on account of the scope of the business operations of the Company. Moreover, the Supervisory Board is convinced that the required expertise and technical knowledge are of primary importance and that the market for appropriate persons is limited.

Figure 5.6 DCGK: In the financial year 2012, the efficiency of the work of the Supervisory Board was not reviewed. This is due to the fact that the year 2012 was the first full business year during which the Supervisory Board worked together in its current compositions. For this reason, an earlier review of the efficiency of the work of the Supervisory Board would not have been appropriate and meaningful. However, there are plans to review the efficiency of the work of the Supervisory Board during the past period in the financial year 2013 (in view of the fact that it has now worked together in its current composition for some time).

Figure 7.1.2 DCGK: The annual and consolidated financial statements as well as the interim financial reports and interim reports were published in compliance with the statutory deadlines. The term for the publication of the consolidated financial statements and the interim financial report recommended in the codex was not adhered to in the financial year 2012 since this would have necessitated considerable additional costs and resources. However, it is planned in the future to prepare the consolidated financial statements and the interim financial statement according to the statutory requirements.“

Frankfurt am Main, March 2013

On behalf of the Supervisory Board	On behalf of the Management Board	
Dr. Manfred Püschel	Rainer Nonnengässer	Marcus Schmitz



Munich Georg-Wopfner-Straße

Units	123
Useful space (sqm)	2,888
Completion	Q1/2013
Rental income (EUR million with full letting p. a.)	0.8

CONSOLIDATED MANAGEMENT REPORT OF THE COMPANY AND OF THE GROUP FOR THE FINANCIAL YEAR 2012

BUSINESS REPORT

1.1 BUSINESS AND FRAMEWORK CONDITIONS

1.1.1 Group Structure

YOUNIQ AG, with registered offices in Frankfurt am Main operates as the holding and parent company of various subsidiaries covering the business segments of "YOUNIQ – Student Housing" and "Services" which are going concerns and the business segments which have been discontinued - "Renting and Trading Real Estate" and "Project Development". The administrative field of business of YOUNIQ AG is concentrated within the "Services" division. As the parent company, YOUNIQ AG is in charge of Group financing and of the acquisition and sale, as well as the marketing, of real estate properties. The "Renting and Trading Real Estate" division (whose assets are in the process of being sold at the moment) and the "Project Development" segment (whose operating activities have been discontinued) are reported as "not to be continued".

The individual projects of the Group within the "YOUNIQ – Student Housing", "Renting and Trading Real Estate" and "Project Development" divisions are usually executed by the subsidiaries. For example, the construction and/or development of new student apartments are usually carried out through subsidiaries. Within YOUNIQ Group there are numerous control and profit and loss transfer agreements with the subsidiaries. On 31st December 2012, the scope of consolidation of YOUNIQ AG comprised 32 companies.

1.1.2 Employees

In the financial year 2012, 36 employees were, on average, employed by YOUNIQ AG. 28 of these employees are allocated to the parent company YOUNIQ AG and eight are attributed to its subsidiaries. At the Frankfurt am Main premises 11 employees were employed on the balance sheet date (31st December 2012), while 31 employees were employed at the Leipzig office. In total 11 employees were, on the balance sheet date, employed in the administration of the Group. A further 31 employees undertook operational business activities in the "YOUNIQ – Student Housing", "Renting and Trading Real Estate" and "Project Development" divisions.

Increasing the potential of its staff - so as to create value - is one of the central aims of YOUNIQ AG. For this reason, the Company promotes the personal development of its staff in the context of internal and external further training measures. These were once again used extensively during the past financial year. The increase in personal motivation and the enhancement of the employees' technical qualifications (resulting from these further training activities) make a decisive contribution to the Company's success.

1.1.3 Development of business and of the real estate portfolio

I. STUDENT HOUSING

Within the "YOUNIQ – Student Housing" division the Company focuses on the development and management of high-quality student apartments in, currently, twelve university towns and cities. The portfolio of own properties and properties owned by third parties (which are currently managed or being constructed) comprises 3,270 apartments on the balance sheet date (31st December 2012). 1,687 units of these are managed by the company and 1,583 units are under construction or being planned at the moment. Of the 1,687 completed units, 702 units are own property while 985 units are managed for third parties. The projects are located in the following towns and cities:

- Munich
- Greifswald
- Karlsruhe

- Frankfurt am Main
- Mainz
- Potsdam
- Erlangen
- Bayreuth
- Lübeck
- Leipzig
- Berlin
- Göttingen

YOUNIQ AG pursues the strategy of holding approximately 50 % of the properties within its own portfolio and selling 50 % to third-party investors in the medium term. In the framework of the cooperative agreement established with MPC Münchmeyer Petersen Capital AG in 2011, MPC established the "MPC Deutschland 11" fund. It invested in student apartment facilities at four well-known university locations (Munich, Greifswald, Frankfurt am Main and Karlsruhe) and which have been developed and managed by YOUNIQ. Overall, YOUNIQ generated gross sales proceeds of approximately EUR 63 million as a result of the handover of these properties. With the sites in Greifswald, Karlsruhe and Munich Schleißheimer Straße, three out of the four properties were transferred to the MPC Fund at the end of February and November 2012. The Frankfurt-Riedberg II project is planned to follow suit in the third quarter of 2013 and so will round off the fund.

a. In the planning/construction stage

As of the balance sheet date (31st December 2012), YOUNIQ Group had 1,583 residential units (with a planned usable floor area of approximately 36,445 sqm) in the planning or at the construction stage. In the first half of the year 2012, construction on the second project in Frankfurt-Riedberg and on the projects in Mainz, Potsdam and Bayreuth began. Completion of the properties which are already in the construction stage is scheduled for the beginning of the 2013/2014 winter semester. In the fourth quarter of 2012, the Frankfurt-Riedberg I project was concluded. Since then, letting activities have been carried out and the property is being kept within the company's own portfolio. At present, the real estate property in Georg-Wopfner-Straße in Munich is in the final completion stage and letting activities have already begun. The two projects in Düsseldorf and Reutlingen were abandoned at the beginning of 2013 (see also Report on events after the balance sheet date).

Project	Units	Completion (scheduled)	Useful space in sqm (planned)	Expected rental income (EUR million)
Munich, Georg-Wopfner-Straße 3	123	Q1/2013	2,888	0.8
Frankfurt-Riedberg II, Altenhöferallee 70	260	Q3/2013	6,176	1.2
Lübeck, Lise-Meitner-Weg/Maria-Mitchel-Straße	187	Q3/2014	4,476	0.7
Bayreuth, Bismarckstraße 43	234	Q3/2013	5,607	1.0
Mainz, Wallstraße 31-37	392	Q3/2013	8,324	1.6
Potsdam, Kiepenheuer Allee	387	Q3/2013	8,974	1.5
Total	**1,583**		**36,445**	

Projects which are in the realisation stage as of 31st December 2012

b. Completed YOUNIQ projects

The YOUNIQ Group either keeps the properties which it has developed within its own portfolio or manages them for third parties. The structure of the projects completed up until 31st December 2012 is described below.

Own portfolio

Compared with 31st December 2012, the own portfolio increased by the Frankfurt-Riedberg I property (which was completed in the fourth quarter of 2012). At present, letting activities are underway. The properties in Greifswald have been kept as third-party properties since March 2011 following the transfer to MPC Capital. Overall, YOUNIQ AG had three properties with 702 residential units and usable floor area of 20,766 sqm within its own portfolio as of 31st December 2012

Project	Units	Letting status in % (31/12/2012)	Useful space in sqm	Rental income p.a. (EUR million) with full letting
Berlin, Iranische Straße 6	375	98.00	8,898	1.4
Göttingen, Zimmermannstraße 58-64	95	99.10	6,385	0.5
Frankfurt-Riedberg I, Max-Born-Straße 2	232	50.86	5,483	1.1
Total	**702**		**20,766**	

Properties held within the own portfolio on 31st December 2012

Third–party properties

Compared with the situation on 31st December 2012, the third-party property portfolio increased significantly as a result of the transfer of the projects in Munich Schleißheimer Straße, Karlsruhe and Greifswald to MPC and of the addition of the project in Schützenstraße in Leipzig. It comprised seven properties with 985 residential units with a usable floor area of 27,822 sqm.

Project	Completion	Units	Useful space in sqm	Total investment (in EUR million)
Leipzig,Paul-List-Straße 24 u. 26	May 2010	90	3,573	8.2
Erlangen,Drausnickstraße 1 (BA I)	April 2009	99	2,795	6.7
Leipzig, Querstraße 15-17	December 2010	87	2,821	6.2
Greifswald,Mittelstr. 12/Scharnhorststraße 2	June 2009	176	5,018	8.1
Karlsruhe,Degenfeldstraße	February 2012	377	9,389	24.0
Leipzig,Schützenstraße 2a	June 2012	76	2,473	5.3
Munich,Schleißheimer Straße 323	December 2012	80	1,754	8.2
Total		**985**	**27,823**	

Properties managed as third-party properties on 31st December 2012

II. RENTING AND TRADING REAL ESTATE

On 31st December 2012, the "Renting and Trading Real Estate" segment comprised a real estate portfolio of 48 properties made up of 706 units. The overall portfolio comprises 637 residential units and 69 units designed for use as commercial properties. The lettable space amounted to approximately 50,000 sqm, 39,000 sqm of which is residential space and 11,000 sqm commercial space.

In the context of the further concentration on the "YOUNIQ – Student Housing" segment, a large part of the "Renting and Trading Real Estate" portfolio has already been sold (as compared with the situation at the end of 2011). This involved 528 residential and commercial units with a lettable floor area of 40,500 sqm. This corresponded to approximately 60 % of the real estate assets stated in the balance sheet according to IFRS or to a sales turnover of EUR 35.2 million respectively. The remaining properties are to be sold, while the business division is to be discontinued in the near future.

III. PROJECT DEVELOPMENT

On 31st December 2012, YOUNIQ Group no longer operated any projects within the "Project Development" division. At present, the projects implemented are in the warranty period or in the commercial execution.

1.1.4 Market and competitive environment

I. DEVELOPMENT OF THE ECONOMY

After a good start, the global economy turned down again in the course of 2012. As a result, the International Monetary Fund (IMF) revised its growth forecast for the global gross domestic product in its "World Economic Outlook" in October 2012 from the previous level of 3.6 % to 3.5 %.[1] At the beginning of 2013, the IMF expected global economic growth of 3.5 % (as against a level of 3.6 % expected previously for the current year).[2] It assumed that there was still a high degree of uncertainty as a result of the European government debt crisis and budget consolidation in the USA. Should the political sector fail in its attempt to resolve these issues, a significant worsening of the growth perspectives would have to be expected - according to the IMF.

Both the IMF and the Institute for the World Economy (IfW) forecast a recession for the Euro zone for the year 2013.[3] According to this forecast, the economy within the Euro zone will decline by 0.2 %. In 2014, this development could be replaced by slight growth of 1.0 % (IMF) or 0.9 % (IfW). Compared with this, the development of the German economic performance will have a higher level of momentum. The IMF forecast is of a growth rate of 0.6 % for 2013 and of 1.4 % for 2014. In line with this, the IfW forecasts GDP growth of 0.3 % in 2013 and of 1.5 % in 2013. However, this depends, in particular, on what happens regarding the European government debt crisis, according to the IfW.

The development of the economic dynamics within the Euro zone will have a negative impact on the European labour market in 2013, according to the IfW. However, the employment situation in Germany, on the other hand, has shown a more positive development so far. According to the Federal Statistical Office, the unemployment rate was 6.5 % in November 2012 and, as a result, significantly lower than the average value for the year 2011 (7.1 %).[4] In parallel with this, overall employment increased. IfW expects a slight increase in the unemployment figures to approximately 3 million. However, this number is expected to decline below this level again by the end of 2014. As an annual average, the unemployment rate is expected to be approximately 7 %.[5]

In 2012, the rate of inflation was 2.0 % in Germany – down from 2.3 % in the previous year.[6] The rate of price increases was driven, in particular, by the above-average rise in energy prices, according to the Federal Statistical Office. Prices for services rose less sharply. According to Eurostat, the annual rate of inflation within the Euro zone was 2.2 % in December 2012 and was, hence, significantly higher than in the Federal Republic of Germany.[7] The European Central Bank (ECB) continues to rely on interest rate cuts in view of this development. On 5th July 2012, it lowered the base rate from 1.0 % to 0.75 %. And, according to IfW, the housing construction sector benefitted from the lower mortgage interest rates resulting from this.[8]

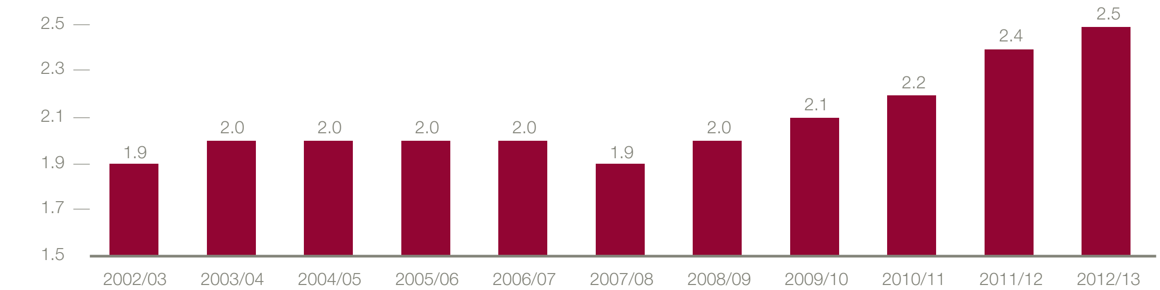
[1] http://www.imf.org/external/pubs/ft/survey/so/2012/res100812a.htm | [2] http://www.imf.org/external/pubs/ft/weo/2013/update/01/index.htm | [3] Ibidem; Institute for the World Economy Kiel: "Weltkonjunktur bleibt vorerst schwach" (Medieninformation, 18.12.2012) ["Global economy to remain weak for the time being" (media information, 18/12/2012)] [4] https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/Arbeitsmarkt/Arbeitsmarkt.html | [5] Institute for the World Economy: „Ausgeprägte Konjunkturschwäche in Deutschland" (Medieninformation, 18.12.2012) ["Distinct economic downturn in Germany" (media information, 18/(12/2012)] | [6] https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2013/01/PD13_018_611.html | [7] http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-16012013-AP/DE/2-16012013-AP-DE.PDF | [8] Institute for the World Economy Kiel: "Europäische Schuldenkrise bremst den Aufschwung in Deutschland erneut" ["European debt crisis again slows down economic recovery"], media information (14th June 2012)

II. DEVELOPMENT OF THE MARKET FOR STUDENT HOUSING

Student numbers at an all-time high

The market for student housing is still dynamic. The number of students reached a record level in the 2012/2013 winter term. According to preliminary data from the Federal Statistical Office, there were approximately 2.5 million students.[9]

Number of students in Germany from 2002/2003 on

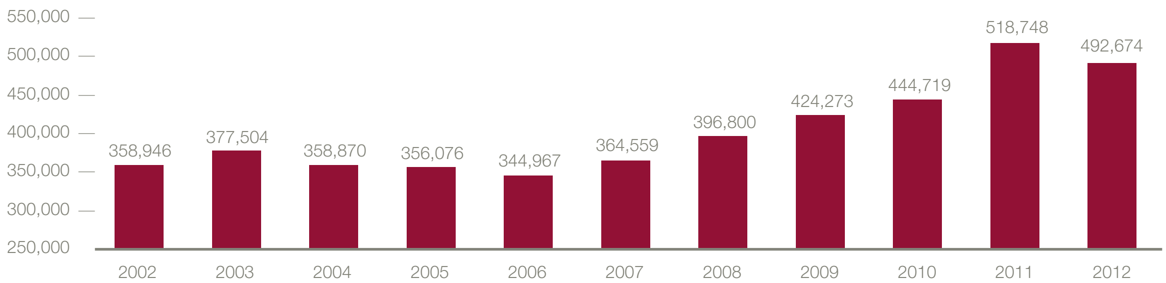


Value as of winter term (million)

Source: Federal Statistical Office

As against the year 2011, this corresponds to an increase of 27 %.[10] However, the number of new students declined slightly – after 518,700 new students in the academic year 2011, in total 492,700 students began their studies in 2012.[11] This was still the second-highest value ever recorded.

Number of freshmen in Germany from 2002 on



Value per academic year

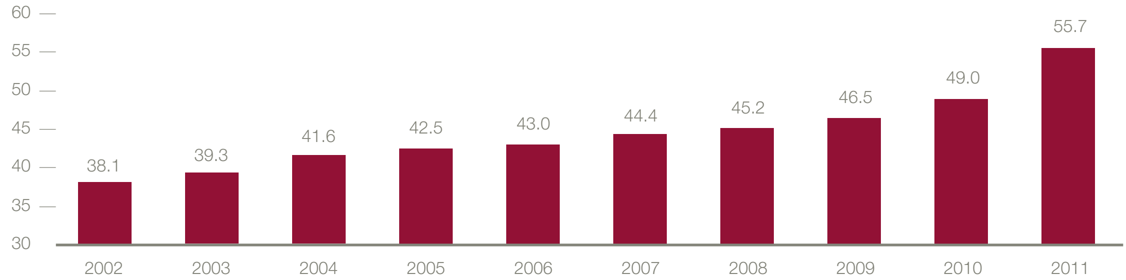
Source: Federal Statistical Office

In the future, the number of potential students will probably decline slightly, but still remain at a high level. According to information provided by the German conference of the ministers of education and the arts, as many as approximately 55 % of school leavers had college and university entrance qualifications in 2011. With 519,000 school leavers with higher education entrance qualifications, the maximum level so far is expected to occur in 2013. Moreover, the conference of the ministers of

[9] Statistical Federal Office: "Zahl der Studierenden in Deutschland auf Rekordniveau" ["Record Number of Students in Germany"] (press release, 5th December 2012)
[10] Ibid. | [11] Ibid.

education and the arts (CMEA) forecasts a continuation of large numbers of school leavers holding higher education entrance qualifications - more than 400,000 p. a. up until 2025.[12]

Nationwide share of school-leavers with higher education entrance qualifications or advanced technical certificate



Share among contemporary resident population in percent

Source: CMEA

In its current projections of the numbers of new students, the conference of the ministers of education and the arts (CMEA) forecasts more than 450,000 new students every year up until 2019. Afterwards, this figure is forecast to remain at a level of significantly more than 400,000 new students per year until 2025. With this assumption, the CMEA has significantly adjusted its last projection from the year 2009 onwards. Furthermore, the authors of the study stated that such a "strongly dynamic development in the development of the number of first-term students, [comment by YOUNIQ] has "not been anticipated by any means" in any projection so far. Furthermore, the proportion of students (which is low compared with other OECD countries) results in further potential for development. According to the most recent estimates, the rate of people who begin a course of tertiary level studies in their lifetime amounts to 42 % in Germany. However, this rate is 62 % in an international comparison.[13] Moreover, the number of students was also boosted by the double number of school leavers on account of the switch from 13 to 12 years of school, e.g. in North Rhine Westphalia and Hesse in the current year. Further influencing factors included the abolition of compulsory military service (and of community service in lieu of military service) and the implementation of the higher education pact II, in the framework of which approximately 275,000 additional places are to be created at universities and colleges by 2029.

Germany attractive for foreign students as a higher education location

In addition to the high renown of German universities, the implementation of bachelor's and master's courses in the course of the Bologna Process towards the standardisation of European higher education qualifications have additionally increased the attractiveness of Germany as a higher education location, particularly, for foreign students. In the academic year 2011, international students accounted for a share of approximately 11 % at German universities, which is significantly higher than the OECD average of 6 %. According to the OECD, Germany welcomes 7 % of all foreign students worldwide and, hence, ranks fourth behind the USA (18 %), the United Kingdom (10 %) and Australia (7 %).[14] In addition to the renown of the local universities and colleges, this is due, in particular, to tuition fees which are low in an international comparison.[15] The German Academic Exchange Service (DAAD) expects a further increase in the share of foreign students also with a view to the future.[16] Furthermore, CMEA also cites the increase in the number of foreign students, among others, as a factor contributing to growing student numbers in its projection.

[12] http://www.kmk.org/fileadmin/pdf/Statistik/KomStat/Dok_197_Vorausberechnung.pdf | [13] http://www.oecd.org/berlin/EAG2012 %20- %20Country %20note %20- %20 Germany_with %20KF_Final_GER.pdf | [14] http://www.oecd.org/berlin/48669662.pdf | [15] Ibid. | [16] http://www.daad.de/portrait/presse/pressemitteilungen/2012/21295.de.html

Financially strong target group

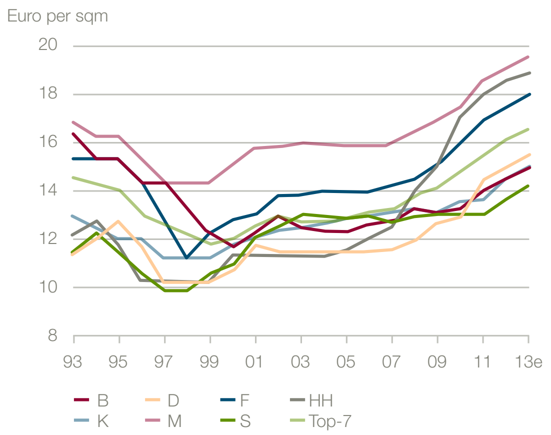
The financial strength of the student target group constitutes a further essential positive characteristic of the market for "student housing". According to data contained in the 19th Social Survey by the Federal Ministry of Education and Research and by the German Student Union, the average monthly available budget amounted to approximately EUR 812[17]. According to data provided by the research company BulwienGesa, 28 % of all students have at least EUR 900 a month (and 10 % even have more than EUR 1,100) at their disposal every month[18]. According to the 19th Social Survey, students spent approximately EUR 281 on rent and utility expenses per month. In YOUNIQ AG's opinion, we can conclude that, on the basis of this survey, the potential target group for the Group's offering comprises approximately 55 % of all students in Germany. This takes account of the fact that the values gathered in the survey are average values which only permit a limited comparison with the all-in rent offered by YOUNIQ since the YOUNIQ offer also comprises additional services, such as utility expenses, internet access, cable TV and furnishings.

Scarce housing supply and attractive rental price level

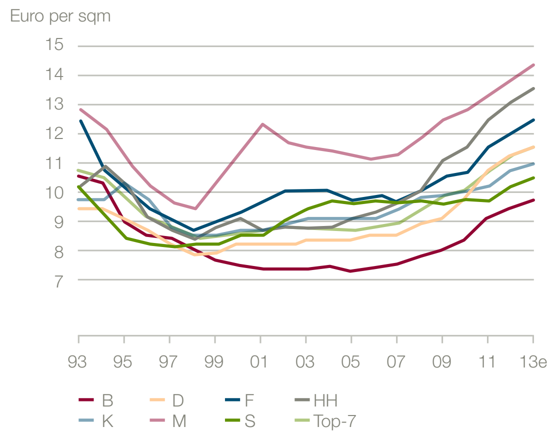
The tight residential situation for students (which results from the high number of new students and the low accommodation offer) will not change fundamentally in the coming years. At present, the federal government estimates that there is a shortage of 70,000 apartments for students. The research company BulwienGesa also assesses students' housing situation in Germany as being "difficult and critical overall" since the demand by far exceeds the supply. For example, there are only roughly 225,000 places at student halls of residence (which are subsidised with public funds) and affordable living space for students is "tight in general".

Moreover, the generally tight housing supply and the high demand, in particular, in the conurbation areas has led to a significant increase in rental rates in many places over the last years. While, in 2010, the average monthly gross rent (without heating costs) in Germany was EUR 6.37 per sqm, the big cities in Germany have had much higher increase levels in the higher level rental property for years.[19] According to data from the research company BulwienGesa, Munich, Hamburg and Frankfurt have the top position among these, with peak rents of more than EUR 18 per square metre forecast for 2013. The average rents in these cities are forecast to increase to between more than EUR 12 and EUR 14 per sqm in 2013.

Highest rents: Munich heads towards EUR 20 / qm *)



Average rents: Only Berlin still below EUR 10 *)



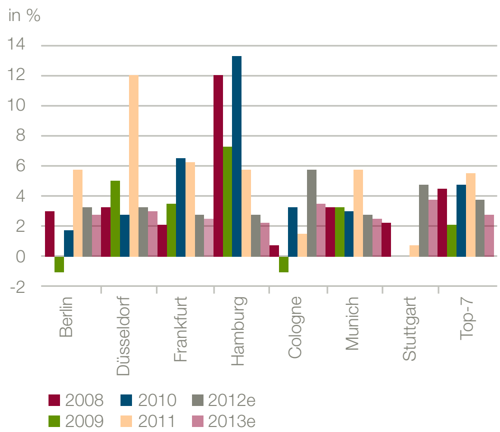
*) Rent for first occupancy

Source: BulwienGesa

[17] Federal Ministry of Education and Research: "Die wirtschaftliche und soziale Lage der Studierenden in der Bundesrepublik Deutschland 2009: 19. Sozialerhebung des Deutschen Studentenwerks durchgeführt durch HIS Hochschul-Informations-System" ["Students' economic and social situation in the Federal Republic of Germany in 2009: 19th Social Survey of the German Students' Union carried out by HIS Hochschul-Informations-System"], 2010 | [18] http://www.bulwiengesa.de/fileadmin/user_upload/PDFfiles/Pressenotizen/PR2012/2012_BulwienGesa_MakroScoring_Kompetenz_Studentenwohnen.pdf | [19] Federal Statistical Office, Statistical Yearbook 2012

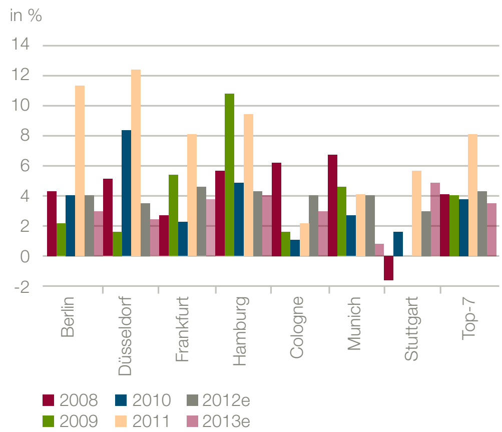
With regard to other big cities in Germany, such as e.g. Cologne and Düsseldorf, BulwienGesa also expects rent increases in the low to medium one-digit percentage range.

High annual increases in the highest rents *) …



*) Rent for first occupancy

… and in the average rent *)



Source: BulwienGesa

Attractive locations and growth potential

At the micro-level, the market for student housing appears quite inhomogeneous, however. The large conurbation areas referred to above and their universities, such Berlin, Hamburg, Munich and Cologne, have a high number of students. In addition, there are a number of other college and university towns outside the big conurbation areas and, as a result, with much lower numbers of students (such as Bayreuth and Gießen) which still appear attractive for investment purposes. In March 2012, BulwienGesa published a survey of college locations which were examined in terms of their attractiveness for investors.[20] On the basis of a scoring system, 64 locations (out of the in total approximately 180 college locations in Germany) with more than 7,000 students each were evaluated in a standardised form. Including Munich, which is ranked first, there are currently four YOUNIQ locations among the top ten in this study. The other locations are Frankfurt am Main, Berlin, and Erlangen. In addition to this, the company is included in the study with seven further locations (Karlsruhe, Potsdam, Mainz, Göttingen, Lübeck, Leipzig and Bayreuth), which, on the one hand, underlines the quality of our demanding investment criteria and, on the other hand, offers room for further growth in the future.

1.1.5 Corporate aims and strategy

As the leading German provider of high-quality student apartments, YOUNIQ AG operates in a highly attractive market environment. Since it covers a significant part of the value chain – from the acquisition of the real estate properties and plots of land to project development (including planning, obtaining building permits and construction and extending to commercial and technical management) - the Company benefits from all segments of this business. At the moment, YOUNIQ has a portfolio of 3,270 high-quality student apartments - which are currently being constructed or which are being managed.

The Management Board's core aim is to align the business model of YOUNIQ AG exclusively to the field of "Student Housing" in order to consistently expand the Company's position as the leading German provider.

New sites are acquired following a careful selection procedure based on a clearly defined scoring process. In this context, YOUNIQ aims to diversify the projects throughout Germany. New student apartments are created by either building new apartments or refurbishing existing properties. The management and the Company are able look back on many

[20] BulwienGesa AG: "Studentenwohnungsmarkt – Makro-Scoring für die neue Asset-Klasse" ["Student housing market – Macro-scoring for the new asset class"], March 2012

years of experience in the fields of project development and portfolio management - on which the high quality of their investment decisions is based.

In the course of the alignment of the focus to the "YOUNIQ – Student Housing" segment, the business division "Renting and Trading Real Estate" is to be discontinued. In order to speed up the sale of the existing portfolio in the "Renting and Trading Real Estate" segment, a change of strategy was implemented in February 2012. Following on with this strategic realignment, approximately 60% of the real estate assets reported as of the end of the year 2011 were sold or the sale of such was notarised in the financial year 2012. The sale of the properties will be continued in the financial year 2013. Overall, this sale is intended to create liquidity, thus permitting additional investment volumes of up to EUR 40 million in the "YOUNIQ – Student Housing" segment.

1.1.6 Overall statement on the economic framework conditions

In the opinion of the Management Board, the market for "student housing" in Germany will continue to gain in attractiveness. The tight supply of living space in the university towns and the constantly growing numbers of students ensure an attractive supply-demand situation. At the same time, the financial strength of students in Germany can be assessed as being unabatedly high, so that we have a potential YOUNIQ target group of approximately one million students throughout the country today. Moreover, the macro-economic environment for real estate investments continues to be favourable. As a result, institutional investors have entered the market to a considerable degree. And real estate investments additionally benefit from the unchanged and very low interest rates.

The market environment (which is very positive overall) results, not least, in an increased demand for attractive plots of land - which is also having an impact on the price and competitive situation. Within the demanding market environment and as a result of its successful track record and its high reputation, YOUNIQ sees itself as being excellently prepared to be able to use emerging market opportunities quickly and, thus, to further expand its position as the leading German provider in this segment. For the years 2013 and 2014, the Management Board assumes that the economic framework conditions will develop favourably overall.

1.2 EXPLANATION OF THE DEVELOPMENT OF BUSINESS AND ANALYSIS OF THE EARNINGS, ASSETS AND FINANCIAL SITUATION

For YOUNIQ Group, the financial year 2012 was characterised by the further progress of construction for the project developments within the "YOUNIQ – Student Housing" segment and the accelerated sale of real estate properties which do not form part of the core segment. Moreover, as a result of the sale of 94.9% of the shares in the project companies in Karlsruhe, Greifswald and Munich Schleißheimer Straße, three of the four transactions with MPC capital (referred to as the "MPC deal" herein after) have been completed within the "YOUNIQ – Student Housing" segment. At the same time, YOUNIQ has secured the long-term management of these properties through lease agreements.

The "Project Development" division was discontinued as planned at the end of 2012. At the same time, approximately 60% of the real estate properties held within the "Renting and Trading Real Estate" segment were mostly sold at prices above book value within a period of one year. In the future, the envisaged growth aims in the operating sector will depend on the sale and/or development and sale of new student residential facilities within the "YOUNIQ – Student Housing" segment. However, the effects resulting from this will only be seen in YOUNIQ Group's earnings situation partly with a certain time delay.

1.2.1 YOUNIQ Group

I. GROUP EARNINGS SITUATION

In the financial year 2012, YOUNIQ Group was again able to generate a consolidated annual net profit of kEUR 54 (previous year: kEUR 1,400) in the business divisions to be continued (segments "YOUNIQ – Student Housing" and "Services"). The consolidated annual result for the discontinued business divisions was negative as in the previous year – however, at a significantly lower level.

The essential earnings figures of YOUNIQ Group for the fields of business to be continued are as follows:

Group performance ratios (segments to be continued) kEUR	2012	2011	Change in result
Net operating income (NOI) after expensed capital expenditures and write-downs	1,319	1,183	135
of which rental income	*5,342*	*3,213*	*2,130*
Profit / (loss) from the sale of real estate assets	(1,744)	36	(1,780)
Profit / (loss) from construction contracts	(107)	1,483	(1,590)
Profit / (loss) from changes in valuation of investment property	6,711	6,907	(195)
Personnel and administrative expenses	(4,455)	(4,188)	(267)
General selling and marketing expenses	(460)	(1,815)	1,355
EBITDA	1,265	3,607	(2,342)
Depreciation, amortisation and write-downs	(191)	(250)	59
EBIT	1,074	3,357	(2,283)
Financial result	(2,567)	(3,298)	731
EBT	(1,493)	59	(1,552)
Income tax	1,547	1,341	206
Consolidated annual result	**54**	**1,400**	**(1,346)**

While rental income in the "YOUNIQ – Student Housing" segment has only slightly declined compared with the previous year on account of the relatively constant number of residential units (own portfolio) (kEUR 2,926; previous year: kEUR 3,067), rental income in the "Services" segment has risen considerably (kEUR 2,416; previous year: kEUR 146). This is due to the fact that the real estate properties in Karlsruhe, Greifswald and Munich Schleißheimer Straße (which have been leased back in the framework of the MPC deal) have been fully let by now. However, this rental income is more than offset by real estate-specific expenses arising essentially from the payment of the fixed general lease to the MPC fund.

The net operating income improved by kEUR 135 to kEUR 1,319 compared with the previous year. This was due, in particular, to admission and processing fees of kEUR 305 from letting of the student apartments.

The development of the profit/(loss) from the sale of real estate assets (kEUR -1,744; previous year: kEUR 36) was mainly influenced by the project developments in Karlsruhe and Munich which were completed and handed over to the buyers in the financial year 2012. In this respect, major cost overruns were incurred. Because of contractual agreements, these subsequent costs had to be defrayed by the group company CAMPUS REAL ESTATE GmbH and have, hence, led to a loss on account of the disposal of the corresponding project development companies. In line with this, the "YOUNIQ – Student Housing" segment accounts for the biggest share in this decline at kEUR 1,713.

As in the previous year, the revenue from construction contracts (kEUR -107; previous year: kEUR 1,483) was generated through a single construction contract in Leipzig, Schützenstraße 2a, within the "YOUNIQ – Student Housing" segment. This construction contract was completed and handed over to the client in the financial year 2012. On account of the high degree of completion as of the end of the previous year, no further revenue according to construction progress was generated in the financial year 2012. In the future, new projects for third parties (so-called "construction contracts") are only to be accepted in exceptional cases and provided there is a material connection to the core segment "YOUNIQ – Student Housing".

On account of the further progress of construction for the project developments reported under investment properties, further increases in fair value were achieved among others. Furthermore, especially the positive market valuation made by an independent expert (Cushman & Wakefield LLP, previous year CBRE) positively affected the result from the market appraisal of investment properties.

Personnel and administrative expenses within the "Services" and "YOUNIQ – Student Housing" segments amounted to kEUR 4,455 (previous year: kEUR 4,188), kEUR 950 (previous year: kEUR 1,968) thereof could clearly be allocated to the business divisions to be discontinued.

For the first time, significant expenses were incurred by Youniq Service GmbH (while, in the past year, expenses were essentially only incurred by YOUNIQ AG). Youniq Service GmbH provides both letting and traditional property management services for the properties of YOUNIQ Group which are held within the group's own portfolio and for most properties and apartments which have been sold to final investors or capital investors. There are plans for Youniq Service GmbH to expand its business activities in the future. In this context, services have increasingly been provided by own staff (instead of external service providers) starting from 1st August 2012.

The general selling and marketing expenses (kEUR 460; previous year: kEUR 1,815) were largely incurred within the "Services" segment. These selling and marketing expenses are connected, in particular, with maintaining and increasing the level of awareness of the "YOUNIQ" brand and attending specialised trade fairs. The decline in the general selling and marketing expenses (as against the previous year) is due to the fact that commission fees from the conclusion of construction contracts and the sale of real estate properties were included in these expenses in the previous year.

Furthermore, the "YOUNIQ – Student Housing" segment also accounts for a positive EBITDA of kEUR 5,958 (previous year: kEUR 10,138) or EBIT of kEUR 5,919 (previous year: kEUR 10,017). Overall, YOUNIQ Group (including "Services" segment) was able to generate a positive EBITDA of kEUR 1,265 (previous year: kEUR 3,608) and EBIT of kEUR 1,074 (previous year: kEUR 3,357) in the business divisions to be continued as a result.

At kEUR -2,567, the financial result improved by kEUR 731 as against the previous year. In the "Services" segment (kEUR 2,193; previous year: kEUR 994) this is mainly due to the waiver of accounts receivable granted last year by the majority shareholder GOETHE INVESTMENTS S.à r.l. as of 30th June 2011. As a result, interest to be paid to the majority shareholder was not incurred as in the previous year. Within the "YOUNIQ – Student Housing" segment, the negative financial result has only improved slightly from kEUR 4,292 in 2011 to kEUR 4,112 at present through loan repayments. The bearer bond to the amount of kEUR 5,000 (interest rate: 13% p.a.) which was issued as intermediate financing for the project development in Potsdam in December 2012 has not had a significant impact on the financial result so far.

Income tax was positive at kEUR 1,547 (previous year: kEUR 1,341). This is essentially due to the reduction in deferred tax liabilities arising from appraisal differences between the tax balance sheet values and the respective fair values.

In addition to the discontinuation of the essential activities within the "Project Development" segment which have already taken place, the Management Board has already initiated the accelerated sale of all real estate properties within the "Renting and Trading Real Estate" segment. For this reason, both of these segments comprise abandoned and discontinued fields of business. In addition to this, personnel and administrative expenses from the "Services" segment (kEUR 996; previous year: kEUR 1,713) and income taxes (KEUR 987; previous year: kEUR 0) were allocated to the discontinued business divisions.

The essential earnings figures of YOUNIQ Group with regard to the discontinued business divisions are as follows:

Group performance ratios (dscontinued segments) kEUR	2012	2011	Change in result
Net operating income (NOI) after expensed capital expenditures and write-downs	(1,253)	2,392	(3,645)
of which rental income	*3,487*	*4,463*	*(976)*
Profit / (loss) from the sale of real estate assets	(1,441)	1,062	(2,466)
Profit / (loss) from construction contracts	(790)	(1,777)	987
Profit / (loss) from changes in valuation of investment property	2,442	(24,177)	26,619
Personnel and administrative expenses	(950)	(1,968)	1,018
General selling and marketing expenses	(129)	(584)	455
Other expenses and revenue	-	(0)	0
EBITDA	(2,121)	(25,088)	22,967
Depreciation, amortisation and write-downs	(421)	(2,522)	2,101
EBIT	(2,541)	(27,609)	25,068
Financial result	(3,002)	(2,988)	(14)
EBT	(5,543)	(30,597)	25,054
Income tax	(1,571)	8,159	(9,730)
Consolidated annual result	**(7,114)**	**(22,438)**	**15,323**

The rental income (kEUR 3,487; previous year: kEUR 4,463) was almost exclusively generated within the “Renting and Trading Real Estate” segment. The decrease of kEUR 976 (as against the previous year) is due to the sale of let existing properties in the course of the year.

Compared with the previous year, the net operating income declined by kEUR 3,645 to kEUR -1,253 with both segments being affected by the decline to the same degree. In addition to comprehensive value adjustments on overdue trade accounts receivable (kEUR 1,323), the decline was due to the maintenance and expansion measures (kEUR 1,025) carried out within the “Renting and Trading Real Estate” segment. With the help of these measures, the real estate properties concerned were upgraded in order to sell them.

The development of the revenue from the sale of real estate assets (kEUR -1,441; previous year: kEUR 1,025) was largely caused by high sales costs (commission fees, restructuring subsidies, etc.; in total: kEUR 1,829) within the “Renting and Trading Real Estate” segment. Furthermore, the sales volume almost doubled compared with the previous year (measured against the sales revenue of kEUR 24,691; previous year: kEUR 13,891) which is due to the increased sales of existing real estate properties within the “Renting and Trading Real Estate” segment. In total, 528 units were sold in this segment in the financial year 2012. This corresponds to approximately 60 % of the real estate portfolio held at the end of the year 2011.

As in the previous year, the revenue from construction contracts (kEUR -790; previous year: kEUR -1,777) was generated through two construction contracts within the “Project Development” segment. In these cases, it turned out during the execution of the contract that the old structure of the building was in a much worse condition than had originally been assumed which, in turn, resulted in unexpected additional costs - also within the current financial year (2012). On 31st December 2012, only parts of the construction contract in Leipzig, Ferdinand-Lassalle Straße were still in the portfolio and these will be handed over to the client shortly as a result of the completion of the project.

The sale of portfolio and inventory properties at sales prices which were higher than the book value has had a positive effect on the profit from changes in valuation of investment properties (kEUR 2,442; previous year: kEUR -24,177). As in the previous year, the result was fully generated within the “Renting and Trading Real Estate” segment.

In the previous year, the valuation loss resulted from the changed strategy for the planned sale of the existing properties (existing properties and inventory properties) in this segment. Instead of the more expensive and time consuming sale of individual properties planned until that time the existing portfolio was to be sold in the framework of major portfolio transactions. For this reason, the evaluation of the portfolio within the “Renting and Trading Real Estate” segment (which does not form part of the core business) was adjusted so as to make sure that all existing properties were uniformly valued according to the discounted cash flow method (DCF method) under consideration of a portfolio discount for the first time.

The personnel and administrative expenses (kEUR 950; previous year: kEUR 1,968) are directly connected with the discontinued fields of business.

The “Renting and Trading Real Estate” segment reported positive EBITDA of kEUR 835 (previous year: kEUR -21,949) and EBIT of kEUR 528 (previous year: kEUR -23,735). As in the previous year, the EBITDA and/or EBIT primarily resulted from evaluation result. In the “Project Development” segment, the EBITDA totalled kEUR -1,961 (previous year: kEUR -1,425) and the EBIT amounted to kEUR -2,074 (previous year: kEUR -2,161), which was essentially attributable to the negative net operating income and the construction contracts.

Compared with the previous year, the financial result of kEUR -3,002 increased only slightly by kEUR 14 and was largely due to the “Renting and Trading Real Estate” segment. Even though loans were repaid on a large scale using the proceeds from the sale of the real estate properties the negative financial result in this segment has increased by kEUR 787. This was due to high, one-off prepayment penalties in connection with the early repayment of loans for real estate properties (which had partly been financed through long-term financing), in addition to the market evaluation of an interest rate swap which affected net income (in the previous year: cash-flow hedging relationship).

At kEUR -1,571 (previous year: kEUR 8,159), taxes on income were negative. This was due to the limited usability of tax loss carry forwards as a result of the discontinuation of the “Project Development” segment and to the sale of the real estate properties of the “Renting and Trading Real Estate” segment. In the previous year, the effect largely resulted from the devaluation of the real estate properties in the “Renting and Trading Real Estate” segment, as a result of which the valuation differences between the tax balance sheet values of the real estate properties and their respective fair value declined significantly.

With regard to the composition and structure of the parameters according to business segments, reference is made to the segment disclosures according to IFRS 8 in the consolidated notes (section 7). The segment disclosures are shown in line with the internal reporting on the Group’s earnings situation on the basis of the consolidated profit and loss account.

II. GROUP ASSET SITUATION

In the financial year 2012, the asset situation (and the financial situation of YOUNIQ Group resulting from it) were essentially shaped by the further investments in development projects within the “YOUNIQ – Student Housing” segment and by the sale of investment properties in the context of the MPC deal and the increased sales of real estate properties which did not form part of the core segment. As a result of the latter measures, in particular, the assets (regardless of whether such are current or non-current assets) and the debt of the discontinued business divisions connected with these were summarised under separate items.

Overall, the effects specified above have had a significant impact on the asset situation of YOUNIQ Group and, as a result, they are also reflected in the different parameters:

Asset and financial structure	31/12/2012	31/12/2011	Change
Asset structure (non-current/current assets)	179.18 %	217.03 %	-17.44 %
Asset utilisation (non-current assets/balance sheet total)	64.18 %	68.46 %	-6.25 %
Current assets to total assets (current assets/balance sheet total)	35.82 %	31.54 %	13.56 %
Equity ratio	51.51 %	47.71 %	7.97 %
Equity-to-fixed-assets ratio (long-term debt/long-term assets)	20.51 %	48.45 %	-57.67 %
Leverage ratio I (financial liabilities/real estate assets)	50.23 %	49.06 %	2.37 %
Leverage ratio II (net financial liabilities/net real estate assets)	43.63 %	42.18 %	3.44 %
Balance sheet total in kEUR	157,574	183,696	-14.22 %
Real estate assets in kEUR	131,758	151,594	-13.08 %
Current assets in kEUR	56,442	57,943	-2.59 %
Non-current assets in kEUR	101,132	125,752	-19.58 %
Equity in kEUR	81,160	87,633	-7.39 %
Long-term debt in kEUR	20,740	60,926	-65.96 %
Short-term debt in kEUR	55,674	35,136	58.45 %
Financial liabilities in kEUR	66,179	74,377	-11.02 %
Net financial liabilities in kEUR	57,483	63,939	-10.10 %

Compared with the previous year, the balance sheet total declined by kEUR 26,122 to kEUR 157,574. A share of kEUR 22,063 of this decline is due to the non-current assets – in addition to the first-time balancing of tax liabilities and deferred taxes. This was attributable to the deconsolidation of Youniq Karlsruhe GmbH & Co. KG, Youniq Greifswald GmbH & Co. KG and of Youniq Munich II GmbH & Co. KG, which has led to the disposal of real estate with a total volume of kEUR 42,570. Furthermore, the reinforced sale and/or reorganisation of existing properties which are not part of the core segment and deferred tax assets from tax loss carry forwards and valuation differences (which were kEUR 2,727 lower) also affected the balance sheet total. Fundamental additions resulted from further investments in the development properties which have already been held as investment properties (kEUR 30,626) and from the addition of the property in Reutlingen (kEUR 1,698). In addition, the fair values of these real estate properties increased their fair value by kEUR 6,711 on account of the further construction progress and especially a positive market valuation.

Under current assets the sale of inventory properties was compensated by further investments in the project development in Frankfurt am Main (Riedberg II) which is intended for sale and in the restructuring of the long-term assets from the discontinued fields of business in the balance sheet items “long-term assets held for sale”. Moreover, the trade accounts receivable declined essentially on account of value adjustments of in total kEUR 1,360.

Overall, real estate assets (kEUR 131,758) declined by kEUR 19,836 compared with the previous year. However, within the “YOUNIQ – Student Housing“ core segment the disposal of three real estate properties on account of the deconsolidation carried out was more than compensated for by further investments in existing and new project developments. As a result, the core segment “YOUNIQ – Student Housing” had real estate assets of kEUR 96,839 (previous year: kEUR 93,670) on 31st December 2012. This is in line with the group strategy of strengthening the focus on the core segment and selling real estate properties from the other segments without carrying out new acquisitions in these areas.

The Group is financed both through equity and through outside capital. The equity ratio increased from 47.7 % on 31st December 2011 to 51.51 % on 31st December 2012 on account of the significantly lower balance sheet total.

A significant part of the financial liabilities was repaid using the proceeds from the sale of real estate properties. In the financial year 2012, these were offset by new project financings within the core segment "YOUNIQ – Student Housing". This also includes the bearer bond of kEUR 5,000 issued for intermediate financing of the project development in Potsdam in December 2012. Further long-term financial liabilities of kEUR 2,435 resulted from the MPC deal for financing of the remaining 5.1 % of the residual shares in the deconsolidated companies.

The debt equity ratio I (financial liabilities as against real estate assets) and the debt equity ratio II (total financial liabilities less cash and cash equivalent less time deposits as against real estate assets) remained almost constant during the financial year 2012, as had been expected, since both real estate assets and financial liabilities have decreased in almost identical proportions.

As a result of the reinforced focus on the core segment "YOUNIQ – Student Housing" and the strategic alignment to this segment as well as of the further short-term sale of existing properties within the "Renting and Trading Real Estate" segment (under consideration of corresponding repayments of loans), the Group has a balanced asset situation. Because of this, the Group is now able to generate stable cash flows and to provide more security to the entire business model in combination with the share of long-term financial liabilities.

III. GROUP FINANCIAL SITUATION

Financial planning tools applied throughout the Group safeguard the early identification of the future liquidity situation as it arises as a result of the implementation of the group strategy and group planning process. The regular provision of information on the financial and liquidity situation to the corresponding boards forms an essential element of the risk management system.

The consolidated statement of cash flows for the cash flow from operating activities was prepared according to the indirect method and according to the direct method for the other segments. Its summarised version is as follows:

Consolidated Statement of Cash Flows
regarding the period from 1st January to 31st December 2012

kEUR	2012	2011	Change
Net cash inflow / (outflow) from operating activities	1,720	8,180	(6,460)
of which from discontinued segments	*15,082*	*16,049*	*(967)*
Net cash inflow / (outflow) from investing activities	7,204	(20,349)	27,552
of which from discontinued segments	*6,016*	*119*	*5,897*
Net cash inflow / (outflow) from financing activities	(10,666)	14,163	(24,829)
of which from discontinued segments	*(21,668)*	*(15,889)*	*(5,779)*
Net change in cash and cash equivalents	(1,742)	1,995	(3,737)
of which from discontinued segments	*(570)*	*279*	*(849)*
Cash and cash equivalents at the beginning of the period	10,438	8,443	1,995
Cash and cash equivalents at the end of the period	8,696	10,438	(1,742)
Net change in cash and cash equivalents	(1,742)	1,995	(3,737)

Overall, positive cash flows, which are primarily due to the revenue from the sale of inventory properties in the "Renting and Trading Real Estate" segment (discontinued field of business), were generated from operating activities.

In addition to personnel and administrative expenses, the net cash inflow/(outflow) from operating activities (continued segments) comprises, in particular, outflows of funds in the amount kEUR 8,314 from the acquisition and construction activities regarding the project development in Frankfurt am Main (Riedberg II) with regard to which there were no cash inflows from the sale of other short-term assets.

The inflow of cash in the field of investing activities essentially resulted from the proceeds from the sale of subsidiaries ("MPC deal", kEUR 37,583) and from the further sale of existing properties (kEUR 8,285). The outflows of funds in the field of the investing activities were caused by the further construction activities in the field of the project developments regarding investment properties (kEUR 33,967) and investments in property, plant and equipment (furnishing of student apartments, kEUR 2,467) (both essentially incurred within the "YOUNIQ – Student Housing" segment) and payments for incidental costs of sale (kEUR 1,951).

The investments are essentially financed by taking out new medium- to long-term loans from banks (kEUR 24,727) and from cash funds accrued as a result of the issue of a bond (kEUR 5,000) and of the MPC loans (kEUR 2,336 – without interest). The repayment of bank loans in the context of the sale of real estate properties and the on-going interest payments have resulted in the outflow of funds amounting to kEUR 40,133.

In the financial year 2012 (as well as in the previous year), there were neither delays nor defaults in the repayment of loans and interest payments. Moreover, loan agreements or covenant provisions were not violated.

1.2.2 YOUNIQ AG

I. EARNINGS SITUATION

YOUNIQ AG has the (almost exclusive) function of a holding company. In this connection, it assumes, in particular, financing of subsidiaries using equity and borrowed capital. YOUNIQ AG's own property assets are of subordinate importance.

As a result of the further development of YOUNIQ Group, the role of YOUNIQ AG (in addition to ensuring group financing) has been expanded with the provision of services for real estate companies. As long as a share in the personnel and administration expenses is not allocated to the subsidiaries, YOUNIQ AG only receives a consideration for services provided through the transfer of profits generated by the subsidiaries.

In total, YOUNIQ AG reported a net loss of kEUR 10,625 for the financial year 2012. As a result, the loss has reduced significantly as against the losses incurred in the previous year (kEUR 17,696).

The table below provides an overview of the essential items relevant for the result:

YOUNIQ AG Earnings Situation kEUR	2012	2011	Change in result
Investment income	(6,695)	(9,818)	3,123
Operating result	(5,917)	(6,390)	473
Extraordinary result	(30)	(2,281)	2,250
EBIT	(12,643)	(18,489)	5,846
Financial result	2,227	1,046	1,182
EBT	(10,416)	(17,443)	7,027
Income tax	151	(253)	404
Net loss for the year	**(10,265)**	**(17,696)**	**7,431**

Compared with the previous year, investment income has improved by kEUR 3,123; however, it still is negative. This was due, in particular, to the conclusion of controlling and profit and loss transfer agreements with subsidiaries which was begun in previous years and continued during the financial year 2012 in order to use tax losses and to ensure the optimisation of the overall tax burden within the Group connected with this. On the one hand, the losses reported at the subsidiaries (kEUR 7,499; previous year: kEUR 9,380), while, on the other hand, there were profit transfers of kEUR 844 (previous year: 0). This situation was e.g. caused by unplanned construction cost overruns and subsequent costs (warranties) for projects which have already been settled, by extraordinary write-downs to the lower fair value for the inventory properties and value adjustments on receivables in the underlying annual financial statements under German commercial law. In the financial year 2012, construction contracts were settled finally with the customers and, as a result, the hidden reserves were realised, which has led to profit transfers.

The operating result which has risen by kEUR 473 (as against the previous year) is due to cost reductions. The cost reductions essentially are sales and advertising costs (kEUR 449; previous year: kEUR 1,354) and costs for legal and advertising services for projects (kEUR 466; previous year: kEUR 716). The remaining other operating expenses only increased slightly (as against the previous year). In part, the subsidiaries benefitted from the expenses referred to above.

The financial result (which was positive again) improved by kEUR 1,182 to kEUR 2,227 today. The positive result was due to the fact that interest has been charged on intra-corporate offsetting accounts for the subsidiaries at an interest rate of 3.75 % p.a. (to the same degree for both debit and credit balances) since 1st December 2010. Corresponding current account agreements were concluded with all subsidiaries. The increase mostly stems from the waiver of accounts receivable granted in the previous year and of the complete repayment of the remaining liabilities towards the majority shareholder GOETHE INVESTMENTS S.à r.l. (previous year. KEUR 1,671).

In the financial year 2012, the extraordinary expenses resulted from the disposal of the shares of a merged company, without granting of any consideration which resulted in merger losses for YOUNIQ AG. In the previous year, the extraordinary expenses essentially concerned one-off expenses incurred in the context of the cash capital increase. This concerned issue costs amounting to kEUR 2,242.

On account of the negative annual result and of the fiscal units with subsidiaries, only taxes on income unrelated to the account period were disclosed as a result of the completed audit in the financial year 2012.

II. YOUNIQ AG ASSETS SITUATION

Asset structure	31/12/2012	31/12/2011	Change
Equity ratio in %	82.04 %	81.94 %	0.13 %
Asset utilisation (medium- and long-term liabilities/assets) in %	42.95 %	59.50 %	-27.81 %
Assets to current assets in %	14.78 %	12.02 %	22.95 %
Balance sheet total in kEUR	57,571	70,140	-17.92 %
Current assets and prepaid expenses in kEUR	50,156	62,612	-19.89 %
Assets in kEUR	7,415	7,528	-1.51 %
Equity in kEUR	47,232	57,470	-17.81 %
Medium- and long-term loan capital in kEUR	3,185	4,480	-28.90 %
Short-term loan capital in kEUR	**7,154**	**8,190**	**-12.66 %**

Assets and capital declined by approximately 17.9 % as against the previous year.

The decline in the balance sheet total by kEUR 12,569 compared with the previous year is essentially due to the reduced financing of the subsidiaries (decline in accounts receivable from affiliated companies by kEUR 11,683) as a result of the assumption of losses and the repayment of debts.

The equity ratio is 82.0 % (previous year: 81.9 %) and, hence, at a very high level. In spite of the high net loss for the year 2012 this parameter remained constant on account of the reduced balance sheet total.

On 31st December 2012, the total capital consisted of 18.0 % (previous year: 18.1 %) liabilities and provisions as in the previous year.

III. FINANCIAL SITUATION OF YOUNIQ AG

The abridged version of the statement of cash flows (according to DRS 2) is as follows:

Statement of Cash Flows according to DRS 2
regarding the period from 1st January to 31st December 2012

kEUR	2012	2011	Change
Net cash inflow/(outflow) from operating activities	(3,237)	(4,760)	1,523
Net cash inflow/(outflow) from investing activities	(97)	1,088	(1,185)
Net cash inflow/(outflow) from financing activities	3,022	7,929	(4,907)
Net change in cash and cash equivalents	(312)	4,258	(4,569)
Cash and cash equivalents at the beginning of the period	4,684	427	4,258
Cash and cash equivalents at the end of the period	4,373	4,684	(312)
Net change in cash and cash equivalents	(312)	4,258	(4,569)

The outflow of funds from operating activities is mainly due to administrative and personnel expenses. The non-cash increase in accounts receivable and payable resulting from the assumption of losses as a consequence of the controlling and profit and loss transfer agreements was allocated to the net cash inflow/(outflow) from operating activities.

The slightly negative cash flow from investment activities in the financial year 2010 essentially resulted from investments in new software and in the furniture and fixtures for the new business premises in Frankfurt am Main. The positive cash flow from investment activities in the previous year was essentially due to the sale of a property in Leipzig, Holbeinstraße 44 (kEUR 1,118).

At kEUR 4,602, the positive cash flow from financing activities mainly results from repayments in the framework of the existing Group financing. On the other hand, there were interest payments and the loan liability at Liechtensteinische Landesbank (Switzerland) Ltd, Zurich/Switzerland which has to be repaid to the amount of kEUR 1,250 on 30th June of every year.

The continued high level of liquidity (kEUR 4,373; previous year: kEUR 4,684) takes account of the fact that sufficient liquid funds have to be available at all times for the further financing of the subsidiaries' operating activities or the expansion of the investment activities.

1.2.3 Overall statement on the business situation of YOUNIQ AG

As had been expected, the financial year 2012 was again shaped by the assumption of profits and loss of subsidiaries and by the personnel, administrative and distribution expenses so that the financial year 2012 was concluded with an annual net loss of kEUR 10,265 (previous year: kEUR 17,696).

However, the adjustment of the real estate portfolio, which was begun in the financial year 2012, has already helped to create the preconditions for future costs savings at YOUNIQ AG. For this reason, the Management Board is satisfied overall with the development of results during the past financial year 2012.

Because of the current situation, YOUNIQ AG will generate further losses in the financial year 2013 unless positive earnings contributions (which will lead to, at least, a balanced earnings situation overall) are generated through the interest implemented on intra-corporate offsetting accounts and through the group companies connected with it via controlling and profit and loss transfer agreements. However, this depends to a decisive degree on whether the envisaged growth aims can be achieved through the sale and/or development and sale of new student residential facilities within the project companies concerned.

1.3 REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

At the beginning of the financial year 2013, the two projects planned for the "YOUNIQ – Student Housing" segment in Düsseldorf and Reutlingen were discontinued. The purchase agreement regarding the property in Reutlingen was reversed. In the annual financial statement for 2012 as of 31st December 2012, this property was still assessed at the purchase price plus the reimbursable incidental costs of acquisition (kEUR 1,704). In Düsseldorf, the seller has withdrawn from the purchase agreement.

1.4 SUPPLEMENTARY INFORMATION ACCORDING TO ARTICLE 289 PARA. 4 HGB AND ARTICLE 315 PARA. 4 HGB

1.4.1 Composition of the subscribed capital

On 31st December 2012, the subscribed capital of YOUNIQ AG amounted to EUR 10,400,000 and consisted of 10,400,000 no-par bearer shares (share certificates).

1.4.2 Restrictions regarding the voting rights or the transfer of shares

There are no restrictions on rights of transfer and/or voting rights.

1.4.3 Equity interests exceeding 10 % of the voting rights

On the basis of the voting rights notifications submitted to the Company in accordance with Article 21 et seqq. WpHG (German Securities Trading Act), there are the following equity interests exceeding 10 % of the voting rights:

CORESTATE German Residential Limited, St Peter Port/ Guernsey, holds in total 66.46 % of the voting rights (6,911,941 voting rights) in YOUNIQ AG directly via Yanworth Holdings Limited, Sechep Investments Holding S.à r.l., SECHEP INVESTMENTS HOLDING II S.à r.l., GOETHE INVESTMENTS S.à r.l. and indirectly via Rabano PROPERTIES S.à r.l.

Yanworth Holding Limited, Gibraltar, holds in total 66.46 % of the voting rights (6,911,941 voting rights) in YOUNIQ AG directly via Sechep Investments Holding S.à r.l., SECHEP INVESTMENTS HOLDING II S.à r.l., GOETHE INVESTMENTS S.à r.l. and indirectly via Rabano PROPERTIES S.à r.l.

SECHEP INVESTMENTS HOLDING II S.à r.l., Luxembourg, holds 58.79 % of the voting rights (6,114,191 voting rights) of YOUNIQ AG directly via GOETHE INVESTMENTS S.à r.l.

1.4.4 Shares with special rights

There are no YOUNIQ AG shares with special rights.

1.4.5 Types of control of voting rights if employees hold an interest in the capital and do not directly exercise their rights of control

Employees who do not directly exercise their rights of control do not have an interest in the Company's capital.

1.4.6 Appointment and dismissal of the members of the Management Board/Amendments of the Articles of Association

According to Articles 76 to 85 AktG [German Companies Act] and Article 6 Paragraph 1 of the Articles of Association of YOUNIQ AG, the Management Board consists of one or more members. The Supervisory Board appoints the members of the Management Board and specifies the number of members. The Supervisory Board can appoint a member of the Management Board as the chairman or spokesman of the Management Board. Moreover, it can appoint other members of the Management Board as deputy chairmen or deputy spokesmen.

The statutory provisions according to Article 179 to 181 AktG apply with regard to amendments of the Articles of Association. According to Article 17 of the Articles of Association of YOUNIQ AG, the Supervisory Board is authorised to execute amendments to the Articles of Association and supplements thereto at any time, which only concern the current version.

1.4.7 Authority of the Management Board to issue shares

I. AUTHORISED CAPITAL (ARTICLE 4 PARA. 4 OF THE ARTICLES OF ASSOCIATION OF YOUNIQ AG):

As a result of a resolution approved at the general meeting on 10th August 2011, the Management Board was authorised to increase the share capital of the Company by up to EUR 5,200,000 (which corresponds to 50% of the current nominal capital) by issuing new no-par value bearer shares once or several times up until 9th August 2016 with the approval of the Supervisory Board (Authorised Capital 2011). In this context, the new shares can be issued in return for cash contributions or contributions in kind. The new shares have to be offered to the shareholders for subscription. This requirement is also fulfilled by means of an indirect subscription right within the meaning of Article 186 Paragraph 5 Sentence 1 AktG [German Companies Act]. The Management Board was authorised to exclude the shareholders' statutory subscription right upon the issue of new shares in certain cases with the approval of the Supervisory Board. Furthermore, the Management Board was authorised to determine the further details of the execution of capital increases from the Authorised Capital 2011 with the approval of the Supervisory Board.

II. CONDITIONAL CAPITAL 2011/I (ARTICLE 4 PARA. 5 OF THE ARTICLES OF ASSOCIATION OF YOUNIQ AG):

Furthermore, the share capital was increased conditionally by up to EUR 4,680,000 by issuing up to 4,680,000 new no-par value bearer share certificates on the basis of a resolution at the annual general meeting on 10th August 2011 (Conditional Capital 2011/I). The conditional capital increase is only carried out in so far as the bearers of or creditors with regard to convertible or warrant-linked bonds, participating rights and/or participating bonds (or combinations of these instruments), which are issued or guaranteed by YOUNIQ AG or its affiliate companies against cash on the basis of the authorising resolution from 10th August 2011 until (and including) 9th August 2016, use their rights of conversion or option or in as far as corresponding conversion or option obligations are fulfilled and provided no other forms of performance are used to fulfil these. The new shares will be issued at the conversion or option price to be determined in accordance with the authorisation resolution. The new shares participate in profits from the beginning of the financial year in which they are issued. The Management Board was authorised to specify the further details of the execution of the conditional capital increase with the approval of the Supervisory Board. The Supervisory Board was authorised to alter article 4 paragraphs 1, 2 and 5 of the Articles of the Association of the Company in accordance with the respective issue of shares from the Conditional Capital 2011/I.

The shareholders are, in principle, entitled to subscription rights regarding the bonds. The subscription right can also be granted in an indirect form by having the bonds taken over by one or several credit institutions or companies equivalent to these according to art. 186 paragraph 5 sentence 1 of the German Companies Act, with the obligation to offer these to the shareholders for subscription. If the bonds are issued by a subordinate group company, the Company shall ensure that the statutory subscription rights for the Company's shareholders are granted in line with the statutory subscription rights for shareholders of the company in accordance with the sentence above. The Management Board was authorised to exclude the shareholders' subscription right regarding the bonds in certain cases, with the approval of the Supervisory Board.

III. CONDITIONAL CAPITAL 2011/II / "YOUNIQ AG SHARE OPTION PLAN 2011"

The Management Board was authorised by the general meeting on 10th August 2011 to establish one or several share option plans on the basis of which option rights involving in total up to 520,000 bearer share certificates of YOUNIQ AG will be issued to members of the Management Board and employees of YOUNIQ AG and to members of the management board and employees of YOUNIQ Group companies once or several times up until 9th August 2016.

In order to fulfil the option rights under the "Share Option Plan 2011", the share capital of YOUNIQ AG is increased conditionally by up to EUR 520,000 by issuing up to 520,000 new no-par value shares on the basis of a resolution by the general meeting on 10th August 2011 (Conditional Capital 2011/II). The conditional capital increase will only be carried out in as far as the holders of subscription rights (which are issued in the framework of the"YOUNIQ AG Share Option Plan 2011" on the basis of the resolution by the general meeting on 10th August 2011) use their right of subscription and provided no other forms of performance are used to fulfil these rights. The Management Board was authorised to specify the further details of the execution of the conditional capital increase with the approval of the Supervisory Board. The new shares will be issued at the option price to be determined in accordance with the authorisation resolution. The new shares participate in profits from the beginning of the financial year in which they are issued. The Management Board was authorised to specify the further details of the execution of the conditional capital increase with the approval of the Supervisory Board. The Supervisory Board was authorised to adjust article 4, paragraphs 1, 2 and 5 of the Articles of the Association of the Company in accordance with the respective issue of shares from the Conditional Capital 2011/II.

In the framework of the share option plan 2011, subscription rights regarding shares in YOUNIQ AG (subscription rights) can be issued to (i) members of the Management Board of YOUNIQ AG, (ii) members of the management boards of YOUNIQ Group companies and (iii) other key employees of YOUNIQ AG and YOUNIQ Group companies worldwide. The exact number of the eligible persons and the number of subscription rights are determined by the Supervisory Board of YOUNIQ AG in as far as an offer of subscription rights for the Management Board is concerned. In all other cases, the Management Board can determine these aspects with the approval of the Supervisory Board if members of the Management Board of YONIQ Group companies and other important employees of YOUNIQ AG and YOUNIQ Group companies are concerned. In total a maximum of 520,000 subscription rights (total volume) will be issued for all Groups together during the term of the share option plan 2011 up until 9th August 2016.

The subscription rights have a term of seven years from the day of allocation. On principle, they can be exercised for the first time after the expiry of a four-year waiting period and up until the end of term (exercise period). During certain blocking periods in connection with the end of the respective quarter or of the end of the financial year and the publication of the respective results as well as the annual general meeting, the subscription rights must not be exercised.

Exercising of the subscription right is subject to the condition that the closing price of the share of YOUNIQ AG reaches or exceeds the exercise price on at least one trading day during the term of the subscription price. The exercise price of a YOUNIQ share amounts to 110 % of the average of the final auction prices of the YOUNIQ share on the five trading days preceding the respective allocation day of the subscription rights. If the exercise price calculated in this way is lower than the lowest issue price within the meaning of Art. 9 Paragraph 1 of the Germany Companies Act, the lowest issue price is used as the exercise price instead.

With regard to the share options granted to members of the Management Board, the Supervisory Board shall provide for a restriction possibility for extraordinary developments ("cap"). The subscription rights cannot be transferred and can only be exercised by the allottee. In agreement with the Supervisory Board the Management Board is responsible for the decision as to whether allottees should be offered own shares of YOUNIQ AG from the conditional capital to be created to this end or cash settlement instead of the issue of shares of YOUNIQ AG as an alternative.

In as far as members of the Management Board are concerned, further details for the granting and fulfilment of subscription rights and the further conditions of the plan are specified by the Supervisory Board and, in all other cases, these will be specified by the Management Board with the approval of the Supervisory Board. At its meeting on 26th September 2011, the Supervisory Board adopted conditions for the share options (regarding the issue of option rights under the "YOUNIQ AG Share Option Plan 2011" to members of the Management Board). At the same time, the Supervisory Board recommended to the Management Board that they should also adopt these share option terms for reasons of consistency and standardisation and already granted its approval for this case. At its meeting on 14th December 2011, the Management Board adopted share option conditions for the issue of option rights under the "YOUNIQ AG Share Option Plan 2011" to executive staff and other key employees of YOUNIQ AG who are not members of the Management Board. These conditions are identical with the share option conditions which the Supervisory Board adopted at its meeting on 26th September 2011.

The Management Board granted Knut Martin as an executive who is not a member of the management board of a YOUNIQ group company 5,000 subscription rights as of 21st May 2012 with the approval of the Supervisory Board.

1.4.8 Powers of the Management Board to buy back shares

According to the resolution adopted by the general meeting of 11th June 2010, the Company was authorised to buy own shares to an extent of ten percent of the current equity capital in the period up until 10th June 2015 with the approval by the Supervisory Board according to Article 71 Paragraph 1 Figure 8 AktG. This authorisation can be exercised in its entirety or in partial amounts once or several times. Together with other shares in the Company, which said party has already acquired or still holds or which have to be attributed to the Company according to Art. 71a ff AktG, the shares acquired in the framework of this authorisation must not exceed 10 percent of the equity capital of the Company.

The shares will be bought through the exchange or by means of a public tender offer addressed to all shareholders. In case the shares are bought through the exchange, the purchase price paid (excluding ancillary costs of purchase) per share must not undercut the average of the share price of the YOUNIQ shares in the final auction in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock Exchange on the last five exchange trading days preceding the purchase by more than five percent or exceed said price by more than five percent. If the shares are bought with the help of a public offering addressed to all shareholders, said purchase shall be admissible if the purchase price or the threshold values of the purchase price per share (each excluding ancillary costs of purchase) is not more than 10 percent higher or lower than the average of the share prices of the YOUNIQ share in the final auction in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock Exchange on the last ten exchange trading days preceding the publication of the decision to submit an offer to buy. In the event of considerable deviations of the relevant share price from the purchase price offered or from the threshold values of the purchase price range offered after the publication of the formal offer to buy, the offer can be adjusted. In this case, the relevant average price of the last ten exchange trading days before the publication of a possible adjustment shall be used as the basis. The volume of the offer can be limited. If the overall subscription of the offer exceeds this volume, acceptance shall be effected on a pro rata basis.

Furthermore, the Management Board was authorised to dispose of the own shares acquired on the basis of the authorisation above in their entirety or in part to the exclusion of the subscription right of the shareholders other than via the exchange or by means of an offer to all shareholders with the approval by the Supervisory Board, provided these shares are disposed of for cash at a price which is not materially lower than the exchange price of the shares in the Company of the same type at the time of the sale. The average of the share prices of the YOUNIQ share in the final auction in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock Exchange on the last five exchange trading days preceding the sale of the own shares shall be considered the relevant exchange price within the meaning of the provision above. This authorisation to sell own shares shall be restricted to shares with a proportionate share in the equity capital of 10 %. In this context, the nominal capital at the time at which this authorisation takes effect or – if such value is lower - the equity at the time at which this authorisation is exercised shall be decisive. The limit of 10 percent of the equity shall be reduced by the proportionate share in the nominal capital for which those shares account which are issued in the framework of authorised capital to the exclusion of the subscription right according to Article 186 Paragraph 3 Sentence 4 AktG during the term of this authorisation. The limit of 10 % of the nominal capital shall, furthermore, be reduced by the proportionate share in the equity capital for which those shares account which have to be issued in order to service convertible and option bonds and/or participation rights with conversion or option rights provided the convertible and/or option bonds and/or participation rights with conversion or option rights are issued during the term of this authorisation to the exclusion of the subscription right.

Furthermore, the Management Board was authorised to use the own shares acquired on the basis of the authorisation above with the approval of the Supervisory Board in their entirety or in part to the exclusion of the shareholders' subscription right as a consideration or partial consideration in the framework of corporate mergers or for the acquisition of companies, divisions or interests in companies (including the increase of interests).

Moreover, the Management Board was authorised to use the own shares acquired on the basis of the authorisation above with the approval of the Supervisory Board in their entirety or in part to the exclusion of the shareholders' subscription right in order to fulfil the subscription or conversion rights under convertible and/or option bonds and/or participation rights with conversion or option rights issued by the Company or its direct or indirect majority holding companies.

In addition, the Management Board was authorised to recall own shares acquired on the basis of the authorisation above with the approval of the Supervisory Board without a further resolution to that end by the general meeting. The authorisation to recall the shares can be exercised in its entirety once or in parts, i.e. several times.

1.4.9 Essential conditional agreements of the Company

There are no essential agreements which are subject to the condition of a change of control in the event of a takeover bid.

1.4.10 Compensation agreements of the Company in the event of a takeover bid

There are no compensation agreements concluded by and between the Company and members of the Management Board or employees in the event of a takeover bid.

1.5 COMPENSATION REPORT

The Compensation Report, as detailed below, is also part of the Corporate Governance Report.

1.5.1 Compensation of the Management Report

The compensation for the Management Board is established by the Supervisory Board at an adequate amount on the basis of a performance appraisal taking any possible group emoluments into account. In the establishment and review of the compensation for the Management Board the Supervisory Board takes account of the fact that the total remuneration of each individual member of the Management Board needs to be in an adequate proportion to the tasks and achievements of the member of the Management Board (as per the standardised requirements according to Art. 87 Paragraph 1 AktG); moreover, it has to be in line with the situation of the Company and should not exceed the usual compensation levels without special reasons. For this reason, the tasks of the member of the Management Board, his/her personal performance, the performance of the entire Management Board, the business and financial situation of the Company, the success and the future perspectives of the Company as well as the amount and structure of the compensation of the management boards of comparable companies, in particular, constitute criteria for the establishment of adequate remuneration for a given member of the Management Board. The compensation system of YOUNIQ AG is aligned to the sustainable development of the Company. The compensation is designed so that it is competitive at national and international levels and, hence, constitutes an incentive for dedicated and successful work.

Mr. Rainer Nonnengässer was appointed a member of the Management Board for a term of office of 36 months with effect from 1st July 2010. According to his employment contract, Mr. Nonnengässer is entitled to an annual performance-related variable compensation of a maximum EUR 275,000 in addition to a gross fixed annual salary of EUR 240,000. In as far as such becomes payable, the annual performance-related variable compensation is paid out to an amount of at maximum EUR 110,000 during each of the first two financial years. In addition, an amount of at maximum EUR 165,000 is ˝virtually“ paid into a so-called “bonus bank” for each financial year and interest of 4 % is paid on these amounts. After the end of three years of service, an overall assessment is effected, as a result of which negative deviations from the targets specified reduce the claim to the payment of the amount saved in the “bonus bank“ in accordance with the percentage of the deviation from the overall target. The part of the variable compensation paid into the bonus bank fulfils the statutory provisions contained in Art. 87 Abs. 1 AktG regarding an assessment basis of the variable compensation comprising several years; as a result, this is a long-term variable element of compensation in this respect. During the 2012 financial year, Mr. Nonnengässer received no variable compensation and and no amount has been ˝virtually“ paid to the bonus bank.

In the financial year 2011, Mr. Nonnengässer did not receive any variable compensation. For this reason, a supplementary agreement was concluded with Mr. Nonnengässer stipulating that he would receive an additional payment of at maximum EUR 50,000 for the financial year 2012 provided a certain aim for the financial year 2012 is achieved (so-called additional aim). Mr. Nonnengässer did not receive any additional payment on the basis of the supplementary agreement.

Mr. Marcus Schmitz was appointed a member of the Management Board for a term of 36 months with effect as of 1st January 2012. According to his employment contract as a member of the Management Board, Mr. Schmitz receives an annual fixed salary of EUR 225,000 as well as annual performance-related variable compensation in the form of an annual bonus of a maximum EUR 108,000, provided the annual targets are reached or exceeded in the financial year 2012. Furthermore, Mr. Schmitz received options regarding the acquisition of shares in the Company on the basis and in accordance with the material terms of the “YOUNIQ AG Share Option Plan 2011”. According to the said “YOUNIQ AG Share Option Plan 2011”, Mr. Marcus Schmitz was granted 61,000 share options with effect from the commencement of his contract. However, Mr. Schmitz can exercise these options at the earliest after four years – i.e. only after the end of the year 2015. In line with this planning assumption, the long-term variable compensation in the form of YOUNIQ share options clearly has a higher weight (approximately 65 % of the total variable compensation) than the short-term annual bonus in compliance with the German Law on the Adequacy of Management Board Remuneration (VorstAG). In the financial year 2012, Mr. Schmitz was paid no variable compensation in the form of an annual bonus.

Targets which are determined by the Supervisory Board for every following year before the beginning of every financial year on the basis of the plan for the respective financial year as adopted by the Supervisory Board are decisive for the variable compensation for Rainer Nonnengässer and Marcus Schmitz. These targets can comprise both financial parameters and parameters which can be measured in concrete terms (e.g. EBIT, annual net profit, free cash flow) and targets which specifically lie within the area of responsibility of the respective member of the Management Board and which cannot be measured in concrete figures (e.g. implementation of appropriate distribution processes, acquisition of suitable plots of land for project development as regards the targets for Rainer Nonnengässer and implementation of suitable planning/controlling processes, the sale of certain assets at a certain date as regards the targets for Marcus Schmitz). The new statutory requirements regarding the compensation for members of management boards which have applied since the Law on the Adequacy of Management Board Remuneration (VorstAG) took effect have been complied with to the full extent in the Management Board employment contracts concluded with Rainer Nonnengässer and Marcus Schmitz after the entry into force of VorstAG.

The gross fixed annual salaries for Mr. Nonnengässer and Mr. Schmitz are paid in twelve equal instalments at the end of each calendar month. The actual amount of the annual variable management bonus is based on the achievement of the aims specified, which is determined by the Supervisory Board on the basis of the annual consolidated financial statement according to IFRS by 31st March of the following year in each case and paid out afterwards. Moreover, expenses incurred by the members of the Management Board are reimbursed in accordance with the contractual provisions.

In addition, the members of the Management Board receive fringe benefits in the form of benefits in kind. These essentially comprise the use of a company car and insurance premiums. A D&O insurance has been taken out for the members of the Management Board. This insurance includes a provision regarding a retention of 10 % of the damage or at least 150 % of the fixed annual compensation of the respective member of the Management Board established in Art. 93 Paragraph 2 Sentence AktG. Furthermore, the Company grants the members of the Management Board an allowance for statutory or private health and nursing care insurance the amount of which is based on the statutory provisions regarding premium allowances for persons insured in statutory insurances voluntarily or for persons with private insurance. However, such allowances shall amount to at a maximum one half of the amount which the respective member of the Management Board has to pay for his/her health insurance. Apart from granting of insurance protection, the members of the Management Board are not entitled to any further fringe benefits and they have not received such from the Company.

The total compensation granted to the members of the Management Board in the financial year 2012 of EUR 491,818 (gross) had the following detailed composition:

Member of the Management Board	Fixed compensation	Variable compensation	Total compensation	Pension commitment allowance	Other fringe benefits or components with long-term incentivising effects
Rainer Nonnengässer	EUR 241,043 (previous year: EUR 240,000)	EUR 0 (previous year: EUR 0)	EUR 241,043 (previous year: EUR 240.000)	EUR 0 (previous year: EUR 0)	EUR 0 (previous year: EUR 0)
Marcus Schmitz	EUR 225,000	EUR 0	EUR 225,000	EUR 0	EUR 25,775

The Management Board employment contracts concluded with Rainer Nonnengässer and Marcus Schmitz specify that, in the event of a termination of the contract on account of a revocation of the respective appointment as a member of the Management Board, a severance payment to the amount of the total emoluments to which the respective member of the Management Board would have been entitled otherwise for the remaining term of the contract shall be granted; however, such payment shall be limited to, at a maximum, the amount of one gross annual fixed salary. However, this right to a severance payment shall be excluded if (i) the contract is terminated as a result of the revocation for an important reason related to the person or the behaviour of the member of the Management Board or (ii) the Company would be entitled to terminate the contract according to Art. 626 BGB or (iii) the member of the Management Board resigns from his office on the Management Board of the Company without an important reason.

In accordance with the employment contracts concluded with Mr. Nonnengässer and Mr. Schmitz, the possible payments to the respective member of the Management Board in the event of an early termination of the work on the Management Board without an important reason (including fringe benefits) shall not exceed the maximum amount of the respective total emoluments for two years (settlement cap) according to Figure 4.2.3 of the German Corporate Governance Codex (DCGK) and they shall not exceed the compensation for the remaining term of the respective employment contract. For these purposes, the annual compensation shall be established on the basis of the total emoluments granted to the member of the Management Board concerned for the respective previous financial year and the expected total emoluments for the current financial year on principle.

Both in the financial year 2012 and in the previous year, the members of the Management Board have not received any consideration or corresponding promises from third parties with regard to their work as members of the Management Board.

1.5.2 Compensation of the Supervisory Board

The remuneration of the Supervisory Board was established by the general meeting on 10th August 2011 following on a proposal by the Management Board and the Supervisory Board by means of an amendment of the provision regarding emoluments for the Supervisory Board in the Articles of Association of YOUNIQ AG. The compensation takes account of the responsibility and the extent of the activities of the members of the Supervisory Board, as well as of the commercial situation and the success of the Company.

According to Article 16, Paragraph 1 of the Articles of Association in the version of 15th September 2011, the members of the Supervisory Board receive a fixed annual compensation to the amount of EUR 10,000, with the chairman receiving two and a half time that sum, in addition to the reimbursement of their expenses (including any sales tax which might be incurred if applicable). According to Article 16 Paragraph 2 of the Articles of Association in the version of 15th September 2011, the respective members of the Supervisory Board receive an attendance fee of EUR 250 for participation in a meeting of the Supervisory Board. Moreover, the respective members of the committees also receive an attendance fee of EUR 250 for participation in a meeting of a committee of the Supervisory Board. According to Art. 16 Paragraph 3 of the Articles of Association, the general meeting can adopt a resolution regarding other types of compensation and benefits having the character of compensation for the members of the Supervisory Board.

Furthermore, the ordinary annual general meeting of the Company on 10th August 2011 introduced a variable compensation element according to which every member of the Supervisory Board has a conditional claim to the payment of additional compensation of up to EUR 20,000 or (in the case of the chairman) of up to EUR 50,000, which is based on the long-term corporate success, for the period from 1st January 2012 to 31st December 2012. This additional compensation falls due for payment after the end of the annual general meeting which adopts a resolution on the approval of the activities of the members of the Supervisory Board during the financial year ending on 31st December 2015. Changes in the staffing of the Supervisory Board are taken into account with regard to compensation on a pro rata temporis basis; in this context, periods of time are rounded up to full months.

Subject to the precondition that the ordinary general meeting of YOUNIQ AG does not adopt a resolution regarding other types of compensation for the members of the Supervisory Board and on benefits having the character of compensation for the members of the Supervisory Board according to Article 16 Paragraph 3 of the Articles of Association, the total emoluments for the Supervisory Board (including expenses) amount to in total EUR 80,375 (gross) for the financial year 2012. In this context, the emoluments for the Supervisory Board have the following detailed structure:

Member of the Supervisory Board	Fixed compensation per annum, including attendance fee	Expenses and sales tax	Compensation for work on committees	Total compensation
Dr. Manfred Püschel	EUR 26.750	EUR 9.091	EUR 750	EUR 36.591
Daniel Schoch	EUR 0	EUR 0	EUR 0	EUR 0
Martin Hitzer	EUR 11.500	EUR 2.746	EUR 0	EUR 14.246
Ralph Winter	EUR 0	EUR 0	EUR 0	EUR 0
Barbara Busch	EUR 11.750	EUR 2.233	EUR 0	EUR 13.983
Dr. Carsten Strohdeicher	EUR 11.750	EUR 3.415	EUR 750	EUR 15.915

In the context of counselling services, compensation of EUR 7,140 was paid to the law firm Bögner Hensel & Partner. Ms. Barbara Busch is a lawyer at the law firm Bögner Hensel & Partner. During the year under review, the other members of the Supervisory Board did not receive any other compensation or benefits for services rendered personally by them, in particular, consulting and agency services. The members of the Supervisory Board of YOUNIQ AG were not granted any compensation for work as members of the supervisory boards of affiliates in the financial year 2012.

A D&O insurance has been taken out for the members of the Supervisory Board. In the case of this insurance, a retention was dispensed with since the current statutory obligation for the agreement of retention for members of management boards does not apply to members of supervisory boards. The nature of the position of a member of the supervisory board which can also be seen in the different design of the compensation makes a waiver of the agreement of a retention appear appropriate.

1.6 CORPORATE GOVERNANCE STATEMENT[21]

The work of the Management and Supervisory Boards of YOUNIQ AG is governed by the principles of responsible and good corporate governance. In this statement, the Management Board reports on the corporate governance of YOUNIQ AG – also on behalf of the Supervisory Board – in accordance with article 289a HGB.

In addition to the corporate governance statement provided herein below, further information on the corporate governance of YOUNIQ AG is provided in the Corporate Governance Report on page 18 et seqq. which has to be published in connection with the corporate governance statement according to article 3.10 of the German Corporate Governance Codex (DCGK).

1.6.1 Declaration of Compliance according to Article 161 Para. 1 AktG

In March 2013, the Management Board and the Supervisory Board issued the following joint declaration of compliance according to Article 161 Paragraph 1 AktG:

"DECLARATION BY THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF YOUNIQ AG REGARDING THE RECOMMENDATIONS BY THE "GOVERNMENT COMMISSION GERMAN CORPORATE GOVERNANCE CODEX" ACCORDING TO ARTICLE 161 PARA. 1 AKTG

In the financial year 2012, YOUNIQ AG complied with, and still complies with, all recommendations in the "Government Commission on German Corporate Governance Codex" in their respectively valid version dated 18th June 2009, 6th June 2008, 26th May 2010 and 15th May 2012 with the following exceptions:

Figure 3.8 DCGK: A D&O insurance has been taken out for the members of the Supervisory Board. This insurance does not provide for any personal excess contribution, as the Supervisory Board is already obliged to act responsibly and properly by virtue of the rule of law and as the current statutory obligation to agree on a personal excess contribution for members of the Management Board does not apply with regard to members of Supervisory Boards. For members of the Supervisory Board, a personal excess contribution is also to be dispensed with in the future. The nature of the office of a member of the Supervisory Board, which is also shown by the different design of the compensation package, makes this approach appear appropriate.

Figure 4.1.5 DCGK: At the current time, the Company has dispensed with the recommendation to pay attention to diversity in staffing executive positions within the Company and, in particular, to strive to ensure adequate consideration of women for these positions since, in the opinion of the Management Board, adequate expertise and technical knowledge are of primary importance in this respect and the market for appropriate executive staff is limited.

Figure 5.1.2 DCGK: The Management Board, the Supervisory Board and the Company are of the opinion that the knowledge and experience of members of the bodies of the Company should not be dispensed with simply because of age limitations. For this reason, the Supervisory Board decides on the establishment of an age limit for the appointment of members of the Management Board and the suitability of the person on a case-by-by-case basis. However, there is currently no need for an age limit on account of the current composition and age structure of the Management Board. The recommendation regarding the consideration of diversity and, in particular, regarding an adequate consideration of women in staffing of the Management Board is dispensed with in the present case since the Supervisory Board is convinced that the required expertise and technical knowledge are of primary importance and the market for appropriate executive staff is limited.

Figure 5.4.1 DCGK: The specification of concrete aims regarding the composition of the Supervisory Board is dispensed with since the specification of concrete aims regarding the composition of the Supervisory Board does not appear appropriate on account of the scope of the business operations of the Company. Moreover, the Supervisory Board is convinced that the required expertise and technical knowledge are of primary importance and that the market for appropriate persons is limited.

Figure 5.6 DCGK: The financial year 2012 was the first full business year during which the Supervisory Board worked together in its current compositions. For this reason, an earlier review of the efficiency of the work of the Supervisory Board would not have been appropriate and meaningful. However, there are plans to review the efficiency of the work of the Supervisory Board during the past period in the financial year 2013, in view of the fact that it has now worked together in its current composition for some time.

[21] The declaration regarding corporate governance according to Art. 289a HGB is not included in the audit.

Figure 7.1.2 DCGK: The annual and consolidated financial statements, as well as the interim financial reports and interim reports, were published in compliance with the statutory deadlines. The term for the publication of the consolidated financial statements and the interim financial report recommended in the codex was not adhered to in the financial year 2012, since this would have necessitated considerable additional costs and resources. However, it is planned in the future to prepare the consolidated financial statements and the interim financial statement according to the statutory requirements.

1.6.2 Relevant information on corporate governance practices

The objectives of YOUNIQ AG comprise the acquisition, sale and brokerage of real estate properties and the arrangement of financing for such. The Company is entitled to carry out the activities referred to either directly through its own activities or indirectly through associate companies and subsidiaries. In this connection, the Company is a holding company (various companies holding real estate properties as subsidiaries), on the one hand, and, on the other hand, it also has its own portfolio of real estate properties.

YOUNIQ AG has concluded scope of control and profit and loss transfer agreements as the controlling company with its subsidiaries AF Seeresidenz Markkleeberg GmbH, AF Schloßresidenz GmbH, AF 11. Vermögensverwaltung GmbH, AF 12. Vermögensverwaltung GmbH, AF 14. Vermögensverwaltung GmbH, AF Trading GmbH, AF Ferdinand-Lassalle-Straße 16 GmbH, AF Röntgenstraße 12 GmbH, AF Property GmbH, Haus- und Grundstücksgesellschaft Holzhausen mbH, CAMPUS REAL ESTATE GmbH, Youniq Munich GmbH, Youniq Munich II GmbH, PF St.-Annen-Strasse GmbH, AF 16. Vermögensverwaltung GmbH and CAMPUS 1. Verwaltung GmbH each with registered offices in Frankfurt am Main.

YOUNIQ AG does not have to comply with any rules regarding corporate governance other than those required under German law. Apart from this, the Management Board and Supervisory Board make sure that the recommendations contained in the German Corporate Governance Codex are complied with in so far as is possible and reasonable from the perspective of the Company.

1.6.3 Description of the working method of the Management Board and of the Supervisory Board and of the composition and the working methods of their committees

The composition of the Management Board and of the Supervisory Board as such is outlined in the notes to the consolidated annual financial statement of YOUNIQ AG on pages 141 et seqq. and in the Corporate Governance Report on pages 18 et seqq.

In addition to the information below, reference is made to the Corporate Governance Report on pages 18 et seqq. with regard to the work of the Management Board and of the Supervisory Board.

The Management Board and the Supervisory Board closely cooperate for the benefit of the Company. The Supervisory Board regularly advises the Management Board regarding its managing of YOUNIQ AG and monitors its activities. The Management Board consults with the Supervisory Board in due time with regard to all decisions of fundamental importance to the Company. The Management Board, in particular, coordinates the strategic alignment of the Company with the Supervisory Board and discusses the status of the implementation of the strategy with the Supervisory Board at regular intervals.

I. MANAGEMENT BOARD

The Management Board manages the business of the Company on its own responsibility and represents the Company. At the moment, this board consists of two members. The Management Board makes its decisions principally in board meetings. It manages the business of the Company, having overall responsibility and according to uniform objectives and plans. The Supervisory Board has issued rules of procedure for the Management Board. The duties and functions of each individual member of the Management Board are established on the basis of an organisation chart, which can be changed by the entire Management Board, with approval by the Supervisory Board.

Two members of the Management Board hold sole power of representation, with the authority to conclude legal transactions with themselves as representatives of a third party on behalf of the Company. However, this exemption from the ban on self-dealing according to Article 181, Alt. 2 BGB (German Civil Code) only applies with regard to legal transactions within the group, in which the respective member of the Management Board represents the Company on the one hand and an affiliated company within the meaning of Article 15 ff. AktG on the other hand. For this reason, the members of the Management Board are only entitled to use this exemption in this framework. The members of the Management Board are not entitled to conclude transactions on behalf of the Company with themselves as a representative of a company which is not an affiliated company within the meaning of Article § 15 ff. AktG. Matters which are of particular importance and consequence to the Company are subject to a decision by the entire Management Board. In addition to this, there is a catalogue of transactions requiring Supervisory Board approval, which contains a list of transactions and measures which may only be carried out with the approval of the Supervisory Board.

The Management Board regularly and promptly informs the Supervisory Board in the form of comprehensive, written and verbal reports regarding all questions of planning, the on-going development of business, risk management and the development of profitability which are relevant for the Company. The Management Board prepares the annual and consolidated financial statement.

II. SUPERVISORY BOARD

According to the Articles of Association of the Company, the Supervisory Board of YOUNIQ AG has six members. The chairman of the Supervisory Board is elected from within the ranks of the Supervisory Board.

The Supervisory Board regularly advises the Management Board regarding the management of YOUNIQ AG and monitors its activities; it appoints the members of the Management Board or revokes such appointments. The Supervisory Board is involved in all decisions of fundamental importance to the Company at the appropriate time. The Supervisory Board has established rules of procedure for itself in the framework of the applicable laws and the Articles of Association. Usually, the meetings of the Supervisory Board take place at least once per calendar quarter. The Supervisory Board adopts its resolutions according to a simple majority vote. In the event of a tie, the vote of the chairman of the Supervisory Board shall be decisive. The Supervisory Board approves the annual and consolidated financial statement, which is hence taken as being final.

At the meeting of the Supervisory Board on 26th September 2011, the Supervisory Board established a presiding, auditing and nomination committee and amended the rules of procedure for the Supervisory Board accordingly.

The presiding committee has the task of preparing negotiations and resolutions by the Supervisory Board regarding the compensation system for the Management Board, including the essential contractual elements and its regular revision. In addition to this, the presiding committee prepares negotiations and resolutions by the Supervisory Board regarding (i) the binding plan for the financial year (including partial plans, such as e.g. the investment, human resources and financing plan) and (ii) investment projects with a scope of more than EUR 2.5 million in each individual case, regardless of whether the investments are repaid in one financial year or are made over several financial years according to the plan. Furthermore, the presiding committee (instead of the Supervisory Board) is authorised to adopt resolutions on the acquisition and the sale (each including, in particular, share and asset deals), rents, leases and encumbrances (each including the appertaining measures, e.g. financing) regarding assets (including shareholdings, properties and equivalent rights and rights in such) of the Company or of companies directly or indirectly affiliated with the Company within the meaning of Article 15 et seq. AktG, in as far as the value of these transactions and measures exceeds a value of EUR 2.5 million.

The auditing company has the task of preparing negotiations and resolutions by the Supervisory Board regarding questions of accounting, risk management and compliance, the required independence of the auditor of the annual accounts, issuing of the audit mandate to the auditor of the annual accounts, the determination of the main aspects of the audit and the fee agreement.

The nomination committee has the task of recommending suitable candidates to the Supervisory Board with regard to its nominations of candidates for the annual general meeting.

1.7 RISK REPORT

In the context of its value-based corporate management system with systematic risk management, YOUNIQ AG ensures that risks are detected and assessed and that risk positions are minimised at the earliest possible opportunity. The Company is strategically aligned to attain sustainable growth and to an increase in its enterprise value and, consequently, also to an increase in the enterprise values of all subsidiaries. In this respect, it is important to be prepared for potential sudden and unexpected developments as to known and new risks. These risks have to be dealt with appropriately. For this reason, risk management constitutes a fundamental part of the operating activities of YOUNIQ AG, which is constantly monitored by the Management Board.

The internal control system for accounting constitutes a fundamental component for risk control and management. The accounting process of YOUNIQ AG comprises a multi-stage control mechanism. In this context, external specialists (who are partly subject to professional quality assessment requirements) are used. The German interim and annual financial statements are prepared internally by the YOUNIQ AG accounting department using DATEV eG software. The first stage of preparation is supervised by the management of the accounting department (from a technical perspective) and by the Chief Financial Officer of YOUNIQ AG (both from a technical perspective and in terms of timing). The current taxation liability is calculated by the head of accounting. All entries in the accounts, other than "routine" cases, are identified, checked and appropriately allocated by the management of the accounting department and/or by the Chief Financial Officer of YOUNIQ AG.

The completed interim and annual financial statements are afterwards uploaded into the IBM consolidation COGNOS software package by the tax consultancy of DHPG Stössel, Schmitz and Blattner GmbH (DHPG), Frankfurt am Main via a manual interface. On the basis of the interim and annual financial statements, DHPG carries out comprehensive analytical auditing activities regarding these financial statements on site in Leipzig. In this process, deviations, in particular, against the preceding quarter are examined critically with regard to the construction activities, the income and expense items and financing and an analysis of property, plant and equipment with regard to all real estate properties is prepared. As a next step, a voucher audit is carried out in the context of which unusual matters, such as derivatives, additions and disposals of real estate properties or their appraisal, are examined in more detail with regard to the reason for, and the amount of such transactions. The analyses and audits by DHPG are documented in a validation file. Afterwards, all individual financial statements are discussed with the Management Board and the Supervisory Board in detail. After the final release of the individual financial statements by the Chief Financial Officer, DHPG prepares the consolidated (interim) annual financial statement according to the International Financial Reporting Standards (IFRS) in the version which has to be applied within the EU. This comprises, in particular, the reformulation of the financial statements as per the German commercial code to IFRS as well as the preparation/continuation of all consolidating entries.

The first draft of the consolidated financial statement consisting of a balance sheet, a consolidated profit and loss account, a statement of changes in equity, a statement of cash flows and the notes to the consolidated financial statement is discussed with the Management Board and the Supervisory Board, where, in particular, the results and deviation analyses are critically analysed. The consolidated financial statement is finally approved by the Management Board. As a final step, the consolidated management report is prepared by YOUNIQ AG.

1.7.1 Material individual risks

In line with the requirements of the Supervisory Board, the Management Board has defined the following risk factors, which are, to a considerable degree, related to the business operations of the Company.

- Risks to the Company as a going concern,
- Project selection risk,
- Risks during construction and reconstruction,
- Risks inherent in the existing stock,
- Risks in marketing,
- Operating risks, especially dependence on staff and IT systems,
- Legal and liability risks,
- Risks in taking out debt capital,
- Interest risk and
- Risks on account of changes in framework conditions.

In addition to the identification and definition of risks, the Management Board has also developed a number of tools and integrated these into the daily business processes. The risks defined are identified on the basis of the instruments listed below, and measures counteracting the risks are derived from these:

- Liquidity planning (short- and medium-term)
- Corporate business plan
- Due diligence before acquisition
- Financial derivatives
- Legal advice and tax consultancy
- EsiBau (integrated project control software)

- Appraisals by internationally renowned appraisal companies
- Management of the stock of properties through in-house real estate management
- Loan database

The Management Board is continuously informed of all events and developments having an impact on the assets, financial and earnings situation of the Group. For example, weekly status meetings are held on the issues of liquidity planning/development, acquisition, development of the portfolio (letting and sale), accounting and project development. Each section of the Group is managed by a manager who holds main responsibility for the segment concerned. These managers report directly to the Management Board. On the basis of the instruments which have been implemented, the Management Board is able to respond to the development of important parameters early on and to pro-actively take measures in order to avoid the consequences of potential risks.

In accordance with the requirements in Article 91 Paragraph 2 AktG, YOUNIQ AG has documented its risk management system in a comprehensive risk management manual.

1.7.2 Risk management system of YOUNIQ Group and of YOUNIQ AG

Because of the current group structure (control and profit and loss transfer agreements concluded by YOUNIQ AG and all major subsidiaries) and the guarantees and other commitments assumed for the subsidiaries (guarantees by YOUNIQ AG), YOUNIQ AG is subject to the same risks as the operating subsidiaries. The risk management system has a uniform design across the Group and, thus, includes all subsidiaries. The comprehensive risk management system (which has been designed in accordance with the size of the Group) is adjusted to the unpredictability of the developments on the financial and real estate markets and aims at minimising potentially adverse impacts on the assets, financial and earnings situation of the Group.

The Management Board has identified the following risk factors which are connected to the operating activities of the Company to a significant degree, according to criteria established by the Supervisory Board.

I. RISKS TO THE COMPANY AS A GOING CONCERN

An unforeseen liquidity gap has to be seen as a major risk to the company as a going concern. The liquidity requirement for the implementation of the growth strategy in the "YOUNIQ – Student Housing" business segment which results from the short- and medium-term profit and loss statement is subject to permanent on-going control by the Management Board. This has to be understood against the background that, within its core business "Student Housing", the company is still relatively young and in the development stage. At present, the Company still generates negative cash flows and, as a result, it needs the sale of completed existing properties to continue at a satisfactory rate.

Considering all relevant individual risks – also in their entirety – the continued existence of YOUNIQ AG or of the Group is not at risk at present. Having said this, the Management Board does not currently know of any risks which might lead to the possibility of the Company ceasing to function as a going concern in the future.

II. PROJECT SELECTION RISK

The Company's successful business operations are based on the precondition that the Company can acquire suitable properties and plots of land. The location, the condition of the structure of the buildings as well as the development and marketing potential constitute decisive criteria when making the decision to purchase a property. Since YOUNIQ AG competes with other real estate companies, there might be an increasing scarcity of real estate properties complying with the Company's return requirements in the future.

III. RISKS IN CONSTRUCTION AND RECONSTRUCTION

In the execution of own development projects, risks can arise, in particular, on account of the fact that higher costs and/or unforeseen additional expenses may arise in the course of reconstruction. In addition to this, risks in the implementation of new construction projects might arise on account of the absence of building permits. YOUNIQ AG minimises this risk by only acquiring properties which are already classified as being in areas zoned for residential development and with regard to which the building law permit situation has largely been resolved. In the case of plots of land, which are e.g. only classified as prospective building land, YOUNIQ AG will not conclude any transaction for the acquisition of the plot(s) before permission is granted. Construction cost risks are minimised by a suitable contract awarding policy, as well as by rigorous project control. There are fundamental risks of rising or wrong calculated bulding costs.

IV. RISKS INHERENT IN THE EXISTING STOCK

With regard to the existing real estate properties of YOUNIQ AG, external factors, such as e.g. a deterioration in the transport connections or social structure and construction measures in the area, can cause risks lowering the rental income, or the sales and market value of the property. Moreover, maintenance and other management costs might become higher than originally expected. YOUNIQ AG continuously monitors the development of all accounts receivable regarding the Group and, if required, takes steps at short notice in order to secure payments by the debtors and reduce default possibilities and actual defaults. Arrears billing regarding the accounts receivable from the lease relationships is partly processed by the property managers. The default risk in the field of letting is also minimised by concluding tenancy agreements with the parents and by ensuring acceptable credit ratings of the tenants (letting taking place only after previous satisfactory credit investigations).

V. RISKS IN MARKETING

Risks regarding the marketing and the sale of real estate properties can arise in cases where the sale of properties takes longer than originally planned. Further risks might arise in the cases where the budgeted sales prices cannot be achieved on account of changes which were not foreseeable at the time of the purchase, or if taxation, political or other market conditions change. YOUNIQ AG monitors these problems and risks, and acts accordingly. Default risks in the framework of the execution of sales of plots of land and/or apartments are minimised by the usual hedging tools in processing of contracts. According to these, the legal title is only transferred once the full payment has been received.

VI. OPERATING RISKS, IN PARTICULAR, DEPENDENCE ON STAFF AND IT

The decision to have a small staff was consciously taken by the Company. The Company assumes that even a possible unforeseen loss of a key member of staff can be compensated for promptly in the operations of the company (if required through external service providers). The operation of the IT systems is safeguarded through the use of external service providers. Various inspections, maintenance work and general supervision activities regarding all servers, storage systems and the hardware for the other infrastructure and the internal network are regularly carried out. Moreover, the Company's IT systems which are critical for the operating business processes are protected against possible failures by means of corresponding precautions within the company and data backup measures carried out at night on every business day, so that normal operational work can be continued with minimal response times in the event of a hardware failure. In this context, there is a weekly "external" data backup on magnetic tape, in addition to the regular "back-up-to-disc" procedure carried out on every business day. This backup copy is to be stored in a safe, subject to restricted access. In an emergency, these backups can be used for a corresponding restore, including the activities for preparation and post-processing, in order to re-establish the IT operations in their original state within, at a maximum, 48 hours. Worst-case scenarios, such as fire, large-scale water damage or damage caused by the collapse of structures or a part of such, have also been taken into account. This scenario can also be applied to individual servers, e.g. in the event of a serious hardware failure. In addition to the data back-up measures outlined, the Company regularly carries out a "disaster recovery test" during which it tests a total failure and the subsequent restart, including an emergency restore of all IT systems which are of critical importance for the business operations, at least once a year, e.g. on a weekend. All tests executed in this respect, such as default, UPS, load and data recovery tests, are documented.

VII. LIABILITY AND LEGAL RISKS

The Company bears the risk that the plots of land which it owns might be contaminated with waste or subject to soil contamination and that public authorities or private third parties might have to be employed in order to rectify this situation. Legally, the Company can only exclude such a liability to a restricted degree. The Company counters possible adverse effects by employing its comprehensive knowledge of the market and providing the necessary expertise (or having such expertise provided by third parties) for the acquisition of properties, if required. In addition to the liability risks, there are legal risks and/or risks of litigation caused by conflicts between the parties to the contracts. Lawsuits are usually connected with high legal and consulting fees. YOUNIQ AG is advised by internationally renowned service providers with regard to legal and taxation matters.

VIII. RISKS INVOLVED IN THE TAKING OUT AND RENEWING OF LOAN CAPITAL

For the implementation of its business concept and growth strategy the Company needs extensive funds in order to be able to consistently pursue its objective of the acquisition of residential real estate and the related planned project developments. In part, the Company is obliged to provide the funds in advance while returns of funds in the form of advance payments by buyers/clients or the final purchase price payments can partly only be collected in stages according to the progress of the projects (or according to the German Real Estate Agent and Commercial Builders Ordinance [MaBV]) pursuant to mandatory legal provisions). For this reason, the Company has taken out debt capital for interim financing. This entails the risk that the acquisition of debt capital from credit institutions might not be possible at the due time in the future or that such might only be possible on unfavourable conditions. Furthermore, there is the risk that payments (of purchase prices) by the customer might be effected later than planned. If debt capital cannot be taken out in the future or if such cannot be taken out under adequate conditions or in case the raising of debt financing takes longer than planned by the Company, this might adversely affect the Company's operations as well as its financial situation. Financial planning tools employed throughout the Group permit the early identification of future liquidity requirements as arise from the implementation of the Group's strategy in business operations. In addition to the current overview of loans connected with a repayment plan comprising several years, the Group also operates a liquidity plan on a rolling monthly basis for a planning term of twelve months ahead. The planning systems reflect the entire scope of consolidation. The cautious liquidity management policy includes a sufficient reserve of liquid funds.

IX. INTEREST RISK

Risks of changes in interest are caused by fluctuations in interest rates on account of changes in the market. On the one hand, these have an impact on the amount of the future interest expenses of YOUNIQ Group. On the other hand, they can influence the market value of financial instruments. In this context, the aim is to minimise the risk of fluctuations in future interest expenses. So far, the predominant share of the liabilities to banks within YOUNIQ Group was taken out with fixed interest rates, so that the impacts of fluctuations in the interest rate could be estimated in the medium term. Nonetheless, there is a risk on account of adverse adjustments in the conditions at the end of the lock-down period for the interest rate. In the case of the (loan) liabilities which are subject to a variable interest rate, there is a risk of a change in the interest rate in as far as the interest rate for the loans taken out is usually connected to the EURIBOR (European Interbank Offered Rate) reference interest rate. In order to control the interest risk caused by the variable interest rate on the loan capital the management will use swaps (payer swaps) or similar instruments (swaptions and caps) in a targeted manner. In addition, the relevant interest markets are regularly analysed and monitored.

X. RISKS ON ACCOUNT OF CHANGES IN FRAMEWORK CONDITIONS

The real estate market depends on tax and statutory framework conditions shaping the decision-making criteria of potential real estate buyers. YOUNIQ AG assumes that its products will retain their attractiveness in the future. Nonetheless, changing framework conditions and, in particular, the tax treatment of property ownership can have a negative impact on the demand for real estate and real estate investment products.

1.7.3 Overall statement on the risk situation

Against the background of the overall development of the Company, the risks appear to be limited and controllable as seen from today's perspective. To this end, YOUNIQ AG uses tried and tested systems and processes in the field of risk management. The Company does not see any individual risks which might jeopardise the existence of the Company at the moment and as regards the foreseeable future. Moreover, the individual risks overall do not jeopardise the existence of YOUNIQ AG.

1.7.4 Opportunities of the future development

Even though the debt crisis in Europe and uncertainties regarding the development of the financial sector are exerting a strain on the economic situation, the German market for "student housing" continues to develop positively. In the year 2012, the number of first-term students again exceeded 500,000 students, which was due, in particular, to the double number of school leavers on account of the switch from 13 to 12 years of school and to the cessation of compulsory military and community service. At 2.5 million, the total number of students reached a new record.

Furthermore, a constantly high number of new students can be expected for the coming years. According to official data from the Federal Statistical Office, the share of school leavers with university entrance qualifications in Germany will continue to increase in the future. In its current projection, the conference of the ministers of education and arts (CMEA) assumes that there will be more than 450,000 first-term students per annum up until 2019 and the numbers are forecast to remain at more than 400,000 new students per annum until 2025. As a result, the growing numbers of students are having a positive effect on the demand for living space – which results in attractive market opportunities for YOUNIQ AG.

In addition, the attractiveness of Germany as a higher education location among foreign students is increasing. This is due to the positive reputation of German universities and to the implementation of bachelor's and master's courses in the course of the Bologna Process towards the standardisation of the European Higher Education Area. In 2011, roughly 250,000 foreign students were enrolled at German universities, which corresponds to a share in the total number of students of approximately 11 %. In 2009, the OECD average was 6 %. In the opinion of the German Academic Exchange Service (DAAD), the proportion of foreign students in the overall number of students will further increase in the future.

In addition to constantly increasing numbers of students, YOUNIQ AG is also observing a tightening of the supply of high-quality living space within its target group. The high letting rate and the long waiting lists for apartments at the existing sites can be seen as proof of this. Studies confirm the high demand for accommodation at numerous other university locations in Germany at which YOUNIQ AG has not yet developed projects. This high demand for living space (amongst other reasons) results from the concentration of students at university locations in major conurbation areas. At the same time, the supply of apartments in the context of public student halls of residence is low at only 228,500 apartments. This results in an attractive potential for private providers within the "YOUNIQ – Student Housing" segment, which means that significant vacancy rates and, as a result, declining rental income are unlikely to occur over the coming years.

Moreover, the student target group in Germany has considerable financial strength. According to data contained in the 19th Social Survey published by the Federal Ministry of Education and Research and by the German Student Union, the monthly available budget amounted to approximately EUR 812. According to this study, students spent approximately EUR 281 on rent and utility expenses per month. According to this study, the potential YOUNIQ target group comprises more than one million students, which corresponds to approximately 55 % of all students at the moment. With a view to the current stock of student apartments there is significant growth potential in this segment in Germany as seen from YOUNIQ's perspective.

In addition to this, the macro-economic environment also has a positive influence on the real estate sector. On account of the historically low interest rate level within the Euro zone, private and institutional investors are increasingly focussing on real estate properties as an alternative asset class. On the basis of the increased demand and the attractive development of the market within the "YOUNIQ – Student Housing" segment, YOUNIQ sees the opportunity for the further development of this segment as an asset class. This can also have a positive effect on the value of the real estate properties.

On account of its leading position as a provider of "student housing" in Germany and the still favourable competitive situation - with only a small number of competitors, the Company still sees good growth opportunities within its core field of business.

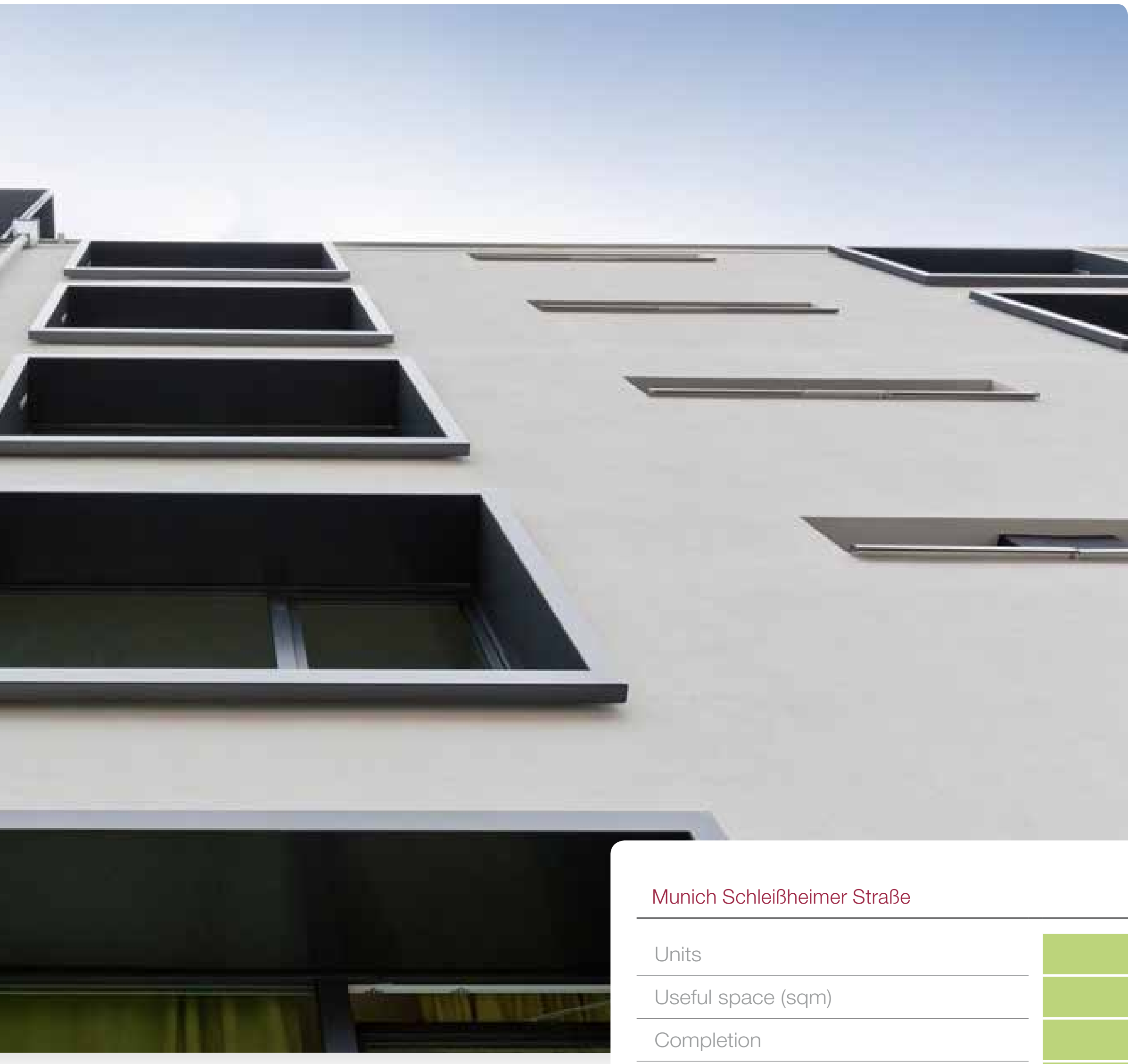
1.8 OUTLOOK REPORT

The Management Board of YOUNIQ AG expects a generally positive development of the market for 2013 and 2014. Boosted by the double number of school leavers on account of the switch from 13 to 12 years of school and by the abolition of compulsory military services (and community service in lieu of military service), the numbers of students and first-term students will remain consistently high. At the same time, Germany will remain a popular higher-education location for foreign students as a result of comparatively low study costs and its renowned universities. In this context, the Management Board assumes that the potential demand for student housing will continue to be at an attractive level.

Furthermore, the high demand for living space does not meet with an adequate supply of living space – in particular, in the university towns and conurbation areas. Moreover, students have to compete with an ever-growing number of working singles, week-end commuters and senior citizens for the few available one- and two-room apartments. In its current report on the housing and real estate industry in Germany, the federal government sees "clear scarcities and difficulties of supply in many places […]".[22] As a result, there are concerns that the development of the housing offer will not be able to cover the high demand in the short term.[23]

[22] Federal Ministry of Transport, Building and Urban Development (2912): Report on the Housing and Real Estate Industry in Germany, p. 28 | [23] Ibid., p. 28

The attractive supply and demand situation resulting from this also has a positive effect on the business model of YOUNIQ AG. The low vacancy rates and long waiting lists at the YOUNIQ sites completed so far bear out this fact. For this reason, the Management Board assumes a positive development within the "YOUNIQ – Student Housing" market segment and expects positive earnings before interest and tax (EBIT) in the business segments to continue in 2013 and 2014.



Munich Schleißheimer Straße

Units	80
Useful space (sqm)	1,754
Completion	Q4/2012
Rental income (EUR million with full letting p. a.)	0.82

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31ST DECEMBER 2012

kEUR	Notes	31/12/2012	31/12/2011
Non-current assets			
Intangible assets	4.1	52	58
Property, plant and equipment	4.2	2,135	1,988
Investment properties	4.3	89,234	111,146
Long-term original financial instruments	4.4	2,435	-
Deferred tax assets	4.5	7,276	12,561
Total non-current assets		**101,132**	**125,752**
Current assets			
Inventories	4.6	8,388	29,677
Receivables from construction contracts	4.7	-	1,769
Trade receivables	4.8	214	4,886
Income tax receivables	4.9	239	693
Other short-term receivables and assets	4.10	2,316	1,478
Cash and cash equivalents (restricted)	4.11	1,042	2,572
Cash and cash equivalent (non-restricted)	4.11	5,071	7,867
		17,270	48,941
Non-current assets held for sale	4.12	39,173	9,002
Total current assets		**56,442**	**57,943**
Total assets		**157,574**	**183,696**

Consolidated statement of financial position

kEUR	Anm.	31/12/2012	31/12/2011
Equity	**4.13**		
Subscribed capital	4.13.1	10,400	10,400
Capital reserve	4.13.5	61,897	61,870
Retained earnings	4.13.6	15,672	36,694
Consolidated profit/(loss) for the period		(7,096)	(21,009)
Revaluation reserve	4.13.7	67	(502)
Subtotal equity attributable to Group shareholders		80,939	87,453
Non-controlling interests	4.13.8	220	180
Total equity		**81,160**	**87,633**
Non-current liabilities			
Long-term liabilities to banks	4.14	13,089	54,640
Deferred tax liabilities	4.15	-	5,208
Long-term derivative financial instruments	4.16	118	753
Long-term provisions	4.17	-	-
Other long-term liabilities	4.18	7,533	325
Total non-current liabilities		**20,740**	**60,926**
Current liabilities			
Other short-term provisions	4.19	466	1,024
Income tax liabilities	4.20	83	911
Short-term liabilities to banks	4.21	27,922	19,398
Trade payables	4.22	4,788	7,749
Prepayments received	4.23	-	4,197
Other short-term liabilities	4.24	549	1,857
		33,808	35,136
Liabilities in connection available-for-sale financial assets	4.25	21,866	-
Total current liabilities		**55,674**	**35,136**
Subtotal liabilities		76,414	96,062
Total equity and liabilities		**157,574**	**183,696**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1ST JANUARY TO 31ST DECEMBER 2012

kEUR	Notes	1/1 - 31/12/2012	1/1 - 31/12/2011
Group profit and loss statement for the period from 1st January to 31st December 2012			
Rental income	5.1	5,342	3,213
Revenue from service charges	5.2	445	510
Rental expenses	5.3	(2,332)	(479)
Property-related operating expenses	5.4	(2,354)	(1,826)
Other property-related income and expenses	5.5	532	138
Net Operating Income (NOI) before expensed capital expenditures and write-downs		**1,632**	**1,555**
Expensed capital expenditures		(277)	(346)
Rent-receivables write-downs / write-ups		(37)	(26)
Net Operating Income (NOI) after expensed capital expenditures and write-downs		**1,319**	**1,183**
Revenue from the sale of real estate assets	5.6	406	839
Cost of sales	5.6	(76)	(4)
Book value of real estate assets sold	5.6	(408)	(798)
Costs of acquisition and costs of business combinations	5.6	(102)	-
Gains/(losses) from the purchase and/or sale of real estate companies	5.6	(1,565)	(0)
Profit / (loss) from the sale of real estate assets	5.6	**(1,744)**	**36**
Revenues from construction contracts	5.7	1,004	3,605
Expenses for construction contracts	5.7	(1,111)	(2,122)
Profit / (loss) from construction contracts	5.7	**(107)**	**1,483**
Profit / (loss) from changes in valuation of investment property	5.8	**6,711**	**6,907**
Personnel and administrative expenses	5.9	(4,455)	(4,188)
General selling and marketing expenses	5.10	(460)	(1,815)
Depreciation, amortisation and write-downs	5.11	(191)	(250)
Earnings before Interest and Taxes (EBIT)		**1,074**	**3,357**

in TEUR		1/1 - 31/12/2012	1/1 - 31/12/2011
Interest income	5.12	136	132
Interest expenses	5.13	(1,793)	(2,390)
Other financial income / (financial expenses)	5.14	(910)	(1,040)
Financial result		**(2,567)**	**(3,298)**
Earnings before Tax (EBT)		**(1,493)**	**59**
Income tax	5.15	1,547	1,341
Consolidated net profit / (loss) for the period from the segments to be continued		**54**	**1,400**
Consolidated net profit / (loss) for the period from discontinued segments		(7,114)	(22,438)
Consolidated net profit / (loss) for the period		**(7,061)**	**(21,037)**
of which attributable to Group shareholders		*(7,096)*	*(21,009)*
of which attributable to non-controlling interests		*36*	*(29)*
Average number of shares outstanding during the account period		10,400,000	9,087,534
Earnings per share (undiluted)	**5.17**	**EUR -0.68**	**EUR -2.31**

Comprehensive income reconciliation for the period from 1 January to 31 December 2012			
Net profit / (loss) for the period		**(7,061)**	**(21,037)**
Other comprehensive income			
Change in revaluation reserve of the financial assets available for sale		98	-
Effective part of the profits/losses from cash flow hedging relationships		733	(680)
Taxes on income applicable to the components of the „Other comprehensive income“		(263)	208
Other comprehensive income for the period		**569**	**(472)**
Total comprehensive income		**(6,491)**	**(21,510)**
of which attributable to Group shareholders		*(6,526)*	*(21,481)*
of which attributable to non-controlling interests		*35*	*(29)*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1ST JANUARY TO 31ST DECEMBER 2012

kEUR	Notes	Subscribed capital	Capital reserve
As of 01/01/2011		7,050	3,999
Reclassification of consolidated net profit / (loss) for previous year		–	–
Consolidated net profit / (loss) for the period		–	–
Other comprehensive income for the period		–	–
Capital increase		3,350	21,775
Purchase of non-controlling interests		–	–
Change in capital reserve		–	36,096
Effects from consolidation		–	–
Other		–	–
As of 31/12/2011	4.13	10,400	61,870
As of 01/01/2012		**10,400**	**61,870**
Reclassification of consolidated net profit / (loss) for previous year		–	–
Consolidated net profit / (loss) for the period		–	–
Other comprehensive income for the period		–	–
Capital increase		–	–
Purchase of non-controlling interests		–	–
Share-based payment	3.11	–	27
Effects from consolidation		–	–
Other		–	–
As of 31/12/2012	4.13	**10,400**	**61,897**

Retained earnings	Consoli-dated net profit/(loss)	Revaluation reserve	Equity attributable to Group shareholders	Non-controlling interests	Total equity
31,781	4,934	(30)	47,735	187	47,922
4,934	(4,934)	–	–	–	–
–	(21,009)		(21,009)	(29)	(21,037)
–	–	(472)	(472)	(0)	(472)
–	–	–	25,125	–	25,125
–	–	–	–	–	–
–	–	–	36,096	–	36,096
0	–	–	0	–	0
(21)	–	–	(21)	21	0
36,694	(21,009)	(502)	87,453	180	87,633
36,694	(21,009)	(502)	87,453	180	87,633
(21,009)	21,009	–	–	–	–
–	(7,096)	–	(7,096)	36	(7,061)
–	–	569	569	0	569
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	27	–	27
(14)	–	0	(13)	4	(9)
–	–	–	–	–	–
15,672	**(7,096)**	**67**	**80,939**	**220**	**81,160**

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER 2012

kEUR	Notes	1/1 - 31/12/2012	1/1 - 31/12/2011
Consolidated net profit/(loss) for the period		(7,061)	(21,037)
Income tax		24	(9,500)
Financial result		5,569	6,285
Earnings before Interest and Tax (EBIT)		**(1,467)**	**(24,252)**
(Reconciliation for the transition from EBIT to cash flow before interest and tax)			
Depreciation/amortization and write-downs		1,965	3,808
Changes in valuation of investment properties		(9,154)	17,270
(Decrease)/Increase in deferred tax assets		2,727	(5,937)
(Decrease)/Increase in deferred tax liabilities		(2,372)	(4,155)
Result from disposal of investment property		1,244	119
(Profit)/loss from the deconsolidation of subsidiaries		1,602	-
Result from disposal of property, plant and equipment		28	0
(Decrease)/Increase in long-term/short-term provisions		340	(466)
Change in derivative financial instruments		56	690
Change in capital reserve on account of share-based remuneration		27	-
Change in other non-cash income and expenses		569	(472)
Cash flow before tax and interest		**(4,435)**	**(13,396)**
(Decrease)/Increase in receivables from construction contracts		1,479	1,632
(Decrease)/Increase in inventories		8,478	12,767
(Decrease)/Increase in trade receivables		896	2,078
(Decrease)/Increase in other short-term receivables and assets		515	(517)
(Decrease)/Increase in prepayments received		905	162
(Decrease)/Increase in trade payables		(1,826)	(1,203)
(Decrease)/Increase in other liabilities		(3,902)	6,416
Taxes paid/received		(389)	-
Net Cash Inflow/(Outflow) from operating activities	6.	**1,720**	**8,180**

Consolidated statement of cash flows

kEUR	Notes	1/1 - 31/12/2012	1/1 - 31/12/2011
Proceeds from the sale of property, plant and equipment and of investment property		8,285	2,246
Cash outflow for property, plant and equipment and intangible assets		(2,746)	(1,796)
Cash outflow for inventory property		(33,967)	(24,451)
Cash outflow for inventory property		(1,951)	-
Proceeds from the sale of subsidiaries ("MPC-Deal")		37,583	3,652
Net Cash Inflow/(Outflow) from investing activities	**6.**	**7,204**	**(20,349)**
Proceeds from capital increase (net issue proceeds)		-	22,876
Proceeds and repayment of loans from the majority share-holder (balance)		-	(1,587)
Proceeds from short-term/long-term financial liabilities (bank loans)		24,727	15,440
Amortisation of short-term/long-term financial liabilities (bank loans)		(40,133)	(12,292)
Taking-out of a bond		5,000	-
Proceeds and repayments of other short-term/long-term financial liabilities (balance)		2,336	(6,102)
Interest received		215	222
Interest paid		(2,811)	(4,393)
Net Cash Inflow/(Outflow) from financing activities	**6.**	**(10,666)**	**14,163**
Net change in cash and cash equivalents		**(1,742)**	**1,995**
Cash and cash equivalents at the beginning of the period	4.11	10,438	8,443
Net change in cash and cash equivalents		(1,742)	1,995
Cash and cash equivalents at the end of the period	4.11	8,696	10,438

YOUNIQ
AKTIENGESELLSCHAFT

EXPLANATORY NOTES REGARDING THE ANNUAL FINANCIAL STATEMENT OF YOUNIQ AG FOR THE FINANCIAL YEAR FROM 1ST JANUARY TO 31ST DECEMBER 2012

1. GENERAL INFORMATION REGARDING THE COMPANY

YOUNIQ AG, with its subsidiaries, is a listed German real estate group with registered offices in Frankfurt am Main.

At present, YOUNIQ Group is divided into four operating divisions (segments):

- "YOUNIQ – Student Housing"
- "Services"
- "Renting and Trading Real Estate"
- "Project Development"

The main focus of the business operations is on the "YOUNIQ – Student Living" segment, in which subsidiaries of YOUNIQ AG develop and operate apartment facilities for students throughout Germany. In this respect, YOUNIQ Group covers a significant part of the value chain – from the acquisition of real estate properties and plots of land to project development - including planning, obtaining of building permits and construction and extending to commercial and technical management of the completed facilities. In addition, a further focus is on the "Services" segment, in which student apartments are managed both as part of the Group's own portfolio and for third-party portfolios. In addition to the discontinuation of the essential activities in the „Project Development" segment, the Management Board is planning to accelerate the sale of all properties in the "Renting and Trading Real Estate" segment in the form of portfolio transactions or individual sales transactions. For this reason, both these segments form abandoned and discontinued operations (according to IFRS 5.32a and b).

YOUNIQ AG is registered as a public limited company in the commercial register of Frankfurt am Main Local Court under HRB 86081. The registered main office of the Company has been located in Eschersheimer Landstraße 6 in 60322 Frankfurt am Main since 1st August 2012. In addition, the company has operational premises in "City Hochhaus", Augustusplatz 9, 04109 Leipzig.

The shares of YOUNIQ AG (also referred to as the "Parent Company" or the "Company" hereinafter) were admitted to official trading on the Frankfurt Stock Exchange (General Standard) under ISIN DE000A0B7EZ7 (German securities identification: A0B7EZ7) on 6th December 2006. Since 22nd July 2011, the shares of YOUNIQ AG have been quoted in the Prime Standard of the Frankfurt Stock Exchange. The admission to the Prime Standard results in follow-up admission requirements, which, in turn, lead to higher transparency and publication requirements.

GOETHE INVESTMENTS S.à r.l., Luxembourg, which, like RABANO PROPERTIES S.à r.l., is part of the group of CORESTATE German Residential Limited, St Peter Port/Guernsey, (ultimate parent), acquired a majority shareholding in YOUNIQ AG on 25th July 2008.

At the annual general meeting of YOUNIQ AG on 18th July 2012 the annual financial statement as of 31st December 2011 which had been approved and was, hence, adopted by the Supervisory Board was presented together with the summary management report of the company and of the Group for the financial year 2011. In addition, the annual general meeting adopted the resolution to approve the activities of the Supervisory Board and of the Management Board for the financial year 2011. As in the previous years, resolutions to pay out dividends were not adopted.

On 22nd March 2013, the Management Board prepared the annual financial statement of YOUNIQ AG as of 31st December 2012. On 22nd March 2013, the annual financial statement will be submitted to the Supervisory Board of the Company for approval and clearing for publication.

The consolidated financial statement of YOUNIQ AG for the financial year which ended on 31st December 2012 was cleared for publication by a resolution of the Management Board of 22nd March 2013 and will be presented to the Supervisory Board afterwards. The Supervisory Board is in charge of inspecting the consolidated financial statement and establishing whether it approves the consolidated financial statement.

2. ACCOUNTING AND VALUATION PRINCIPLES

2.1 Declaration regarding compliance with IFRS

According to Art. 290 ff. HGB [German Commercial Code], YOUNIQ AG is obliged to prepare a consolidated financial statement. YOUNIQ AG has prepared its consolidated financial statement according to the International Financial Reporting Standards (IFRS), in the form in which these are mandatory in the EU, and the provisions under German commercial law which have to be applied in addition, according to Art. 315a Paragraph 1 HGB. All of the IFRS which were published by the International Accounting Standards Board (IASB) and in force at the time of the preparation of this consolidated financial statement have been applied, provided such have been adopted by the EU. In the opinion of the Management Board of YOUNIQ AG, this does not constitute a restriction of the confirmation of compliance with IFRS as required by IAS 1.16.

The term IFRS also includes the International Accounting Standards (IAS) which are still in force. All interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) which were binding for the financial year 2012 were also applied.

The requirements of the standards applied were fully complied with and ensure that an impression of the asset, financial and profit situation of YOUNIQ Group which is in line with the actual situation is conveyed. As a result, the consolidated financial statement complies with IFRS.

The framework of IASB is not part of IFRS and has not been taken over into the acquis communautaire of the European Union. IAS 8.11b requires the use of the definitions and valuation criteria for the assets, liabilities, expenses and earnings laid down in the framework for the purpose of interpretation and filling of loopholes. The framework constitutes the basis for the formation of an opinion in developing solutions for accounting problems. For this reason and on account of the express reference to the framework in IAS 8.11b, it is used without any restrictions in preparing the consolidated financial statement of YOUNIQ AG.

The additional disclosure requirements to be taken into account according to Art. 315a HGB [German Commercial Code] are listed under the notes in section 9.

2.2 Principles regarding the preparation of the financial statement

The consolidated financial statement was prepared subject to the assumption of the going concern principle.

The 31st of December 2012 constituted the balance sheet date. The financial year of YOUNIQ AG (and all of its subsidiaries) corresponds to the calendar year.

The reporting currency is the EUR (EUR) (unless amounts are commercially rounded to the nearest thousand Euros (kEUR)). This currency also constitutes the functional currency of the Group. During the year under review, there were no business transactions in foreign currencies. In adding up rounded sums, and calculating percentages, small differences caused by rounding can arise through the use of automatic calculation tools.

The profit and loss account was prepared in accordance with the aggregate cost method.

According to IAS 1 and the Accounting Interpretation No. 1 (RIC 1) of the German Accounting Standards Committee e.V., long- and short-term assets and debts are differentiated in reporting in the statement of financial position. Those items which fall due within one year or which can be assigned to one business cycle are considered to be short-term. Deferred taxes are reported as long-term on principle.

The statement of cash flows was prepared according to the indirect method for the cash flow from operating activities and according to the direct method for cash flows from investing activities and financing activities.

2.3 New Financial Reporting Standards

The International Accounting Standards Board (IASB) has adopted new standards and interpretations and amended existing standards and interpretations the application of which has been mandatory since 1st January 2012. However, according to Art. 315a HGB, standards and interpretations may only be used in a financial statement as per IFRS once these have been adopted by the EU.

In the financial year 2012, the new and revised IFRS standards and interpretations in the version in which these were adopted by the EU concern:

- Adoption of the amended IFRS 7 "Financial Instruments: Disclosures – Transfer of financial assets": These amendments do not have any effect on the consolidated financial statement of YOUNIQ AG.

The following pronouncements published by IASB have been adopted by the EU and apply with regard to financial years beginning, at the earliest, on 1st January 2013 or later. YOUNIQ Group dispensed with an early voluntary application of these:

CONSOLIDATION PACKAGE IFRS 10, IFRS 11 AND IFRS 12

On 12th May 2011, the International Accounting Standards Board (IASB) published IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities", which are part of a comprehensive reform project. Furthermore, IAS 27(2011) "Separate Financial Statements" was adjusted, as a result of which it now exclusively contains the non-amended provisions regarding individual IFRS statements. Finally, IAS 28(2011) "Investments in Associates and Joint Ventures" was amended and adjusted to the new IFRS 10, IFRS 11 and IFRS 12 standards in this way.

IFRS 10 provides a new and comprehensive definition of the term "control". If a company controls another company, the parent company has to consolidate the subsidiary. According to the new concept, control is defined as a situation in which the potential parent company holds decision-making power at the potential subsidiary on the basis of voting rights or other rights, in which it participates in positive or negative returns from the subsidiary and in which it can influence these returns through its decision-making power. This new standard can have effects on the scope of consolidation, e.g. for special purpose vehicles.

IFRS 11 revises reporting of joint arrangements in balance sheets. According to the new concept, a decision has to be taken as to whether there is a joint operation or a joint venture. A joint operation is defined as a situation in which jointly controlling parties have direct rights in the assets and obligations regarding liabilities. The individual rights and obligations are disclosed in the balance sheet of the consolidated financial statement on a proportionate basis. In a joint venture, on the other hand, the jointly controlling parties have rights in the net assets surplus. This right is reflected by applying the equity method in the consolidated financial statement; as a result, the right of option regarding the proportionate inclusion in the consolidated financial statement ceases to apply.

The notes regarding intercompany relationships in the consolidated financial statements and joint arrangements are provided in IFRS 12.

Application of the new standards is mandatory for financial years beginning on or after 1st January 2013. Early application shall be permissible; however, such shall only be permissible if all three standards are jointly applied early.

YOUNIQ AG is planning to apply the new consolidation standards regarding the mandatory time of first application of the standards for EU IFRS users as of 1st January 2014 and, as a result, it does not use the permissible early application. The amendments will probably only have an effect on the information in the notes for YOUNIQ Group.

IFRS 13 “FAIR VALUE MEASUREMENT“

On 12th May 2011, the IASB and the Financial Accounting Standards Board (FASB) published the joint IFRS 13 standard “Fair Value Measurement”. The standard concerns the establishment of the fair value and the appertaining notes and pursues the aim of a further convergence between IFRS and the United States Generally Accepted Accounting Standards (US-GAAP). IFRS 13 provides assistance for the determination of the fair value in as far as this is prescribed as a standard by other IFRS. However, this does not lead to an expansion of the fair value assessment according to IFRS 13. This amendment aims at standardising the “fair value” term and of the methods to be applied in the determination of fair values and, in particular, of the notes connected with the fair-value assessment across various standards. Application of the new standard is mandatory for financial years beginning on or after 1st January 2013. Early application is permissible. The effects which this will have on the YOUNIQ Group will probably be limited to the additional information in the consolidated notes; changes in values are not expected.

The remaining changed standards (such as, for example, the amendments of IAS 19 “Employee benefits” adopted by IASB on 16th June 2011) and interpretations will probably not have any material impact on the asset, financial and earnings situation of YOUNIQ Group.

Moreover, IASB published a number of further pronouncements during the reporting period. The pronouncements which have not been transposed into EU law so far concern:

In November 2009, IASB published **IFRS 9 “Financial Instruments”,** which covered financial assets, in the framework of a project revising accounting for financial instruments. In October 2010, rules regarding financial liabilities were taken over from IAS 39 unchanged except for new rules regarding the consideration of the own credit risk upon exercising of the fair value option. The new standard governs accounting of financial assets and financial liabilities as regards their classification and valuation. On principle, the relevant provisions take effect retroactively for financial years beginning on or after 1st January 2015. Early application is permissible.

The **remaining amended standards** will probably not have any material effect on the Group’s assets, financial and earnings situation.

If these standards are recognised by the EU and application of such standards becomes mandatory in subsequent financial years, YOUNIQ Group does not plan to apply these standards before it is obliged to.

2.4 Evaluation

With the exception of certain items, such as e.g. investment properties, financial assets held for sale or derivative financial instruments, the consolidated financial statement is prepared according to the principle of historical costs of acquisition or production. The valuation methods applied with regard to the exceptions are described below:

In as far as there are notarised sales agreements regarding these, investment properties are assessed at the agreed sales prices. If YOUNIQ Group has undertaken to carry out reconstruction measures and / or decorative repairs on the real estate properties to be sold, the costs expected with regard to this are taken into account as impairments.

All other investment properties are assessed at the fair value as of 31st December 2012 on the basis of valuation appraisals by the internationally operating real estate experts CBRE GmbH, Frankfurt am Main (existing portfolio) and Cushman & Wakefield LLP, Frankfurt am Main (project developments).

The determinations of the fair value by CBRE GmbH and Cushman & Wakefield LLP are uniformly effected according to the discounted cash-flow method (DCF method) or according to the income capitalisation approach/residual value method. In this context, the fair value in the reporting year was established as the net present value, i.e. as the gross capital value of the future net cash flows less the transaction costs to be assumed by a potential buyer. In the previous year, the Management Board assumed that the gross capital value would be realised in selling real estate properties on account of a different situation on the market. This changed assessment results in a one-off conversion effect of kEUR 5,134, which is recognised in profit or loss.

In order to accelerate the planned sale of the existing real estate portfolio, primarily in the “Renting and Trading Real Estate” segment (which is not part of the core business) the Management Board decided that, following the decision to discontinue the comparative value method which had primarily been used for existing real estate properties until that time, a property-specific portfolio discount on the fair value established according to the DCF procedure would be applied (in total kEUR 3,451). This change in the valuation system results in a one-off adjustment in the valuations of in total kEUR 26,830.

The assumptions and methods used in the determination of the fair value of the investment properties are supported by market data.

CBRE GMBH APPRAISAL:

If the DCF method is used, future cash flows are discounted to the balance sheet date. To that end, the surplus payments from the respective property are established in a detailed planning period of ten years. These payments are established by balancing expected payments and payouts. While the payments usually comprise net rents, the payouts usually comprise operating costs which have to be assumed by the owner. The surplus payments during every period under review are discounted to the valuation date by applying a property-specific discounting rate in accordance with the situation on the market. During the 2012 financial year, these rates amounted to between 5.75 % and 8.00 % (previous year: 5.0 % and 7.35 %) depending on the property concerned. The net present value (NPV) of the surplus payments for the respective period is established on this basis. A residual value of the valued property is forecast for the end of the ten-year detailed planning period. This value reflects the most likely price which can be achieved at the end of the detailed planning period. In this process, the surplus payments for the tenth and eleventh year are capitalised as a perpetual annuity at the so-called capitalisation rate (cap rate between 4.85 % and 7.0 %, previous year: 5.0 % and 6.60 % depending on the property). After that, the residual value is also discounted to the valuation date using the discount interest rate. The total of the discounted surplus cash and the discounted residual value yields the gross asset value of the valuation property. Afterwards, the transaction costs which a potential buyer would incur (e.g. land transfer tax, real estate agent and notary‘s fees) are deducted as a discount percentage (approximately 6.65 % to 8.15 %) in order to determine the fair value.

In addition to this, separate valuation assumptions are made with regard to different real estate properties:

- With regard to the appraisal of the two properties of CAMPUS 1. Verwaltung GmbH in Berlin and Göttingen it was assumed that furnished apartments are let.
- Furthermore it is assumed with regard to the property in Berlin, Iranische Straße, which is referred to above, that the rents agreed on are flat rents and that the estimated costs for repairing the roof amount to kEUR 300.

REPORT OF CUSHMAN & WAKEFIELD LLP:

The real estate properties which are constructed or developed for the future use as investments properties (project developments) are appraised according to the internationally renowned residual value method. This value is calculated on the basis of the estimate of the completed real estate property (income capitalisation approach), less the estimated costs until completion and the financing costs and after deduction of a developer margin which covers the project risks and is adjusted to the respective stage of construction (between 10 % and 6.15 % with regard to the costs until completion).

The potential sales value of a completed real estate property is determined with the help of a simplified income approach in accordance with the following overview:

	Renting space of the student hall of residence
x	Expert's estimate of the market rents
=	Gross income (renting space x market rent)
-	Reduction of the gross income by operating expenses (EUR 7 per m² maintenance, administration expenses of EUR 240 per rented unit)
	Capitalisation at the net initial returns derived from the market (5.05 % - 5.5 %))
=	Gross capital value
-	Reduced by transaction costs (land transfer tax, notary's and real estate agent fees)
=	Potential sales value

The costs until completion concern the remaining construction costs and other additional costs (e.g. costs for architects, project management, energy counselling and fees). These are reflected in the valuation – just like the marketing costs. In the context of the appraisal, an interest rate is used for all units appraised under consideration of the actual costs of financing and of the current situation on the capital market.

The assumptions made in the assessment of the real estate portfolio can subsequently turn out to be partially or fully incorrect or unexpected problems or unforeseen risks might arise in connection with real estate portfolios. Such developments (which can also occur within a short period of time) could lead to a worsening of the profit situation, a reduction of the value of the assets acquired and a considerable decline in the revenue which can be generated from the privatisation of the apartments as well as the current rents.

The intrinsic value of real estate assets is primarily determined on the basis of the development of the real estate market and, more specifically, of the student housing segment as well as of the general economic situation, in addition to the factors inherent in the property. There is a risk that the valuation assumptions employed within YOUNIQ Group might have to be corrected in case of a negative development of the real estate market and of the general economic situation. In case an impairment of the value of the Group's real estate property has to be recorded, this would adversely affect the Group's assets, financial and earnings situation.

A sensitivity analysis regarding those properties which are created or developed for the future use as investment properties (project developments) is as follows:

- On 31st December 2012, the fair values of the project developments total kEUR 70,080.
- A 10 % increase [reduction] in the market rents assumed would lead to fair values of in total kEUR 81,750 [kEUR 58,300].
- A 10 % increase [reduction] of the net initial returns derived from the market (current average of 5.23 % across all project developments) would lead to fair values of in total kEUR 59,980 [kEUR 82,280].

On principle, the fair values of derivative financial instruments are determined with the help of approved valuation methods – in as far as possible with the help of a market-to-market assessment. In the fair value hierarchy according to IFRS 7, this corresponds to the valuation level 2 (other valuation factors than listed market prices which can be monitored directly or indirectly).

The market values of interest rate derivatives (interest rate swaps and interest rate caps) and the sensitivity analysis are determined as of 31st December 2012 by Chatham Financial, Kennett Square/USA by discounting the expected future cash flows over the residual term of the contract on the basis of current market interest rate and with the help of the yield curve. In determining the market value of a derivative financial instrument compensation effects from the underlying transactions, such as e.g. pending and anticipated transactions, are not considered.

The residual shares (of 5.1 % of the shares each) in the respective companies remaining following the deconsolidation of Youniq Karlsruhe GmbH & Co. KG, Youniq Greifswald GmbH & Co. KG and Youniq Munich II GmbH & Co. KG are disclosed as “financial assets held for sale” under the balance sheet item “Long-term original financial instruments”. The interest-bearing loan granted by the buyer (6 % p. a.), which can be settled including interest accrued by means of an assignment of the residual shares to Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG after a period of, at least, 5.5 years as of the time at which the loan is paid out on account of corresponding contractual agreements is used as the fair value.

2.5 Estimates and discretionary decisions

The preparation of the consolidated financial statement in compliance with IFRS requires assumptions to be made, discretion to be exercised and estimates to be made with regard to various items, which might have an impact on the amount and disclosure of the assets and liabilities reported in the balance sheet, the revenue and expenses as well as contingent assets and liabilities.

In using the accounting and valuation methods, the Management Board made discretionary decisions regarding the following matters:

- In the case of the long-term assets held for sale, it has to be decided whether these can be sold in their current state and whether their sale over the next 12 months is very likely. If this is the case, the investment properties and fixed assets concerned are reported as “Non-current assets held for sale”.
- With regard to the question as to whether the “Project Development” and “Renting and Trading Real Estate” segments form abandoned and discontinued operations (according to IFRS 5.32a and b), we have to assess, in particular, in how far these segments of the Group will be sold in their entirety or in part in the framework of a single (uniform) plan or in how far these will also be discontinued by shutting these down in the framework of a single (uniform) plan.
- In the case of the acquisition of real estate properties, it has to be decided whether these have to be allocated to property, plant and equipment, to inventories or to investment properties. If it is impossible to clearly determine whether the property is held for own use or for sale in the short term in the ordinary course of business, the real estate property concerned is considered to be held for the purpose of capital appreciation (catchall provision according to IAS 40.8b).
- As regards the classification of lease relationships the question of whether all essential risks and opportunities of the leased asset concerned with possession thereof are transferred to third parties has to be answered (cf. IAS 17.10 et seqq.). The evaluation of the question of whether the conclusion of long-term tenancy agreements regarding real estate properties covered by the MPC deal lead to a “sale-and-lease-back” transaction forms an essential field of application in this respect.
- Upon attaining control of a subsidiary, the question of whether this transaction has to be classified as a business combination according to IFRS 3 or as the acquisition of a group of assets and liabilities has to be answered. As a rule, non-operating companies (so-called “shelf companies“) and newly established companies usually do not have business operations at the time at which such are acquired and, for this reason, they do not constitute business combinations according to IFRS 3.

Estimates and assumptions are required, in particular, for the following:

- The evaluation of the need for a value adjustment and the amount of such, especially regarding the real estate properties reported under the inventories, as well as in corporate values and “Loans and Receivables” (see section 2.4),
- The establishment of the result of a construction contract,
- The establishment of the fair value of the investment properties and derivative financial instruments. In this context, the expected payment streams and the discounting factor, in particular, constitute essential evaluation parameters. With regard to the evaluation of student halls of residence under construction, in particular, there is an increased degree of valuation uncertainty and, as a result, an increased scope of discretion because of the fact that this is a relatively new business model and, therefore, there are fewer comparable transactions on the market.

- The determination of the net realisable value of inventory properties with regard to changes in prices and costs,
- The estimate and evaluation of reserves,
- The establishment of the realisability of tax loss carry-forwards from the first tax evaluation of share options in the context of share-based compensation,
- The establishment of the realisability of tax loss carry-forwards with regard to which external factors which lie outside the sphere of influence of YOUNIQ AG (e.g. possible changes in majority interest) can inevitably not be considered (see section 3.12),
- The assessment of deferred tax liabilities and deferred tax assets under consideration of tax consequences resulting from how a company expects to realise the accounting value of its assets or to pay its debts on the balance sheet date (see section 3.12),
- In determining deferred tax assets on existing tax loss carry-forwards it has to be determined with the help of tax planning based on corporate planning whether tax profits will be available over the next five years in order to be able to use the tax loss carry-forwards (see section 3.12).

Estimates are made on the basis of the latest available reliable information. The assets, debts, earnings, expenses as well as contingent assets and liabilities included in the balance sheet on the basis of estimates can deviate from the amounts which can be realised in the future. Amendments will be taken into account as appropriate at the time at which better insights are obtained. For this reason, the actual amounts can deviate from the assumptions and estimates made.

2.6 Adjustments of the accounting and presentation methods

Compared with the consolidated financial statements regarding the previous year, the structure of the consolidated statement of comprehensive income was revised as of 1st January 2012 in order to improve the consideration of real estate-specific particularities and, hence, improve the significance of the consolidated financial statement of YOUNIQ AG overall. The segment information and the corresponding reference data were also adjusted accordingly. Because of the full restructuring of the statement of comprehensive income up to the EBIT, the amount of each restructured item and/or group of items cannot be specified.

Furthermore, the “Renting and Trading Real Estate” and “Project Development” segments have fulfilled the criteria for an abandoned and discontinued segment since the fourth quarter of the 2012 financial year. Accordingly, all assets and liabilities (except for deferred tax assets and liabilities) are disclosed in the balance sheet item provided to this end “Non-current assets held for sale” and “Liabilities connected with assets held for sale” in the consolidated statement of financial position as of 31st December 2012.

The statement of comprehensive income summarises all expenses and the entire revenue of the ˝Renting and Trading Real Estate“ and ˝Project Development“ segments and various costs in the ˝Services“ segment which can be allocated precisely as “Group accounting result from discontinued operations”. The amendment is also effected retrospectively for the previous year. With regard to further detailed explanations, we refer to the detailed list of expenses and income from abandoned and discontinued operations in Annex 2 to the Consolidated Financial Statement and to the references in sections 2.7 and 3.9 of the consolidated notes.

Within the segment information, the “Corporate” segment was renamed “Services”. It comprises Youniq Service GmbH (service company, previously: “YOUNIQ – Student Housing” segment), in addition to YOUNIQ AG. This step takes account of the fact that, in the future, the entire service sector will be expanded (externally and internally) and that, as a result, it will have to be summarised in a single ˝Services“ segment from an internal cost accounting perspective. The corresponding reference data was adjusted accordingly.

2.7 Discontinued segments

The group companies contained in the “Renting and Trading Real Estate“ and ˝Project Development“ segments each form an independent cash-generating unit within YOUNIQ Group. As a result, the segments specified above have to be considered components of the entity, which can be allocated clearly definable cash flows both for operating and accounting purposes, within the meaning of IFRS 5. Since the criteria outlined below were fully fulfilled in the fourth quarter of the 2012 financial year, the ˝Renting and Trading Real Estate“ and ˝Project Development“ segments have to be disclosed as operations to be abandoned in the consolidated statement of comprehensive income in accordance with the provisions of IFRS 5.

- These are components of YOUNIQ Group which are to be sold in their entirety or individually in the framework of a single (uniform) plan.
- The assets and liabilities are available for immediate sale in their present state.
- In January 2012, the Management Board established the sales plan which the Supervisory Board formally approved in the fourth quarter of the 2012 financial year.
- An active programme to find buyers and to implement the plan has already been initiated. In this connection, external real estate service providers were initially commissioned to market the real estate properties in the first quarter of the financial year 2012. After it became obvious that this process would not lead to the desired result, marketing of the real estate properties by our own staff was begun in the fourth quarter of the financial year 2012. Until the presentation of the 2012 consolidated financial statement in March 2012, sales agreements for around 60 % of the real estate properties were recorded.
- As a result of this, sales agreements regarding real estate properties were already concluded on a larger scale in the financial year 2012.
- It is expected that the plan will be implemented within a period of 12 months, i.e. the residual real estate portfolio is to be sold in the course of 2013.

The separate presentation in the statement of comprehensive income also includes the valuation result and the sales revenue from the segments to be abandoned, in addition to the current earnings after tax generated by these segments and / or the expenses of the ˝Services“ segment which can clearly be allocated to the abandoned business division. The figures for the previous year were adjusted in accordance with the presentation for the year under review. With regard to the details of the results of the discontinued division, reference is made to Annex 2 to the notes to the consolidated financial statement.

2.8 Consolidation methods

The consolidated financial statement comprises the financial statement of YOUNIQ AG and its subsidiaries as of 31st December of any given financial year. The financial statements for the subsidiaries are prepared as of the same balance sheet date as the financial statement of the parent company and by applying uniform accounting and valuation methods.

All those companies whose financial and business policy the Group controls to its benefit are defined as subsidiaries. Usually, the possibility of control arises if the share in the voting rights exceeds 50 %. Potential voting rights which can be exercised or converted at the moment are taken into account in the evaluation of the question of whether control can be exercised. In addition, special purpose vehicles are consolidated if YOUNIQ AG exercised controlling influence over the special purpose vehicle under consideration of the commercial content of the relationship. In this context, YOUNIQ AG also considers the criteria listed in SIC 12.10 as further indicators of a business relationship in which YOUNIQ AG controls a special purpose vehicle.

The time of acquisition and, hence, the day on which control of the net assets and of the business operations of the company acquired really passes to the parent company constitutes the time of first consolidation. The provisions of IFRS 3 “Business Combinations” are applied with regard to mergers.

Corporate mergers are recognised according to the acquisition method. The acquisition costs for the purchase of a company correspond to the fair value of the assets provided and the debt incurred and / or assumed at the time of acquisition. Ancillary costs of the acquisition are charged as expenses at the time at which such are incurred. The identifiable assets acquired in the context of a corporate merger and the liabilities assumed (including conditional liabilities) are assessed at their fair values at the time of acquisition regardless of the extent of the minority shares. In this context, uniform accounting methods are applied. Any positive difference resulting from this is capitalised as goodwill and submitted to an impairment test afterwards. If an unfavourable difference (acquisition at a price below market value) remains after capital consolidation, the identified assets, debts and contingent liabilities of the company acquired, of the non-controlling shares and the assessment of the transferred consideration the merger are re-evaluated. Any surplus remaining after this is recorded with an immediate effect on net income.

All costs connected with a business combination are recorded as expenses during those accounting periods in which the expenses are incurred (e.g. legal and counselling costs, due diligence expenses, commission fees) and services are received. These costs are disclosed in the statement of consolidated income in the item “Costs of acquisition and costs from business combinations”.

Adjustments of conditional elements of the purchase price, which are reported as liabilities at the time of acquisition have to be recognised in net income.

Non-controlling shares are either assessed at the proportionate fair value of the assets acquired and of the liabilities assumed. At the moment, non-controlling shares are not yet assessed at the fair value (so-called “full goodwill method”).

After the first-time assessment, profits and losses are allocated in proportion to the respective interest without any limitation which means that a negative balance can arise also with regard to non-controlling shares.

In the case of successive business acquisitions, a revaluation has to be carried out at the fair value of the shares held at the time of the transfer of control.

The hidden reserves and unrealised losses disclosed in the context of time value assessment of the assets and debts in the framework of first consolidation are continued, depreciated or written back in line with the development of the respective assets and debts in the framework of initial consolidation during the following accounting periods. In the following accounting periods, the business or corporate value is submitted to an impairment test at least annually at a specific point in time. An impairment is immediately recorded with its effect on expenses in the profit and loss account and is not reversed during the following accounting periods.

The tax accruals and deferrals required according to IAS 12 are established with regard to the temporary differences from consolidation.

Inclusion in the consolidated financial statement ceases as soon as the control by the parent company ceases. They are deconsolidated at the time at which control ceases.

Upon the acquisition of minority shares in subsidiaries which are already fully consolidated, the difference between the purchase price of the shares in the subsidiary and the amount in the group equity for which the minority share accounts is off-set directly against the group equity (retained earnings).

Transactions which do not lead to a loss of control are recognised in equity as equity transactions for minority shares. At the time of a loss of control any remaining shares are revalued and recognised in profit or loss at the fair value.

All intra-group balances, transactions, revenues, expenses, profits and losses from intra-group transactions which are comprised in the accounting value of assets, are eliminated to the full amount.

Non-controlling shares are reported separately under the equity capital of the Group as “Shares without controlling influence”. The non-controlling shares of shares in (commercial) partnerships, on the other hand, are reported as borrowed capital unless they correspond to the definition of equity capital in the amended version of IAS 32.

2.9 Scope of consolidation

In addition to YOUNIQ AG, those subsidiaries on which YOUNIQ AG can directly or indirectly exercise a controlling influence are included in the consolidated financial statement. On principle, a controlling influence results from holding the majority of the voting rights. All subsidiaries are included in the consolidated financial statement through full consolidation. As in the previous year, there were no special purpose vehicles.

In the financial year 2012, YOUNIQ AG did not identify any business combinations. However, there were the following new establishments:

- Youniq Düsseldorf GmbH (until 15th August 2012: Youniq Erste Objektgesellschaft mbH), Frankfurt am Main
- Youniq Reutlingen GmbH (until 15th August 2012: Youniq Zweite Objektgesellschaft mbH), Frankfurt am Main
- Youniq Dritte Objektgesellschaft mbH, Frankfurt am Main
- Youniq Vierte Objektgesellschaft mbH, Frankfurt am Main

In addition, there were the following deconsolidations:

kEUR	Youniq Greifswald GmbH & Co. KG	Youniq Karlsruhe GmbH & Co. KG	Youniq Munich II GmbH & Co. KG
Time of deconsolidation	29/02/2012	29/02/2012	30/11/2012
Sales revenue, total (in EUR)	1,691,224.78	1,917,763.94	1,560,994.84
of which sales price (cash) (in EUR)	8,662,472.00	26,145,899.00	8,662,472.00
of which costs of acquisition of residual shares (in EUR)	465,528.00	1,405,101.00	465,528.00
of which other (in EUR)	-7,436,775.22	-25,633,236.06	-7,567,005.16
Number of shares sold	n/a	n/a	n/a
Voting rights sold (in %)	94.90	94.90	94.90
Property, plant and equipment	777	2,036	348
Investment property	8,225	24,981	9,364
Trade receivables	8	7	1
Income tax receivables	0	-	-
Other short-term receivables and assets	5	244	-
Cash and cash equivalents	31	475	56
ASSETS, total	**9,046**	**27,743**	**9,769**
Provisions	99	28	0
Deferred tax liabilities	-	-	279
Liabilities to affiliated companies	7,348	22,684	7,279
Trade payables	-	1,515	-
Tax liabilities	4	-	-
Other liabilities	11	20	520
LIABILITIES, total	**7,462**	**24,247**	**8,078**

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Fair value of the assets and liabilities sold	1,584	3,496	1,691
Deconsolidation profit	107	-	-
Deconsolidation loss	-	(1,579)	(130)
Revenue until deconsolidation	141	195	132
Profit/loss until deconsolidation	(35)	65	(558)

The profits/losses from the deconsolidation of these companies holding real estate properties are contained in the statement of consolidated income under the item "Income/(expenses) from the purchase and/or sale of real estate companies".

In addition to this, the scope of consolidation of the companies included in the interim consolidated financial statement changed as against the situation on 31st December 2011 in the course of the restructuring of the company-law structure by merging group companies:

- Merger of Youniq Leipzig GmbH into CAMPUS REAL ESTATE GmbH
- Merger of AF 12. Vermögensverwaltung GmbH into IVB Immobilien Vermögen Beteiligungs GmbH

The following companies were included in the scope of consolidation on 31st December 2012: (list of shareholdings according to Art. 313 HGB)

OVERVIEW OF THE SCOPE OF CONSOLIDATION AS OF 31ST DECEMBER 2012

Company	Registered office	Share (%)	Voting rights (%)	Note
YOUNIQ AG	Frankfurt am Main	Parent company		
IVB Immobilien, Vermittlung und Beratung GmbH	Frankfurt am Main	99.71	99.71	
IVB Immobilien Vermögen und Beteiligungs GmbH	Frankfurt am Main	100.00	100.00	
AF Röntgenstrasse 12 GmbH	Frankfurt am Main	100.00	100.00	2)
AF Marienhöhe GmbH & Co. KG	Frankfurt am Main	100.00	100.00	1)
AF Ferdinand-Lassalle-Strasse 16 GmbH	Frankfurt am Main	100.00	100.00	2)
AF 14. Vermögensverwaltung GmbH	Frankfurt am Main	100.00	100.00	2)
AF 16. Vermögensverwaltung GmbH	Frankfurt am Main	100.00	100.00	2)
AF Trading GmbH	Frankfurt am Main	100.00	100.00	2)
AF Seeresidenz Markkleeberg GmbH	Frankfurt am Main	100.00	100.00	2)
AF Schlossresidenz GmbH	Frankfurt am Main	100.00	100.00	2)
AF Property GmbH	Frankfurt am Main	100.00	100.00	2)
AF 11. Vermögensverwaltung GmbH	Frankfurt am Main	100.00	100.00	2)
Haus- und Grundstücksgesellschaft Holzhausen mbH	Frankfurt am Main	99.71	99.71	2)

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YOUNIQ AKTIENGESELLSCHAFT

Youniq Service GmbH	Frankfurt am Main	99.74	99.74	2)
Youniq Heidelberg GmbH	Frankfurt am Main	99.74	99.74	
Youniq 5. Vermögensverwaltung GmbH	Frankfurt am Main	99.74	99.74	2)
CAMPUS 1. Verwaltung GmbH	Frankfurt am Main	100.00	100.00	2)
PF St.-Annen-Strasse GmbH	Frankfurt am Main	100.00	100.00	2)
CAMPUS REAL ESTATE GmbH	Frankfurt am Main	99.74	99.74	2)
AF ATHENA GmbH & Co. KG	Frankfurt am Main	94.90	94.90	1)
AF HEKATE GmbH & Co. KG	Frankfurt am Main	94.65	94.65	1)
Youniq Mainz GmbH	Frankfurt am Main	99.74	99.74	2)
Youniq Bayreuth GmbH (formerly: Youniq Heidelberg Kurfürstenanlage GmbH)	Frankfurt am Main	99.74	99.74	2)
Youniq Munich GmbH	Frankfurt am Main	99.74	99.74	2)
YOUNIQ Frankfurt Riedberg GmbH	Frankfurt am Main	99.43	99.43	
Youniq Frankfurt Riedberg II GmbH & Co. KG	Frankfurt am Main	99.74	99.74	1)
Youniq Potsdam GmbH (until 8th June 2012: Green Dorms Potsdam GmbH & Co. KG)	Frankfurt am Main	99.43	99.43	2)
Youniq Lübeck GmbH	Frankfurt am Main	99.74	99.74	2)
Youniq Düsseldorf GmbH (until 15th August 2012: Youniq Erste Objektgesellschaft mbH)	Frankfurt am Main	99.74	99.74	2)
Youniq Reutlingen GmbH (until 15th August 2012: Youniq Zweite Objektgesellschaft mbH)	Frankfurt am Main	99.74	99.74	2)
Youniq Dritte Objektgesellschaft mbH	Frankfurt am Main	99.74	99.74	2)
Youniq Vierte Objektgesellschaft mbH	Frankfurt am Main	99.74	99.74	2)

Regarding 1) According to Art. 264b HGB [German Commercial Code], these companies are exempt from the obligation to prepare an annual financial statement and, if applicable, a management report according to the provisions applicable to joint stock companies, to have such audited and to publish such.

Regarding 2) According to Art. 264 Paragraph 3 HGB, the exemptions are used according to which these companies are freed from the obligation to prepare an annual financial statement and, if applicable, a management report and to have such audited and to publish such according to the provisions applicable to a joint-stock company.

The subsidiaries are not restricted in their relationship to the parent company with regard to transfer payments or dividends paid to such.

2.10 Currency conversion

The scope of consolidation exclusively includes national subsidiaries so that there are no annual financial statements in foreign currencies which would have to be converted.

3. ACCOUNTING AND VALUATION METHODS AND THE AMENDMENT OF SUCH

3.1 Intangible assets

The intangible assets comprise licenses, procurement rights and rights of use. These are recorded at the respective continued costs of acquisition. In as far as these assets are subject to wear, they are depreciated linearly over an estimated period of use of three years. There are no intangible assets with an indefinable period of use.

Goodwill constitutes the surplus of the acquisition costs from the acquisition of a company over and above the fair value of the share of the group in the net assets of the company acquired at the time of acquisition. Any goodwill created through the acquisition of the company is allocated to the intangible assets. The goodwill is assessed at the original costs of acquisition minus accumulated depreciations in value from impairments. It is allocated to the cash generating units and subjected to an impairment test annually as well as in case of the presence of indications of a depreciation in value. Profits and losses from the sale of a company also consider the accounting value of the company value which is assigned to the company sold.

3.2 Property, plant and equipment

Property, plant and equipment, which are shown as assets, are assessed at the costs of acquisition or production upon their first assessment according to IAS 16.15. The costs of acquisition or production comprise the purchase prices and the directly allocable ancillary costs. The subsequent valuation can be carried out according to the cost of acquisition model (IAS 16.30) or according to the revaluation model (IAS 16.31).

Furniture and fixtures as well as the furnishings of the student apartments are assessed at the continued costs of acquisition. Scheduled depreciations are made according to the linear method. The period of depreciation is based on the expected period of use of 3 to 15 years.

The residual accounting values and the commercial periods of use of the intangible assets and of property, plant and equipment are checked as of every balance sheet date and adjusted if required (see section 3.3).

Profits and losses from the disposals of intangible assets and property, plant and equipment are established as the difference between the sales revenues and the accounting value, if applicable, minus any directly allocable costs of sale and recognised in profit or loss.

3.3 Impairment of assets (impairment test according to IAS 36)

Intangible assets with an indefinable period of use are not depreciated according to schedule; they are, rather, checked for a possible impairment requirement annually as well as upon special occasions.

The remaining intangible assets and property, plant and equipment are subjected to an impairment test if corresponding events or changes of the circumstances indicate that the accounting value can probably not be realised any more. To that end, properties and buildings are considered collectively. An impairment loss is recorded to the amount of the accounting value exceeding the amount which can be achieved. The achievable amount corresponds to the higher value of the fair value of the asset minus the costs of sale and the value in use.

In the framework of the impairment test the valuation might have to be carried out at the level of cash-generating units. These are formed on the basis of the legal units.

In case the reasons for an impairment cease to apply, the impairment loss is reversed up to the continued accounting value which would have resulted if the impairment had not been recorded. In case impairments were recorded with regard to the goodwill as well as other intangible assets with an indefinable period of use, the impairment loss is not reversed in subsequent accounting periods even if the reasons for the impairment cease to apply.

3.4 Leasing

All agreements which confer the right to use a certain asset for a fixed period of time for a consideration are considered leasing agreements. This also applies to agreements in which the transfer of such a right is not expressly described.

Leasing contracts under which the lessee assumes the essential risks and the use of the object of the lease are classified as financial leasing; all other leasing agreements are classified as operating leases.

As the lessee, YOUNIQ Group uses property, plant and equipment as well as real estate properties (in the framework of general lease agreements) and lets its properties as the lessor.

According to IAS 17 the subject of a lease is allocated to the lessor or to the lessee on the basis of the criterion of allocability of all essential risks and opportunities connected with the possession of the object of the lease.

Leasing relationships in which an essential share of the use and the risks of possession of the subject of the lease remains with the lessor are classified as operating leases. Payments made or received under an operating lease are recorded in the profit and loss account throughout the term of the leasing relationship.

As lessors, YOUNIQ AG and/or its subsidiaries let real estate properties (apartments as well as commercial real estate in as far as such is contained in the residential buildings) on a large scale. These tenancies constitute leasing relationships in that sense under which the payments are immediately recorded as sales revenue. Incentives in connection with operating leasing relationships are distributed over the term of the lease according to SIC 15.

3.5 Investment properties

Real estate properties are classified as investment property if they are held to generate rental income and/or for the purpose of increasing the value of the property and if they are constructed or developed for the purpose of future use as a financial investment and provided the share of own use does not exceed 10 % of the rental area. Otherwise, the real estate property is shown in the balance sheet as property, plant and equipment.

During the first valuation, investment properties are assessed at the costs of acquisition or production including ancillary expenses which are directly allocable to the acquisition.

In the context of the following assessment, the fair value model according to IAS 40.33 was selected for investment properties.

The Management Board is convinced that recording in the balance sheet according to the fair value model leads to a more transparent presentation of the asset situation of the Group since hidden reserves or unrealised losses are disclosed and the consolidated financial statement conveys more relevant information, as a result, and increases comparability within the competitive environment and since it is also in compliance with the best practice recommendations of the European Public Real Estate Association (EPRA).

The fair value corresponds to the amount at which the real estate properties could be transferred between competent business partners that are willing to conclude appertaining contracts and are independent of each other. On principle, the fair value is determined by obtaining expert opinions from independent real estate experts as of the balance sheet date.

Profits or losses resulting from changes in the fair values are recorded in the profit and loss account for the year during which such arise. Investment properties are written off if they are sold or if they are permanently not used and in case a future commercial benefit is no longer expected. Profits and losses arising from the closure or disposal of investment properties are recorded with their impact on net income in the profit or loss account during the year of such closure or disposal.

3.6 Inventories

Compared with financial investments, inventories comprise assets held for sale in the normal course of business, assets that are manufactured for such sale or that are used in the course of the production of products or the provision of services. Within YOUNIQ Group real estate properties are recorded as inventory properties if they were acquired with the intention of selling these within the normal business cycle, if they are constructed for a specific sale or if they were initially held as financial investments but if the development of the real estate properties was begun with the intention of selling these. In this respect, the "normal business cycle" to a degree significantly exceeds a 12-month period in the case of inventory properties so that assets are reported as short-term assets under this balance sheet item even though they will probably be held for more than one year.

Inventories are assessed at the respective lower value of the costs of acquisition or production or the net realisable value. The costs are determined on the basis of the inventory valuation at average prices or at cost prices. The costs of finished products and work-in-progress comprise the costs for planning / construction preparation, direct personnel expenses, other direct costs and fixed and variable overheads which can be systematically allocated to the project in addition to material and prime costs.

The net realisable value is determined as the estimated sales price which can be achieved in the normal course of business minus the estimated costs until completion and the estimated required sales costs. The net realisable value refers to the net amount which a company expects to achieve from the sale of inventories in the context of the ordinary course of business. If the net realisable value is established with the help of the fair value determined by an independent real estate appraiser as of the balance sheet date, sales commissions of 2 % plus value-added tax are considered according to the framework contract concluded with CORESTATE Capital Advisors GmbH, Frankfurt am Main.

3.7 Receivables from construction contracts

According to IAS 11, a construction contract is defined as a contract regarding the customer-specific construction of an asset. The construction also comprises pure modernisation and reconstruction activities. Usually, contracts of sale with fixed prices have already been concluded for these properties (or for the individual apartments within the properties) prior to the beginning of the modernisation and reconstruction activities.

According to the IFRIC 15 interpretation, the classification under IAS 2 "Inventories" or IAS 11 "Construction contracts" depends on the contractual arrangements in the specific individual case. In this case, the client must have the contractual possibility of determining the main structural elements of the construction plan before the beginning of construction and / or of changing the main structural elements after the beginning of construction. Furthermore, a company may undertake to provide goods or services (e.g. selling a plot of land) in addition to the construction of the real estate property. According to IAS 18.13, such a contract may have to be divided into components which can be identified individually with one of these components comprising the construction of the real estate property.

In case the result from a construction contract can be established reliably and the order is likely to be profitable, the order revenue is recorded throughout the duration of the order. If the total order costs exceed the total order revenue, the expected loss is immediately recorded as expenditure. The Group applies the "percentage of completion" method in order to determine the revenue to be recorded during a given business year. The degree of completion corresponds to the percentage of the order costs incurred until the balance sheet date compared to the expected total costs of an order (so-called "cost-to-cost" method, IAS 11.30). If the result of a construction order cannot be determined reliably, the order revenue is only recorded to the extent to which the order costs incurred can probably be reimbursed.

All current construction orders with a net credit balance towards the customers, in which the costs incurred plus the profits recorded (or minus the losses recorded) exceed the total of the partial invoices and / or the payments received on account, are shown as an asset in the consolidated financial statement. On the other hand, all current construction orders with a net debit balance as regards customers in which the total of the partial invoices exceeds the costs incurred plus the profits recorded (or minus the losses recorded) are shown under liabilities.

3.8 Financial assets and liabilities

3.8.1 FINANCIAL ASSETS

Generally, the financial assets shown in the statement of financial position are devided into the following categories:

- Loans and receivables (“LaR” for short)
- Financial assets available for sale (“AfS” for short)
- Financial investments to be held to final maturity (“HtM” for short)
- Financial assets held for trading or designated at the fair value (“FAHfT” for short)

“Loans and Receivables” (trade receivables, other accounts receivable and parts of other assets) are non-derivative financial assets with fixed and / or definable payments, which are not listed on an active market. These arise if YOUNIQ Group directly provides cash and cash equivalents, goods or services to a debtor without any intention of trading in the accounts receivable.

“Loans and receivables” are initially assessed at the fair value which usually corresponds to the costs of acquisition under consideration of transactions costs; as of subsequent cut-off dates, these are assessed at continued costs of acquisition.

If there are doubts as to whether accounts receivable will be covered, adequate individual adjustments of value are made. Delayed or sluggish payments received, bankruptcies and legal proceedings in combination with missing securities or securities which do not retain their value are indications of this. If the amount of the value adjustment is reduced during one of the following reporting periods and if this reduction is objectively attributable to circumstances which have arisen after the impairment is recorded, the value adjustment recorded earlier is reversed again. A subsequent reversal of the impairment losses is recorded with an impact on net income in as far as the accounting value of the asset at the time of the reversal of impairment does not exceed the continued costs of acquisition.

Receivables are written off as soon as they become irrecoverable.

Financial assets available for sale are non-derivative financial assets, which either have to be allocated to this category or which have not been allocated to any other category reported. They are recognised directly at the fair value in equity by offsetting against other reserves (revaluation reserve).

Acquisitions and sales of financial assets which are common on the market are assessed as of the trading day.

As of every cut-off date an inspection is carried out as to whether there are objective indications of an impairment of the financial asset. In the case of equity instruments which are classified as financial assets available for sale, an essential or lasting decline of the fair value to below acquisition costs has to be considered an indication of an impairment. If there is an indication for a lasting impairment of assets available for sale, a depreciation on the fair value is effected. In this case, the cumulative losses recognised directly in equity so far are then recognised in the depreciations in as far as such affect income. Impairment losses recorded with their impact on income are not reversed again with an impact on income.

Financial assets held for trading or designated at the fair value (“FAHfT” for short) are assessed at the fair value (market value) both during the initial and subsequent valuation. This includes the financial assets held for trading and the derivative financial instruments (with a positive fair value).

Cash and cash equivalents (cash in hand and cash at bank) are shown at their nominal value which corresponds to the fair value on account of their short-term character.

3.8.2 FINANCIAL LIABILITIES

Financial liabilities at cost (“FLAC” for short) are assessed at their fair value during the first assessment. Subsequent valuation is effected at the continued costs of acquisition. Differences in the liabilities between the amount payable (after deduction of the transaction costs) and the amount repayable are generally distributed over the term of the loan agreement by using the effective interest rate method (use of the original effective interest rate) and recognised in the profit and loss account.

Liabilities are classified as being long-term if the contract provides for redemption after a period of 12 months.

Financial liabilities held for trading or designated at the fair value (["FLHfT" for short) are assessed at the fair value (market value) both during initial assessments and during the following assessments. This includes the financial liabilities held for trading and the derivative financial instruments (with a negative fair value).

3.8.3 DERIVATIVE FINANCIAL INSTRUMENTS AND / OR HEDGING TRANSACTIONS

At the moment, YOUNIQ Group exclusively uses interest rate swaps and caps as derivative financial instruments in order to reduce existing risks regarding increases in interest rates. These are assessed at the costs of acquisition at the time at which they are added and at their market value at the time of their disposal. They are recognised under balance sheet items designed specifically to that end.

In addition to equity financing, the business activities of YOUNIQ Group are financed by taking out long-term loan capital. In this connection loans with a variable interest rate whose interest rate is tied to a base interest rate which is usually connected to the three-month EURIBOR (European Interbank Offered rate) are usually taken out. YOUNIQ AG pursues the fundamental risk management strategy of hedging against the risk of a change in interest rates (i.e. the variability of the base interest rate) with the help of contrary derivatives transactions in order to pay fixed cash flows and, thus, make the calculation of the real estate financing easier in the long term. Cash flow hedging within YOUNIQ Group aims at protecting the existing loans with variable interest rates by acquiring contrary derivative financial instruments. To that end, cash flow hedges ("CFH" for short) are established.

In a cash flow hedge the change in the market value of a hedging derivative is recognised in equity – in deviation from the general assessment provisions regarding derivatives. If the cash flow hedge does not have an effectiveness of 100 % (but still is within the required effectiveness range of between 80 % and 125 %), the ineffective part of the fair value of the hedging transaction is not recognised in equity but directly in the profit and loss account. The division of the change in the market value of the hedging transaction into that part of the hedging transaction to be recognised in equity and that part of the hedging transaction not to be recognised in equity but to be recognised directly in the profit and loss account is effected in accordance with the following rule:

- The smaller of the following two amounts is recognised in equity: Cumulative changes in the market value of the hedging transaction versus cumulative changes in the market value of the hedged cash flow.
- In as far as the cumulative change in the market value of the hedging transaction is higher than the cumulative change in the market value of the hedge cash flow (overhedge), the difference is not recognised in equity but directly in the profit and loss account.
- However, in as far as the cumulative change in the market value of the hedging transaction is smaller than the cumulative change in the market value of the hedged cash flow (underhedge), there is no impact on the profit and loss account.
- As regards the effective part the following approach is chosen for the changes in value upon the execution of the hedged underlying transaction which is initially recognised under equity:
  - If the hedged transaction directly leads to expenses or income (e.g. because variable interest risks were hedged), the amount recognised under equity has to be closed out and then recognised in the profit and loss account at the same time.
  - If it is a financial asset or a financial liability, the amount recognised under equity is only closed out once the hedged item has an impact on the profit and loss account.

Effectiveness generally refers to the quality of the hedging relationship and is defined as the degree to which the change in the cash flow of the hedged transaction – in as far as such results from the hedged risk – is offset by changes in the cash flow of the hedging instrument.

With regard to the future a high (prospective) effectiveness has to be expected for the entire (remaining) term of the hedging relationship. For this reason, the first (prospective) test of effectiveness in the form of the so-called "critical term match" is carried out at the time at which the hedging relationship is established.

After that, the effectiveness is tested both prospectively and retrospectively during the term of the hedging relationship. If one of these two tests is not passed, the hedging relationship is terminated forthwith. Once a method for measuring effectiveness has been selected, it is retained throughout the term (except for justified exceptional cases) and applied consistently to comparable transactions.

3.9 (Non-current) Assets held for sale and discontinued divisions

Long-term assets which are to be sold by means of an asset deal are shown separately in the consolidated balance sheet in accordance with IFRS 5, provided a sale in the current state is possible and very likely during the next 12 months. On principle, this is the case in YOUNIQ Group if a concluded notarised purchase agreement regarding an existing property under which beneficial ownership or the risks and benefits of the real estate property are to be transferred to the buyer during the following accounting period is available on the balance sheet date. Moreover, this category includes all assets of the discontinued divisions “Renting and Trading Real Estate” and “Project Development”. The properties intended for sale are shown separately in the consolidated balance sheet and the consolidated statement of changes in non-current assets.

A disposal group is deemed to exist if a group of assets and of liabilities directly associated with such assets are to be disposed of in one transaction by means of a sale or in another form. The disposal group exclusively comprises liabilities which are to be taken over by the buyer. YOUNIQ Group liabilities which are to be repaid with the proceeds of the sale of the disposal group are not allocated to the disposal group.

A discontinued business division is a part of a company which was either sold or classified as held for sale and

- which forms an essential segment of the operating activities;
- which is part of a single coordinated plan to sell a separate material operating segment or activities within a geographical area or
- which is a subsidiary which was acquired exclusively for the purpose of reselling it.

The evaluation of the assets intended for individual sale is effected immediately before reclassification according to the relevant provisions so far. After that, the accounting values established this way are compared to the net fair values (fair value minus costs of sale) of the asset and/or of the group of assets to be sold with the exception of the investment property assessed at the fair value model. These assets are shown at the respective lower value of accounting value and net time value. In the follow-up assessment of individual long-term assets held for sale, only changes in the net time value are considered.

3.10 Provisions, contingent assets and contingent liabilities

Within YOUNIQ GROUP provisions are shown in the balance sheet if the Group has a current legal or de facto obligation on account of an event in the past if it is likely that commercial resources will have to be spent in order to fulfil this obligation and if a reliable estimate of the amount of the obligation is possible. If there is a threat of a loss under a contract, YOUNIQ Group will recognise the current obligation under the contract as a provision for impending losses.

The provision is valued on the basis of the best possible estimate of the extent of the obligation according to IAS 37, IAS 19 and IFRS 2. Provisions which do not lead to an outflow of resources as early as during the following year are reported at their settlement value discounted to the balance sheet date in case the interest rate effect is significant. Discounting is based on interest rates before taxes reflecting the current market expectations regarding the interest rate effect and the risks which are specific to the liability.

Liabilities are not netted out against claims for reimbursement.

If the amount of the liability can be determined clearly and there is no doubt regarding the claims on such, the liability is reported under the balance sheet item “Trade receivables” or “Other short-term liabilities”.

Contingent liabilities are not shown in the consolidated financial statement; however, they are specified in the notes to the consolidated financial statement provided the outflow of resources is possible with a commercial benefit. Likewise, contingent assets are not shown in the balance sheet of the consolidated financial statement; however, they are recorded in the notes to the consolidated financial statement if the inflow of a commercial benefit is possible.

3.11 Share-based remuneration (share options)

The share options from the "YOUNIQ AG share option plan" (see section 4.13.3) can be exercised by the beneficiaries after a waiting period of 4 years under consideration of the vesting periods (total term: 7 years). The option rights can only be exercised through the payment of the exercise price. Upon exercising of a share option, the exercise price for the YOUNIQ share amounts to 110 % of the average of the final auction price of the YOUNIQ shares in Xetra trading at the Frankfurt stock exchange (or on another electronic trading system which might replace it) on the five trading days before the respective allocation day of the subscription rights. Subscription rights must not be exercised during a period of two weeks before the end of every quarter and until the end of the first exchange trading day after the publication of the result for the corresponding quarter. Moreover, the subscription rights must not be published during a period of two weeks before the end of the financial year and the end of the first exchange trading day after the publication of the result for the past financial year and in the period of six weeks before the day of the annual general meeting of YOUNIQ AG and until the end of the first exchange trading day after the annual general meeting of YOUNIQ AG.

The share options granted are classified and evaluated as share-based remuneration with compensation through equity instruments. The fair value of the share options is evaluated once using a binomial model and under consideration of the conditions at which the share options were granted on the day of granting of the options. Afterwards, the fair value is not adjusted again on future due dates. The expenses for services received are recorded throughout the vesting period. On future due dates, only the number of the options which can potentially be exercised will be adjusted to the current expectation regarding the future fluctuation among the beneficiaries. The weighted average expected residual term for the share options outstanding as of 31st December 2012 amounts to 4.33 years.

The weighted average fair value of the share options granted during the financial year is EUR 1.18. The following parameters are used for the evaluation:

	Share options 2012	Share options 2011
Development of the virtual shares (number)		
As of 1st January	61,000	0
Virtual shares granted during the reporting period	7,500	61,000
Virtual shares forfeited during the reporting period	-2,500	0
As of 31st December	**66,000**	**61,000**
of which virtual shares which can be exercised	0	0
Parameters		
Day of granting	26/03/2013	20/10/2011
Maximum term	7 Jahre	7 Jahre
Expected residual term as of 31/12/2012	4.7 Jahre	4.3 Jahre
Dividend return (%)	0.00 %	0.00 %
Expected volatility (%)	47.16 %	46.75 %
Riskfree interest rate (%)	1.12 %	1.35 %
Share price on the cut-off dare for the valuation	EUR 4.53 per share	EUR 6.15 per share
Exercise price	EUR 5.18 per share	EUR 7.05 per share
Applied model	Binominal model	Binominal model

The expected residual term of the share options is based on the assumption that the share options will be exercised after 5.5 years (as of the day on which they are granted) on average and does not necessarily correspond to the actual exercising behaviour as it materialises.

The expected volatility is based on the assumption that conclusions regarding future trends are possible on the basis of the historic volatility over a period corresponding to the expected term of the stock appreciation rights which means that the actual volatility can deviate from the assumptions made. The expected volatility was established as the average of the historic volatility of YOUNIQ AG and the average historic volatility of a peer group.

The risk-free interest rates are derived from the market with a residual term which corresponds to the expected term of the option to be evaluated.

The amount of the expected dividend return is based on the market's expectations regarding the future dividend yield and was confirmed by the management.

The recorded personnel expenses for the services received during the financial year amount to in total kEUR 27 (with the 61,000 share options granted to the member of the Management Board, Marcus Schmitz, accounting for kEUR 26 thereof).

3.12 Taxes

3.12.1 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and tax liabilities are calculated using the balance sheet liability method. Deferred tax assets and tax liabilities are assessed for temporary differences between the tax base of the assets and liabilities and their accounting values in the IFRS statement. Furthermore, deferred tax assets and liabilities are taken into account at the level of the Group in the case where they result from consolidating entries.

Deferred tax assets for temporary differences and tax losses carried forward are assessed at the amount at which the temporary differences and/or the tax losses can probably be set off against positive future tax income. In the calculation of the deferred tax assets on tax loss carry-forwards the following devaluations and risk discounts were considered as of 31st December 2012:

DEVALUATIONS AND RISK DISCOUNT ON LOSS CARRIED FORWARD

	31/12/2012	31/12/2011
Corporate tex carry forwards (fiscal unit)	Business plan	Business plan
Trade tax loss carry forwards (fiscal unit)	Business plan	Business plan
Pre-fiscal unit corporate tax carry forwards	100.0 %	100.0 %
Pre-fiscal trade tax loss carry forwards	100.0 %	100.0 %
Remaining corporate tax carry forwards (assumption: "share deal")	100.0 %	95.0 %
Remaining trade tax carry forwards (assumption: "share deal")	100.0 %	95.0 %

The devaluations on tax loss carry-forwards of the fiscal unit of YOUNIQ AG which account for the major part of the tax loss carry-forwards were derived from the current business plan for the next 5 years. The business plan supports the use of the majority of the existing tax loss carry-forwards. On the basis of existing appraisal reports for the real estate project developments within the "YOUNIQ – Student Housing" segment, we can assume that there will be sufficient tax profits in this business segment in the future.

Deferred tax assets are evaluated using the tax rates and laws which are already in force on the balance sheet date or which have essentially been legally adopted and which are expected to be valid at the time of the realisation of the deferred tax asset.

As in the preceding years, a tax rate of on average 31.925 %, which corresponded to the uniform corporation tax rate of 15.0 % plus solidarity surcharge (5.5 %) as well as the applicable business tax rate (16.1 % if the rate of assessment for the cities of Frankfurt am Main and Leipzig is used), was used for the calculation of the deferred taxes.

Moreover, the question of how the Management Board of YOUNIQ AG expects to use the asset from which the deferred tax liability results in the future was considered in the assessment of the deferred tax assets (cf. IAS 12.51). Subject to the precondition that the sale of the real estate property will be effected with the help of an almost tax-free sale of a business interest (so-called “share deal”) and that the structures required to that end have already been created (i.e. companies with at maximum one or two real estate properties) deferred tax liabilities regarding temporary differences between the accounting values of assets for taxation purposes and the corresponding accounting values under IFRS are not formed both at the time of the initial consolidation and during a subsequent valuation in later years. As of 31st December 2012 the (taxation) preconditions for this were fulfilled for three (previous year: three) affiliated companies holding real estate properties; the effect regarding the deferred tax liabilities amounted to kEUR 5,590. (previous year: kEUR 3,141).

Deferred tax assets and tax liabilities are shown in the balance sheet after netting-out subject to the very strictly interpreted preconditions in case such exist at the same tax authority for the same taxable entity. Deferred tax assets and tax liabilities are reported as an element of the long-term liabilities on account of aspects of maturity on the basis of the structure of the balance sheet. Since the preconditions for netting-out were fulfilled for the first time in the financial year 2012, deferred tax assets and liabilities were netted out at kEUR 2,557.

3.12.2 SALES TAX

Except for the following cases, sales revenue, expenses and assets are recorded after the deduction of sales tax:

- In the case when the sales tax incurred upon the acquisition of assets or services cannot be refunded by the tax authority, the sales tax is recorded as a part of the costs of production of the asset and / or as a part of the expenses.
- Accounts receivable and accounts payable are assessed together with the amount of sales tax contained therein.

The amount of sales tax which has been refunded by the tax authority or paid over to it is shown under “Other short-term accounts receivable” or “Other short-term accounts payable” in the consolidated statement of financial position.

3.12.3 TAXES ON INCOME AND PROFIT

The actual claims to a tax refund or tax liabilities for the current accounting period are shown at the amount which is expected from a refund by the tax authority or a payment to the tax authority. The calculation of the amount is based on the tax rates and tax laws in force on the balance sheet date.

3.13 Costs of loan capital

Costs of loan capital comprise interest and further costs incurred by the Company in connection with taking out loan capital.

Costs of loan capital are capitalised as costs of production according to IAS 23 provided these are connected with the acquisition, establishment and production of qualified assets. The capitalisation of costs of loan capital terminates upon completion of the asset.

All other costs of loan capital are recorded as expenses to the full extent during the accounting period during which these were incurred.

3.14 Government grants

Grants by public authorities are recorded if there is sufficient certainty that the company will fulfil the appertaining conditions and that the grants will actually be granted.

The grants are to be recorded as revenue systematically throughout those periods in which the relevant expenses which they are to compensate are incurred and offset against the costs of acquisition in the case of investment properties which are evaluated at the fair value.

A grant for costs or losses which have already been incurred or for the purpose of immediate financial relief without any expense connected with it in the future, shall be recorded as revenue during the period in which the corresponding claim is generated.

Performance-based grants are shown as “Other real estate-specific revenues and expenses” in the statement of consolidated income and explained in the notes to the consolidated financial statement.

If a grant has to be repaid, this is treated as a correction of an estimate.

3.15 Realisation of revenue

Revenue is realised if the commercial benefit is likely to accrue to the Group and the amount of the revenue can be determined reliably. Revenue has to be assessed at the fair value of the consideration received. Cash discounts, discounts and sales tax or other charges are not considered. Furthermore, the realisation of revenue is based on fulfilment of the recognition criteria listed below.

Realisations of revenue in sales transactions (e.g. regarding investment property or inventory properties) are effected once all essential commercial opportunities and risks in connection with the property have been transferred to the buyer and once the seller does not retain any rights of disposal or effective authority to dispose of the subject of the sale and once the amount of the revenue as well as the actual costs which have been incurred or will be incurred in connection with the sale can be determined reliably and once the commercial benefit from the sales transaction is sufficiently likely to accrue to the company. Profits and losses from the disposals of long-term assets are established as the difference between the sales revenue and the accounting value, if applicable, minus any directly allocable selling costs and recognised under sales revenue.

The sales revenue comprises:

- Net rents
- Utility costs
- Services

Revenues from services (e.g. reimbursement of operating costs) are realised in accordance with the progress of the service which is established as per the “cost-to-cost” method.

Interest revenue and expenses are adjusted on an accrual basis under consideration of the investment and/or loan amounts received and the interest rates to be applied on the basis of contractual agreements.

4. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4.1 Intangible assets

The intangible assets comprise software acquired for valuable consideration, purchase rights and goodwill.

Financial year 2012 (in kEUR)	Software	Goodwill and enterprise values	Total 2012	Total 2011
Costs of acquisition				
As of 1st January 2012	184	251	435	423
Additions	47	0	47	12
As of 31st December 2012	231	251	482	435
Depreciations				
As of 1st January 2012	126	251	376	321
Additions	54	0	54	55
As of 31st December 2012	179	251	430	376
Total	**52**	**–**	**52**	**58**

In the financial year 2012, the additions of kEUR 47 (previous year: kEUR 11) concerned administration software which will be linearly written off according to schedule over the expected period of use of three years.

4.2 Property, plant and equipment

Property, plant and equipment developed as follows during the year under review:

Financial year 2012 (in kEUR)	Furniture and fixtures	Furnishing of the student apartments	Total 31/12/2012	31/12/2011
Costs of acquisition and production				
As of 1st January	794	1,581	2,374	1,657
Additions	232	2,467	2,699	1,806
Transfers	-	(0)	(0)	(1,067)
Change in scope of consolidation	-	(2,385)	(2,385)	-
Disposals	(31)	-	(31)	(22)
As of 31st December	995	1,663	2,658	2,374
Depreciations				
As of 1st January	387	-	387	478
Additions	117	21	137	199
Transfers	-	-	-	(290)
As of 31st December	503	21	524	387
Total	**492**	**1,643**	**2,135**	**1,988**

As in the previous year, property, plant and equipment essentially concerns the furniture and fixtures of YOUNIQ AG, including the furnishings for the student apartments.

In addition to the acquisition of fixtures and fittings in the framework of the relocation of the offices in Frankfurt am Main, the additions essentially concern the furnishings of the student apartments in the amounts of the purchase prices as in the previous years.

On 31st December 2012, the capitalised cost of construction for the student apartments in Frankfurt am Main (Riedberg I) amounted to (kEUR 1,013), while the costs of construction for the student apartments in Munich amounted to (kEUR 629). As a result of the deconsolidation of Youniq Karlsruhe GmbH & Co. KG, Youniq Greifswald GmbH & Co. KG and of Youniq Munich II GmbH & Co. KG, capitalised costs of production for the furnishings of the student apartments of kEUR 2,385 were written off in the financial year 2012.

In addition, debit card payment systems (including equipment) were put into operation in the framework of financing leasing in the previous year. The first-time evaluation was effected at the present value of the minimum leasing payments (kEUR 75). On 31st December 2012, the accounting value was kEUR 56 (previous year: kEUR 71).

The furniture and furnishings and the debit card payment systems will be depreciated linearly over an estimated period of use of 10 or 5 years.

4.3 Investment properties

During the financial year 2012, the accounting value of the investment properties was as follows:

FAIR VALUE OF INVESTMENT PROPERTIES

in kEUR	2012	2011
As of 1st January	**111,146**	**114,534**
Additions from acquisition	1,678	11,441
Additions from subsequent costs of acquisition	30,626	13,009
Transfers according to IFRS 5 if classified as sale	(26,582)	(10,450)
Change in scope of consolidation	(34,345)	-
Net profits (losses) from fair value evaluation	6,711	(17,389)
As of 31st December	**89,234**	**111,146**

The subsequent costs of acquisition and production (capitalised project development costs) of the investment properties comprise capitalised costs of borrowed capital of kEUR 492 (previous year: kEUR 1,479). The financing cost rate results from external financing on which the respective development project is based.

The transfers concern the reclassification of real estate properties to the "Long-term assets held for sale" since the real estate properties either form the subject of the discontinued business operations or since a notarised sales agreement is available.

As a result of the deconsolidation of Youniq Karlsruhe GmbH & Co. KG and of Youniq Munich II GmbH & Co. KG, real estate properties with a total value of kEUR 34,345 were disposed within the Group in the financial year 2012.

The real estate properties were appraised by the real estate experts CBRE GmbH (all properties except project developments) and by Cushman & Wakefield LLP (project developments) at market values (fair values) as of 31st December 2012. With regard to the changes in market values, reference is made to section 2.4.

The fair values were established at the level of the accounting entities. Accounting entities usually comprise the entire real estate property (land and buildings, plant facilities, outdoor facilities, garages and other facilities). The furnishings of the student apartments are shown separately in the balance sheet under property, plant and equipment.

There are no legal restrictions on the disposal of the investment properties; actual restrictions on disposal cannot be discerned. Moreover, there were no legal obligations to sell the investment properties at specific prices or to buy such properties on the balance sheet date.

- The newly established Youniq Düsseldorf GmbH acquired a plot of land in Düsseldorf at a purchase price of kEUR 3,800 on the basis of a notarised sales agreement regarding the said plot of land of 29th June 2012 with the aim of constructing student apartments there. The transfer of beneficial ownership to YOUNIQ Group has not taken place yet. However, on the basis of a letter of 15th January 2013, the seller used his right according to Art. 3 Paragraph 6 of the notarised sales agreement regarding the plot of land of 29th June 2012 and announced his withdrawal from the contract.
- On 17th January 2013, Youniq Reutlingen GmbH used its right according to Article 11 Figure 3 of the notarised purchase agreement of 28th June 2012 and of the supplement of 30th November 2012 and announced its withdrawal from the purchase agreement regarding the plot of land. As a result, the real estate property was appraised at the amount of the purchase price plus the ancillary expenses of the purchase which can be refunded (in total: kEUR 1,704) on 31st December 2012.

In the financial year 2012, the rental income generated by the investment properties amounted to kEUR 4,561 (previous year: kEUR 4,889). Operating expenses (kEUR 4,071; previous year: kEUR 3,678), which can be directly allocated to the investment properties, essentially result from operating costs and maintenance expenses.

4.4 Long-term original financial instruments

in kEUR	31/12/2012	31/12/2011
Financial assets available for sale		
5.1 % residual shares in Youniq Karlsruhe GmbH & Co. KG	1,475	-
5.1 % residual shares in Youniq Greifswald GmbH & Co. KG	489	-
5.1 % residual shares in Youniq Munich II GmbH & Co. KG	470	-
Total	**2,435**	**-**

The remaining residual shares constitute financial investments in equity instruments which are classified as financial assets held for sale and, accordingly, recognised in equity at the respective fair value.

YOUNIQ Group has an option to assign these equity instruments to Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg after a holding period of 5.5 years in order to repay the MPC loans (including accrued interest). As a result, the fair value is measured on the basis of the current value level of the MPC loans.

4.5 Deferred tax assets

in kEUR	31/12/2012	31/12/2011
Deferred tax assets		
Usable loss carryforwards (corporation tax)	4,774	5,756
Usable loss carryforwards (trade tax)	4,405	5,407
Valuation differences in other assets	654	1,398
Less deferred tax liabilities (netting out acc. to IFRS 12.74)		
Valuation differences from investment properties	2,524	-
Other valuation differences	33	-
Total	**7,276**	**12,561**

The loss carry-forwards regarding corporation tax and trade tax established by an external tax consultancy as of the balance sheet date were used to calculate the deferred tax assets.

On 31st December 2012, YOUNIQ AG (parent company) had loss carry-forwards regarding corporation and trade tax of kEUR 44,139 (previous year: kEUR 32,449) and kEUR 40,803 (previous year: kEUR 29,381). Subject to the assumption of a tax rate of 15.825 % (corporation tax and solidarity surcharge) and of 16.1 % (trade tax) and under consideration of minimum taxation and of a risk discount of in total kEUR 5,504 (previous year: kEUR 0) - for loss carry-forwards which cannot be used within the 5-year period - derived from corporate planning for the next 5 years, deferred tax assets regarding this amount to in total kEUR 7,333 (previous year: kEUR 9,865).

The deferred tax assets from temporary assessment differences in the other assets result from higher valuations of various real estate properties in the tax balance sheet.

Since the fiscal unit was expanded to include almost all Group companies in the financial year 2012 and since, in addition, the last commercial partnerships holding real estate properties were no longer included in the scope of consolidation in the context of the "MPC Deal", deferred tax assets and liabilities were reported in a netted-out form for the first time.

The decrease of deferred tax liabilities on valuation differences (kEUR 2,524; previous year kEUR 4,630) on investment property is a result of the sale of real estate properties.

The deferred tax liabilities regarding other valuation differences result from the the financial assets available for sale.

4.6 Inventories

As in the previous year, the inventories (kEUR 8,388; previous year: kEUR 29,677) comprise real estate properties which are to be sold without any further modifications (real estate properties held for trading purposes) as well as developer properties with regard to which the criteria for the realisation of sales as per IAS 11 "Construction contracts" are not fulfilled.

The decline as against the previous year is essentially due to sales of inventory properties and to the disclosure under "Non-current assets held for sale" (inventory properties of the discontinued operations). Overall, inventories developed as follows in the financial year 2012:

DEVELOPMENT OF INVENTORIES

kEUR	2012	2011
Costs of acquisition and production		
As of 1st January	34,544	47,909
Additions	8,630	2,501
Disposals	(17,300)	(14,496)
Transfers	(17,487)	(1,368)
As of 31st December	8,388	34,544
Depreciations		
As of 1st January	4,867	2,947
Additions	761	2,660
Appreciations	(346)	(143)
Disposals	(302)	(597)
Transfers	(4,979)	-
As of 31st December	-	4,867
Total	**8,388**	**29,677**

The additions essentially resulted from the further progress of construction in the project development in Frankfurt am Main-Riedberg II and from reconstruction and improvement measures carried out. As in the previous year, new inventory properties were not acquired.

The additions also contain the borrowing costs. Until 31st December 2012, borrowing costs of kEUR 43 (previous year: kEUR 2) were capitalised. The financing cost rate is established on the basis of the external financing on which the respective development project is based.

The disposals regarding costs of acquisition and production concern the inventory properties sold in the financial year 2012 (net: kEUR 16,998; previous year: kEUR 13,899). Essential disposals comprised the sale of the real estate properties in Nuremberg, Ulmenstr.15-29 (book value disposal: kEUR 4,891) and Sulzbacher Str. 9 (book value disposal: kEUR 3,041), in Osnabrück, Wilhelm von Euch Str.36-44 (book value disposal: kEUR 2,750) and in Leipzig, Kurt-Eisner-Str.70 (book value disposal: kEUR 1,674).

The transfers were as follows:

TRANSFERS

kEUR	2012	2011
Transfers to non-current assets held for sale	**(12,397)**	**-**
Brandenburg, St. Annen Str.	(4,102)	-
Dresden, Räcknitzhöhe 35	(3,476)	-
Bielefeld, Feilenstr. 8	(1,466)	-
Reutlingen, Tübinger Str. 61/63	(950)	-
Lausen (only land)	(655)	-
Saarbrücken, Kaiserstr. 6	(573)	-
Brandis, Schloß Brandis	(501)	-
Brandis, Schloß Brandis - Ailette Rustique	(279)	-
Brandis, Schloß Brandis - Orangerie	(100)	-
Erlangen, Drausnickstr. 1/1a	(88)	-
Leipzig, Mozartstr. 19	(64)	-
Leipzig, Lausicker Str.	(52)	-
Leipzig, Liechtensteinstr. 9-39	(48)	-
Leipzig, Obere Eichstädt Str. 2-4	(34)	-
Leipzig, Stellplatz Hillerstr. 3	(8)	-
Leipzig, Sasstr. 22 (parking spaces)	(0)	-
Leipzig, pitched attics	(0)	-
Transfers from and to construction contracts	**(110)**	**(1,368)**
Leipzig, Liechtensteinstr. 9-23 (construction stage 1 and 2)	(110)	(1,368)
Total	**(12,507)**	**(1,368)**

Because of sales agreements which were concluded as of the balance sheet date and of updated project calculations as of the balance sheet date which disclose a lower fair value compared with the previous year, corresponding depreciations to the lower net realisable value were made. In the financial year 2012, these concerned three real estate properties with an accounting value of kEUR 868 as of 31st December 2012 (previous year: eight real estate properties with an accounting value of kEUR 16,843).

On account of sales contracts concluded in the course of the year and of new market value appraisals as of the balance sheet date which disclose a changed value compared with the expertise regarding the previous year, corresponding appreciations of kEUR 346 (previous year: kEUR 143) were effected on depreciations on inventories made in previous years.

According to the current business plan, all inventory properties listed as of the balance sheet date are to be sold and/or handed over to the buyers in the financial year 2013.

4.7 Receivables and payables from construction contracts

The receivables and payables from construction contracts – less the respective payments received on account – concern those real estate properties with regard to which modernisation, reconstruction or other construction measures are carried out on behalf of third parties and the construction contracts regarding student apartments in the "YOUNIQ – Student Housing" segment.

STRUCTURE OF GROSS ACCOUNTS RECEIVABLE FROM CONSTRUCTION CONTRACTS ACCORDING TO CONSTRUCTION CONTRACTS

kEUR	Actual costs incurred	Profits reported	Gross account receivable	Payment received	Net account receivable
Current construction orders with a net credit balance towards customers					
Leipzig, Ferdinand-Lassalle-Straße 7	2,056	(175)	1,880	1,176	**704**
Leipzig, Schützenstraße 2a	3,540	673	4,213	3,851	**362**
Leipzig, Liechtensteinstraße 9-23	2,605	1,138	3,742	3,039	**703**
Total	**8,200**	**1,635**	**9,836**	**8,066**	**1,769**

As of 31st December 2012, the remaining construction contract was disclosed under "Non-current assets held for sale" (construction contract from discontinued operations).

In the financial year 2012, borrowing costs of kEUR 0 (previous year: kEUR 4) were capitalised.

The security deposits reported under borrowed capital amount to kEUR 39 (previous year: kEUR 116).

4.8 Trade receivables

kEUR	31/12/2012	31/12/2011
Trade receivables	99	4,171
Allocable operating expenses (not realised as yet)	187	2,010
Gross accounts receivable	**286**	**6,181**
Value adjustments	(72)	(1,295)
Total	**214**	**4,886**

The trade receivables comprise accounts receivable for rents and billed service charges and outstanding payments from the sale of apartments.

In the financial year 2012, additions were made for individual valuation allowances for trade accounts receivable and accounts receivable from construction contracts settled towards customers or sales of apartments (kEUR 37; previous year: kEUR 1,108). On the other hand, there was a utilisation/write-back of kEUR 1,260 (previous year: kEUR 327).

4.9 Tax refund claims

kEUR	31/12/2012	31/12/2011
Corporation tax and solidarity surcharge	238	693
Trade tax	0	-
Total	**239**	**693**

4.10 Other short-term receivables and assets

kEUR	31/12/2012	31/12/2011
Residual accounts receivable from MPC Deal (sale of Youniq Munich II GmbH & Co. KG)	1,048	-
Residual accounts receivable from MPC Deal (sale of Youniq Karlsruhe GmbH & Co. KG)	604	-
Payments on account regarding project developments and property, plant and equipment	360	798
Prepayment of invoices	165	101
Security deposits	67	31
Sales tax refund claims	9	81
Accounts receivable from loans to third parties	7	9
Refund claims from subcontractors	0	-
Expenses for the conclusion of new tenancy agreements	-	350
Claims for compensation from minority shareholders	-	25
Other	56	83
Total	**2,316**	**1,478**

The remaining accounts receivable from the MPC deal concern security deposits on the purchase price by Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG. These amounts will be released after the remaining deficits on the real estate properties in Karlsruhe and Munich have been fully remedied and/or after the hand-over of the documentations and operating permits agreed on.

The payments on account regarding project developments and property, plant and equipment essentially concern the land transfer costs and ancillary costs of acquisition regarding the property in Düsseldorf, Witzelstraße 66 of in total kEUR 217 (previous year: real estate property in Frankfurt am Main (Riedberg II), Altenhöferallee 70; kEUR 554) which have already been paid. The contract regarding the purchase of the plot of land was subject to a condition precedent as a result of which beneficial ownership in the property in Düsseldorf has not yet been transferred to the Group. In a letter of 15th January 2013, the seller announced his withdrawal from the contract regarding the purchase of the plot of land - as a result of which a refund of the land transfer tax and the lawyer's and notary's fees paid will be demanded. Furthermore, payments made on account of kEUR 142 (previous year: kEUR 244) regarding the student apartments in Frankfurt am Main (Riedberg II) are disclosed.

The prepayment of invoices (kEUR 165; previous year: kEUR 101) concerned fees, commissions, insurance premiums and special leasing payments which have already been made and concern the next financial year.

The loan receivables from third parties concern several short-term interest-bearing loans. Value adjustments of kEUR 0 (previous year: kEUR 25) are made on loan receivables.

The expenses from the conclusion of new tenancy agreements comprise incentives (rent-free periods, investment grants) which were granted to the tenant in the context of the conclusion of tenancy agreements. Expenses are recorded as such as a reduction in rental income throughout the term of the tenancy agreements on which such are based. Because of the sale of the real estate property concerned, the deferred amounts were fully extinguished in the financial year 2012.

4.11 Cash and cash equivalent

The item cash and cash equivalents (only regarding continued business segments) of kEUR 6,113 (previous year: kEUR 10,438) comprises cash funds and the short-term bank deposits held within the Group.

Cash and cash equivalents of kEUR 5,071 (previous year: kEUR 7,867) are disposable.

4.12 Non-current assets held for sale

The non-current assets held for sale (kEUR 39,173; previous year: kEUR 9,002) comprise investment properties with regard to which notarised sales agreements have been concluded and the remaining current and non-current assets of the discontinued business segments.

NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE (INVESTMENT PROPERTIES)

kEUR	2012	2011
As of 1st January	**9,002**	**20**
Reclassification from investment properties	26,582	10,450
Reclassification from property, plant and equipment	-	777
Change in scope of consolidation	(9,002)	-
Disposals	(7,575)	(2,365)
Net profit / (loss) from fair value assessment	2,442	119
As of 31st December	**21,448**	**9,002**

The investment properties disclosed here are attributable to the "Renting and Trading Real Estate" segment (kEUR 20,948) and to the "Services" segment (kEUR 500).

The deconsolidation of Youniq Greifswald GmbH & Co. KG („YOUNIQ – Student Housing" segment) led to the disposal of real estate properties (kEUR 8,225) and property, plant and equipment (kEUR 777) by the Group during the financial year 2012.

NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE (OTHER ASSETS)

kEUR	31/12/2012	31/12/2011
Property, plant and equipment	0	-
Inventory properties	12,397	-
Receivables from construction contracts	291	-
Trade receivables	2,400	-
Claims to tax refunds	2	-
Other short-term receivables and assets	51	-
Cash and cash equivalents (restricted)	1,479	-
Cash and cash equivalents (non-restricted)	1,104	-
Total	**17,724**	**-**

NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE (OTHER ASSETS)

kEUR	Actual costs incur-red	Profits reported	Gross acount receivable	Prepayment received	Net account receivable
Current construction orders with a net credit balance towards customers					
Leipzig, Ferdinand-Lassalle-Straße 7	1,582	(366)	1,216	926	**291**
Total	**1,582**	**(366)**	**1,216**	**926**	**291**

The trade accounts receivable comprise accounts receivable from rent and settled utility expenses as well as outstanding payments from the sale of apartments. In the financial year 2012, additions were made as a result of value adjustments regarding trade payables and/or receivables from construction contracts settled with the customers and/or the sale of apartments (kEUR 1,323).

The remaining assets disclosed here are attributable to the “Renting and Trading Real Estate” segment (kEUR 15,346) and to the “Project Development” segment (kEUR 2,378).

4.13 Equity

With regard to the development of equity, reference is made to the Statement of Changes in Equity.

4.13.1 SUBSCRIBED CAPITAL

The subscribed capital (nominal capital) is divided into 10,400,000 (31/12/2011: 10,400,000) no-par bearer shares. It changed as follows during the 2012 financial year:

kEUR	2012	2011
As of 1st January	10,400	**7,050**
Capital increase from issue of new shares (3,350,000 shares)	-	3,350
As of 31st December	10,400	**10,400**

Dividend payments were not approved at the general meeting of 18th July 2012.

4.13.2 AUTHORISED CAPITAL (NOT ISSUED)

The Authorised Capital 2007 (of which only an amount of EUR 175,000 was available after the execution of the capital increase in the previous year) was replaced by new authorised capital – the Authorised Capital 2011. As a result of a resolution approved at the general meeting on 10th August 2011, the Management Board was authorised to increase the share capital of the Company by up to EUR 5,200,000 (which corresponds to 50 % of the current nominal capital) by issuing new no-par value bearer shares once or several times up until 9th August 2016 with the approval of the Supervisory Board (Authorised Capital 2011 – Article 4 Paragraph 4 of the Articles of Association of YOUNIQ AG). In this context, the new shares can be issued in return for cash contributions or contributions in kind.

With regard to further information on the Authorised Capital reference is made to the information according to Article 289 Paragraph 4 HGB and Article 315 Paragraph 4 HGB in the summary management report of YOUNIQ AG and of YOUNIQ Group for the financial year 2012 (section 1.4.7).

4.13.3 CONDITIONAL CAPITAL (NOT ISSUED)

Conditional Capital 2011 / I (Article 4 Paragraph 5 of the Articles of Association of YOUNIQ AG):

On the basis of a resolution by the general meeting on 10th August 2011, the share capital was increased conditionally by up to EUR 4,680,000 by issuing up to 4,680,000 new no-par value bearer share certificates (conditional capital 2011 / 1). The conditional capital increase is only carried out in so far as the bearers of or creditors with regard to convertible or warrant-linked bonds, participating rights and / or participating bonds (or combinations of these instruments), which are issued or guaranteed by YOUNIQ AG or its affiliate companies against cash on the basis of the authorising resolution from 10th August 2011 until (and including) 9th August 2016, use their rights of conversion or option or in as far as corresponding conversion or option obligations are fulfilled and provided no other forms of performance are used to fulfil these.

The authorisation granted at the general meeting on 1st August 2008 regarding the issue of convertible or warrant-linked bonds, participating rights and / or participating bonds (or combinations of these instruments) was revoked upon the coming into effect of the new authorisation referred to above in accordance with the resolution adopted at the annual general meeting on 10th August 2011.

With regard to further information on the Conditional Capital 2011 / I reference is made to the information according to Article 289 Paragraph 4 HGB and Article 315 Paragraph 4 HGB in the summary management report of YOUNIQ AG and of YOUNIQ Group for the financial year 2012 (section 1.4.7).

Conditional Capital 2011/II/ "YOUNIQ AG Share Option Plan 2011"

The Management Board was authorised by the general meeting on 10th August 2010 to establish one or several share option plans on the basis of which option rights involving in total up to 520,000 bearer share certificates of YOUNIQ AG will be issued to members of the Management Board and employees of YOUNIQ AG and to members of the management board and employees of YOUNIQ Group companies once or several times up until 9th August 2016.

With regard to further information on the Conditional Capital 2011/II reference is made to the information according to Article 289 Paragraph 4 HGB and Article 315 Paragraph 4 HGB in the summary management report of YOUNIQ AG and of YOUNIQ Group for the financial year 2012 (section 1.4.7).

4.13.4 OWN SHARES

According to the resolution by the general meeting of 11th June 2010, the Company was authorised to buy own shares to an extent of ten percent of the current equity capital up until 10th June 2015 with the approval by the Supervisory Board according to Art. 71 Paragraph 1 Figure 8 AktG.

On 31st December 2012, there were no own shares or convertible bonds.

4.13.5 CAPITAL RESERVE

In the financial year 2012, the capital reserve of YOUNIQ AG changed as follows:

kEUR	2012	2011
As of 1st January	**61,870**	**3,999**
Share option programme	27	-
Capital increase from issue of new shares (agio)	-	21,775
Transaction costs from capital increase (IAS 32.37)	-	(2,249)
Income tax advantages from the transaction costs (IAS 32.37)	-	718
Waiver of account receivable by the majority shareholder	-	37,627
As of 31st December	**61,897**	**61,870**

4.13.6 RETAINED INCOME

The equity item "Retained income" comprises the statutory reserve according to art. 150 AktG (kEUR 48) and other retained income.

The other retained income mainly comprises retained profits from the previous years and withdrawals from the capital reserve as well as effects from the acquisition of non-controlling shares. The retained income is structured as shown in the statement on changes in equity.

4.13.7 REVALUATION RESERVE

Financial year 2012 (kEUR)	Financial assets available for sale	Effective part of profits/losses from cash flow hedging relationships	Income tax	Total
As of 1st January 2012	**-**	**(724)**	**222**	**(502)**
Valuation effects	98	(134)	12	(23)
Disposal/reclassification	-	858	(266)	592
As of 31st December 2012	**98**	**-**	**(32)**	**67**

Financial year 2011 (kEUR)	Financial assets available for sale	Effective part of profits / losses from cash flow hedging relationships	Income tax	Total
As of 1st January 2011	**-**	**(44)**	**14**	**(30)**
Valuation effects	-	(680)	208	(472)
As of 31st December 2011	**-**	**(724)**	**222**	**(502)**

The change in the revaluation reserve exclusively concerns items which are retroactively reclassified in the Group result for the accounting period (profit and loss account) under certain circumstances (IAS 1.81A b).

4.13.8 NON-CONTROLLING SHARES

Profit shares for the results for the accounting period (as well as for the overall results) to the amount of kEUR 36 (previous year: kEUR -29) are allocated to the non-controlling shares.

The non-controlling shares in business (or commercial) partnerships which have to be disclosed as liabilities have ceased to apply in previous years.

4.14 Long-term liabilities to banks

Liabilities of the continued business segments to banks with a residual term of more than one year are reported. As of the balance sheet date this concerned a total of five loans, of which some have a fixed interest rate (interest rates as of the balance sheet date between 1.80 % and 5.38 % p. a.).

kEUR	Original loan principal	End of fixed interest rate / Term	Interest rate in %	Type of interest	31/12/2012	31/12/2011
Postbank AG	5,730,000	31.12.2014	5.380	Fixed	5,301	5,429
Liechtensteinische Landes-bank (Switzerland) Ltd.	5,000,000	30.06.2015	Euribor plus Margin	Floating	2,500	3,750
WGZ Bank AG	2,620,000	30.12.2014	Euribor plus Margin	Floating	2,372	2,434
WGZ Bank AG	12,600,000	31.08.2022	1.800	Fixed	2,232	-
Deutsche Kreditbank AG	1,230,000	31.07.2014	4.630	Fixed	685	730
SEB AG	25,946,400	30.06.2015	Euribor plus Margin	Floating	-	14,497
Eurohypo Aktiengesellschaft	5,200,000	30.06.2013	Euribor plus Margin	Floating	-	4,888
Deutsche Genossenschafts-Hypothekenbank AG	3,400,000	31.12.2013	5.000	Fixed	-	3,109
Landeskreditbank Baden-Württemberg Förderbank	2,555,000	unbestimmt	Euribor plus Margin	Floating	-	1,871
Deutsche Bank AG	1,950,000	31.07.2017	5.730	Fixed	-	1,704

Continued on next page

Münchner Bank e.G.	3,900,000	30.09.2014	Euribor plus Margin	Floating	-	1,672
Deutsche Kreditbank AG	1,709,000	30.01.2016	3.750	Fixed	-	1,285
Deutsche Genossenschafts-Hypothekenbank AG	1,360,000	09.11.2017	5.530	Fixed	-	1,204
Deutsche Genossenschafts-Hypothekenbank AG	1,300,000	09.08.2017	5.500	Fixed	-	1,138
Deutsche Kreditbank AG	1,220,000	30.01.2014	4.970	Fixed	-	1,125
Deutsche Kreditbank AG	1,224,000	28.02.2017	5.290	Fixed	-	1,101
Deutsche Genossenschafts-Hypothekenbank AG	1,105,000	26.10.2017	5.490	Fixed	-	973
Deutsche Kreditbank AG	1,320,000	30.11.2016	4.960	Fixed	-	684
Deutsche Kreditbank AG	752,000	30.07.2015	4.650	Fixed	-	652
Deutsche Kreditbank AG	1,030,000	30.09.2016	3.750	Fixed	-	591
Deutsche Kreditbank AG	739,737	30.06.2015	5.640	Fixed	-	541
Eurohypo Aktiengesellschaft	684,109	31.03.2016	5.550	Fixed	-	497
other (< kEUR 500)					-	4,765
Total					**13,089**	**54,640**

Liabilities which have to be repaid in the financial year 2013 were reclassified as short-term liabilities to banks.

The long-term loan granted by WGZ Bank AG for the financing of the project development in Potsdam (loan principal: kEUR 12,600) is refinanced with funds from KfW Mittelstandsbank (programme: 153 – Efficient building). YOUNIQ Group is granted a repayment bonus of 5 % of the loan principal promised at the time of the approval from public funds in the context of energy-efficient building. As a result the financing provided by WGZ Bank AG will be repaid accordingly using the KfW funds provided the construction measures are carried out properly.

The long-term loan by Eurohypo Aktiengesellschaft (value: kEUR 4,888; borrower: YOUNIQ AG and Youniq Greifswald GmbH & Co. KG) disclosed in the previous year was repaid with the help of sales proceeds on 29th February 2012 in the framework of the sale of 94.9 % of the shares in the group company Youniq Greifswald GmbH & Co. KG ("MPC deal").

All liabilities to banks are secured through registered land charges to the amount of the respective loan proceeds. In addition, rights under tenancy and lease relationships, sales contracts and interest hedging transactions have also been assigned to the respective financial institution as collateral for liabilities to banks.

4.15 Deferred tax liabilities

kEUR	31/12/2012	31/12/2011
Valuation differences regarding investment properties	-	4,630
Valuation differences regarding construction contracts	-	578
Other valuation differences	-	-
Total	**0**	**5,208**

In the financial year 2012, deferred tax assets and liabilities were reported under „Deferred tax assets" after netting out for the first time.

4.16 Derivative financial instruments

kEUR	Type	Beginning	Maturity	Initial amount	Cur-rency	Fixed interest rate	Fair value 31/12/2012	Fair Value 31/12/2011
Derivative financial instrument with negative fair value								
Westdeutsche Genossenschafts-Zentralbank AG	Interest rate swap	31/12/2009	30/12/2014	2,620	EUR	2.680 %	118	111
SEB AG	Interest rate swap	29/04/2011	30/06/2015		EUR	2.235 %	-	578
Eurohypo Aktien-gesellschaft	Interest rate swap	15/07/2010	dissolved in 2012		EUR	1.500 %	-	35
"DZ BANK AG Deutsche Zentral-Genossenschaftsbank"	Interest rate cap	06/05/2010	dissolved in 2012		EUR	3.500 %	-	28
Total				**2,620**			**118**	**753**

YOUNIQ Group uses interest rate swaps and caps as derivative financial instruments in order to avoid risks existing on account of increases in interest rates. These will be assessed at their market value at the time of addition and on the balance sheet date.

The interest rate swap from Eurohypo Aktiengesellschaft regarding kEUR 5,200 (original term until 28th June 2013) was terminated early on 2nd March 2012. The closing amount was kEUR 52.

The interest rate cap regarding kEUR 3,900 at DZ BANK AG Deutsche Zentral-Genossenschaftsbank (original term until 30th September 2014) was terminated early as of 3rd December 2012 (day of termination). The compensation payment amounted to kEUR 23.

Cash flow hedging relationships are only established through interest rate swaps. In the financial year 2012, this resulted in netted expenses (without deferred taxes) of kEUR 134 (previous year: EUR 680) which were recognised in equity without an effect on income. On the other hand, the early termination of the interest rate swap from Eurohypo Aktiengesellschaft (previous year: SEB AG) resulted in the reversal of the revaluation reserve (without deferred taxes) of kEUR 35 (previous year: kEUR 29) which was recognised in profit and loss.

On 31st December 2012, all cash-flow relationships were terminated since hedging relationships would only have been possible to a very low extent on account of the repayment of loans. The termination of the hedging relationships led to a reduction in the revaluation reserve of kEUR 857 and expenses (Other financial expenses) to the same amount.

4.17 Long-term provisions

kEUR	2012	2011
As of 1st January	**-**	**11**
Utilisation	-	-
Reversal	-	(11)
Addition	-	-
As of 31st December	**-**	**-**

The long-term provisions exclusively concerned rent guarantees.

4.18 Other long-term liabilities

kEUR	31/12/2012	31/12/2011
Bearer bond of Youniq Potsdam GmbH	4,923	-
MPC loans	2,435	-
Security deposits	130	267
Leasing liabilities (long-term)	44	58
Total	**7,533**	**325**

With a global certificate (German securities identification number: A1RE6N / ISIN DE00A1RE6N9) from December 2012, the group company Youniq Potsdam GmbH issued a subordinate secured bearer bond regarding a total nominal amount of kEUR 5,000 to finance the real estate project development in Potsdam. This bearer bond has a term from 17th December 2012 (date of issue) until 17th December 2014. A fixed interest of 13 % p. a. is paid on this bond.

In the context of the sale of 94.9 % of the shares in Youniq Karlsruhe GmbH & Co. KG, Youniq Greifswald GmbH & Co. KG and Youniq Munich II GmbH & Co. KG, Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg, granted the YOUNIQ Group long-term loans ("MPC loans"). These loans have a term of six years and are subject to a fixed interest rate of 6 % p. a. The YOUNIQ Group has the option of repaying these loans plus the interest accrued by assigning the residual shares in the companies referred to above following a holding period of 5.5 years.

The security deposits largely comprise retentions from subcontractors until the end of the warranty periods.

Leasing liabilities result from long-term leasing of operating equipment, fixtures and furniture (debit card payment systems including equipment). The lease is classified as a finance lease since the present value of the minimum leasing payments initially corresponded, at least, to the fair value of the asset.

4.19 Other current provisions

kEUR	2012	2011
As of 1st January	**1,024**	**1,480**
Utilisation	(929)	(1,181)
Reversal	(5)	(130)
Addition	377	855
As of 31st December	**466**	**1,024**

STRUCTURE OF THE OTHER CURRENT PROVISIONS

kEUR	31/12/2012	31/12/2011
Outstanding invoices (e.g. consultancy fees, operating expenses)	346	398
Costs of the annual general meeting, publications	65	65
Personnel expenses and supervisory board emoluments	45	36
Provisions for subsequent costs from settled orders	-	150
Rent guarantees	-	27
Pending losses from construction contracts	-	4
Other	10	344
Total	**466**	**1,024**

4.20 Tax liabilities

kEUR	31/12/2012	31/12/2011
Trade tax	83	722
Corporation tax (including solidarity surcharge)	0	189
Total	**83**	**911**

The decline in trade tax liabilities results from the completion of the external audit for the years 2004 to 2006. All findings, as well as subsequent payments, were taken into account in the previous year. In this context, the business premises for trade tax purposes were partly moved from Stuttgart to Leipzig retroactively. As a result, in 2011, the city of Stuttgart already refunded taxes plus interest, as a result of which corresponding tax payments to the city of Leipzig were made in the financial year 2012.

4.21 Short-term liabilities to banks

kEUR	Original loan principal	End of fixed interest rate period/term	Interest rate in %	Type of interest rate	31/12/2012	31/12/2011
Landesbank Berlin AG	10,000	15/04/2013	Euribor plus Margin	Floating	10,006	1,619
Eurohypo Aktiengesellschaft	7,000	30/06/2013	Euribor plus Margin	Floating	6,709	2,094
Deutsche Genossenschafts-Hypothekenbank AG	-	31/07/2013	Euribor plus Margin	Floating	4,064	-
Deutsche Genossenschafts-Hypothekenbank AG	-	31/07/2013	Euribor plus Margin	Floating	2,951	-
Liechtensteinische Landesbank (Switzerland) Ltd.	-	30/06/2013	Euribor plus Margin	Floating	1,250	1,250
Deutsche Genossenschafts-Hypothekenbank AG	-	31/12/2013	Euribor plus Margin	Floating	925	-
Deutsche Genossenschafts-Hypothekenbank AG	-	31/07/2013	7.500	Fixed	872	-
Deutsche Genossenschafts-Hypothekenbank AG	-	31/12/2013	7.500	Fixed	458	-
Deutsche Genossenschafts-Hypothekenbank AG	-	31/07/2013	7.500	Fixed	354	-
Deutsche Genossenschafts-Hypothekenbank AG	13,900	30/09/2012	Euribor plus Margin	Floating	-	12,349
SEB AG	-	-	Euribor plus Margin	Floating	-	246
Eurohypo Aktiengesellschaft	-	-	EONIA plus Margin	Floating	-	143
Deutsche Kreditbank AG	-	-	3.750	Fixed	-	71
Other (< kEUR 500, e.g. current account liabilities)	-	-	-	-	333	1,628
Total					**27,922**	**19,398**

The short-term repayment shares of the otherwise long-term loans are also reported under the "short-term liabilities to banks".

The loan by Deutsche Genossenschafts-Hypothekenbank AG (loan proceeds: kEUR 12,349) was repaid using the proceeds from the sale on 29th February 2012 in the context of the sale of 94.9 % of the shares in the group company Youniq Karlsruhe GmbH & Co. KG ("MPC Deal").

4.22 Trade payables

kEUR	31/12/2012	31/12/2011
Outstanding invoices regarding construction costs from the scope of services as of the balance sheet date	2,248	3,209
Trade payables	2,211	1,877
Accounting and auditing fees	298	308
Prepayment of utilities and common charges by the tenants	31	1,755
Liabilities from the purchase of plots of land	-	600
Total	**4,788**	**7,749**

Outstanding invoices regarding construction costs from the scope of services as of the balance sheet date concern construction services which have been rendered but not invoiced or settled in another form yet. These essentially concern the development projects reported under investment properties.

The trade accounts payable primarily comprise accounts receivable by suppliers from current construction operations and for services procured. In addition, the advance payments of heating and operating costs (prepayments of incidental rent expenses) are reported until they are finally settled with the tenant.

In the previous year, liabilities from the acquisition of plots of land concerned the last purchase price instalment incurred in connection with the acquisition of a plot of land in Potsdam, which was paid in June 2012.

4.23 Prepayments received

In the previous year, prepayments received (kEUR 0; previous year: kEUR 4,197) concerned payments received on account with regard to the sale of 94.9 % of the shares each in the Group companies Youniq Greifswald GmbH & Co. KG and Youniq Karlsruhe GmbH & Co. KG („MPC Deal“; kEUR 3,652). The prepayment received was set off against the purchase price of the shares at the end of February 2012.

The remaining prepayments received concerned the sale of inventory properties.

4.24 Other short-term liabilities

kEUR	31/12/2012	31/12/2011
Liabilities to employees and members of the Management Board	149	730
Purchase price liabilities from the purchase of company shares	100	221
Land transfer tax liabilities	80	664
Liabilities from income and church tax	52	46
Deferral of rent-free periods for the business premises in Frankfurt am Main	48	-
Prepaid rents	30	53
Bearer bond of Youniq Potsdam GmbH (interest)	27	-
Social security liabilities	15	3
Leasing liability (short-term)	14	13
Sales tax liabilities	0	37
Outstanding invoices for maintenance	-	11
Other	34	79
Total	**549**	**1,857**

The liabilities to employees and members of the Management Board essentially concern contractual obligations under employment contracts and holidays not taken (kEUR 149; previous year: the profit-sharing bonus and other bonuses for 2011 (kEUR 552) and a compensation payment to a member of the Management Board who resigned from his position (kEUR 156).

The purchase price liabilities from the acquisition of shares in companies concern the remaining purchase price of kEUR 100 (previous year: kEUR 221) for the remaining 6 % of the shares in a newly acquired group company which has not fallen due yet.

The liabilities from land transfer tax (kEUR 80) concern the expected land transfer tax payments from the acquisition of a property in Düsseldorf. In the previous year, the land transfer tax liabilities concerned an indirect transfer of shares which was effected at the level of the majority shareholder in the financial year 2008 and open land transfer tax liabilities from purchases of real estate properties carried out at the end of 2011.

4.25 Liabilities in connection with assets held for sale

The liabilities in connection with assets held for sale comprise the short- and long-term liabilities of the discontinued segments.

kEUR	31/12/2012	31/12/2011
Liabilities to banks	17,621	-
Derivative financial instruments	690	-
Provisions	771	-
Tax liabilities	61	-
Trade payables	2,212	-
Other liabilities	510	-
Total	**21,866**	**-**

All liabilities to banks are secured by a mortgage having the form of registered land charges in the amount of the respective loan proceeds. In addition, rights under tenancy and lease agreements, sales agreements and interest hedging transactions have in part also been assigned to the respective bank as security for bank liabilities.

DERIVATIVE FINANCIAL INSTRUMENTS

kEUR	Type	Beginning	Maturity	Initial amount	Cur-rency	Fixed interest rate	Fair value 31/12/2012	Fair Value 31/12/2011
Derivative financial instruments with positive fair value								
SEB AG	Interest rate swap	29/04/2011	30/06/2015	14,000	EUR	2.235 %	690	-
Total				**14,000**			**690**	**-**

5. NOTES ON THE PROFIT AND LOSS ACCOUNT CONCERNING CONTINUED BUSINESS SEGMENTS

5.1 Rental income

The rental income is structured as follows:

kEUR	2012	2011
Rental income - All-in rents for student apartments	4,438	468
Rental income - Residential units	866	2,722
Rental income - Commercial units	36	12
Rental income - Parking spaces	3	10
Total	**5,342**	**3,213**

As in the previous year, the entire rental income was exclusively generated in Germany.

With regard to the real estate-specific parameters for each segment, reference is made to the summary management report (section 1.1.3 – Development of business and of the real estate portfolio).

5.2 Revenue from on-charging of ancillary expenses

kEUR	2012	2011
Revenue from on-charging of ancillary expenses	445	510
Total	**445**	**510**

Revenues from service charges (kEUR 445; previous year kEUR 510) concern heating and utility expenses to be charged on to the tenant.

5.3 Rental expenses

kEUR	2012	2011
General rents MPC Deal (property in Karlsruhe)	(1,339)	-
General rents MPC Deal (properties in Greifswald)	(480)	-
General rents MPC Deal (property in Munich)	(39)	-
General rents uniVersa Versicherung (property in Erlangen)	(473)	(473)
Rent guarantees	(0)	(6)
Total	**(2,332)**	**(479)**

5.4 Property-related operating expenses

kEUR	2012	2011
Operating expenses (power, gas, water, etc.)	(1,026)	(1,023)
Property management expenses	(431)	(363)
Letting commission, real estate agent's fees	(248)	(136)
Cleaning, waste disposal	(226)	(166)
Land tax and non-deductible input tax	(154)	(83)
Current maintenance	(142)	(159)
Property-related legal counselling	(58)	(37)
Janitorial expenses	(58)	(56)
Insurance	(22)	(33)
Maintenance of the grounds	(14)	(9)
Legal fees, dunning fees	(4)	(3)
Property-related consultancy services	0	-
Other property-related operating expenses	30	242
Total	**(2,354)**	**(1,826)**

5.5 Other property-related income and expenses

kEUR	2012	2011
Admission and processing fees	305	-
Income from property management of student apartments for third parties	117	87
Income from project-related services for third parties	55	-
Income from the use of washing machines	50	-
Other property-related income	2	23
Other property-related income (unrelated to the accounting period)	3	28
Total	**532**	**138**

5.6 Profit/(loss) from the sale of real estate assets

kEUR	2012	2011
Profit/(loss) from the sale of inventory properties	419	390
Profit/(loss) from the sale of investment properties	-	449
Other sales revenue	(13)	-
Revenue from the sale of real estate assets	**406**	**839**
Disposal of book value of inventory properties	(408)	(356)
Disposal of book value of investment properties	-	(442)
Disposal of book values from the sale of real estate properties	**(408)**	**(798)**
Costs of portfolio sale	(36)	-
Commission fees and selling costs	(21)	(4)
Grant regarding costs of reconstruction	(19)	-
Expenses from the sale of properties	**(76)**	**(4)**
Subsequent purchase price adjustment regarding Youniq Potsdam GmbH	(100)	-
Other costs	(2)	-
Costs of acquisition and costs from business combinations	**(102)**	**-**
Gains from deconsolidation of Youniq Greifswald GmbH & Co. KG	107	-
Depreciations on goodwill and enterprise values	(0)	(0)
Losses from deconsolidation of Youniq Munich II GmbH & Co. KG	(130)	-
Losses from deconsolidation of Youniq Karlsruhe GmbH & Co. KG	(1,579)	-
Other deconsolidation effects	37	-
Profit/(loss) from purchase and/or sale of real estate assets	**(1,565)**	**(0)**
Total	**(1,744)**	**36**

5.7 Profit/(loss) from construction contracts

kEUR	2012	2011
Construction contract Leipzig, Schützenstraße 2a	1,004	3,605
Profit from construction contracts	**1,004**	**3,605**
Construction contract Leipzig, Schützenstraße 2a	(1,111)	(2,122)
Loss from construction contracts	**(1,111)**	**(2,122)**
Total	**(107)**	**1,483**

5.8 Profit / (loss) from changes in valuation of investment property

kEUR	2012	2011
Increases in value in the context of the on-going market appraisal	8,016	11,723
Increases in value in the context of sales (sales prices)	2,442	185
Impairments in the context of the on-going market appraisal	(3,747)	(5,001)
Total	**6,711**	**6,907**

5.9 Personnel and administrative expenses

kEUR	2012	2011
Personnel expenses	**(1,803)**	**(1,635)**
Wages and salaries (employees and members of the Management Board)	(1,564)	(1,482)
Statutory social insurance contributions	(223)	(145)
Other personnel expenses	(16)	(8)
Administrative expenses	**(2,651)**	**(2,553)**
Legal and consultancy fees	(483)	(756)
Rents, costs of office space	(363)	(316)
Costs of auditing, preparing annual accounts and consultancy services (cost of annual accounts)	(302)	(375)
Costs of tax consulting	(292)	(258)
Costs of projects not carried out	(260)	(34)
Costs of exchange, publication, etc.	(197)	(157)
Travelling expenses	(190)	(169)
Recruitment	(159)	(323)
Office and communication costs	(148)	(103)
Costs of real estate appraisal	(99)	(99)
Insurances	(77)	(71)
Costs of IT hardware and software	(19)	(3)
Other	(62)	111
Total	**(4,455)**	**(4,188)**

Taking consideration of the discontinued business divisions, the total personnel expenses in the financial year 2012 totalled kEUR 2,368 (previous year: kEUR 2,510). Pension scheme contributions (employer's share) of kEUR 102 (previous year kEUR 129) are included in personnel expenses.

On an annual average, the Company employed 36 (previous year: 28 employees). On 31st December 2012, the Company had a total staff of 42 (previous year: 31) employees.

Personnel expenses include payments in connection with the termination of employment contracts (compensation payment) at an amount of kEUR 42 (previous year: kEUR 156). This exclusively concerned an executive employee (while this amount concerned a member of the Management Board in the previous year).

5.10 General selling and marketing expenses

The general selling and marketing expenses (kEUR 460; previous year: kEUR 1,815) essentially comprise marketing expenses and selling costs. This includes, in particular, the general commission fees from selling of apartments and apartment units at student halls of residence, brand management of the "YOUNIQ" brand and participation in relevant trade fairs.

5.11 Write-ups / (depreciations)

kEUR	2012	2011
Depreciations on property, plant and equipment	(137)	(195)
Depreciations on intangible assets	(54)	(55)
Total	**(191)**	**(250)**

5.12 Interest income

kEUR	2012	2011
Interest income according to Art. 233a AO	106	34
Interest income from short-term financial investments	24	98
Other	6	-
Total	**136**	**132**

The other interest income comprises kEUR 6 from discounting of a long-term liability.

5.13 Interest expenses

kEUR	2012	2011
Interest from bank loans	(1,578)	(2,353)
Interest from the MPC loans	(98)	-
Interest expenses according to Art. 233a AO	(90)	(37)
Interest expenses from bearer bond	(27)	-
Total	**(1,793)**	**(2,390)**

5.14 Other financial income / (financial expenses)

kEUR	2012	2011
Income from the market evaluation of derivative financial instruments	28	-
Interest to affiliated companies (GOETHE INVESTMENTS S.à r.l.)	-	(1,671)
Bank fees	(18)	(10)
Expenses from the termination of derivative financial instruments	(74)	-
Expenses from the market appraisal of derivative financial instruments	(118)	-
Financing fees and prepayment penalties	(728)	(345)
Other	-	987
Total	**(910)**	**(1,040)**

The interest paid to affiliated companies exclusively concerned the credit facility and / or the two loans of GOETHE INVESTMENTS S.à r.l. (kEUR 1,671).

5.15 Income tax - Income / (expenses)

According to IAS 12, the taxes on income for the accounting period consist of current taxes on income and profit and of deferred taxes.

kEUR	2012	2011
Deferred taxes	1,396	1,576
Taxes on income (current year)	(15)	(85)
Payment of tax arrears for previous years	(125)	(347)
Tax refunds for previous years	291	198
Total	**1,547**	**1,341**

Tax claims and tax liabilities are shown separately in the statement of financial position.

The real income tax expenditure primarily depends on the rules regarding the determination of taxable profit at YOUNIQ AG in its capacity as the parent company. The taxable profit is derived from the separate financial statements of YOUNIQ AG and all subsidiary companies included in it, which are prepared in accordance with the taxation rules. Most Group companies are included in the interlocking relationship for corporation and trade tax.

5.16 Offsetting and tax reconciliation

According to IAS 12, the entire income taxes for the accounting period (including the discontinued business segments) consist of current taxes on income and profit and of deferred taxes:

kEUR	2012	2011
Deferred taxes (continued business segments)	1,396	1,576
Deferred taxes (discontinued business segments)	(1,498)	8,308
Taxes on income (continued business segments)	151	(235)
Taxes on income (discontinued business segments)	(74)	(149)
Total	**(24)**	**9,500**

This results in the following tax reconciliation:

kEUR	2012	2011
Group earnings before income taxes	(7,061)	(30,538)
Tax rate	31.93 %	31.93 %
Expected (tax revenue) / tax expenses	**(2,254)**	**(9,749)**
Non-usable tax loss carry-forwards	2,788	104
Effects related to other accounting periods	240	389
(Tax refunds) / additional payments regarding previous years	(92)	299
Non-deductible expenses	66	105
Trade tax effects (deviating assessment basis)	239	(366)
(Appreciation) / depreciation on loss carry-forwards of the previous year	2,215	(1,574)
Valuation effects according to IAS 12.51 (likelihood of realisation)	(2,449)	1,070
Tax-free revenue / expenses	(249)	222
Other effects (< 5 % expected tax expenses)	(266)	-
Total	**24**	**(9,500)**
Effective tax rate	-0.34 %	31.11 %

5.17 Result per share

According to IAS 33, information on the result per share has to be presented for companies whose common stock is traded publicly (or trading in which at a stock exchange has been initiated).

According to IAS 33, the result per share is established by dividing the Group's profit or loss for the accounting period by the weighted average number of the shares issued (10,400,000 bearer share certificates; previous year: 9,087,534 bearer share certificates). In the calculation of the average number of shares outstanding during the reporting period (denominator), the issue date of 23rd May 2011 was used as the basis with regard to the new equity shares issued for cash.

On principle, this parameter can be diluted by so-called potential shares (convertible bonds, option bonds, share options). So far, YOUNIQ AG has issued neither option nor conversion rights. The agreed performance criteria for the outstanding purchase options for employees (share option plan) were not yet fully fulfilled on the balance sheet date. Therefore, there is no dilution at present.

Therefore, the diluted result per share is not calculated since this result corresponds to the undiluted result. However, if the instruments adopted by the general meeting of YOUNIQ AG (authorised and conditional capital) are used, this could lead to a dilution of the result per share in the future.

The undiluted result per share amounts to EUR -0.68 for the 2012 financial year and to EUR -2.31 for the 2011 financial year.

5.18 Accounting value per share

The accounting value per share is established on the basis of equity before non-controlling shares divided by the number of shares.

kEUR	31/12/2012	31/12/2011
Equity which the Group shareholders account for (in EUR)	80,939,393	87,453,370
Number of shares (shares)	10,400,000	10,400,000
Accounting value per share (in EUR)	**7.78**	**8.41**

6. STATEMENT OF CASH FLOWS

The cash flow statement shows how the Group's cash and cash equivalents have changed in the course of the financial year on account of the inflow and outflow of funds. According to IAS 7, we differentiate between payment flows from current operations and from investing and financing activities.

The cash inflows and outflows in the course of the financial year have the following structure broken down according to activities and according to abandoned and continued business segments:

kEUR	2012	2011
Cash flow from operating activities (discontinued segments)	15,082	16,049
Cash flow from operating activities (continued segments)	(13,362)	(7,869)
Cash flow from operating activities (total)	**1,720**	**8,180**
Cash flow from investing activities (discontinued segments)	6,016	119
Cash flow from investing activities (continued segments)	1,188	(20,468)
Cash flow from investing activities (total)	**7,204**	**(20,349)**
Cash flow from financing activities (discontinued segments)	(21,668)	(15,889)
Cash flow from financing activities (continued segments)	11,002	30,052
Cash flow from financing activities (total)	**(10,666)**	**14,163**
Net change in cash and cash equivalents (discontinued segments)	(570)	279
Net change in cash and cash equivalents (continued segments)	(1,172)	1,716
Net change in cash and cash equivalents (total)	**(1,742)**	**0**
Cash and cash equivalents at the end of the period (discontinued segments)	2,583	3,153
Cash and cash equivalents at the end of the period (continued segments)	6,113	7,285
Cash and cash equivalents at the end of the period (total)	**8,696**	**10,438**

The cash funds considered in the cash flow statement include all forms of cash funds and cash equivalents consisting of cash in hand and cash at banks. This also includes cash funds to the amount of kEUR 2,521 (previous year: kEUR 2,572), which are not freely available. The cash funds which are not freely available are amounts which are earmarked on account of agreements in various loan agreements and/or which are deposited as security. Furthermore, amounts deferred for the purpose of interest hedging (swaps) and warranty retentions regarding subcontractor invoices are also included in this.

The cash flows from the investment and financing activity are established on a cash basis. The cash flow from current operations, on the other hand, is derived indirectly based on the annual net profit for the Group. In the framework of the indirect calculation the changes in balance sheet items in connection with the current operations, which have been taken into account, are adjusted for effects from a change of the scope of consolidation. For this reason, the changes in the balance sheet items concerned cannot be adjusted to the corresponding values based on the published consolidated statement of financial position.

Essential non-cash transactions concerned deferred taxes, the changes in the fair values of the investment properties and appreciations and depreciations.

The total of the cash flows from the acquisition or sale of subsidiaries are shown separately and classified as investing activity in the statement of cash flows.

Cash flows from the acquisition and sale of subsidiaries EUR	**Purchase prices received / (paid)**	**Cash of the subsidiary received / (sold)**	**Inflows / (outflows) of funds from the purchase / sale of subsidiaries**
Establishment of Youniq Düsseldorf GmbH	(25)	25	-
Establishment of Youniq Reutlingen GmbH	(25)	25	-
Establishment of Youniq Dritte Objektgesellschaft mbH	(25)	25	-
Establishment of Youniq Vierte Objektgesellschaft mbH	(25)	25	-
Sale of Youniq Karlsruhe GmbH & Co. KG	25,546	(475)	25,070
Sale of Youniq Greifswald GmbH & Co. KG	4,985	(31)	4,954
Sale of Youniq Munich II GmbH & Co. KG	7,615	(56)	7,559
Total 2012	**38,046**	**(463)**	**37,583**
Sale of Youniq Greifswald GmbH & Co. KG (Anzahlung)	3,652	-	3,652
Establishment of Youniq Lübeck GmbH	(25)	25	-
Establishment of Youniq Frankfurt Riedberg II GmbH & Co. KG	(25)	25	-
Total 2011	**3,602**	**50**	**3,652**

The residual accounts receivable from the sale of the shares in Youniq Karlsruhe GmbH & Co. KG and Youniq Munich II GmbH & Co. KG (kEUR 1,652) will probably only become cash effective after full remedying of the residual deficiencies in the real estate properties in Karlsruhe and Munich and / or after the handover of the agreed documentations and operating permits in the financial year 2013.

The payouts from the acquisition of non-controlling shares (repurchase of minority shares) are classified as investing activities in the cash flow statement. Interest paid and received is also disclosed in the cash flow from financing activity.

In the financial year 2012, liabilities to banks of kEUR 40,133 (previous year: kEUR 12,292) were repaid and new loans in the amount of kEUR 24,727 (previous year: kEUR 15,440) were taken out (balance: kEUR -15,406; previous year: kEUR 3,148). In addition to this, the Group company Youniq Potsdam GmbH issued a bearer bond having a nominal value of kEUR 5,000 for interim financing of the project development in Potsdam on 17th December 2012. With regard to further explanations reference is made to the comments on the assets, financial and earnings situation of the Group in the summary management report (section 1.2 - Explanations of the development of business and analysis of the earnings, assets and financial situation).

7. SEGMENT REPORTING

As a capital marketed-oriented company according to IFRS 8.2b(i) YOUNIQ AG is obliged to provide information on segments in the consolidated financial statement. The segment reporting and reporting within YOUNIQ Group correspond to the internal reporting to the main decision-making body and are provided on the basis of the operating business divisions (so-called “management approach”). The Management Board of YOUNIQ AG and the Supervisory Board as the controlling body with essential approval requirements are the central decision-making bodies.

In addition to various items of the profit and loss accounts, segment reporting also comprises key indicators as well as selected balance sheet items. Segment reporting fulfils the materiality criteria as per IFRS 8.13.

The business segments described below constitute primary segments:

- “YOUNIQ – Student Housing”,
- “Services”,
- “Renting and Trading Real Estate”,
- “Project Development”.

Disclosures regarding geographic segments (secondary segments) have been omitted due to the fact that the Group operates exclusively in Germany. As a result, the entire revenue was generated in Germany.

Tenants and/or buyers who account for more than 10% of the group turnover concern the sale of the inventory property in Nuremberg, Ulmenstr.15-29 (sales price: kEUR 5,150; “Renting and Trading Real Estate” segment). In the previous year, this concerned the sale of the inventory property in Leipzig, Augustusplatz “Alte Hauptpost“ (“Old Main Post Office”)(sales price: kEUR 6,400; “Renting and Trading Real Estate“ segment).

ˮYOUNIQ – Student Housing“ segment

With the “YOUNIQ” brand the YOUNIQ Group has established a comprehensive concept for student housing on the market. YOUNIQ properties are concept properties offering their student tenants a diverse range of additional offers in the field of leisure and services through the YOUNIQ World, in addition to high-quality furnished apartments. YOUNIQ Group has already successfully marketed these concept properties at three sites in Greifswald, Leipzig and Erlangen. Properties in Munich, Bayreuth, Lübeck, Potsdam, Mainz and Frankfurt am Main are under construction or about to be completed; further properties are in the planning stage. YOUNIQ Group holds a part of the YOUNIQ properties in its own portfolio; the other properties were sold to institutional investors or to capital investors.

ˮServices“ segment

Currently, the “Services” segment only comprises YOUNIQ AG and Youniq Service GmbH. YOUNIQ AG primarily has the function of a holding company within the group and, at the same time, it is also in charge of group financing. In addition, YOUNIQ AG has a real estate portfolio of its own from which it regularly generates rental income. According to the Articles of Association of YOUNIQ AG, its business objective also includes the acquisition, sale and brokerage of real estate properties and in addition the brokerage of financing.

Youniq Service GmbH provides letting and conventional property management services both for the properties which YOUNIQ Group holds within its own portfolio and for most of the properties and apartments sold to final investors or capital investors. Moreover, there are plans for the further expansion of the business operations of Youniq Service GmbH. In this connection, services are increasingly provided by own staff (instead of by external service providers) beginning on 1st August 2012.

The “Services” segment is, on principle, controlled in accordance with the same general philosophy as the other business segments.

The essential personnel and administrative expenses of YOUNIQ Group are incurred in the “Services” segment since YOUNIQ AG and Youniq Service GmbH do not allocate costs to other group companies.

“Renting and Trading Real Estate” segment

YOUNIQ Group holds a real estate property portfolio for letting and selling purposes within the “Renting and Trading Real Estate” segment. In the financial year 2012, as well as in the previous year, no further acquisitions were carried out in this business segment. The accelerated sale of the existing portfolio (comprising, essentially, inventory and portfolio properties) has already been begun in this segment with a view to the reinforced focus on the “YOUNIQ – Student Housing” and “Services” segments. As a result of the active marketing efforts, numerous sales agreements regarding real estate properties were concluded in the financial year 2012. The “Renting and Trading Real Estate” segment is allocated to the discontinued business segments.

˝Project Development“ segment

Within the “Project Development” segment, YOUNIQ Group reconstructed high-quality, listed real estate properties in premium locations. These properties were sold to investors and owner-users through a national distribution network. Because of the Group’s new focus on the “YOUNIQ – Student Living” segment, projects initiated in the “Project Development” segment were completed but new projects will not be commenced. The “Project Development” segment is allocated to the discontinued business segments.

With the exception of expenses and revenues from profit and loss transfer agreements, the segment data is shown on a non-consolidated basis, i.e. there is no consolidation of debts and/or expenses and revenue and intercompany elimination of profits and losses between the different segments. However, the segment data is established on a pre-consolidated basis, i.e. consolidation of the accounts receivable/liabilities, expenses/revenues and intercompany profits and losses between the individual group companies of one segment is carried out.

Within YOUNIQ Group there are no essential sales and/or transactions between segments subject to a reporting requirement. The few transactions in this respect (excluding profit and loss transfer agreements) include:

- Interest bearing loans of YOUNIQ AG with CAMPUS Real Estate GmbH and CAMPUS 1. Verwaltung GmbH
- Interest on the settlement accounts between all companies which is common on the market (since 1st December 2010)
- Liability remuneration to general partners (kEUR 5; previous year: kEUR 3)
- Services rendered by Youniq Service GmbH to different group companies holding real estate property within the “YOUNIQ – Student Housing” segment (kEUR 62; previous year: kEUR 85)

The segment assets consist of the real estate assets (regardless of the classification according to IFRS) which are shown separately and of the other segment assets. The other segment assets primarily comprise deferred tax assets, accounts receivable and other assets, in addition to the cash at bank.

The segment debts comprise financial liabilities, internal group financing and the other segment debts. The other segment debts primarily comprise deferred tax liabilities, trade payables, provisions and tax liabilities.

The segment investments comprise additions in the field of investment properties, property, plant and equipment and intangible assets including goodwill and enterprise values.

On account of the fact that internal reporting to the main decision-making body is effected on the basis of all operating segments and on account of the fact that this is effected irrespective of a classification into discontinued segments and segments to be continued, the segment information comprises the entire income and expenses of the Group. Therefore, the reconciliation column "Consolidation and rounding" is used to provide a reconciliation to the values of the business segments to be continued which are reported in the consolidated statement of comprehensive income. In line with this, the result-related items in the reconciliation accounts essentially comprise the corresponding results and/or expenses/income from the discontinued business segments. These are the values from the "Project Development" and "Renting and Trading Real Estate" segments. In addition, personnel and administrative expenses from the "Services" segment which can be clearly allocated (kEUR 996; previous year: kEUR 1,713) and income tax (kEUR 987; previous year: kEUR 0) were allocated to the discontinued business segments.

In contrast to the consolidated statement of financial position, the deferred tax assets and tax liabilities are partly reported after netting out on a segment basis under the other segment assets and segment liabilities. Afterwards, a reconciliation (kEUR -1,287; previous year: 1,530) to the values reported in the consolidated statement of financial position is effected in the reconciliation column.

Segment reporting forms a fundamental part of the group notes. For reasons of clarity the figures are enclosed with these group notes as Annex 1.

With regard to further explanations on segment results reference is made to the notes regarding the assets, financial and earnings situation of the Group in the Summary Management Report (Section 1.2 – Explanation of the development of business and analysis of the earnings, assets and financial situation).

8. FINANCIAL RISK AND CAPITAL MANAGEMENT

8.1 Risk factors

Because of its business activities the Group is generally exposed to various financial risks: currency risks, credit risks, liquidity risks and interest risks.

There are no market risks regarding financial instruments since there is no considerable volume of financial instruments classified as being held for sales purposes, and since trading in financial instruments is not in line with the business activities of the Group.

The risk management system designed in accordance with the size of the Group and transcending the individual segments is aligned to the unpredictability of developments on the financial markets and aims at minimising potentially negative impacts on the Group's financial situation.

The risk management which is documented in a risk management manual is provided by the Management Board of YOUNIQ AG in consultation with the manager in charge of the respective segment, in line with the specifications adopted by the Supervisory Board.

YOUNIQ AG identifies, assesses and hedges financial risks at regular intervals.

The Management Board and the Supervisory Board establish provisions regarding interest and credit risk management as well as regarding the appropriation of any liquidity surplus.

The Supervisory Board is regularly updated on the Group's financial risk factors.

8.2 Currency risk

Up to now YOUNIQ Group has operated exclusively within the EUR area. Therefore, there are no currency risks.

8.3 Credit risk

There are no essential credit risks within the Group. For this reason, financial transactions are only concluded with financial institutions with a high credit rating in order to keep the counterparty risk as low as possible.

As regards business operations, outstanding accounts are monitored both centrally at YOUNIQ AG and locally by the respective property managers (rents receivable). Default risks are taken into account through individual value adjustments.

The maximum theoretical default risk is reflected by the accounting value of the financial assets shown in the statement of financial position. Prepayments received, security deposits and rental deposits reduce the default risk accordingly.

The default risk is also minimised by the mix of tenants and the tenants' credit rating (letting only after prior credit investigation).

Default risks arising in the framework of the settlement of sales of plots of land or apartments are minimised by the usual hedging tools employed in contract management. This means that the legal title to a given property is only transferred once full payment has been received.

8.4 Liquidity risk

YOUNIQ Group needs comprehensive funds for the implementation of its business concept, for financing of its real estate portfolio and for its growth strategy in order to be able to consistently continue the planned project developments. In this context, the Company is partly obliged to provide the funds in advance while returns of funds in the form of advance payments by buyers/clients or the final purchase price payments can only be collected step by step according to the progress of the projects (or according to the German Real Estate Agent and Commercial Construction Industry Ordinance – MaBV) according to mandatory legal provisions. In this case, the Company has taken out borrowed funds from credit institutions as interim financing and, in one case, by means of a bearer bond.

Therefore, there is the risk that the acquisition or renewal of debt capital from credit institutions might not be possible in due time in the future or that such might only be possible at unfavourable conditions. Furthermore, there is the risk that payments of purchase prices by the customer might be effected later than planned. If debt capital cannot be taken out in the future or if such cannot be taken out at adequate conditions or in case raising of debt financing takes longer than planned by the Company, this might adversely affect the group's earnings and financial situation.

Financial planning instruments applicable throughout the Group permit the early quantification of the future liquidity situation as it emerges from the implementation of the Group strategy. In addition to the current overview of loans connected with a repayment plan comprising several years, the Group also keeps a liquidity plan on a rolling monthly basis for a planning period of twelve months. The planning systems reflect the entire scope of consolidation. Cautious liquidity management includes a sufficient reserve of liquid funds.

Financing of existing real estate properties is provided through customary real estate loans from reputable banks. These long-term loans are tied to the properties and repaid from the sales proceeds in the cases where the properties are sold. This leads to the risk that loans might have to be taken out at considerably worse conditions in the framework of follow-up financing or upon interest rate adjustment dates. The investment properties are largely financed long-term.

There were no delays and defaults in the repayment of loans and the interest payments. Moreover, there were no violations of the loan agreements and covenants (i.e. balance sheet ratio provisions in connection with loan agreements under which the company taking out the loan is obliged to comply with financial ratios).

The due dates of the financial liabilities reported as of 31st December 2012 are as follows:

MATURITY OF THE FINANCIAL LIABILITIES
(AS OF 31ST DECEMBER 2012 INCLUDING EXPECTED FUTURE INTEREST)

kEUR	within 1 year	1 to 5 years	> 5 years
Liabilities to banks	47,213	8,021	10,177
Trade payables	5,570	-	-
Derivative financial instruments (negative market value)	690	118	-
Prepayments received	1,450	-	-
Other liabilities	1,738	8,354	641
Total financial liabilities	**56,661**	**16,493**	**10,818**

MATURITY OF THE FINANCIAL LIABILITIES
(AS OF 31ST DECEMBER 2011 INCLUDING EXPECTED FUTURE INTEREST)

kEUR	within 1 year	1 to 5 years	> 5 years
Liabilities to banks	22,598	54,700	8,122
Trade payables	7,749	-	-
Derivative financial instruments (negative market value)	-	753	-
Prepayments received	4,197	-	-
Other liabilities	1,857	325	-
Total financial liabilities	**36,401**	**55,778**	**8,122**

It is expected that all short-term liability items will be fulfilled within a period of 12 months after the balance sheet date. In addition to the repayments, the interest incurred in the future usually also leads to an outflow of liquidity.

8.5 Interest risk

Interest rate risks are caused by the fluctuations of interest rates on account of the situation on the market. On the one hand, these have an impact on the amount of the future interest expenditure within the Group. On the other hand, they can influence the market value of financial instruments.

In this context, the aim is to minimise the risk of fluctuating interest expenditure in the future. Therefore, the bank liabilities within YOUNIQ Group are partly concluded with a fixed interest rate so that the impacts of interest rate fluctuations can be foreseen in the medium term. Nonetheless, there is a risk of adverse adjustments of the conditions at the end of the lock-down period for the interest rates. With regard to the (loan) liabilities with a variable interest rate there is the risk of changes of the interest rate in as far as the interest rate for the loans taken out is connected to the EURIBOR (European Interbank Offered Rate) reference interest rate.

In addition to this, the real estate properties within the “Renting and Trading Real Estate” segment (which are partly financed on a long-term basis) are subject to the risk that the sale of such might lead to an early repayment of loans which, in turn, might entail high prepayment penalties.

In order to manage the interest risk caused by the variable interest rate on debt capital the Management Board will use (to some degree) swaps (payer swaps) or similar instruments (swaptions and caps) in a targeted manner. In addition to this, the relevant interest markets are analysed and monitored regularly.

In the event of a change in the interest rate by 100 basis points (“bps“), the annual interest expenditure from the loans subject to a variable interest rate would increase or decrease by approx. kEUR 340 (previous year: kEUR 468) – based on the value of the loans as of the balance sheet date.

Speculation risks are prevented by exclusively permitting the use of derivative financial instruments for hedging original underlying transactions. In this context, the derivative financial instruments must not exceed the original underlying transactions as to their amount and term.

In the case of the derivative financial instruments, the risk of interest rate changes is as follows:

kEUR	Type	Interest rate (-100bps)	Interest rate (-50bps)	Fair value 31/12/2012	Interest rate (+50bps)	Interest rate (+100bps)
SEB AG	Interest rate swap	(743)	(743)	(690)	(530)	(372)
Westdeutsche Genossenschafts-Zentralbank AG	Interest rate swap	(128)	(128)	(118)	(97)	(76)
Total		**(871)**	**(871)**	**(808)**	**(627)**	**(449)**

On principle, contracts regarding derivative financial instruments and financial transactions are only concluded with financial institutions with a high credit rating (usually with the lending banks) in order to keep the counterparty risk as low as possible.

8.6 Additional information on financial instruments

Within YOUNIQ Group, only original financial instruments are used with the exception of interest rate swaps and interest rate caps. The financial assets and liabilities can be divided into evaluation categories with the following book values and fair values:

kEUR	IAS 39 cate-gory	Accounting value 31/12/2012	Costs of acquisition	Continued costs of acquisition	Fair Value (affecting net income)	Fair Value (without effect on income)	Not applicable	Fair Value 31/12/2012
Equity instruments	AfS	2,435	-	-	-	2,435	-	2,435
Receivables from construction contracts	n/a	291	-	-	-	-	291	291
Trade receivables	LaR	2,614	-	2,614	-	-	-	2,614
Other short-term liabilities and assets	LaR	2,316	2,316	-	-	-	-	2,316
Cash and cash equivalents	n/a	8,696	-	-	-	-	8,696	8,696
Total financial assets		**16,352**	**2,316**	**2,614**	**-**	**2,435**	**8,987**	**16,352**
Liabilities to banks (long-term)	FLAC	13,089	-	13,089	-	-	-	13,089

Continued on next page

Liabilities to banks (short-term)	FLAC	45,646	-	45,646	-	-	-	45,646
Derivative financial instruments	FLHfT	808	-	-	808	-	-	808
Trade payables	FLAC	5,550	-	5,550	-	-	-	5,550
Prepayments received	FLAC	1,450	-	1,450	-	-	-	1,450
Other liabilities	FLAC	8,591	-	8,591	-	-	-	8,591
Total financial liabilities		**75,135**	**-**	**74,327**	**808**	**-**	**-**	**75,135**

kEUR	IAS 39 cate-gory	Accounting value 31/12/2011	Costs of acquisition	Continued costs of acquisition	Fair Value (affecting net income)	Fair Value (without effect on income)	Not applicable	Fair Value 31/12/2011
Liabilities from construction contracts	n/a	1,769	-	-	-	-	1,769	1,769
Trade receivables	LaR	4,886	-	4,886	-	-	-	4,886
Other short-term receivables and assets	LaR	1,478	1,469	9	-	-	-	1,478
Cash and cash equivalents	n/a	10,438	-	-	-	-	10,438	10,438
Total financial assets		**18,571**	**1,469**	**4,895**	**-**	**-**	**12,208**	**18,571**
Liabilities to banks (long-term)	FLAC	54,640	-	54,640	-	-	-	54,640
Liabilities to banks (short-term)	FLAC	19,398	-	19,398	-	-	-	19,398
Derivative financial instruments	CFH / FLHfT	753	-	-	28	724	-	753
Trade payables	FLAC	7,749	-	7,749	-	-	-	7,749
Prepayments received	FLAC	4,197	-	4,197	-	-	-	4,197
Other liabilities	FLAC	2,182	-	2,182	-	-	-	2,182
Total financial liabilities		**88,919**	**-**	**88,166**	**28**	**724**	**-**	**88,919**

The fair values of "cash and cash equivalent", "trade accounts receivable" and "other short-term assets and liabilities" roughly correspond to the accounting values. This is primarily due to the short term of such instruments.

The liabilities comprise the original financial instruments assessed at the continued costs of acquisition. With regard to the short-term liabilities it is assumed that the accounting value roughly corresponds to the fair value. The fair value of long-term loans with a fixed interest rate, which are primarily granted for specific properties, cannot be reliably established since there is no active market in being and the current discounting interest rates cannot be established objectively (e.g. because of the credit rating of the company, fluctuations in the fair values of the real estate properties used as security).

The effective interest rate for borrowed capital amounted to approximately 5.5 % (previous year: 6.3 %) p. a. on an annual average.

Net profits/losses from "trade receivables" and "other short-term receivables and assets" contain changes in the valuation allowances, profits or losses from derecognition and receipts of payment and reversals of impairments regarding loans and accounts receivable which were depreciated originally. In the financial year 2012, the netted loss arising from this amounted to kEUR 1,360 (previous year: kEUR 1,036). "Trade receivables" and "other short-term receivables and assets" which have been overdue for more than 12 months have been adjusted in value by between 75 % and 100 % in the event that YOUNIQ Group does not have collateralisation regarding such.

Net profits/losses from financial liabilities at continued costs of acquisition consist of profits or losses from the derecognition of liabilities (kEUR 0; previous year: kEUR 0), the valuation effect from the interest derivatives (loss of kEUR 780; previous year: loss of kEUR 10) and the redemption sums (kEUR 74; previous year: KEUR 0).

All liabilities to banks are e.g. secured through registered land charges or mortgages on all investment properties and/or inventory properties (accounting value: in total kEUR 131,467). The provisions of the German Civil Code [BGB] and the agreements in the underlying loan contracts apply with regard to the utilisation of these securities. The liabilities under the "MPC Deal" and the bearer bond have second-priority security by pledging of the business shares in the companies concerned. All other liabilities are usually unsecured.

8.7 Capital management

Capital management within YOUNIQ Group primarily aims at ensuring that the capacity to repay debts and the financial strength of the company are preserved – also with a view to the future. In addition to this, capital management pursues the aim of establishing an optimum mixture of borrowed capital and equity with regard to the return on equity. In this process, care is taken to ensure that all affiliates can operate subject to the premise of the operation of the company as a going concern.

On the balance sheet date, the total capital (equity and financial liabilities) had the following structure:

CAPITAL MANAGEMENT

kEUR	31/12/2012	31/12/2011	Change
Group equity	**81,160**	**87,633**	**-7.4 %**
as a share of the total capital	55.1 %	54.1 %	
Short-term financial liabilities	45,557	19,412	134.7 %
Long-term financial liabilities	20,622	54,965	-62.5 %
Total financial liabilities	**66,179**	**74,377**	**-11.0 %**
as a share of the total capital	44.9 %	45.9 %	
Total capital (equity plus financial liabilities)	**147,339**	**162,010**	**-9.06 %**

Financial security is essentially measured with the help of the equity ratio as a parameter. This parameter comprises the Group's balance sheet total as well as the equity capital reported in the consolidated balance sheet. The equity ratio is used as an important parameter for the majority shareholder, the investors, analysts, banks and rating agencies.

EQUITY RATIO

kEUR	31/12/2012	31/12/2011
Consolidated equity, total	81,160	87,633
Consolidated balance sheet total	157,574	183,696
Equity ratio	**51.51 %**	**47.71 %**

YOUNIQ AG can control its capital structure by adjusting dividends, reducing capital and/or issuing new shares or financial instruments (which are specified as equity capital according to IFRS). With regard to this, reference is made to the explanations on the authorised and conditional capital in sections 4.12.2 and 4.12.3.

YOUNIQ AG is subject to the minimum requirements for public limited companies. Compliance with these requirements is monitored continuously. The requirements were complied with in 2012.

The Group's overall strategy regarding capital management is unchanged as against the financial year 2011.

9. OTHER NOTES

9.1 Notes regarding contingent liabilities and contingent assets

YOUNIQ AG has only established joint liabilities in rem and under the law of obligations with regard to liabilities of subsidiaries included in the scope of consolidation. Such liabilities have not been established towards third parties.

According to the Management Board's assessment, there are no significant unresolved lawsuits outside the framework of the usual business operations.

There were no essential contingent assets as of the balance sheet date.

9.2 Other financial liabilities

There are other financial obligations of EUR 3.8 million (previous year: EUR 3.2 million) (real estate purchase agreements) and of EUR 25.9 million (previous year: EUR 11.6 million) (commitments regarding services by subcontractors) from orders which have already been granted for investment projects begun or planned as well as on the basis of contractual agreements with tenants and other contracting parties.

With regard to the other financial obligations from tenancy agreements reference is made to section 9.3 "Leasing agreements".

9.3 Leasing agreements

Description of leasing agreement	Lessee	Lessor
Leasehold regarding property in Göttin-gen	CAMPUS 1. Verwaltung GmbH	Town of Göttingen
Rent agreement regarding offices in Frankfurt am Main	YOUNIQ AG	CORESTATE Capital Advisors GmbH
Rent agreement regarding offices for the Leipzig subsidiary	YOUNIQ AG	MIArg Real Estate 2 properties SarL
General lease agreement regarding property in Karlsruhe	Youniq Service GmbH	Youniq Karlsruhe GmbH & Co. KG
General lease agreement regarding property in Greifswald	Youniq Service GmbH	Youniq Greifswald GmbH & Co. KG
General lease agreement regarding property in Munich	Youniq Service GmbH	Youniq Munich II GmbH & Co. KG
General lease agreement regarding property in Erlangen	CAMPUS REAL ESTATE GmbH	uniVersa Lebensversicherung a.G.
Car parking spaces	"YOUNIQ AG / Youniq Service GmbH"	Parkhausbetriebs-gesellschaft mbH, CPS GmbH
Vehicle leasing agreements	"YOUNIQ AG / Youniq Service GmbH"	Various
Leasing of office equipment	YOUNIQ AG	Various
Debit card payment systems with equipment	Youniq Service GmbH	VR IT-LEASING GmbH

Commencement of contract	End of contract	Leasing instalment (per month) (incl. VAT) kEUR	Minimum leasing payments in 2013 (incl. VAT) kEUR	Minimum leasing payments from 2014 to 2018 (incl. VAT) kEUR	Minimum leasing payments from 2019 (incl. VAT) kEUR	Classification
01/06/1982	31/05/2081	10	120	601	7,512	operating lease
01/08/2012	31/07/2017	12	141	506	N/A	operating lease
01/09/2009	31/08/2014	11	136	91	N/A	operating lease
01/03/2012	31/08/2026	116	1.433	7.561	14,390	operating lease
01/03/2012	31/08/2026	45	550	2.904	5,452	operating lease
01/12/2012	31/05/2027	32	385	2.034	4,327	operating lease
01/08/2009	31/07/2014	39	473	276	N/A	operating lease
2009/2010	Indefinite	1	8	40	Not specified	operating lease
2009/2010	"2013 to 2015"	6	54	47	N/A	operating lease
2009 - 2011	"2013 to 2017"	6	73	188	N/A	operating lease
01/10/2011	30/09/2016	2	21	58	Not specified	finance lease
		280	3,396	14,304		

Within YOUNIQ Group (lessee) the leasehold contract is classified as an operating leasing relationship and has the following structure as of 31st December 2012:

CAMPUS 1. Verwaltung GmbH: Plot of land in Göttingen, Zimmermannstraße, term of the lease agreement: 99 years (beginning on 1st June 1982), current leasehold rent: kEUR 120 p. a., ancillary costs of acquisition of the leasehold: kEUR 96 (as in the previous year) (accounting value on 31st December 2012: kEUR 90; previous year: kEUR 91).

In addition to this, there are further financial obligations from renting of business premises in Eschersheimer Landstraße 6 in 60322 Frankfurt am Main (flat monthly rent of kEUR 11.7 incl. sales tax; term of the lease agreement until 31st July 2017) and at the "City Hochhaus", Augustusplatz 9, 04109 Leipzig (monthly rent and ancillary costs of in total kEUR 11; term of the lease agreement until 31st August 2014 with an option for renewal). Monthly rents of kEUR 1 (gross) are incurred for renting parking spaces in Frankfurt am Main and Leipzig.

In the framework of the sale of the majority of the shares in Youniq Karlsruhe GmbH & Co. KG, Youniq Greifswald GmbH & Co. KG and Youniq Munich II GmbH & Co. KG these companies have concluded long-term property lease agreements (term: 14.5 years plus two options for a renewal by 5 years each) in order to safeguard property management for YOUNIQ Group for the future. Taken together, the sale of the shares and the lease agreement form lease-back transactions which are classified as operating leasing according to the criteria of IAS 17. As a result, ownership of these properties no longer rests with YOUNIQ Group from a civil law and commercial perspective; the sale was effected at conditions common on the market.

Moreover, there are other financial obligations arising from vehicle lease contracts for the years 2013 to 2015 of kEUR 101 and for office equipment for the years 2013 to 2017 of in total kEUR 281. According to IAS 17, the lease agreements specified above are also classified as operating leases.

YOUNIQ Group (lessor) has concluded contracts regarding letting of its investment properties and inventory properties (operating leases). In the field of residential real estate, there are usually leases for an indefinite term which can, however, be terminated in accordance with the statutory periods of notice. The long-term leases concern commercial real estate properties and usually have residual terms of the tenancy agreement of between 1 and 5 years.

Various lease agreements contain a clause according to which the rent can be increased annually on the basis of the respective conditions prevailing on the market. Only a few of the contracts concluded for a fixed term provide for a renewal option for the tenant. There are no purchase options on the part of the tenants.

In the financial year 2013, the Group will probably receive minimum lease payments (net rent exclusive of heating) to the amount of EUR 8.7 million (based on the lease agreements as of 31st December 2012) under the contracts which were concluded as of the balance sheet date and which cannot be terminated. An estimate regarding future minimum lease payments for the subsequent business years does not appear appropriate on account of the possibility of terminating lease agreements in the field of residential real estate and on account of rent indexation.

9.4 Information according to Art. 160 Paragraph 1 Figure 8 AktG (Reportable Shareholdings)

The announcements regarding the existence of shareholdings published according to the German Securities Trading Act had the following contents:

On 25th May 2011, CORESTATE GERMAN RESIDENTIAL LIMITED, St Peter Port, Guernsey, Channel Islands, informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was lower than the threshold of 75% on 17th May 2011 and that it amounted to 66.46% (6,911,941 voting rights) on that day. 66.46% (6,911,941 voting rights) of this have to be attributed to CORESTATE GERMAN RESIDENTIAL LIMITED in accordance with Art. 22 Paragraph 1 Sentence 1 WpHG. The following attributed voting rights were held through the following companies which were controlled by CORESTATE GERMAN RESIDENTIAL LIMITED and whose share in the voting rights in YOUNIQ AG amounted to 3% or more in each case:

- *Yanworth Holdings Limited*
- *Sechep Investments Holding S.à r.l.*
- *SECHEP INVESTMENTS HOLDING II S.à r.l.*
- *GOETHE INVESTMENTS S.à r.l.*
- *RABANO PROPERTIES S.à r.l.*

On 25th May 2011, Yanworth Holdings Limited, Gibraltar, Gibraltar informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was lower than the threshold of 75% on 17th May 2011 and that it amounted to 66.46% (6,911,941 voting rights) on that day. 66.46% (6,911,941 voting rights) of this have to be attributed to Yanworth Holdings Limited in accordance with Art. 22 Paragraph 1 Sentence 1 WpHG. The following attributed voting rights were held through the following companies which were controlled by Yanworth Holdings Limited and whose share in the voting rights in YOUNIQ AG amounted to 3% or more in each case:

- *Sechep Investments Holding S.à r.l.*
- *SECHEP INVESTMENTS HOLDING II S.à r.l.*
- *GOETHE INVESTMENTS S.à r.l.*
- *RABANO PROPERTIES S.à r.l*

On 25th May 2011, Sechep Investments Holding S.à r.l., Luxembourg, Luxembourg informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was lower than the threshold of 10% on 17th May 2011 and that it amounted to 7.67% (797,750 voting rights) on that day. 7.67% (797,750 voting rights) of this have to be attributed to Sechep Investments Holding S.à r.l. in accordance with Art. 22 Paragraph 1 Sentence 1 WpHG. The following attributed voting rights were held through the following companies which were controlled by Sechep Investments Holding S.à r.l. and whose share in the voting rights in YOUNIQ AG amounted to 3% or more in each case:

- *RABANO PROPERTIES S.à r.l.*

On 25th May 2011, GOETHE INVESTMENTS S.à r.l., Luxembourg, Luxembourg informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was lower than the threshold of 75% on 17th May 2011 and that it amounted to 58.79% (6,114,191 voting rights) on that day.

On 25th May 2011, RABANO PROPERTIES S.à r.l., Luxembourg, Luxembourg informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was lower than the threshold of 10% on 17th May 2011 and that it amounted to 7.67% (797,750 voting rights) on that day.

On 23rd May 2011, Close Brothers Group plc., London, Great Britain informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was higher than the thresholds of 3%, 5%, 10%, 15%, 20%, 25% and 30% on 17th May 2011 and that it amounted to 32.21% (3,350,000 voting rights) on that day. 32.21% (3,350,000 voting rights) of this have to be attributed to Close Brothers Group plc. in accordance with Art. 22 Paragraph 1 Sentence 1 WpHG. The following attributed voting rights were held through the following companies which were controlled by Close Brothers Group plc. and whose share in the voting rights in YOUNIQ AG amounted to 3% or more in each case:

- *Close Brothers Holdings Limited*
- *Close Securities Holdings Limited*
- *Close Securities (Germany) Limited*
- *Close Brothers Seydler Bank AG*

On 23rd May 2011, Close Brothers Holdings Limited, London, Great Britain informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was higher than the thresholds of 3%, 5%, 10%, 15%, 20%, 25% and 30% on 17th May 2011 and that it amounted to 32.21% (3,350,000 voting rights) on that day. 32.21% (3,350,000 voting rights) of this have to be attributed to Close Brothers Holdings Limited in accordance with Art. 22 Paragraph 1 Sentence 1 WpHG. The following attributed voting rights were held through the following companies which were controlled by Close Brothers Holdings Limited and whose share in the voting rights in YOUNIQ AG amounted to 3% or more in each case:

- *Close Securities Holdings Limited*
- *Close Securities (Germany) Limited*
- *Close Brothers Seydler Bank AG*

On 23rd May 2011, Close Securities Holdings Limited, London, Great Britain informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was higher than the thresholds of 3%, 5%, 10%, 15%, 20%, 25% and 30% on 17th May 2011 and that it amounted to 32.21% (3,350,000 voting rights) on that day. 32.21% (3,350,000 voting rights) of this have to be attributed to Close Securities Holdings Limited in accordance with Art. 22 Paragraph 1 Sentence 1 WpHG. The following attributed voting rights were held through the following companies which were controlled by Close Securities Holdings Limited and whose share in the voting rights in YOUNIQ AG amounted to 3% or more in each case:

- *Close Securities (Germany) Limited*
- *Close Brothers Seydler Bank AG*

On 23rd May 2011, Close Securities (Germany) Limited, London, Great Britain informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was higher than the thresholds of 3%, 5%, 10%, 15%, 20%, 25% and 30% on 17th May 2011 and that it amounted to 32.21% (3,350,000 voting rights) on that day. 32.21% (3,350,000 voting rights) of this have to be attributed to Close Securities (Germany) Limited in accordance with Art. 22 Paragraph 1 Sentence 1 WpHG. The following attributed voting rights were held through the following companies which were controlled by Close Securities Holdings Limited and whose share in the voting rights in YOUNIQ AG amounted to 3% or more in each case:

- *Close Brothers Seydler Bank AG*

On 23rd May 2011, Close Brothers Seydler Bank AG, Frankfurt am Main, Germany informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was higher than the thresholds of 3 %, 5 %, 10 %, 15 %, 20 %, 25 % and 30 % on 17th May 2011 and that it amounted to 32.21 % (3,350,000 voting rights) on that day.

On 23rd May 2011, Close Brothers Group plc., London, Great Britain informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was lower than the thresholds of 30 %, 25 %, 20 %, 15 %, 10 %, 5 % and 3 % on 23rd May 2011 and that it amounted to 0.0 % (0 voting rights) on that day.

On 23rd May 2011, Close Brothers Holdings Limited, London, Great Britain informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was lower than the thresholds of 30 %, 25 %, 20 %, 15 %, 10 %, 5 % and 3 % on 23rd May 2011 and that it amounted to 0.0 % (0 voting rights) on that day.

On 23rd May 2011, Close Securities Holdings Limited, London, Great Britain informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was lower than the thresholds of 30 %, 25 %, 20 %, 15 %, 10 %, 5 % and 3 % on 23rd May 2011 and that it amounted to 0.0 % (0 voting rights) on that day.

On 23rd May 2011, Close Securities (Germany) Limited, London, Great Britain informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was lower than the thresholds of 30 %, 25 %, 20 %, 15 %, 10 %, 5 % and 3 % on 23rd May 2011 and that it amounted to 0.0 % (0 voting rights) on that day.

On 23rd May 2011, Close Brothers Seydler Bank AG, Frankfurt am Main, Germany informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was lower than the thresholds of 30 %, 25 %, 20 %, 15 %, 10 %, 5 % and 3 % on 23rd May 2011 and that it amounted to 0.0 % (0 voting rights) on that day.

On 24th May 2011, Allianz Global Investors Kapitalanlagegesellschaft mbH, Frankfurt am Main, Germany informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG, Frankfurt am Main, Germany was higher than the thresholds of 3 % and 5 % on 23rd May 2011 and that it amounted to 8.65 % (899,990 voting rights) on that day.

On 27th October 2011, Asset Value Investors Limited, London, Great Britain informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG (formerly: ALTA FIDES Aktiengesellschaft für Grundvermögen), Frankfurt am Main, Germany was lower than the thresholds of 5 % and 3 % on 13th October 2011 and that it amounted to 0.0 % (0 voting rights) on that day.

On 27th October 2011, European Asset Value Fund, Luxembourg, Luxembourg informed us according to Article 21 Paragraph 1 WpHG that its share in the voting rights in YOUNIQ AG (formerly: ALTA FIDES Aktiengesellschaft für Grundvermögen), Frankfurt am Main, Germany was lower than the threshold 3 % on 13th October 2011 and that it amounted to 0.0 % (0 voting rights) on that day.

9.5 Members of the Management Board and their compensations

- Rainer Nonnengässer (Chairman of the Management Board)
- Marcus Schmitz (from 1st January 2012)
- Dr. Marcel Crommen (until 31st December 2011)

Dr. Crommen resigned from the Management Board of YOUNIQ AG with effect from 31st December 2011. On 20th October 2011, the Supervisory Board of YOUNIQ AG appointed Mr. Marcus Schmitz as a member of the Management Board and new Chief Financial Officer with effect from 1st January 2012.

As in the previous year, there were no advances or loans to members of the Management Board as of 31st December 2012.

During the 2012 financial year, the total compensation of the members of the Management Board (including components with a long-term incentivising effect) amounted to EUR 491,818 (previous year: EUR 758,125). The compensation of the Management Board had the following detailed structure:

Member of the Management Board	Fixed compensation	Variable compensation	Compensa-tions/Compensa-tion payment	Total compensation	Components with long-term incentivising
Rainer Nonnengässer (from 1st July 2010)	EUR 241.043 (prev. year: EUR 240.000)	EUR 0 (prev. year: EUR 0)	EUR 0 (prev. year: EUR 0)	EUR 241.043 (prev. year: EUR 240.000)	EUR 0 (prev. year: EUR 0)
Marcus Schmitz (from 1st January 2012)	EUR 225.000 (prev. year: EUR 0)	EUR 0 (prev. year: EUR 0)	EUR 0 (prev. year: EUR 0)	EUR 225.000 (prev. year: EUR 0)	EUR 25.775 (prev. year: EUR 0)
Dr. Marcel Crommen (from 31st December 2011)	EUR 0 (prev. year: EUR 212.500	EUR 0 (prev. year: EUR 0)	EUR 0 (prev. year: EUR 155.625)	EUR 0 (prev. year: EUR 518.125)	EUR 0 (prev. year: EUR 0)

The components with a long-term incentivising effect which concern Mr. Marcus Schmitz result from the 61,000 share options in their full amount.

Furthermore, there is a directors & officers liability insurance and, in addition to the basic cover, there is a directors & officers excess loss insurance up to the agreed coverage of EUR 20 million per insured event and overall per period of insurance and of EUR 10 million per insured event and overall per period of insurance in addition. Amongst others, all current, former and future supervisory bodies, management boards and executives of YOUNIQ AG and its subsidiaries are insured under these insurances. In the financial year 2012, the annual premium for this cover totalled kEUR 39 (previous year: kEUR 24) (gross).

With regard to further explanations on the compensation of the members of the Management Board reference is made to the compensation report contained in the summary management report (section 1.5 – Compensation report).

9.6 Members of the Supervisory Board and their emoluments

In the past financial year 2012, the Supervisory Board had the following members:

Dr. Manfred Püschel, independent management consultant (from 15th September 2011; chairman of the Supervisory Board from 26th September 2011)

Dr. Püschel is a member of the following supervisory boards which have to be established according to the applicable law or of comparable national or international controlling boards of commercial enterprises:

- WITTE Automotive GmbH, Velbert (chairman of the advisory board)
- Thyssen Vermögensverwaltung GmbH, Düsseldorf (member of the administrative council)
- Anita Thyssen Foundation, Munich (member of the advisory council)

Daniel Schoch, chief financial officer of CORESTATE Capital AG, Zug, Switzerland (chairman of the Supervisory Board until 26th September 2011)

Martin Hitzer, lawyer at the law firm Gleiss Lutz, Düsseldorf (deputy chairman of the Supervisory Board)

Martin Hitzer resigned from his office as a member of the Supervisory Board with effect as of the end of the next annual general meeting of the Company on the basis of a letter of 24th September 2012.

Ralph Winter, managing director of CORESTATE German Residential Limited and of CORESTATE German Commercial Properties Fund LP, both with registered offices in St Peter Port, Guernsey (from 11th August 2011)

Dr. Carsten Strohdeicher, managing director of Arcadius Advisors GmbH, Munich (from 15th September 2011)

Dr. Strohdeicher is a member of the following supervisory boards which have to be established according to the applicable law or of comparable national or international controlling boards of commercial enterprises:

- Magnat Real Estate AG, Frankfurt am Main
- SQUADRA Immobilien GmbH & Co. KGaA, Frankfurt am Main

Barbara Busch, lawyer, tax consultant and auditor at Anwaltssozietät Bögner Hensel & Partner, Frankfurt am Main

Dr. Georg Reul, member of the management board of FRANKONIA Eurobau AG, Nettetal (from 11th June to 10th August 2011)

Dr. Georg Reul resigned from his position on the Company's Supervisory Board with effect as of the end of 10th August 2011 on the basis of a written declaration of 31st May 2011. At the general meeting on 10th August 2011, Mr. Ralph Winter was elected as a member of the Supervisory Board for the remainder of the term of office of the resigned member of the Supervisory Board.

Article 9 Paragraph 1 of the Articles of Association of the Company was amended on the basis of a resolution adopted at the annual general meeting on 10th August 2011. The number of members of the Supervisory Board was increased from three to six members. However, the amendment of Article 9 of the Articles of Association only became effective upon registration in the commercial register on 15th September 2011.

The compensation of the Supervisory Board had the following detailed structure in the financial year 2012:

Member of the Supervisory Board	Expenses and sales tax	Fixed remuneration per year including attendance fee per year
Dr. Manfred Püschel (from 15th September 2011)	EUR 9,091 (prev. year EUR 3,060)	EUR 27,500 (prev. year EUR 9,583)
Daniel Schoch	EUR 0 (prev. year EUR 0)	EUR 0 (prev. year EUR 23,750)
Martin Hitzer	EUR 2,746 (prev. year EUR 475)	EUR 11,500 (prev. year EUR 12.250)
Ralph Winter (from 11th August 2011)	EUR 0 (prev. year EUR 0)	EUR 0 (prev. year EUR 5,667)
Dr. Carsten Strohdeicher (from 15th September 2011)	EUR 3,415 (prev. year EUR 349)	EUR 12,500 (prev. year EUR 4,583)
Barbara Busch (from 15th September 2011)	EUR 2,233 (prev. year EUR 0)	EUR 11,750 (prev. year EUR 4,583)
Dr. Georg Reul (11th June 2010 to 10th August 2011)	EUR 0 (prev. year EUR 885)	EUR 0 (prev. year EUR 6,082)

As in the previous year, there were no advance payments and loans to members of the Supervisory Board as of 31st December 2012.

With regard to further explanations on the compensation of the members of the Supervisory Board reference is made to the compensation report contained in the summary management report (section 1.5 – Compensation report).

9.7 Relations with persons and companies related to the Company

In addition to YOUNIQ AG and its subsidiaries, the persons and companies related to the Group also include the highest parent company CORESTATE German Residential Limited, St Peter Port, Guernsey. As a result of this, all affiliated companies of CORESTATE German Residential Limited are also affiliated companies of YOUNIQ AG and related companies at the same time. The asset manager and initiator of the closed property fund CORESTATE German Residential Limited, CORESTATE CAPITAL AG as well as its affiliated companies are also considered related companies.

Furthermore, the related persons and companies include the members of the Management Board, the Supervisory Board and executive staff in key positions (if any) as well as members of the boards of subsidiaries, each including close relatives, as well as those companies on which the members of the Management Board or the Supervisory Board of the Company and/or their close relatives can exercise decisive influence or in which they hold a major share in the voting rights.

Moreover, the related persons include those companies with which YOUNIQ AG forms a corporate group or in which it holds a share enabling it to exercise decisive influence on the business policy of the associate company and the main shareholders in YOUNIQ AG, including their affiliated companies.

During the financial years 2012 and 2011, the following real estate transactions were concluded between affiliated companies and/or with related companies and persons:

A. SERVICE RELATIONSHIPS WITH AFFILIATED COMPANIES

With a loan agreement of 25th November 2008 and supplementary agreements of 19th October 2009 and of 7th October 2010, the main shareholder GOETHE INVESTMENTS S.à r.l. granted the Company an unsecured credit line of EUR 35 million until 31st December 2012. The interest rate is 9.0 % p. a. Furthermore, the majority shareholder GOETHE INVESTMENTS S.à r.l. granted YOUNIQ AG loans of EUR 1.73 million (term until 30th December 2014) and of EUR 4.2 million (term until 31st January 2015) on the basis of contracts of 1st and 11th March 2010. The interest rate is 5.0 % p. a. in each case.

On the basis of a contract of 28th/29th April 2011 and a supplementary agreement of 17th June 2011 GOETHE INVESTMENTS S.à r.l. and YOUNIQ AG agreed that GOETHE INVESTMENTS S.à r.l. would waive accounts receivable from YOUNIQ AG under loans in the amount of EUR 37,627,058.65 (as of 12:00pm on 30th June 2011) in the form of a waiver of accounts receivable by means of a payment into the capital reserve in accordance with Art. 272 Paragraph 2 Fig. 4 HGB with effect from the end of 30th June 2011. At the same time, the credit line was reduced to the residual amount of EUR 5 million. In accordance with Art. 2 of the waiver contract, said waiver was subject to the condition precedent of the allocation of the shares to the institutional investors in the context of the advance placement of the subscription offer to the shareholders of YOUNIQ AG. This condition precedent was fulfilled by 30th June 2011. The Company added the amount of this waived account receivable under the credit line to the free capital reserve with effect from 12:00pm on 30th June 2011 in accordance with Art. 272 Paragraph 2 Fig. 4 HGB.

On the basis of a loan agreement of 10th June 2011, Liechtensteinische Landesbank (Switzerland) Ltd., Zurich/Switzerland granted YOUNIQ AG a loan of EUR 5.0 million earmarked for the repayment of the credit line granted by GOETHE INVESTMENTS S.à r.l. which was still outstanding at the time. This loan has to be repaid to an amount of EUR 1.25 million on an annual basis on

30th June every year from 2012. This loan has a variable interest rate (3-month EURIBOR plus surcharge) and is secured by a guarantee by GOETHE INVESTMENTS S.à r.l. The loan was paid out by means of the direct repayment of the loan to GOETHE INVESTMENTS S.à r.l. on 6th July 2011.

During the period from 1st January to 6th July 2011, the credit line and the loans led to interest expenses of in total kEUR 1,671.

B. COMPENSATION FOR SERVICES AND OTHER FINANCIAL TRANSACTIONS WITH RELATED COMPANIES

As in the previous year, there were no compensations for services and other financial transactions with related companies in the financial year 2012 – with the exception outlined below.

There is a rent agreement with CORESTATE Capital Advisors GmbH, Frankfurt am Main, regarding renting of business premises in Eschersheimer Landstraße 6 in 60322 Frankfurt am Main (previous year: Frankfurt am Main, Neue Mainzer Straße 28). This led to rental expenses (including service charges and services) of in total kEUR 180 (previous year: kEUR 136) in the financial year 2012. With regard to the current conditions of the said agreement reference is made to section 9.3.

C. REAL ESTATE TRANSACTIONS WITH RELATED COMPANIES AND PERSONS

Real estate transactions were not concluded with related companies and persons in the financial year 2012.

D. COMPENSATION FOR SERVICES AND OTHER FINANCIAL TRANSACTIONS WITH RELATED PERSONS

In the financial year 2012, there were no compensations for services and other financial transactions with related persons with the following exceptions.

With regard to the compensation for members of the Management Board and the emoluments for members of the Supervisory Board, reference is made to sections 9.5 and 9.6.

In the context of counselling services, compensation of EUR 7,140 was paid to the law firm Bögner Hensel & Partner. The member of the Supervisory Board Ms. Barbara Busch is a lawyer at the law firm Bögner Hensel & Partner. During the year under review, the other members of the Supervisory Board did not receive any other compensation or benefits for services rendered personally by them, in particular, consulting and agency services.

9.8 Fee for auditing of the annual accounts according to Article 314 Paragraph 1 Figure 9 HGB

In 2012, the Group expenses for auditing of the annual accounts by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, (previous year: KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main) were as follows:

kEUR	31/12/2012	31/12/2011
Services for auditing of annual accounts (Art. 314 Paragraph 1 Fig. 9 a HGB)	156	168
Other confirmation services (Art. 314 Paragraph 1 Fig. 9 b HGB)	13	96
Tax consultancy services (Art. 314 Paragraph 1 Fig. 9 c HGB)	237	-
Other services (Art. 314 Paragraph 1 Fig. 9 d HGB)	87	-
Equity ratio	**492**	**264**

The amounts are specified without statutory value-added tax.

9.9 Important events after the balance sheet date

Until completion of the consolidated financial statement there have been no important events which had a decisive influence on the assets, financial and earnings situation with the exception of the matters described herein below.

- The seller of a property in Düsseldorf announced its withdrawal from the purchase agreement regarding a plot of land on the basis of a letter of 15th January 2013. The purchase agreement regarding the plot of land had not been executed until that time.
- On 17th January 2013, Youniq Reutlingen GmbH announced its withdrawal from the purchase agreement regarding a plot of land in Reutlingen. For this reason, the purchase agreement regarding the plot of land will be reversed in the first quarter of the financial year 2013.

With regard to events of special importance after the end of the financial year 2012 reference is made to the summary management report (section 1.3 - "Events after the balance sheet date").

9.10 Consolidated financial statement

YOUNIQ Group is included in the consolidated financial statement of the highest parent company CORESTATE German Residential Limited, St Peter Port, Guernsey as of 31st December 2012 which has to be prepared in accordance with the legal provisions of Guernsey (Great Britain). Said consolidated financial statement is prepared according to the International Financial Reporting Standards and published in Luxembourg.

9.11 Publication

The annual financial statement of YOUNIQ AG as of 31st December 2012, which was audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, and the consolidated financial statement of YOUNIQ AG as of 31st December 2012 are published in the German Electronic Federal Gazette.

9.12 Declaration according to Art. 161 AktG

YOUNIQ AG is the only German listed company included in the consolidated financial statement. YOUNIQ AG has issued the declarations required according to Art. 161 of the German Companies Act and made these accessible to its shareholders.

On 22nd March 2013, the Management Board and the Supervisory Board of YOUNIQ AG jointly issued the declaration of compliance according to Art. 161 AktG regarding the recommendations by the German Corporate Governance Codex in the respectively valid version. The form and contents of the declarations of compliance are permanently accessible for the shareholders on the Company's website (www.youniq-group.de).

Frankfurt am Main, 22nd March 2013

Rainer Nonnengässer

(Chief Executive Office)

Marcus Schmitz

(Member of the Management Board)

SEGMENT INFORMATION

FOR THE FINANCIAL YEAR 2012 „ANNEX 1 TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT“

kEUR	Year	Renting and Trading Real Estate	Project Development
Net Operating Income (NOI)	2012	(131)	(1,127)
of which rental income	*2012*	*3,483*	*3*
	2011	1,659	733
	2011	*4,460*	*3*
Profit / (loss) from the sale of real estate assets	2012	(1,427)	(14)
of which revenue from the sale of real estate assets	*2012*	*23,885*	*806*
	2011	817	208
	2011	*11,955*	*1,936*
Profit / (loss) from construction contracts	2012	–	(790)
of which revenue from construction contracts	*2012*	*–*	*510*
	2011	–	(1,777)
	2011	*–*	*3,809*
Profit / (loss) from changes in valuation of investment property	2012	2,442	–
	2011	(24,177)	–
Personnel and administrative expenses	2012	50	0
	2011	(58)	(198)
General selling and marketing expenses	2012	(99)	(30)
	2011	(192)	(392)
Depreciation, amortisation and write-downs	2012	(307)	(113)
	2011	(1,786)	(736)
EBIT	2012	528	(2,074)
	2011	(23,735)	(2,161)
Financial result	2012	(3,497)	(153)
of which interest income	*2012*	*52*	*27*
of which interest expenses	*2012*	*(1,506)*	*(64)*
	2011	(2,710)	(278)
	2011	*12*	*78*
	2011	*(1,923)*	*(80)*
EBT	2012	(2,969)	(2,227)
	2011	(26,445)	(2,439)

YOUNIQ – Student Housing	Services	Consolidation and rounding	Total
1,377	(53)	1,253	1,319
2,926	*2,416*	*(3,487)*	*5,342*
1,050	133	(2,392)	1,183
3,067	*146*	*(4,463)*	*3,213*
(1,683)	(61)	1,441	(1,744)
414	*(8)*	*(24,691)*	*406*
30	6	(1,025)	36
390	*449*	*(13,891)*	*839*
(107)	–	790	(107)
1,004	*–*	*(510)*	*1,004*
1,483	–	1,777	1,483
3,605	*–*	*(3,809)*	*3,605*
6,678	34	(2,442)	6,711
8,439	(1,532)	24,177	6,907
(279)	(5,177)	950	(4,455)
(232)	(5,668)	1,968	(4,188)
(29)	(431)	129	(460)
(632)	(1,183)	584	(1,815)
(39)	(152)	421	(191)
(121)	(129)	2,522	(250)
5,919	(5,840)	2,541	1,074
10,017	(8,373)	27,609	3,357
(4,112)	2,193	3,002	(2,567)
9	*127*	*(79)*	*136*
(1,406)	*(387)*	*1,570*	*(1,793)*
(4,292)	994	2,988	(3,298)
49	*83*	*(90)*	*132*
(2,150)	*(241)*	*2,003*	*(2,390)*
1,807	(3,647)	5,543	(1,493)
5,725	(7,379)	30,597	59

Continued on next page

kEUR	Year	Renting and Trading Real Estate	Project Development
Income tax	2012	(753)	169
	2011	8,419	(260)
Consolidated net profit / (loss) for the period (overall)	2012	(3,722)	(2,059)
of which continued segments	*2012*	*–*	*–*
of which discontinued segments	*2012*	*(3,722)*	*(2,059)*
	2011	(18,026)	(2,699)
	2011	*–*	*–*
	2011	*(18,026)*	*(2,699)*
Real estate assets (IAS 40/IFRS 5, IAS 2, IAS 11)	31/12/2012	33,346	291
	31/12/2011	52,708	3,963
Other segment assets	31/12/2012	3,376	2,225
	31/12/2011	6,181	2,681
Financial liabilities	31/12/2012	17,621	–
	31/12/2011	37,153	132
Group financing	31/12/2012	12,552	1,236
	31/12/2011	14,498	4,328
Other segment liabilities	31/12/2012	3,208	1,085
	31/12/2011	3,699	1,678
Segment investments	2012	15	–
	2011	59	–

YOUNIQ – Student Housing	Services	Consolidation and rounding	Total
2,240	(1,680)	1,571	1,547
(3,924)	5,265	(8,159)	1,341
4,047	(5,327)	–	(7,061)
4,047	*3,345*	*(648)*	*54*
	1,982	*648*	*(7,114)*
1,801	(2,113)	–	(21,037)
1,801	*(401)*	–	*1,400*
–	*(1,713)*	–	*(22,438)*
96,839	1,282	–	131,758
93,670	1,254	(0)	151,594
7,887	13,614	1,270	28,373
5,832	15,877	1,530	32,101
43,894	4,664	–	66,179
31,100	5,991	(0)	74,377
29,730	(43,519)	–	–
36,670	(55,496)	0	–
6,114	1,115	1,270	10,235
12,722	2,056	1,530	21,685
34,757	279	–	35,050
13,668	88	–	13,815

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF YOUNIQ AG

FOR THE PERIOD FROM 1ST JANUARY TO 31ST DECEMBER 2012 – „ANNEX 2 TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT“

kEUR	Group 1/1 - 31/12/2012	Discontinued segments 1/1 - 31/12/2012	Continued segments 1/1 - 31/12/2012
Consolidated profit and loss account for the period from 1st January to 31st December 2012			
Rental income	8,829	3,487	5,342
Revenue from on-charging of ancillary expenses	1,740	1,295	445
Rental expenses	(2,358)	(26)	(2,332)
Property-related operating expenses	(6,020)	(3,666)	(2,354)
Other property-related income and expenses	538	6	532
Net Operating Income (NOI) before expensed capital expenditures and write-downs	**2,728**	**1,096**	**1,632**
Expensed capital expenditures	(1,302)	(1,025)	(277)
Rent-receivables write-downs / write-ups	(1,360)	(1,323)	(37)
Net Operating Income (NOI) after expensed capital expenditures and write-downs	**66**	**(1,253)**	**1,319**
Revenue from the sale of real estate assets	25,097	24,691	406
Cost of sales	(1,951)	(1,875)	(76)
Book value of real estate assets sold	(24,665)	(24,257)	(408)
Costs of acquisition and costs from business combinations	(102)	-	(102)
Income/(expenses) from the purchase and/or sale of real estate companies	(1,565)	-	(1,565)
Profit / (loss) from the sale of real estate assets	**(3,185)**	**(1,441)**	**(1,744)**
Revenues from construction contracts	1,513	510	1,004
Expenses for construction contracts	(2,410)	(1,299)	(1,111)
Profit / (loss) from construction contracts	**(897)**	**(790)**	**(107)**
Profit / (loss) from changes in valuation of investment property	**9,154**	**2,442**	**6,711**
Personnel and administrative expenses	(5,405)	(950)	(4,455)
General selling and marketing expenses	(589)	(129)	(460)
Depreciation, amortisation and write-downs	(611)	(421)	(191)
Earnings before interest and taxes (EBIT)	**(1,467)**	**(2,541)**	**1,074**

Consolidated statement of comprehensive imcome
(continued vs. discontinued business segments)

kEUR	Group 1/1 - 31/12/2012	Discontinued segments 1/1 - 31/12/2012	Continued segments 1/1 - 31/12/2012
Interest income	215	79	136
Interest expenses	(3,363)	(1,570)	(1,793)
Other financial income / (financial expenses)	(2,421)	(1,511)	(910)
Financial result	**(5,569)**	**(3,002)**	**(2,567)**
Earnings before tax (EBT)	**(7,036)**	**(5,543)**	**(1,493)**
Income tax	(24)	(1,571)	1,547
Consolidated net profit / (loss) for the period	**(7,061)**	**(7,114)**	**54**
of which attributable to Group shareholders	*(7,096)*	*(7,115)*	*19*
of which attributable to non-controlling interests	*36*	*1*	*35*
Average number of shares outstanding during the period	10,400,000	10,400,000	10,400,000
Result per share (undiluted)	**EUR -0.68**	**EUR -0.68**	**EUR 0.00**
Comprehensive income reconciliation for the period from 1st January to 31st March 2012			
Net profit / (loss) for the period	**(7,061)**	**(7,114)**	**54**
Other comprehensive income			
Change in revaluation reserve of the financial assets available for sale	98	-	98
Effective part of the profits/losses from cash flow hedging relationships	733	567	166
Income tax applicable to the components of the "Other comprehensive income"	(263)	(210)	(53)
Other comprehensive income for the period	**569**	**358**	**212**
Consolidated comprehensive income	**(6,491)**	**(6,757)**	**265**
of which attributable to Group shareholders	*(6,526)*	*(6,757)*	*231*
of which attributable to non-controlling interests	*35*	*1*	*34*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF YOUNIQ AG

FOR THE PERIOD FROM 1ST JANUARY TO 31ST DECEMBER 2011 – „ANNEX 2 TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT“

kEUR	Group 1/1 - 31/12/2011	Discontinued segments 1/1 - 31/12/2011	Continued segments 1/1 - 31/12/2011
Consolidated profit and loss account for the period from 1st January to 31st December 2011			
Rental income	7,676	4,463	3,213
Revenue from on-charging of ancillary expenses	2,460	1,950	510
Rental expenses	(538)	(59)	(479)
Property-related operating expenses	(4,634)	(2,808)	(1,826)
Other property-related income and expenses	380	242	138
Net Operating Income (NOI) before expensed capital expenditures and write-downs	**5,343**	**3,788**	**1,555**
Expensed capital expenditures	(731)	(385)	(346)
Rent-receivables write-downs / write-ups	(1,036)	(1,010)	(26)
Net Operating Income (NOI) after expensed capital expenditures and write-downs	**3,576**	**2,392**	**1,183**
Revenue from the sale of real estate assets	14,730	13,891	839
Cost of sales	(140)	(136)	(4)
Book value of real estate assets sold	(13,529)	(12,730)	(798)
Costs of acquisition and costs from business combinations	-	-	-
Income/(expenses) from the purchase and/or sale of real estate companies	(0)	-	(0)
Profit / (loss) from the sale of real estate assets	**1,062**	**1,025**	**36**
Revenues from construction contracts	7,414	3,809	3,605
Expenses for construction contracts	(7,707)	(5,586)	(2,122)
Profit / (loss) from construction contracts	**(293)**	**(1,777)**	**1,483**
Profit / (loss) from changes in valuation of investment property	**(17,270)**	**(24,177)**	**6,907**
Personnel and administrative expenses	(6,156)	(1,968)	(4,188)
General selling and marketing expenses	(2,399)	(584)	(1,815)
Depreciation, amortisation and write-downs	(2,772)	(2,522)	(250)
Earnings before interest and taxes (EBIT)	**(24,252)**	**(27,609)**	**3,357**

Consolidated statement of comprehensive imcome
(continued vs. discontinued business segments)

kEUR	Group 1/1 - 31/12/2011	Discontinued segments 1/1 - 31/12/2011	Continued segments 1/1 - 31/12/2011
Interest income	222	90	132
Interest expenses	(4,393)	(2,003)	(2,390)
Other financial income / (financial expenses)	(2,114)	(1,075)	(1,040)
Financial result	**(6,285)**	**(2,988)**	**(3,298)**
Earnings before Tax (EBT)	**(30,538)**	**(30,597)**	**59**
Income tax	9,500	8,159	1,341
Consolidated net profit / (loss) for the period	**(21,037)**	**(22,438)**	**1,400**
of which attributable to Group shareholders	(21,009)	(22,377)	1,368
of which attributable to non-controlling interests	(29)	(61)	32
Average number of outstanding shares during the period	9,087,534	9,087,534	9,087,534
Result per share (undiluted)	**EUR -2.31**	**EUR -2.46**	**EUR 0.15**
Comprehensive income reconciliation for the period from 1 January to 31 March 2012			
Net profit / (loss) for the period	**(21,037)**	**(22,438)**	**1,400**
Other comprehensive income			
Change in revaluation reserve of the financial assets available for sale	-	-	-
Effective part of the profits/losses from cash flow hedging relationships	(680)	(578)	(103)
Income tax applicable to the components of the "Other comprehensive income"	208	184	23
Other comprehensive income for the period	**(472)**	**(393)**	**(79)**
Consolidated comprehensive income	**(21,510)**	**(22,831)**	**1,321**
of which attributable to Group shareholders	(21,481)	(22,770)	1,289
of which attributable to non-controlling interests	(29)	(61)	32

AUDITOR'S REPORT

We have issued the unqualified auditor's report as follows:

"Auditor's Report

We have audited the consolidated financial statements prepared by the YOUNIQ AG, comprising the balance sheet, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the consolidated financial statement, and the management report on the situation of the Company and of the Group for the financial year from 1st January to 31st December 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Art. 315a Paragraph 1 HGB [Handelsgesetzbuch "German Commercial Code"] are the responsibility of the parent company`s management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB [Handelsgesetzbuch, "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit so that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with a reasonable degree of assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to Art. 315a Paragraph 1 HGB and give a true and fair view of the net assets, financial and profit position of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group’s position and suitably presents the opportunities and risks of future development.“

Berlin, 22th March 2013

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Wehner	Werling
Auditor	Auditor

RESPONSIBILITY STATEMENT

The Management Board of YOUNIQ AG is responsible for the preparation, completeness and correctness of the consolidated financial statement and the consolidated management report as well as the other information provided in the annual report.

The consolidated financial statement was prepared in accordance with the International Financial Reporting Standards (IFRSs), as adopted by the EU, and the supplementary provisions under German commercial law to be applied according to Art. 315 a Paragraph 1 HGB [German Commercial Code].

The consolidated management report comprises an analysis of the assets, financial and profit situation of the group as well as further explanations which have to be provided according to the provisions of the German Commercial Code (Art. 315 HGB).

An effective internal control system has been put in place in order to safeguard the completeness and reliability of the data for the preparation of the consolidated financial statement and of internal reporting. This system comprises uniform guidelines regarding accounting and risk management in accordance with the German Law on Control and Transparency in Companies (KonTraG) applicable throughout the Group and an integrated internal auditing concept as an element of value-oriented management. This enables the Management Board to detect fundamental risks early on and to initiate countermeasures which might be required.

The declaration according to Art. 37y Figure 1 WpHG [German Securities Trading Act] in conjunction with Art. 297 Paragraph 2 Sentence 4 and Art. 315 Paragraph 1 Sentence 6 HGB [German Commercial Code] has the following wording:

“We assure to the best of our knowledge that the consolidated financial statement conveys an impression of the assets, financial and profit situation of the Group which is in line with the actual situation in accordance with the accounting principles to be applied and that the course of business including the results of the business activities and the situation of the Group are presented in the consolidated management report in such a manner that an impression corresponding to the actual situation is conveyed and that the essential opportunities and risks inherent in the probable development of the Group are described.“

Frankfurt am Main, 22th March 2013

Rainer Nonnengässer

Chairman of the Management Board of YOUNIQ AG

Marcus Schmitz

Member of the Management Board of YOUNIQ AG

IMPRINT

The annual report of YOUNIQ AG contains statements referring to the future which are based on current assumptions and evaluations. These statements should not be considered a guarantee that these events will materialise.

This annual report is also available in German. In case of doubt, the German annual report shall prevail.

An online version of the German and of the English annual report is available on the internet site of the Company (www.youniq-group.de).

PUBLISHED BY

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LAYOUT AND SETTING

cometis AG

PHOTOGRAPHY AND ILLUSTRATIONS

NOTES

17 MAY 2013	PUBLICATION OF THE QUARTERLY FINANCIAL REPORT AS OF 31 MARCH 2013
17 JULY 2013	ANNUAL GENERAL MEETING
30 AUGUST 2013	INTERIM FINANCIAL REPORT AS OF 30 JUNE 2013
14 NOVEMBER 2013	PUBLICATION OF THE QUARTERLY FINANCIAL REPORT AS OF 30 SEPTEMBER 2013

FINANCIAL CALENDAR