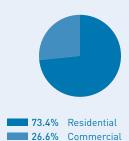
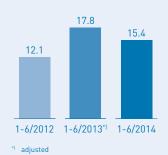


Usable space by usage type



FF0 I (before sales income) (in € mn)



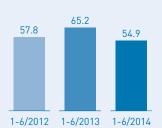
FFO II (after net finance income/costs) (in € mn)



1-6/2012 1-6/2013*1 1-6/2014

*1 adjusted

EBITDA (in € mn)



Performance at a glance

Key performance indicators

			1-6/2013		
		1-6/2014	adjusted	Change	2013
Rental income	€ mn	121.2	113.2	7.1%	227.3
Proceeds from sale of properties	€ mn	36.3	145.6	-75.1%	273.9
Revenues from property services	€mn	4.5	9.9	-54.5%	15.2
Total revenues	€mn	162.0	268.6	-39.7%	516.4
EBITDA	€mn	54.9	65.2	-15.8%	116.8
EBIT	€ mn	47.1	63.7	-26.1%	123.4
EBT	€mn	(26.0)	29.6	-	48.7
Funds from operations before sales income and one-off items (FFO I)*)	€mn	15.4	17.8	-13.5%	36.2
Funds from operations after net finance income/costs (FFO II)** ¹	€mn	18.7	27.1	-31.0%	52.1
Cash profit***)	€ mn	16.2	21.6	-25.0%	43.3
Net rental income (NRI)	€ mn	74.4	73.0	1.9%	141.4
Equity	€ mn	1,096.6	1.121.0	-2.2%	1,128.6
Equity ratio	%	36.1	36.6	-1.4%	35.7
Gearing	%	159.5	148.8	7.5%	154.2

- FFO I: Earnings before tax (EBT) difference between sales and carrying amount of sold properties + operating expenses of sales income -/+ revaluation gains/losses + depreciation and value adjustments + non-cash components of financial income and other non-cash costs not including non-controlling interests + restructuring costs/one-off costs

Cash profit: FFO II – actual income to

Stock exchange indicators

			1-6/2013		
		1-6/2014	adjusted	Change	2013
Basic earnings/share	€	(0.30)	0.21	-	0.09
Diluted earnings/share	€	(0.19)	0.22	-	0.18
Basic EPRA NAV/share	€	15.23	15.68	-2.9%	15.40
FF0 I/share	€	0.19	0.22	-13.6%	0.44

Property indicators

		1-6/2014	1-6/2013	Change	2013
		1-0/2014	1-0/2013	Charige	2013
Rental units	No.	31,451	29,243	7.6%	32,120
Parking spaces	No.	14,011	13,181	6.3%	14,187
Total usable space	1,000 sqm	2,561.0	2,441.5	4.9%	2,603.5
Property assets	€mn	2,843.4	2.789,9	1.9%	2,868.1

Key performance indicators by segment

				Other	
		Austria	Germany	countries	Group
Property assets	€mn	965.7	1,783.5	94.2	2,843.4
Property assets residential*)	€/sqm	1,647.63	877.25	976.56	967.12
Property assets commercial*)	€/sqm	1,701.98	1,292.10	1,238.84	1,504.95
Contractual rent residential	€/sqm/m	5.86	5.44	6.01	5.50
Contractual rent commercial	€/sqm/m	8.88	8.03	9.46	8.55
Total vacancies residential	%	5.6	8.6	26.7	8.6
Total vacancies commercial	%	15.2	10.1	36.2	14.6

Fair value allocation as commercial or residential is based on the majority use of the building as commercial or residential space.

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Numerous amounts and percentage rates were rounded and the addition of these individual figures can therefore produce results that differ from the totals shown.

Markets

- Core marketsOther markets
- Usable space: 333,679 sqm Vacancy rate: 5.3% Yield: 7.7% Core NRW Rental income: €5.12/sqm/m Usable space: 247,423 sqm Vacancy rate: 12.4% Berlin Potsdam Yield: 8.2% Usable space: 354,409 sqm Usable space: 119,395 sqm Rental income: €5.27/sqm/m Vacancy rate: 3.6% Vacancy rate: 1.4% Yield: 6.1% Yield: 5.2% Rental income: €5.94/sqm/m Rental income: €6.69/sqm/m Dresden Usable space: 49,359 sqm Vacancy rate: 8.4% Yield: 7.0% Rental income: €5.80/sqm/m Usable space: 363,578 sqm Vacancy rate: 9.0% Yield: 4.4% Rental income: €6.75/sqm/m

Leipzig

The conwert Portfolio in Figures

Property portfolio by region 1-6/2014		
Austria		
Rental units	No.	4,511
Parking spaces	No.	4,776
Total usable space	1.000 sqm	574.2
Strategic vacancies	%	3.9
Actual vacancies	%	7.7
Total vacancies	%	11.6
Property assets	€mn	965.7
Germany		
Rental units	No.	25,937
Parking spaces	No.	8,298
Total usable space	1.000 sqm	1,903.2
Strategic vacancies	<u></u>	0.9
Actual vacancies	%	7.9
Total vacancies	%	8.8
Property assets	€ mn	1,783.5
Other countries		
Rental units	No.	1,003
Parking spaces	No.	937
Total usable space	1.000 sqm	83.5
Strategic vacancies	%	5.7
Actual vacancies	%	26.5
Total vacancies	%	32.2
Property assets	€mn	94.2
Total		
Rental units	No.	31.451
Parking spaces	No.	14.011
Total usable space	1.000 sqm	2,561.0
Strategic vacancies	%	1.7
Actual vacancies	%	8.5
Total vacancies	%	10.2
Property assets	€ mn	2,843.4

€2.8 BN

PROPERTY
ASSETS

2.6 MN SQM USABLE SPACE

31,451 RENTAL UNITS

14,011
PARKING SPACES



INVESTOR RELATIONS



Investor Relations

67.0% FREE FLOAT

€15.23 NAV/SHARE

Developments on the stock exchange

In 2014 to date the Vienna Stock Exchange has posted year-on-year gains in trading volumes every month. Overall this resulted in a trading rise of Austrian shares of around 30% in the first half of the year. By comparison equity trading volumes (January-May 2014) on the London Stock Exchange were up by 23%, and up by 11% on the Deutsche Börse. Total trading volume in equities on the Vienna Stock Exchange was & 24.7 bn in the first half 2014, which is & 5.5 bn more than in the first half 2013. In the period January to June 2014 the ATX slipped back slightly by 1.8%; in contrast, it was up by 12.5% compared to the half-year reporting date of the previous year. After rallying in January, the ATX was down in March in light of the situation in the Ukraine. In April and May it fluctuated at this lower level. The upswing at the end of May was boosted by the ECB interest rate cut.

(Source: Vienna Stock Exchange. Press release "Vienna Stock Exchange: EUR 3.1 billion in capital raised in 1HY 2014" dated 2 July 2014)

In contrast, IATX, the Austrian property index, held steady in the first half 2014 and gained 1.9%. The DAX was also up by 2.9%. The FTSE EPRA/NAREIT Developed Europe Index stood out with a plus of 12.0%, reflecting the positive mood on the international property markets.

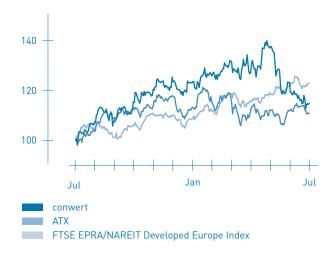
The conwert share in the first half 2014

In the reporting period January to June 2014 the conwert share fell by 7.1%. At the start of the year the share stood at $\[\in \]$ 9.33 and achieved its year high of $\[\in \]$ 10.56 on 24 April 2014. The year low was hit on 26 June 2014 at $\[\in \]$ 8.52. The shares closed at $\[\in \]$ 8.67 on 30 June 2014 and the discount to the net asset value (NAV) per share with $\[\in \]$ 15.23 was 43.1% as of the reporting date.

Stock market listing

conwert is one of the largest listed property companies in Austria and is listed on the ATX, the leading index on the Vienna Stock Exchange, as a result of the high trading volumes. At 30 June 2014 conwert shares had a 1.4% weighting on the ATX and 13.5% on the IATX. On international exchanges, the share was listed on the FTSE-EPRA/NAREIT Developed Europe Index with a weighting of 0.39% at the end of the first half of 2014.

Share price development since July 2013



In the first half of the year 41,722,940 conwert shares with a trading volume of around \in 399.8 mn were traded on 121 trading days (double counting). This corresponds to an average daily trading volume of 344,818 shares [1-6/2013: \pm 3.56,073 shares] worth \pm 3.3 mn [1-6/2013: \pm 3.2 mn] – also applying double counting. In the first half 2014, conwert ranked 15th in terms of annual trading volumes among ATX companies on the Vienna Stock Exchange. The company was 20th in terms of free float market capitalisation.

Shareholder structure

The Haselsteiner Family Private Foundation is a stable core shareholder with a holding of 24.4% in conwert. As of the reporting date, EARNEST Partners, LLC and FIL Limited (Fidelity) each held shares and voting rights of over 5.0%. Around 39.5% of shares belonged to institutional investors, while private investors held 23.1% of the company. The number of treasury shares was unchanged at 3.0% as of the reporting date.

Broken down by region, around 23.7% of institutional investors were in Austria and 26.5% in Continental Europe, in addition to 12.5% in United Kingdom and Ireland. 36.0% of shareholders were based in North America and 1.3% in the rest of the world.

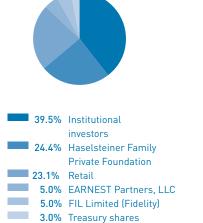
On 24 April 2014 Barclays informed conwert of the sale of its voting rights in the company. As of 22 April 2014 the share of voting rights held by Barclays fell below the 5.0% and 4.0% thresholds and thereafter amounted to 3.54%.

Kerstin Gelbmann appointed new Administrative Board Chair

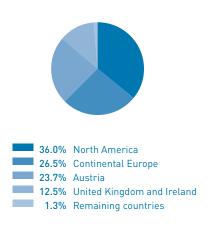
Following the decision of Johannes Meran to step down as Chairman at the end of March, the Administrative Board elected Kerstin Gelbmann as its new Chair on 23 April 2014. Alexander Tavakoli remains Deputy Chair of the Administrative Board.

Shareholder structure as of 30/06/2014

conwert shareholders



Institutional investors by region



Performance 1-6/2014

conwert	(7.1)%
ATX	(1.8)%
IATX	1.9%
DAX	2.9%
FTSE EPRA/NAREIT	12.0%
Developed Europe Index	

Development

as of 30 June 2014:

since first listing (28/11/2002)	(21.5)%
since first listing p.a.	(1.9)%
6 months	(7.1)%
12 months	14.2%

Stock market indicators 1-6/2014

		1-6/2014	1-6/2013	2013
No. of shares on last trading day less treasury shares	No.	82,782,809	82,770,309	82,782,809
Average no. of shares less treasury shares	No.	82,782,809	82,928,225	82,879,175
Share price at start of year	€	9.33	9.77	9.77
Share price at end of quarter	€	8.67	7.60	9.33
Share price – high	€	10.56	10.43	10.43
Share price – low	€	8.52	7.53	7.44
Market capitalisation	€mn	717.8	628.7	772.3

AGM resolutions

The 13th Annual General Meeting of conwert was held on 7 May 2014. Alexander P. Schoeller and Martina Postl were elected to the Administrative Board and appointed until the end of the AGM which rules on the 2018 business year. A resolution was also passed to pay out a dividend of &0.10 per share on 14 May 2014 in the form of a capital repayment. Furthermore, the Administrative Board was authorised to issue convertible bonds with conversion or preemption rights of up to 12,803,890 no-par bearer shares in the company with a pro rata amount of share capital of up to &64,019,450 within five years (convertible bonds 2014).

Share buyback programme and sale of treasury shares

In the first half 2014 no treasury shares were bought back or used as acquisition currency. The percentage of treasury shares was therefore unchanged at 3.0% as of the reporting date.

Convertible bonds

In the second quarter 2014 there were no changes to the convertible bonds issued by conwert.

Investor Relations activities in the first half 2014

In the first half of 2014 conwert attended numerous appointments for road shows and investor conferences. A total of six road shows were held in Vienna, London, Paris, Zurich, Amsterdam and Düsseldorf/Frankfurt. conwert representatives also took part in six additional conferences in Frankfurt, London, Vienna and Zürs. Furthermore, the conwert management maintained ongoing contact with shareholders and analysts by phone and in face-to-face meetings in Vienna. Clemens Schneider, conwert CEO, was also regularly available for interviews with national and international journalists. All of conwert's IR activities are based on the values of "transparency" and "reliable service" for investors, analysts and anyone else with an interest in the company.

Analysts assessments

Eleven analyst groups had covered the conwert share by the end of the first half 2014, making the company one of the most frequently analysed property companies in the German-speaking world. Four analysts gave a "buy" recommendation for conwert shares, while there were four "hold" recommendations and three as "underweighted" or "sell". The average 12-month price target was &10.19, with a range of &9.20 to &11.50.

The conwert share was rated by analysts from the following institutes at the reporting date, 30 June 2014:

- + Baader Bank AG / Helvea SA
- + Close Brothers Seydler Research AG
- + Erste Group Bank AG
- + Goldman Sachs International
- + HSBC Trinkaus & Burkhardt AG
- + J.P. Morgan Securities Plc.
- + Kempen & Co N.V.
- + Kepler Cheuvreux
- + KochBank GmbH Wertpapierhandelsbank
- + Raiffeisen Centrobank AG
- + SRC-Scharff Research & Consulting GmbH

Information on conwert shares

illior mation on conwert shares	
Investor Relations Manager	Clemens Billek
Shareholder Hotline	+43/1/521 45-700
E-Mail	cwidconwert.at
Website	www.conwert.com
Vienna Stock Exchange	CWI
Bloomberg	CWI AV
Reuters	CONW.VI
ISIN	AT0000697750
Type of shares	Ordinary shares
No. of shares incl. treasury shares	85,359,273
Issued capital	€426.79 mn
Segment	Vienna Stock Exchange, Official Trading
Indices	ATX, ATX-Prime, IATX, FTSE EPRA/NAREIT Developed Europe Index
Specialist	Close Brothers Seydler Bank AG
Market Maker	Baader Bank AG, CeFDex AG, Erste Group Bank AG,
	Kepler Capital Markets S.A., KochBank GmbH Wertpapierhandelsbank,
	Raiffeisen Centrobank AG, Société Générale S.A., Virtu Financial Ireland Ltd.
Shareholder structure at 30 June 2014	Haselsteiner Family Private Foundation 24.4%;
	EARNEST Partners, LLC 5.0%*1; FIL Limited (Fidelity) 5.0%;
	total institutional investors 39.5%;
	retail 23.1%; treasury shares 3.0%

¹ Earnest Partners, LLC announced at the end of August 2014 that it had fallen below the 5% threshold.





Economic backdrop and property markets

Economic backdrop

The Austrian economic recovery continues to be sluggish, due to uncertainties regarding the foreign economy and the reticent pace of the domestic economy. According to the results of the OeNB Economic Indicator, the Austrian economy is set to grow by 0.4% per quarter in the second and third quarter 2014 against the previous quarter. The growth rates therefore remain just below the longstanding average and significantly lower than in previous recovery phases.

(Source: Oesterreichische Nationalbank, Sluggish economic recovery in Austria, press release dated 11 July 2014)

According to the German Institute for Economic Research, the German economy will have only grown by 0.1% in the second quarter. The Berlin-based economic analysts predict growth to return to 0.4% in the ongoing third quarter.

[Source: DIW, German Institute for Economic Research, economic Barometer July 2014 press release dated 30 July 2014]

Benchmark rates in the eurozone continue to be at a record low. As the European Central Bank announced on 7 August 2014, the interest rate for the banks' weekly refinancing operations will continue to be 0.15%.

(Source: European Central Bank, Monetary policy decisions, press release dated 7 August 2014)

Operating environment Austria

Investment market

Investments in Austrian property will reach around €1.3 bn in the first six months of the year – almost three times as much as in the first half of 2013. According to CBRE experts, the second half of the year should even exceed the first half, so that from today's viewpoint 2014 is expected to be an absolute record year.

(Source: CBRE Austria, Strong performance of property investments in Austria, press release dated 8 July 2014)

Vienna housing market

Following significant price increases in previous years, the market has stabilised at a good level. Current prices realistically reflect the state of supply and demand. Prices per square metre have stagnated since the beginning of the year both for rentals and purchases.

(Source: immoflash, Calm first half – Vienna market stabilises, published 2 July 2014)

Vienna apartment building market

New building regulations were passed in Vienna at the beginning of July 2014 and these should simplify processes related to renovations and loft conversions on apartment buildings. After years of severe restrictions on loft conversions due to strict earthquake directives, the new building regulations will also make it easier to add balconies. Around two thirds of Vienna's approx. 15,000 apartment buildings are set to benefit from this.

(Source: immoflash, Building regulations boost apartment buildings - New Viennese regulations stimulate Vienna apartment building market, published 9 July 2014)

Commercial property market

Retail property is currently enjoying huge popularity in Austria. In the first quarter 2014 around 64% of investment went on retail property, with around 49% in the second quarter. Office property accounts for around a quarter of all investment; in contrast, demand for hotels has waned after strong years, and mixed-purpose and logistics properties are of little interest to investors.

(Source: CBRE Austria, Strong performance of property investments in Austria, press release dated 8 July 2014)

Office property market

While a record year is expected in terms of investment, the rental performance of the Vienna office market has fallen short of expectations. Less than 100,000 sqm of office space was let in the first half 2014. The second half year traditionally performs better; nevertheless, this year is expected to be one of the weakest in terms of office rentals. Experts are currently predicting maximum office space turnover of 250,000 sqm by year end 2014.

[Source: CBRE Austria, Strong performance of property investments in Austria, press release dated 8 July 2014]

Operating environment Germany

Housing market

The trade in German residential property remains highly dynamic. According to analyses by property consultants CBRE, around €7.3 bn in residential packages of more than 50 units changed hands across Germany in the first two quarters. In contrast to the first half 2013, this represents a 19% increase and underlines the strong appeal of German housing. The stronger focus on smaller portfolios with a lower number of units led to a significant decrease against the start of the year, with transaction volumes in the second quarter 2014 totalling around €1.6 bn. Nevertheless, the first quarter 2014 recorded the highest quarterly turnover since the onset of the financial crisis and was driven by exceptionally strong transaction levels.

 $(Source: CBRE\ Germany, Strong\ growth\ in\ retail\ investments\ on\ German\ market\ in\ H1\ 2014,\ press\ release\ dated\ 15\ July\ 2014)$

German commercial property market

The German investment market for commercial property turned over around €16.9 bn in the first half 2014, a rise of 34% against the same period 2013. The most sought-after asset class was office property, which accounted for 46% with transaction volumes of around €7.8 bn. Retail properties took second place with around €4.8 bn and 29%. Trade in logistics properties continued to boom and was the third most popular asset class with around €1.8 bn (11%). The hotel segment also experienced a record year, with around €1.5 bn invested by midyear.

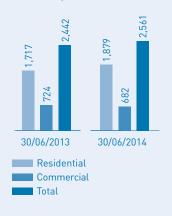
(Source: CBRE Germany, Investment Quarterly Q2 2014)

Business Performance

Total usable space by segment (in 1,000 sqm)

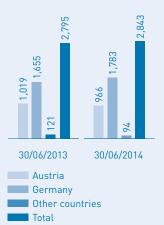


Space by usage type (in 1,000 sqm)



Property assets by segment

(in € mn)



Business developments

Property portfolio and assets

At 30 June 2014 conwert's property portfolio consisted of a total of 2,560,987 sqm usable space (30/06/2013: 2,441,546 sqm). Despite numerous sales in the same period, the increase in total usable space is due to the purchase of a portfolio from GE Capital Real Estate Germany (GE portfolio) in the third quarter 2013 and the subsequent significant increase in the German portfolio over the past twelve months. The number of rental units had also risen sharply to 31,451 against the comparable period (30/06/2013: 29,243 units). Of these, 28,377 units or 73.4% of the space was residential (30/06/2013: 26,010 units) and 3,074 units were commercial (30/06/2013: 3,233 units). At the reporting date conwert held 14,011 parking spaces in total (30/06/2013: 13,181 parking spaces).

At the end of the first half 2014 conwert's property assets totalled \pounds 2,843.4 mn (30/06/2013: €2,789.9 mn) and increased by 1.9% owing to the purchase of the GE portfolio, despite numerous sales in the past twelve months.

In the first half 2014 conwert sold commercial units for €1.8 mn at a margin of 34.0% and residential properties for €34.5 mn at a margin of 18.4% over the IFRS carrying amounts. The sales involved 29 properties with 410 units and 131 parking spaces, as well as 205 individual units and 63 parking spaces in Austria, Germany and the other countries.

Performance of rents and vacancy rates

conwert's rental business recorded a stable performance. The average apartment rent at the end of the first half 2014 stood at €5.50 sqm/m (30/06/2013: €5.42 sqm/m) and the average rent for commercial property was €8.55 sqm/m (30/06/2013: €8.57 sqm/m).

Average rents

(in €/sqm)			
•	30/06/2014	30/06/2013	Change
Residential	5.50	5.42	1.5%
Commercial	8.55	8.57	-0.2%

The overall vacancy rate was 10.2%, representing a renewed decrease of 15.0% (30/06/2013: 12.0%). The strategic vacancy rate improved from 2.6% in the previous year's reporting period to just 1.7% as a result of completed renovation and development measures. The actual vacancy rate fell from 9.3% against the comparable reporting date to 8.5% – despite the consolidation of the GE portfolio, which had an above-average vacancy rate on the date of consolidation. On a like-for-like basis, there was a 10.4% decline in vacancy rates.

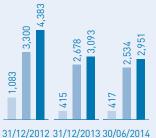
Property services

1,225 units were sold in the first half 2014 - of which 584 units from 32 property sales. 65.7% or 805 of the units were sold for conwert and the remaining 34.3% for third parties. In the first half 2014 rental agreements were concluded for 2,457 units (incl. parking spaces); 76.8% of these rental agreements were for conwert. The highest number of newly concluded rental agreements, at 2,050 units, was in Germany, while 264 rental agreements were concluded in Austria and 143 in the other countries.

conwert property management companies managed a total of 52,156 units with 2,951,109 sqm of usable space (30/06/2013: 4,193,210 sqm). There was a 29.6% decrease in space managed, a result of the planned focus on selected service mandates. 5,945 of the managed units were in Austria and 46,211 in Germany. All of the units belonging to the Group, with a total space of 2,068 mn sqm, were managed by conwert's management and service companies.

Space managed by segment

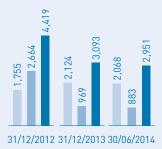
(in 1,000 sqm)





Space managed

(in 1,000 sqm)





Revenues

At the reporting date 30 June 2014 conwert revenues amounted to $\[\in \]$ 162.0 mn, which was 39.7% lower than the comparable reporting period (1-6/2013: $\[\in \]$ 268.6 mn), primarily due to the planned reduction in sales revenues. In contrast, rental income rose by 7.1% to $\[\in \]$ 121.2 mn, following on from $\[\in \]$ 113.2 mn in the same period the previous year. This positive result is mainly due to the purchase of the GE portfolio and the subsequent increase in property held in Germany. Net rental income (NRI) rose by 1.9% to $\[\in \]$ 74.4 mn (1-6/2013: $\[\in \]$ 73.0 mn). In contrast, the NRI margin declined in the first half 2014 to 61.4% (1-6/2013: 64.5%) as a result of higher maintenance costs. The net initial yield stood at 6.3%, following on from 6.0% in the comparable period. Proceeds from the sale of properties declined by 75.1% to $\[\in \]$ 36.3 mn (1-6/2013: $\[\in \]$ 45.6 mn).

The focus of sales activities was on Germany in the first half 2014, with sales revenues here totalling €29.3 mn. Sales revenues in Austria amounted to €6.0 mn and €1.0 mn in the other countries. Total proceeds from the sale of properties thereby amounted to €36.3 mn. The IFRS margin was €5.8 mn or 19.1%. conwert maintains its sales target of selling €150-200 mn of property by the end of 2014.

Revenues from external property services fell by 54.5% to 64.5% mn 1-6/2013: 9.9% mn, resulting from the concentration on selected service mandates for third parties. Revenue from internal services amounted to 1-6/2013: 4% mn. This reduction is mainly the result of the streamlined corporate structure in Germany resulting in lower internal commissions.

Revenue

(in € mn)				
	Rental income	Sales proceeds	Service revenue	Total
1-6/2013	113.2	145.6	9.9	268.6
1-6/2014	121.2	36.3	4.5	162.0

Revenue by segment

, ,									
(in € mn)				1-6/2014				1-6/2013	
			Other		Group				
	Austria	Germany	countries	Operations	Others	eliminations	Group	Group	Change
Rental income	32.3	86.2	4.1	122.6	0.0	[1.4]	121.2	113.2	7.1%
Sales revenue	6.0	29.3	1.0	36.3	0.0	0.0	36.3	145.6	-75.1%
Service revenue	8.0	13.3	0.5	21.7	0.2	[17.4]	4.5	9.9	-54.5%
Total revenue	46.3	128.8	5.6	180.7	0.2	(18.8)	162.0	268.6	39.7%

Rental income by region before eliminations

(in %)		
	1-6/2014	1-6/2013
Austria	32.3	34.0
Germany	86.2	76.0
Other countries	4.1	3.6

NRI by region

(in € mn)		
	1-6/2014	1-6/2013
Austria	20.5	22.4
Germany	48.8	44.5
Other countries	2.0	2.5
Operations	71.3	69.3
Others	0.0	0.0
Group eliminations	3.1	3.6
Group	74.4	73.0

Sales revenue by region

(in %)		
	1-6/2014	1-6/2013
Austria	6.0	88.3
Germany	29.3	53.1
Other countries	1.0	4.2

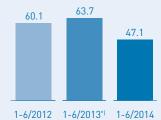
Sales revenue margins

(in %)	Investment property	Properties held for sale	IFRS margin
1-6/2012	5.0	30.0	10.7
1-6/2013	3.8	28.8	11.5
1-6/2014	(2.9)	34.2	19.1

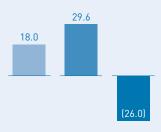
Property services

(in € mn)			Total service
	Third-party	Internal	revenues before
	revenues	revenues	eliminations
1-6/2012	13.5	29.0	42.5
1-6/2013	9.9	24.3	34.2
1-6/2014	4.5	17.4	21.9

EBIT (in € mn)



EBT (in € mn)



1-6/2012 1-6/2013*] 1-6/2014

Financial performance

Despite higher rental income and a reduction in vacancy rates, lower operating business were achieved in the reporting period against the same period 2013, due in particular to lower service revenues, higher property expenses - higher operating costs particular - and the decrease in other operating income. At the end of the first half 2014 earnings before tax, depreciation and amortisation (EBITDA) stood at €54.9 mn (1-6/2013: €65.2 mn). Earnings before interest and tax (EBIT) declined by 26.1% from €63.7 mn to €47.1 mn, whereby negative fair value adjustments for individual properties in other countries were a contributing factor. As conwert is currently involved in advanced sales negotiations with potential purchasers for the Czech and Slovakian portfolio, a negative fair value adjustment of around €5.0 mn for individual properties in the Czech Republic and Slovakia was required. Furthermore, conwert also reduced the fair value of a conwert-owned office property in the Ukraine by around €2.0 mn. On the other hand, there were positive developments in personnel expenses, which fell by 18.3%, as well as other operating expenses, which decreased by 7.5%. At the reporting date EBT amounted to €(26.0) mn (1-6/2013: €29.6 mn). The reason for this decline was net finance costs, which increased as a result of a negative cash effects resulting in particular from swaps, due to the decrease in the interest rate curve in the first half 2014. These non-cash effects amounted to €35.8 mn, in contrast to €3.9 mn the previous year. Net finance costs totalled €(73.1) mn (1-6/2013: €(34.1) mn). Owing to these negative influences in the reporting period, conwert recorded a loss after income tax and non-controlling interests of €(25.0) mn (1-6/2013: profit €17.5 mn). Undiluted earnings per share including non-controlling interests were €(0.30) (1-6/2013: €0.21).

^{*)} adjusted

 $^{^{1}}$ The interim financial statements as at 30 June 2013 recognised a gain on bargain purchase of €7.3 mn, which was amended to €1.0 mn in the fourth quarter 2013. For interim reporting purposes, recognition of this merger has been adjusted retrospectively.

Overview of selected financial performance indicators

•				
			1-6/2013	
		1-6/2014	adjusted	Change
Rental income	€ mn	121.2	113.2	7.1%
Proceeds from sale of properties	€ mn	36.3	145.6	-75.1%
Revenues from property services	€ mn	4.5	9.9	-54.5%
Total revenues	€ mn	162.0	268.6	-39.7%
Property expenses	€mn	(46.8)	(40.2)	16.4%
Expenses from the sale of properties	€mn	(30.5)	(130.6)	-76.6%
Other operating income	€ mn	2.4	4.3	-44.2%
Personnel expenses	€ mn	(13.8)	(16.9)	-18.3%
Other operating expenses	€ mn	(18.5)	(20.0)	-7.5%
EBITDA	€mn	54.9	65.2	-15.8%
Net income from fair value adjustments	€ mn	(7.1)	(1.8)	>-100%
Negative fair value adjustments for properties held for sale	€ mn	0.0	(0.2)	-
Depreciation, amortisation and impairment	€mn	(0.6)	(0.5)	20.0%
EBIT	€ mn	47.1	63.7	-26.1%
Net finance costs	€ mn	(73.1)	(34.1)	>-100%
EBT	€ mn	(26.0)	29.6	-
Profit/loss	€ mn	(23.1)	19.1	_
Profit/loss after non-controlling interests	€ mn	(25.0)	17.5	-
Funds from operations before sales income and one-off items (FFO I)*)	€ mn	15.4	17.8	-13,5%
Cash profit**)	€ mn	16.2	21.6	-25.0%
Net rental income (NRI)	€ mn	74.4	73.0	1.9%
Earnings per share	€ mn	(0.30)	0.21	-
Diluted earnings per share	€ mn	(0.19)	0.22	-
FFO I/share	€	0.19	0.22	-13.6%
1101/31late	C	0.17	0.22	- 10.070



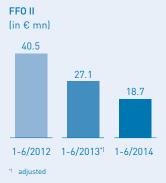
^{**)} Cash profit: FF0 II – actual income taxes paid

Funds from operations (FFO) and cash profit

High maintenance costs for the portfolios acquired in Germany in 2013 led to a decline in funds from operations before sales income and one-off costs (FF0 I) in the first half 2014, decreasing by 13.5% to €15.4 mn (1-6/2013: €17.8 mn). FF0 II (FF0 I plus sales income) was €18.7 mn at the reporting date, following on from €27.1 mn in the comparable period. This represents a 31.0% decrease, even though sales income fell by 75.1%. The cash profit (FF0 II less taxes on cash) amounted to €16.2 mn as at 30 June 2014, following on from €21.6 mn at the previous year's reporting date – a reduction of 25.0%. FF0 I per share slipped back by 13.6% in the reporting period to €0.19 (30/06/2013: €0.22). FF0 II per share decreased to €0.23 (30/06/2013: €0.33). The FF0 II return in relation to the share price as at the reporting date 30 June 2014' was 2.6%; the FF0 I return was 2.1%.





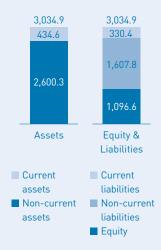


FFO II: FFO I + difference between sales and carrying amount of sold properties – sales income expenses

Financial Position and Assets

Balance sheet structure

(in € mn)



Analysis of financial position

At 30 June 2014 conwert had total assets of €3,034.9 mn, representing a slight 4.1% decrease after €3,165.7 mn at 31 December 2013. This decline is primarily due to a reduction in "investment property" and "other financial assets". The value of "investment property" shrank by 2.3% to €2,557.4 mn, following on from €2,616.6 mn at the end of the previous year. Because of advanced sales negotiations, €52.2 mn in assets from property companies was reclassified between the items "investment property" and "properties held for sale", so that these two items amounted to €290.3 mn as at the reporting date. Current assets totalled €434.6 mn. The equity of conwert underwent a slight decline of 2.8% to €1,096.6 mn (31/12/2013: €1,128.6 mn). However the equity ratio increased slightly by 1.1% to 36.1% (31/12/2013: 35.7%). At the reporting date gearing was 159.5% (31/12/2013: 154.2%).

Overview of balance sheet

		30/06/2014	31/12/2013	Change
Total non-current assets	€mn	2,600.1	2,666.4	-2.5%
Investment property	€mn	2,557.4	2,616.6	-2.3%
Investments in associates	€ mn	15.1	15.6	-3.2%
Financial assets	€mn	6.2	7.8	-20.5%
Total current assets	€mn	434.5	499.3	-13.0%
Properties held for sale	€mn	238.1	251.5	-5.3%
Assets held for sale	€mn	52.2	0.0	-
Cash and cash equivalents	€mn	81.6	128.6	-36.5%
Total assets	€mn	3,034.6	3,165.7	-4.1%
Total equity	€mn	1,096.6	1,128.6	2.9%
Non-controlling interests	€mn	64.0	61.9	3.4%
Total non-current liabilities	€mn	1,607.7	1,532.3	4.9%
Non-current interest bearing loans and borrowings	€mn	1,132.6	1,081.6	4.7%
Bond liabilities	 € mn	64.7	64.7	0.0%
Convertible bonds	€ mn	206.7	205.2	0.7%
Total current liabilities	€mn	330.4	504.9	-34.6%
Current interest bearing loans and borrowings	€ mn	240.1	378.0	-36.5%
Total equity and liabilities	€mn	3,034.6	3,165.7	-4.1%
EPRA NAV (basic) per share	€	15.23	15.40	-1.1%
Equity ratio*)	%	36.1	35.7	1.1%
Gearing** []]	%	159.5	154.2	3.4%
Net debt	€mn	1,748.9	1,740.6	0.5%

equity including non-controlling interests

total net debt/total equity

EPRA Net Asset Value

EPRA NAV (Net Asset Value of the European Public Real Estate Association) per share remained almost the same as at the end of the financial year 2013 at 15.41/share (31/12/2013: 15.40/share).

NAV breakdown*)

(in € mn unless otherwise indicated)			
	30/06/2014	31/12/2013	Change
Equity	1,096.4	1,128.6	-2.9%
No. of shares as of reporting date less treasury shares	82,782,809	82,782,809	-
Equity attributable to conwert shareholders	1,032.4	1,066.6	-3.2%
Revaluation of sell portfolio	24.3	26.3	-7.6%
Fair value financial instruments	141.6	112.3	26.1%
Long-term financing from tenants	11.5	11.4	0.9%
Deferred taxes	51.1	58.4	-12.5%
Basic EPRA NAV/share (in €)	15.23	15.40	-1.1%

^{*)} determined on the basis of EPRA criteria

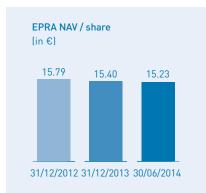
Non-current and current liabilities

conwert's financing volumes totalled $\[\in \]$ 1,666.2 mn at the reporting date (31/12/2013: $\[\in \]$ 1,751.7 mn), whereby $\[\in \]$ 1,132.6 mn related to non-current loans and borrowings (31/12/2013: $\[\in \]$ 1,081.6 mn) and $\[\in \]$ 240.1 mn to current loans and borrowings (31/12/2013: $\[\in \]$ 378.0 mn). Furthermore, loans and borrowings worth $\[\in \]$ 22.1 mn were reclassified into "liabilities held for sale" in light of the advanced sales negotiations.

At the end of the reporting period the conwert Group's financial liabilities were subject to the following terms – the data is based on contractual, non-discounted payments. The following table also gives an overview of the financing volumes subject to fixed and variable interest before transaction costs are applied. Loans and borrowings worth $\mathfrak{C}27.8$ mn are recognised as current owing to the contractual agreement for either party to be able to cancel them at any time. In practice and in view of the parties' intentions and the respective economic status of the financing, the company assumes a probable term of just $\mathfrak{C}2.5$ mn within one year, $\mathfrak{C}9.6$ mn in one to five years and $\mathfrak{C}15.7$ mn with a term over five years.

Financing volume before deduction of transaction costs

(in € mn)	Financing volume	of which at fixed interest rates	of which at variable interest rates
of which remaining term up to 1 year	149.7	17.2	132.5
of which remaining term of 1-5 years	938.8	364.4	574.4
of which remaining term of more than 5 years	588.1	204.6	383.5
Total	1,676.6	586.2	1,090.4
of which held for sale	0.0	22.1	22,1



Loan to value (in %)



The maturity structure of loans and borrowings due within one year - not including loans and borrowings which both parties have a right to cancel at any time - breaks down as follows at the reporting date:

(in € mn)	
	Loan volume
due by 31/12/2014	59.4
between 01/01/2015 and 30/06/2015	17.1
Total	76.5

Financing volumes as at 30/06/2014

Range (in € mn)	Number of banks	Total (in € mn)
	5.25% convertible bonds	131.4*)
	4.5% convertible bonds	75.3* ¹
	5.75 % retail bond	64.7
< 20	42 banks	270.8
20-50	9 banks	268.5
> 50	8 banks	855.5
Total		1,666.2

^{*)} share of borrowed capital in convertible bonds

84.5% of financial liabilities were hedged against interest rate risks at the reporting date; this figure has slipped back slightly against the end of 2013. The effective interest rate of the financing volume was 2.74% before hedging costs and 4.35% after hedging costs. The average remaining term for loans and borrowings was 8.69 years.

Net financial liabilities related to conwert property assets of €1,547.5 mn, therefore loan to value (LTV), i.e. debt in relation to property projects minus cash and cash equivalents, stood at 54.4% (31/12/2013: 55.9%).

Cash flow

Cash flow from operating activities decreased by 72.4% on the basis of the Group loss after tax, falling from €52.2 mn in the comparable reporting period to €94.5 mn in the first half 2014. Cash flow from investing activities amounted to €(3.4) mn $\{1-6/2013: 6.65.9 \text{ mn}\}$. Cash flow from financing activities was $\{134.6\}$ mn at the end of the first half 2014 $\{1-6/2013: 6.120.1\}$ mn), with a subsequent decrease in cash and cash equivalents to $\{85.1\}$ mn at the end of the reporting period. This represents a decline of $\{41.5\}$ mn against the comparable period $\{1-6/2013: \{2.0\}\}$ mn).

Overview of cash flows

(in € mn)		1-6/2013	
	1-6/2014	adjusted	Change
Net profit for the period	(23.1)	19.1	-
Operating cash flow	53.7	54.8	2.0%
Cash flow from operating activities	94.5	52.2	72.4%
Cash flow from investing activities	(3.4)	65.9	-
Cash flow from financing activities	(134.6)	(120.1)	-12.1%
Change in cash and cash equivalents	(43.5)	(2.0)	-
Cash and cash equivalents at start of period	128.6	137.0	-6.1%
Cash and cash equivalents at end of period	85.1	135.0	-37.0%

Segment Report

At 30 June 2014 the conwert portfolio included 31,451 rental units and 14,011 parking spaces. This corresponds to total usable space of 2,560,987 sqm. In terms of usage type, 73.4% of properties were for residential use and 26.6% for commercial use. The majority of the property portfolio was in Germany, which accounted for 82.5% of rental units and 74.3% of rentable space. The vacancy rate stood at 10.2% at 30 June 2014. This represents a 15.0% decrease compared to the previous year (30/06/2014: 12.0%). The strategic vacancy rate was 1.8% at the reporting date.

Like-for-like

On the basis of a hold portfolio unchanged against the previous year (like-for-like), the vacancy rate decreased by 10.4% as a result of newly let properties. Average rent was up slightly to €6.40 sqm/m, which led to a small increase in rental income to €12.6 mn/m (30/06/2013: €12.2 mn/m).

Hold portfolio (like-for-like)

		30/06/2014	30/06/2013	Change
Austria				
Average rent	€/sqm/m	8.14	8.05	1.1%
Vacancy rate	%	10.9	11.4	-4.4%
Rental income	€ mn/m	3.3	3.3	0.0%
Germany				
Average rent	€/sqm/m	5.87	5.76	1.9%
Vacancy rate	%	7.5	8.8	-14.8%
Rental income	€ mn/m	8.8	8.6	2.3%
Other countries				
Average rent	€/sqm/m	8.40	8.19	2.6%
Vacancy rate	%	34.4	35.7	-3.6%
Rental income	€ mn/m	0.4	0.4	0.0%
Total				
Average rent	€/sqm/m	6.40	6.29	1.7%
Vacancy rate	%	9.2	10.2	-9.8%
Rental income	€ mn/m	12.6	12.2	3.3%
				

At the reporting date conwert's property assets amounted to $\[\in \] 2,843.4 \]$ mn and therefore increased by 1.7% against the comparable period (30/06/2013: $\[\in \] 2,795.1 \]$ mn). The numerous sales within the past year were broadly balanced out by the purchase of the portfolio from GE Capital Real Estate Germany (GE portfolio) in the 2013 business year. At 30 June 2014 the Germany portfolio accounted for $\[\in \] 1.8 \]$ bn, representing a share of 62.7% of total property assets. $\[\in \] 1.8 \]$ bn or 63.9% of the company's property assets are residential and $\[\in \] 1.0 \]$ bn or 36.1% are commercial property.

Austria segment

Revenues and earnings

Total revenues in Austria fell by 65.3% from €133.3 mn in the reporting period of the previous year to €46.3 mn. The main reason for this was the planned decline in proceeds from the disposal of properties, which decreased by €82.3 mn against the comparable period to €6.0 mn $\{1-6/2013: €88.3 \text{ mn}\}$. In the first half 2014, 42 residential and commercial units were sold along with five individual parking spaces. The average sales margin was 27.2%. In terms of rental income, there was a slight reduction of 5.0% from €34.0 mn to €32.3 mn owing to the disposal of individual properties. Revenues from property services fell by 26.6% to €8.0 mn $\{1-6/2013: €10.9 \text{ mn}\}$. EBIT totalled €15.3 mn $\{1-6/2013: €25.2 \text{ mn}\}$, representing a decrease of 39.3%. Net finance costs amounted to $\{25.2\}$ mn $\{1-6/2013: €\{16.0\}$ mn $\}$.

Austria segment - income statement overview

····			
(in € mn)			
	1-6/2014	1-6/2013	Change
Revenues	46.3	133.3	-65.3%
Rental income	32.3	34.0	-5.0%
Proceeds from the disposal of properties	6.0	88.3	-93.2%
Revenues from property services	8.0	10.9	-26.6%
EBIT	15.3	25.2	-39.3%
EBT	[9.9]	9.2	-

Property portfolio

In Austria conwert's portfolio had residential property with 2,767 rental units and 876 parking spaces, as well as commercial property with 1,744 rental units and 3,900 parking spaces at the reporting date. Total usable space amounted to 574,210 sqm, of which 37.3% was residential and 62.7% was commercial. The total vacancy rate saw a significant decrease against the comparable period and stood at 11.6% [30/06/2013: 14.3%], amounting to 5.6% for residential [30/06/2013: 8.1%] and 15.2% for commercial [30/06/2013: 17.7%]. The strategic vacancy rate was 3.9%.

At the end of the first half 2014, property assets in Austria totalled $\[\in \]$ 965.7 mn (30/06/2013: $\[\in \]$ 1,019.0 mn), with successful property sales in the previous year leading to a decline against the comparable period. $\[\in \]$ 613.0 mn or 63.5% of property assets related to residential property and $\[\in \]$ 352.6 mn or 36.5% to commercial property.

Selected portfolio indicators for Austria segment

		Vienna 30/06/2014	Residential Austria 30/06/2014	Commercial Austria 30/06/2014	Austria 30/06/2014	Austria 30/06/2013
Rental units	No.	3,481	2,767	1,744	4,511	4,734
Parking spaces	No.	2,591	876	3,900	4,776	4,730
Total usable space	1,000 sqm	363.6	214.0	360.2	574.2	622.8
Total vacancy rate	%	9.0	5.6	15.2	11.6	14.3
Strategic vacancy rate	%	2.2	1.6	5.3	3.9	6.8
Initial yield	%	4.4	4.2	5.6	5.1	5.1
Average rent	€/sqm/m	6.75	6.07	9.38	7.62	7.64
Property assets	€mn	658.2	352.6	613.0	965.7	1,019.0
Rent p.a.	€mn	28.7	14.7	34.4	49.1	51.7

Germany segment

Revenues and earnings

Owing to lower revenues from sales and property services, revenues in Germany fell by 14.9% to €128.8 mn in the first half 2014 [1-6/2013: €151.3 mn]. However, the newly acquired portfolio led to a 13.4% increase in rental income to €86.2 mn [1-6/2013: €76.0 mn]. Proceeds from the sale of properties were down 44.8% to €29.3 mn. A total of 29 properties with 410 units and 131 parking spaces were sold, in addition to 152 individual residential and commercial units and 51 individual parking spaces. The average sales margin was 17.4%. Revenues from property services fell by 40.4% from €22.3 mn to €13.3 mn, resulting mainly from the concentration on selected mandates in the service sector. Despite higher property expenses, EBIT climbed slightly by 2.4% to €38.5 mn [1-6/2013: €37.6 mn], not least because of reductions in personnel expenses and other operating expenses. The negative performance of swaps in the reporting period caused net finance costs to increase to €(44.1) mn, after totalling €(17.5) mn in the comparable period.

Germany segment – income statement overview

(in € mn)		1-6/2013	
	1-6/2014	adjusted	Change
Revenues	128.8	151.3	-14.9%
Rental income	86.2	76.0	13.4%
Proceeds from the disposal of properties	29.3	53.1	-44.8%
Revenues from property services	13.3	22.3	-40.4%
EBIT	38.5	37.6	2.4%
EBT	(5.7)	20.1	-

Property portfolio

At the reporting date the property portfolio in Germany consisted of residential property with 25,058 rental units and 6,150 parking spaces as well as commercial property with 879 rental units and 2,148 parking spaces. Total rentable space amounted to 1,903,229 sqm, of which 85.6% was residential and 14.4% commercial. At 30 June 2014 the overall vacancy rate was 8.8% [30/06/2013: 9.9%) – for residential space the figure was 8.6% [30.06.2013: 9.5%) and 10.1% for commercial space [30/06/2013: 11.5%). Despite the acquisition of the GE portfolio, with a vacancy rate above the average of conwert's overall portfolio, it was possible to achieve a significant reduction in the total vacancy rate by the end of the first half 2014. The strategic vacancy rate for the total space was 0.9%, thereby holding steady [30/06/2013: 1.0%].

Property assets in Germany totalled €1,783.5 mn at the reporting date (30/06/2013: €1,655.2 mn). The sharp increase against the comparable period is predominantly due to the purchase of the GE portfolio. €1.430.3 mn or 80.2% of property assets in Germany relate to residential and €353.2 mn or 19.8% to commercial.

Selected portfolio indicators for Germany segment

	Residential Germany 30/06/2014	Commercial Germany 30/06/2014	Germany 30/06/2014	Germany 30/06/2013
No.	25,058	879	25,937	23,452
No.	6,150	2,148	8,298	7,503
1,000 sqm	1,629,872	273,357	1,903,229	1,731,859
%	8.6	10.1	8.8	9.9
%	0.3	1.0	0.9	1.0
%	6.9	6.9	6.9	6.8
€/sqm/m	5.52	8.26	5.79	5.75
€ mn	1,430.3	353.2	1,783.5	1,655.2
€ mn	98.7	24.4	123.1	110.0
	No. 1,000 sqm % % % €/sqm/m € mn	Germany 30/06/2014 No. 25,058 No. 6,150 1,000 sqm 1,629,872 % 8.6 % 0.3 % 6.9 €/sqm/m 5.52 € mn 1,430.3	Germany 30/06/2014 Germany 30/06/2014 No. 25,058 879 No. 6,150 2,148 1,000 sqm 1,629,872 273,357 % 8.6 10.1 % 0.3 1.0 % 6.9 6.9 €/sqm/m 5.52 8.26 € mn 1,430.3 353.2	Germany 30/06/2014 Germany 30/06/2014 Germany 30/06/2014 No. 25,058 879 25,937 No. 6,150 2,148 8,298 1,000 sqm 1,629,872 273,357 1,903,229 % 8.6 10.1 8.8 % 0.3 1.0 0.9 % 6.9 6.9 6.9 €/sqm/m 5.52 8.26 5.79 € mn 1,430.3 353.2 1,783.5

conwert's core markets in Germany segment

		Berlin 30/06/2014	Berlin 30/06/2013	Potsdam 30/06/2014	Potsdam 30/06/2013	Dresden 30/06/2014	Dresden 30/06/2013	Leipzig 30/06/2014	Leipzig 30/06/2013	Core NRW* ¹ 30/06/2014	Core NRW* ¹ 30/06/2013
Rental units	No.	5,207	4.469	1.671	1,670	662	802	4,800	4,611	3,521	3,765
Parking spaces	No.	1,121	806	937	935	166	153	570	503	1,151	1,211
Property assets	€ mn	409.6	380.3	186.3	184.0	45.7	50.8	257.4	241.3	172.7	168.5
Usable space	1,000 sqm	354.4	314.0	119.4	119.4	49.4	59.5	333.7	319.5	247.4	258.5
Share of entire portfolio **)	%	13.8	12.9	4.7	4.9	1.9	2.4	13.0	13.1	9.7	10.6
Usable space - residential	1,000 sqm	334.0	295.4	119.4	119.4	39.8	48.9	312.8	298.1	228.6	238.9
Residential share**)	%	94.2	94.1	100.0	100.0	80.7	82.1	93.7	93.3	92.4	92.4
Commercial share**)	%	5.8	5.9	0.0	0.0	19.3	17.9	6.3	6.7	7.6	7.6
Total vacancy rate	%	3.6	4.5	1.4	1.9	8.4	19.5	5.3	8.1	12.4	13.2
Strategic vacancy rate	%	0.7	1.0	0.0	0.0	1.7	6.0	0.4	0.5	0.3	0.2
Average rent	€/sqm/m	5.94	5.82	6.69	6.49	5.80	5.63	5.12	4.96	5.27	5.20
Rent p.a.	€mn	24.8	21.3	9.7	9.3	3.2	3.3	19.6	17.6	14.1	14.4
Initial yield	%	6.1	5.9	5.2	5.1	7.0	6.4	7.7	7.3	8.2	8.5

became a core market in the course of the KWG consolidation in the first quarter 2013; Core NRW includes the cities Wuppertal, Düsseldorf, Ennepetal, Hagen, Cologne, Mühlheim, Remscheid, Solingen, Velbert and Wülfrath based on sqm

Other countries segment

Revenues and earnings

Revenues in other countries declined by 31.7% to €5.6 mn (1-6/2013: €8.2 mn), whereby lower proceeds from the disposal of properties were also a key factor in this segment. Following on from &4.2 mn in the comparable period, they were just €1.0 mn in the first half 2014. Eleven individual units and seven parking spaces were sold with an average profit margin of 25.7%. Successful new lets led to a 13.9% rise in rental income from $\mathfrak{C}3.6$ mn in the same period 2013 to €4.1 mn this year. It was also possible to increase revenues from property services slightly by €0.1 mn to €0.5 mn. Higher property expenses and a negative net result from fair value adjustments led to negative EBIT of €(6.6) mn, representing a decline on the comparable period (1-6/2013: €0.9 mn). Applying a negative fair value adjustment of €(7.1) mn in the other countries was primarily necessary because of the advanced sales negotiations with potential buyers of the Czech and Slovakian portfolio, which led to a negative adjustment in the fair value of individual properties in the Czech Republic and Slovakia of €5.5 mn. Furthermore, conwert also reduced the fair value of a conwert-owned office property in the Ukraine by €1.6 mn in view of the changes to the political and economic backdrop. Net finance costs increased from €(0.6) mn in the first half of the previous year to €(3.8) mn.

Other countries segment - income statement overview

(in € mn)			
	1-6/2014	1-6/2013	Change
Revenues	5.6	8.2	-31.7%
Rental income	4.1	3.6	13.9%
Proceeds from the disposal of properties	1.0	4.2	-76.2%
Revenues from property services	0.5	0.4	25.0%
EBIT	(6.6)	0.9	-
EBT	(10.4)	0.4	_

Property portfolio

At 30 June 2014 the conwert segment "other countries" included residential property with 552 rental units and 353 parking spaces as well as commercial property with 451 rental units and 584 parking spaces. Total rentable space stood at 83,548 sqm, of which 42.5% was residential and 57.5% commercial. At the reporting date the total vacancy rate was 32.2% (30/06/2013: 37.3%). For residential properties the vacancy rate was 26.7% (30/06/2013: 35.6%), while for commercial properties it was 36.2% (30/06/2013: 38.6%). The strategic vacancy for the total space was 5.6% at the reporting date.

At 30 June 2014 property assets in the other countries segment amounted to €94.2 mn (30/06/2013: €120.9 mn). Of this, €34.7 mn or 36.8% related to residential property and €59.5 mn or 63.2% to commercial property.

The conwert strategy continues to involve exclusively concentrating on the two core markets Austria and Germany. The goal is therefore to sell off properties in other countries and conclude activities in the respective markets. The portfolios in the Czech Republic and Slovakia, for which advanced sales negotiations are currently underway, make up about half of the remaining assets in other countries.

Risk Report

The significant aspects of the conwert Group's risk environment and risk management methods remain unchanged in the first half 2014. Please refer to the risk report in the 2013 Annual Report for detailed information and statements.

Related Party Disclosures

Related companies and persons are disclosed in the consolidated financial statements as of 31 December 2013. Business dealings with related parties are conducted on an arm's length basis.

Executive Board and Administrative Board

Approx. $\[\in \]$ 0.5 mn was paid during the reporting period (1-6/2013: $\[\in \]$ 0.8 mn) for services provided by related parties (remuneration for the Executive Directors). The Administrative Board received remuneration in the amount of $\[\in \]$ 0.1 mn during the reporting period (1-6/2013: $\[\in \]$ 0.2 mn). The attendance fee for meetings due to the Administrative Board for the second quarter 2014 is not settled until the third quarter 2014.

Alexander Tavakoli, a member of the Administrative Board, invoiced €36,000 of consulting services to conwert during the reporting period. The consultancy agreement was cancelled as of 31 March 2014.

Transactions with associates

The loans granted to associates as of the reporting date relate to project financing.

(in € mn)		
	30/06/2014	31/12/2013
Loans	1.5	1.5
Outstanding receivables	0.1	0.5
Outstanding payables	0.1	0.0

(in € mn)	01/01- 30/06/2014	01/01- 30/06/2013
Revenues from property services	0.3	0.7
Property expenses	0.2	0.4
Interest income	0.1	0.0

Transactions with other related parties

conwert rents residential, office and parking spaces to companies in the STRABAG SE Group, for which €28,490 was charged in rent during the reporting period.

Outlook

Economy

Economic backdrop

For the full year 2014 experts from Oesterreichische Nationalbank (OeNB) predict a GDP rise of 1.0%, in contrast to 1.2% in the previous year. OeNB has also forecast that the Austrian economy will grow by 1.6%.

(Source: Oesterreichische Nationalbank, Economic update June 2014)

Economic growth in Germany has accelerated since the start of this year against the final quarter 2014. Sentiment indicators suggest that the upswing will continue, albeit at a slower pace.

(Source: German Federal Finance Ministry, A monetary policy view of economic growth, press release dated 20 June 2014)

European investment market

The trough of property investments in Europe was reached in 2009, since then the curve has climbed continuously similar to the years 2003 to 2007. Based on current calculations, by 2015 CBRE expects Europe to achieve similar investment levels to the strongest ever year 2007 namely more than €250 bn.

[Source: CBRE Austria, Strong performance of property investments in Austria, press release dated 8 July 2014]

Austrian property market

The first half of 2014 was the best since CBRE Austria began keeping records. The second half is even set to exceed the first half of the year, so that from today's viewpoint 2014 is expected to be an absolute record year.

(Source: CBRE Austria, Strong performance of property investments in Austria, press release dated 8 July 2014)

Current residential construction in Vienna continues to lag behind actual demand and the Vienna housing market cannot currently produce enough supply to prevent price increases.

(Source: www.immobilien-magazin.at, Only 12,000 apartments under construction in Vienna, 5 June 2014 edition)

Shopping streets in good to excellent inner city locations in provincial capitals are still enjoying strong demand. Top locations will continue to command top rents in the future.

(Source: CBRE Austria, Austrian retail, market report June 2014)

German property market

The strong interest shown by many investors means that the current year will continue to see high demand in German commercial property from both domestic and foreign investors; current supply is unable to keep pace with this demand, especially in the top segment. This demand, combined with the ample liquidity of affluent investors, has led CBRE to forecast transaction volumes for the full year 2014 of around €35 bn.

(Source: CBRE Germany Investment Quarterly Q2 2014)

As a result of the strong demand, purchase prices in the housing segment have risen sharply in recent years, particularly in top locations and major cities. This trend is set to continue in the medium term, albeit at a slower pace.

[Source: CBRE Germany, €7.3 bn invested in residential portfolios in H1 2014, press release dated 1 July 2014]

CBRE Germany has named Germany as an attractive location with corresponding market potential for retailers, primarily because of its decentralised structure with six metropolises of almost identical value and more than twenty additional attractive major cities. Experts expect investment volumes from foreign investors to total well over €10 bn in 2014, thereby accounting for around a third of total transaction volumes for commercial property in Germany. [Source: CBRE Germany, Strong growth in retail investments on German market in H1 2014, press release dated 15 July 2014]

conwert Outlook

In the second half of 2014 the focus will continue to be on integrating the KWG and GE portfolios acquired in 2013. Depending on the progress made in divesting the CEE portfolio, the management assumes that from 2015 it will once again undertake purchases in the residential property sector in conwert's core regions in Germany. This is challenging in light of the ongoing weak property markets in CEE. The goal of generating sales revenue totalling around €150-200 mn by the end of the year is still in place, whereby the sales margin is likely to be moderate – if positive at all – as conwert's sales forecast provides for portfolio divestments in the second half of the year. In the medium term conwert intends to achieve a property portfolio with Germany accounting for 80% of total space and Austria for 20%, whereby the commercial property share should also be reduced to 20%. The six core markets continue to be Vienna, Berlin, Potsdam, Dresden, Leipzig and North Rhine-Westphalia. These markets – except Vienna – will also be the focus of future investment activities.

conwert is planning to achieve a continuous, sustainable increase in the average return of its portfolio through a rental offensive in the coming two years, with the help of measures which are currently being introduced and implemented. Here the vacancy rates should fall to below 10%. An additional goal is to continue to increase the value of property held by applying development measures, as well as securing a rise in rental revenue by bringing rents in line with market rates.

Events after the Reporting Period

No important events occurred between the end of the reporting period and the date of publication of this interim report.





The following consolidated interim financial statements as of 30 June 2014, which were prepared in accordance with International Financial Reporting Standards (IFRS/IAS), were neither audited nor reviewed by a certified public accountant.

Consolidated Interim Income Statement for the period from 1 January to 30 June 2014

(in € mn)				01/01 -		01/04 -
			01/01 -	30/06/2013	01/04 -	30/06/2013
		Notes	30/06/2014	adjusted	30/06/2014	adjusted
1.	Rental income	6.1.	121.2	113.2	62.1	56.8
2.	Proceeds from the disposal of properties held for sale		24.3	48.5	12.6	31.0
3.	Proceeds from the disposal of investment properties		12.0	97.1	6.0	86.3
4.	Revenues from property services		4.5	9.9	2.5	5.0
5.	Total revenues		162.0	268.6	83.2	179.2
6.	Property expenses	6.1	(46.8)	(40.2)	(25.0)	(20.7)
7.	Expenses from the disposal of properties held for sale		(18.1)	(40.0)	(9.9)	(26.7)
8.	Expenses from the disposal of investment properties		(12.4)	(90.6)	(6.5)	(80.8)
9.	Subtotal of 5. to 8.		84.8	97.8	41.9	51.1
10.	Gains from fair value adjustments		0.0	3.1	0.0	1.2
11.	Losses from fair value adjustments		(7.1)	(4.9)	(7.1)	(1.0)
12.	Net gain/(loss) from fair value adjustments (Subtotal of 10. and 11.)		(7.1)	(1.8)	(7.1)	0.2
13.	Negative fair value adjustments to properties held for sale		0.0	(0.2)	0.0	(0.1)
14.	Gain on bargain purchase		0.0	1.0	0.0	0.0
15.	Depreciation, amortisation and other impairment charges		(0.6)	(0.5)	(0.3)	(0.2)
16.	Other operating income		2.4	4.3	1.4	2.1
17.	Personnel expenses	6.2.	(13.8)	(16.9)	(6.9)	(8.1)
18.	Other operating expenses	6.3.	(18.5)	(20.0)	(10.9)	(10.6)
19.	Earnings before interest and taxes (EBIT)		47.1	63.7	18.0	34.4
20.	Finance revenue	6.4.	2.2	27.0	0.9	16.8
21.	Finance costs	6.5.	(74.9)	(60.5)	(37.3)	(27.2)
22.	Share of profit/(loss) from associates		(0.4)	(0.6)	0.1	(0.4)
23.	Net financial loss		[73.1]	(34.1)	(36.3)	(10.8)
24.	Earnings before tax (EBT)		(26.0)	29.6	(18.3)	23.6
25.	Income tax expense	6.6.	2.9	(10.5)	1.1	(8.1)
26.	Profit/(loss) for the year		(23.1)	19.1	(17.2)	15.5
	Thereof attributable to non-controlling interests		1.9	1.6	0.4	1.0
	Thereof attributable to equity holders of the parent		(25.0)	17.5	(17.6)	14.5
	Basic earnings per share in €		(0.30)	0.21	(0.21)	0.17
	Diluted earnings per share in €		(0.19)	0.22	(0.15)	0.16

Consolidated Interim Statement of Comprehensive Income for the period from 1 January to 30 June 2014

(in € mn)	01,	/01-30/06/2014		01/01-30/06/2013 adjusted			
	Equity holders of the parent	Non-controlling interests	Total	Equity holders of the parent	Non-controlling interests	Total	
Profit after tax for the period	(25.0)	1.9	(23.1)	17.5	1.6	19.1	
Other comprehensive income to be reclassified to profit or loss in subsequent periods							
Currency translation differences	[3.2]	0.3	(2.9)	[0.4]	0.0	(0.4)	
Cash flow hedges	2.8	0.0	2.8	25.1	0.0	25.1	
Tax effect of cash flow hedges	(0.7)	0.0	(0.7)	(5.9)	0.0	(5.9)	
Sundry comprehensive income	0.1	(0.1)	0.0	0.2	0.0	0.2	
Total other comprehensive income	(1.0)	0.2	(0.7)	19.0	0.0	19.0	
Total comprehensive income for the period	(25.9)	2.1	(23.8)	36.5	1.6	38.1	

Consolidated Interim Balance Sheet as of 30 June 2014

(in €	E mn]	Notes	30/06/2014	31/12/2013
Ass				
A.	Non-current assets			
A.			2.557./	0 /1/ /
	Investment properties	7.1.	2,557.4	2,616.6
	Intangible assets		1.9	2.1
	Investments in associates		15.1	2.0
	Miscellaneous property, plant and equipment			
	Other financial assets		6.2	7.8
	Deferred tax assets Total non-current assets			
D.			2,600.1	2,666.4
B.	Current assets		220.1	051.5
	Properties held for sale		238.1	251.5
	Trade accounts receivable		33.3	37.2
	Other financial assets		16.7	71.3
	Other assets		12.6	10.7
	Cash and cash equivalents		81.6	128.6
	Assets held for sale	7.2.	52.2	0.0
. .	Total current assets		434.5	499.3
lota	al assets		3,034.6	3,165.7
Equ	ity and liabilities			
C.	Equity			
	Issued capital		426.8	426.8
	Share premium		592.4	592.4
	Treasury shares		(25.0)	(25.0)
	Retained earnings		140.8	174.0
	Other reserves		(102.5)	(101.5)
	Thereof related to assets held for sale		(4.4)	0.0
	Equity attributable to equity holders of the parent		1,032.4	1,066.6
	Non-controlling interests		64.0	61.9
	Total equity		1,096.4	1,128.6
D.	Non-current liabilities			
	Interest-bearing loans and borrowings	7.3.	1,132.6	1,081.6
	Bond liabilities	7.3.	64.7	64.7
	Convertible bonds	7.3.	206.7	205.2
	Provisions		2.0	2.3
	Deferred tax liabilities		43.0	46.5
	Financing contributions from tenants		11.5	11.4
	Other non-current financial liabilities		147.2	120.7
	Total non-current liabilities		1,607.7	1,532.3
E.	Current liabilities			
	Current interest-bearing loans and borrowings	7.3.	240.1	378.0
	Convertible bonds	7.3.	0.0	22.2
	Trade accounts payable		13.4	28.5
	Provisions		4.2	3.3
	Income tax payable		29.3	35.5
	Other current financial liabilities		13.8	21.6
	Other current liabilities		5.2	15.9
	Liabilities held for sale	7.2.	24.6	0.0
	Total current liabilities		330.4	504.9
Tota	l equity and liabilities		3,034.6	3,165.7

Consolidated Statement of Changes in Equity for the period from 1 January to 30 June 2014

(in € mn)	Issued capital	Share premium	Treasury shares	Retained earnings	Reserve for derivatives	Other reserves	Subtotal: equity holders of the parent	Non- controlling interests	Total equity
Balance as of 01/01/2013	426.8	595.6	[41.6]	165.4	(110.0)	(17.8)	1,018.4	6.6	1,025.0
Profit for the period (after tax) adjusted	0.0	0.0	0.0	17.5	0.0	0.0	17.5	1.6	19.1
Other comprehensive income	0.0	0.0	0.0	0.0	19.1	(0.2)	19.0	0.0	19.0
Total comprehensive income for the period adjusted	0.0	0.0	0.0	17.5	19.1	(0.2)	36.5	1.6	38.1
Capital decrease	0.0	(0.2)	0.0	0.0	0.0	0.0	(0.2)	0.0	(0.2)
Issue of treasury shares	0.0	[2.9]	40.7	0.0	0.0	0.0	37.8	0.0	37.8
Purchase of treasury shares	0.0	0.0	(24.5)	0.0	0.0	0.0	(24.5)	0.0	(24.5)
Increase in non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	56.2	56.2
Decrease in non- controlling interests	0.0	0.0	0.0	6.1	0.0	0.0	6.1	(17.6)	(11.5)
Balance as of 30/06/2013 adjusted	426.8	592.5	(25.4)	189.0	(90.8)	(18.0)	1,074.1	46.8	1,121.0
Balance as of 01/01/2014	426.8	592.4	(25.0)	174.0	(80.3)	(21.2)	1,066.6	61.9	1,128.6
Profit for the period (after tax)	0.0	0.0	0.0	(25.0)	0.0	0.0	(25.0)	1.9	(23.1)
Other comprehensive income	0.0	0.0	0.0	0.0	2.1	(3.1)	(1.0)	0.2	(0.7)
Total comprehensive income for the period	0.0	0.0	0.0	(25.0)	2.1	[3.1]	(25.9)	2.1	(23.8)
Dividends	0.0	0.0	0.0	(8.3)	0.0	0.0	(8.3)	0.0	[8.3]
Balance as of 30/06/2014	426.8	592.4	(25.0)	140.8	(78.1)	(24.3)	1,032.4	64.0	1,096.4

Consolidated Cash Flow Statement for the period from 1 January to 30 June 2014

(in € mn)		01/01 -
	01/01 -	30/06/2013
	30/06/2014	adjusted
Profit for the period (after tax)	(23.1)	19.1
Operating cash flow	53.7	54.8
Cash flow from operating activities	94.5	52.2
Cash flow from investing activities	(3.4)	65.9
Cash flow from financing activities	(134.6)	(120.1)
Change in cash and cash equivalents	(43.5)	(2.0)
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	128.6	137.2
Net foreign exchange differences	0.0	(0.2)
	128.6	137.0
Cash and cash equivalents at the end of the period*	85.1	135.0
Change in cash and cash equivalents	(43.5)	(2.0)

^{*)} Of the total cash and cash equivalents, € 3.5 mn are included in disposal groups (see Point 7.2).

Selected Explanatory Notes to the Condensed Consolidated Interim Financial Statements

1. General Information

conwert Immobilien Invest SE (conwert) is a listed European stock corporation that is traded in the ATX index of the Vienna Stock Exchange. The registered headquarters of conwert Immobilien Invest SE are located at Alserbachstrasse

These condensed consolidated interim financial statements as of 30 June 2014 were prepared in accordance with IAS 34 (Interim Financial Reporting). They are based on the same accounting and valuation principles used to prepare the consolidated financial statements for the 2013 financial year.

The condensed consolidated interim financial statements were prepared in million Euros ("€ mn"). Numerous amounts and percentage rates in these consolidated interim financial statements were rounded, and the addition of these individual figures can therefore produce results that differ from the totals shown.

2. Change in Presentation and Accounting Methods

Adjustment of the of the accounting treatment applied to the KWG acquisition

conwert acquired the majority stake in KWG Kommunale Wohnen AG (KWG), Hamburg, as of 21 January 2013 and recorded this business combination according to the purchase method defined by IFRS 3. The interim consolidated financial statements as of 30 June 2013 show a gain of €7.5 mn on a bargain purchase, which was corrected to €1.0 mn in the fourth quarter of 2013 based on new information. For the purpose of this interim financial report, the accounting treatment applied to this business combination was adjusted retroactively.

Correction to the calculation of diluted earnings per share

In the interim consolidated financial statements as of 30 June 2013, the calculation of earnings per share (diluted) did not include the effect of interest paid (after tax) on the convertible bonds. This error was corrected retroactively as of 30 June 2013 for this interim financial report.

The effects of these corrections on the comparable prior period data are shown in the following table.

01/01-30/06/2013 excl. adjustment	Adjustment	01/01-30/06/2013 adjusted
7.5	(6.5)	1.0
70.2	(6.5)	63.7
36.1	(6.5)	29.6
25.6	(6.5)	19.1
1.6		1.6
24.0	(6.5)	17.5
0.29	(0.08)	0.21
0.23	(0.01)	0.22
	excl. adjustment 7.5 70.2 36.1 25.6 1.6 24.0 0.29	excl. adjustment 7.5 [6.5] 70.2 (6.5] 36.1 [6.5] 25.6 [6.5] 1.6 24.0 [6.5] 0.29 [0.08]

3. New and revised standards and interpretations

The preparation of the consolidated interim financial statements included the application of all amendments to existing IAS, new IFRS and interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and Standard Interpretation Committee (SIC), as adopted by the EU, which required mandatory application as of 30 June 2014. New standards and interpretations and amendments to existing standards are generally applied only when their application becomes mandatory.

The following new or amended standards, which require application in 2014, were initially applied by conwert during the reporting period (unless they were applied prematurely). However, these changes only had an impact on the consolidated interim financial statements as of 30 June 2014 if they are designated with "yes" in the following table.

			Impact on
Standard		Effective date*)	consolidated financial statements
IAS 27	New version: Separate Financial Statements	01/01/2014	no
IAS 28	New version: Investments in Associates and Joint Ventures	01/01/2014	no
IFRS 10	Consolidated Financial Statements	01/01/2014	no
IFRS 11	Joint Arrangements	01/01/2014	no
IFRS 12	Disclosures of Interests in Other Entities	01/01/2014	no
IAS 32	Financial Instruments: Presentation and Disclosure (change in offsetting)	01/01/2014	no
IAS 36	Impairment of Assets (change in disclosures on the recoverable amount of non-financial assets)	01/01/2014	no
IAS 39	Financial Instruments: Recognition and Measurement (change in the novation of derivatives and continuation of hedge accounting)	01/01/2014	no
IFRIC 21	Levies	01/01/2014	no
Miscellaneous	Investment Entities – changes to IFRS 10, IFRS 12 and IAS 27	01/01/2014	no

 $^{^{*\!\}text{J}}$ Applicable to financial years beginning on or after the indicated date

4. Consolidation Range

There were no major changes in the consolidation range of the conwert Group during the first six months of 2014.

5. Segment Reporting

5.1 Third party revenues

All proceeds from the sale of properties were generated by transactions with external customers. Revenues from property services included \le 4.5 mn (1-6/2013: \le 9.9 mn) recorded with external customers. Rental revenues include \le 1.4 mn (1-6/2013: \le 0.4 mn) of revenues from inter-segment transactions.

5.2 Segment reporting by region

(in € mn)	Austria		Germany		Other countries		
	01/01	-30/06	01/01-30/06		01/01-30/06		
	2014	2013	2014	2013	2014	2013	
Rental income	32.3	34.0	86.2	76.0	4.1	3.6	
Proceeds on sale	6.0	88.3	29.3	53.1	1.0	4.2	
Revenues from property services	8.0	10.9	13.3	22.3	0.5	0.4	
Revenues	46.3	133.3	128.8	151.3	5.6	8.2	
Property expenses	(11.8)	(11.6)	(37.4)	(31.5)	(2.1)	(1.1)	
Expenses from the disposal of properties	(4.7)	(81.1)	[24.9]	(45.9)	(8.0)	(3.6)	
Net gain/(loss) from fair value adjustments	0.0	1.1	0.0	(2.7)	(7.1)	(0.4)	
Negative fair value adjustments to properties held for sale	0.0	0.0	0.0	0.0	0.0	(0.2)	
Gain on a bargain purchase	0.0	0.0	0.0	1.0	0.0	0.0	
Depreciation, amortisation and other impairment charges	(0.1)	(0.2)	(0.2)	(0.2)	0.0	0.0	
Personnel expenses	(2.8)	(3.2)	(7.1)	(10.2)	(0.1)	(0.2)	
Other operating income	0.6	1.5	2.1	2.7	0.0	0.1	
Other operating expenses	[12.2]	(14.5)	(22.7)	(26.9)	(2.1)	(1.8)	
Earnings before interest and taxes (EBIT)	15.3	25.2	38.5	37.6	(6.6)	0.9	
Financial results	(25.2)	(16.0)	(44.2)	(17.5)	(3.8)	(0.6)	
Earnings before tax (EBT)	[9.9]	9.2	(5.7)	20.1	(10.4)	0.4	

6. Selected Notes to the Statement of Comprehensive Income

6.1 Rental income and property expenses

(in € mn)	01/01- 30/06/2014	01/01- 30/06/2013
Net rental income	89.4	86.2
Operating costs charged to tenants	31.8	27.0
Rental income	121.2	113.2
Less property expenses:		
Operating costs	(36.2)	(29.4)
Maintenance	(7.3)	(8.0)
Thereof covered by insurance	0.9	1.2
Management services	(1.0)	(1.0)
Miscellaneous	(2.3)	(0.6)
Property expenses	(46.8)	(40.2)
Total	74.4	73.0

6.2 Personnel expenses

(in € mn)	01/01- 30/06/2014	01/01- 30/06/2013
Salaries and wages	11.1	13.7
Expenses for legally required duties and contributions	2.4	2.9
Miscellaneous	0.3	0.3
Total	13.8	16.9

Opera	ations	Otl	her	Sub	total	Group eli	minations	Gro	oup
01/01-30/06		01/01-30/06		01/01-30/06		01/01-30/06		01/01-30/06	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
122.6	113.6	0.0	0.0	122.6	113.6	(1.4)	(0.4)	121.2	113.2
36.3	145.6	0.0	0.0	36.3	145.6	0.0	0.0	36.3	145.6
21.7	33.5	0.2	0.7	21.9	34.2	[17.4]	(24.3)	4.5	9.9
180.7	292.7	0.2	0.7	180.8	293.4	(18.8)	(24.7)	162.0	268.6
(51.3)	(44.3)	0.0	0.0	(51.3)	(44.3)	4.5	4.0	(46.8)	[40.2]
(30.5)	(130.6)	0.0	0.0	(30.5)	(130.6)	0.0	0.0	(30.5)	[130.6]
(7.1)	(2.0)	0.0	0.0	(7.1)	(2.0)	0.0	0.2	(7.1)	(1.8)
0.0	(0.2)	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	(0.2)
0.0	1.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	1.0
(0.3)	(0.4)	(0.4)	(0.1)	(0.6)	(0.5)	0.0	0.0	(0.6)	(0.5)
(10.1)	(13.6)	(3.7)	(3.3)	(13.8)	(16.9)	0.0	0.0	(13.8)	(16.9)
2.7	4.2	7.3	7.0	9.9	11.2	(7.5)	(6.8)	2.4	4.3
(37.0)	(43.1)	(3.3)	(4.3)	(40.3)	(47.4)	21.8	27.4	(18.5)	(20.0)
47.1	63.7	0.0	0.0	47.1	63.7	0.0	0.0	47.1	63.7
(73.1)	(34.1)	0.0	0.0	(73.1)	(34.1)	0.0	0.0	(73.1)	(34.1)
(26.0)	29.6	0.0	0.0	(26.0)	29.6	0.0	0.0	(26.0)	29.6

6.3 Other operating expenses

(in € mn)	01/01- 30/06/2014	01/01- 30/06/2013
Write-off of uncollectible receivables and impairment charges to receivables	2.2	0.5
Commissions	1.9	2.4
External accounting and tax advising	1.6	1.2
IT expenses	1.5	1.5
Legal advising and notaries public	1.4	1.2
Expenses for legal proceedings	1.0	0.0
Other consulting expenses	0.9	1.2
Taxes (excl. income taxes) and duties	0.8	2.0
Expenses for temporary personnel	0.7	0.4
Motor vehicle expenses	0.6	0.7
Communications and advertising	0.6	0.6
Rental and leasing expenses	0.6	0.9
Bank charges	0.5	0.7
Miscellaneous other operating expenses	4.0	6.6
Total	18.5	20.0

6.4 Finance revenue

(in € mn)	01/01-	01/01-
	30/06/2014	30/06/2013
Interest income	1.1	9.0
Income from the change in value of ineffective derivatives	1.0	17.6
Other finance revenue	0.1	0.4
Total	2.2	27.0

6.5 Finance costs

	_	
(in € mn)	01/01-	01/01-
	30/06/2014	30/06/2013
Interest expense	41.4	40.6
Expenses from the change in value of ineffective derivatives and from the release of the cashflow-hedge reserve	33.2	17.7
Other finance costs	0.3	2.2
Total	74.9	60.5

6.6 Income tax expense

(in € mn)	01/01- 30/06/2014	01/01- 30/06/2013
Current tax expense	(1.9)	(1.7)
Deferred tax income/expense from the recognition and reversal of temporary differences	4.8	(8.8)
Total	2.9	(10.5)

7. Selected Notes to the Consolidated Balance Sheet

7.1 Investment property

(in € mn)	Austria		Germany		Other countries		Total	Total
	Residential	Commercial	Residential	Commercial	Residential	Commercial	30/06/2014	31/12/2013
Carrying amount at the beginning of the financial year	271.9	527.4	1,369.0	350.2	30.4	6.7	2,616.6	2,207.4
Net foreign exchange differences	0.0	0.0	0.0	0.0	1.8	(4.5)	(2.7)	[4.6]
Additions to existing properties	0.6	1.0	8.4	0.6	0.0	0.1	10.7	37.7
Additions from changes in the consolidation range	0.0	0.0	0.0	0.0	0.0	0.0	0.0	521.9
Additions/disposals resulting from the reclassification of properties as held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(26.0)
Disposals	(0.8)	(0.4)	(11.2)	0.0	0.0	0.0	[12.4]	(128.9)
Net gain/loss from fair value adjustments	0.0	0.0	0.0	0.0	(3.0)	(4.1)	(7.1)	9.1
Balance at the end of the reporting period	271.7	528.0	1,366.2	350.8	29.2	59.2	2,605.1	2,616.6
Thereof held for sale	0.0	0.0	0.0	0.0	25.4	22.3	47.7	0.0
Carrying amount at the end of the reporting period	271.7	528.0	1,366.2	350.8	3.8	36.9	2,557.4	2,616.6

After initial recognition, investment properties are measured at fair value based on IFRS 13 in connection with IAS 40. The determination of fair value is generally based on non-observable input factors, and the fair value of the investment properties is therefore classified under level three on the IFRS 13 fair value hierarchy.

Properties in Ukraine, Czech Republic and Slovakia were revalued during the first half of 2014 because of significant changes in key value indicators.

7.2 Assets and liabilities held for sale

Since the sale of Czech and Slovakian properties and the related assets and liabilities is highly probable within the next 12 months, these (sub) portfolios were classified as disposal groups in accordance with IFRS 5. The measurement at fair value less costs to sell resulted in an impairment charge of €5.5 mn for the first half of 2014, which is reported on the consolidated interim income statement under "losses from fair value adjustments".

(in € mn)	
	30/06/2014
Investment properties	47.7
Properties held for sale	0.2
Trade accounts receivable	0.3
Other financial assets	0.3
Other assets	0.2
Cash and cash equivalents	3.5
Assets held for sale	52.2
Non-current interest-bearing loans and borrowings	20.5
Deferred tax liabilities	1.0
Current interest-bearing loans and borrowings	1.6
Trade accounts payable	0.4
Other current financial liabilities	1.1
Other current liabilities	0.1
Liabilities held for sale	24.6

7.3 Interest-bearing loans and borrowings

(in € mn)			
	Credit liabilities	Convertible bonds	Bond liabilities
Carrying amount as of 31/12/2013	1,459.6	227.4	64.7
Increase	50.8	0.0	0.0
Repayment	(116.0)	(23.2)	0.0
Other movements	0.4	2.5	0.0
Ending balance as of 30/06/2014	1,394.8	206.7	64.7
Thereof held for sale	22.1	0.0	0.0
Carrying amount as of 30/06/2014	1,372.7	206.7	64.7

The term structure of the Group's financial liabilities at the end of the reporting period is shown in the following table (the data are based on the contractual, non-discounted payments). This table also provides an overview of the fixed interest and variable interest financing volume (before the deduction of transaction costs).

(in € mn)		Thereof fixed	Thereof variable
	Financing volume	interest rate	interest rate
Thereof remaining term up to 1 year	149.7	17.2	132.5
Thereof remaining term between 1 and 5 years	938.8	364.4	574.4
Thereof remaining term over 5 years	588.1	204.6	383.5
Total	1,676.6	586.2	1,090.4
Thereof held for sale	22.1	0.0	22.1

Loans with a nominal value of €27.8 mn were reclassified to current borrowings as of 30 June 2014 because of contractual provisions that provide for cancellation by either party at any time. However, these loan agreements and the underlying internal bank approvals have long-term maturities ranging from 2021 to 2033. Based on the intentions of the contract parties and the economic status of the respective loans, the company estimates the probable term structure as follows: only $\ensuremath{\mathfrak{C}}2.5$ mn will be due and payable within one year, $\ensuremath{\mathfrak{c}}9.6$ mn in one to five years and €15.7 mn in more than five years. The existing convertible bonds are presented on the basis of their respective maturity date, irrespective of any cancellation rights.

The following table shows the structure of the loans and borrowings that are due within the next year (excluding the loans that allow for cancellation by either party at any time).

(in € mn)	
	Credit volume
Up to 31/12/2014	59.4
Between 01/01/2015 and 30/06/2015	17.1
Total	76.5

8. Financial Instruments

8.1 Fair value of financial instruments by category*

30/06/2014

(in € mn)	AfS	HfT&CFH	L&R	Carrying amount
Non-current assets				
Other financial assets	0.8	0.7	4.7	6.2
Current assets				
Trade accounts receivable	0.0	0.0	33.3	33.3
Other financial assets	0.0	0.0	16.7	16.7
Cash and cash equivalents	0.0	0.0	81.6	81.6
Total	0.8	0.7	136.3	137.8

31/12/2013

(in € mn)				Carrying
	AfS	HfT&CFH	L&R	amount
Non-current assets	'			
Other financial assets	0.8	2.2	4.8	7.8
Current assets				
Trade accounts receivable	0.0	0.0	37.2	37.2
Other financial assets	0.0	0.0	71.3	71.3
Cash and cash equivalents	0.0	0.0	128.6	128.6
Total	0.8	2.2	241.9	244.9

30/06/2014

(; c)				
(in € mn)			Carrying	
	HfT&CFH	FLAC	amount	Fair value
Non-current liabilities				
Non-current interest-bearing loans and borrowings	0.0	1,132.6	1,132.6	1,139.5
Bond liabilities	0.0	64.7	64.7	68.9
Convertible bonds	0.0	206.7	206.7	222.5
Financing contributions from tenants	0.0	11.5	11.5	n/a
Other non-current financial liabilities	142.8	4.4	147.2	n/a
Current liabilities				
Current interest-bearing loans and borrowings	0.0	240.1	240.1	240.2
Trade accounts payable	0.0	13.4	13.4	n/a
Income tax payable	0.0	29.3	29.3	n/a
Other current financial liabilities	0.0	13.8	13.8	n/a
Total	142.8	1,716.6	1,859.3	1,671.1

31/12/2013

(in € mn)			Carrying	
	HfT&CFH	FLAC	amount	Fair value
Non-current liabilities				
Non-current interest-bearing loans and borrowings	0.0	1,081.6	1,081.6	1,080.2
Bond liabilities	0.0	64.7	64.7	67.0
Convertible bonds	0.0	205.2	205.2	228.9
Financing contributions from tenants	0.0	11.4	11.4	n/a
Other non-current financial liabilities	115.2	5.5	120.7	n/a
Current liabilities				
Current interest-bearing loans and borrowings	0.0	378.0	378.0	378.2
Convertible bonds	0.0	22.2	22.2	22.5
Trade accounts payable	0.0	28.5	28.5	n/a
Income tax payable	0.0	35.5	35.5	n/a
Other current financial liabilities	0.0	21.6	21.6	n/a
Total	115.2	1,854.2	1,969.4	1,776.8

 $^{^{\}rm 1}$ AfS: Available for Sale; HfT&CFH: Held for Trading & Cash Flow Hedge; L&R: Loans & Receivables; FLAC: Financial Liabilities at Amortised Cost

The financial instruments carried at fair value generally represent derivative financial instruments. These derivative instruments are valued on the basis of input factors that can be directly or indirectly monitored (e.g. interest rate curves or foreign currency forward rates), which represents level two of the classification hierarchy defined by IFRS 7.27A.

The fair value of the bond liabilities and convertible bonds shown in the above table represents fair value level one as defined in IFRS 13 and the fair value of the non-current interest-bearing loans and borrowings represents level two. The fair values of the other financial assets and liabilities generally reflect the respective carrying amount.

The 2007-2014 convertible bond with an outstanding nominal value of €21.0 mn was redeemed prematurely on 14 March 2014. This convertible bond originally had a term ending on 14 November 2014, but conwert exercised its contractual right to premature redemption.

8.2 Derivative financial instruments and hedges

The following table shows the value of the derivative financial instruments held by conwert as of 30 June 2014, which were recorded as cash flow hedges without recognition through profit or loss in accordance with IAS 39:

					Reference value 30/06/2014	Fixed interest rate	Reference	Market value 30/06/2014
Financial institution	Derivative	Beginning	End	Hedge	(in € mn)	(in %)	interest rate	(in € mn)
Landesbank Berlin	Interest rate cap	30/04/2009	30/09/2017	Interest rate change	0.4	4.200	3-M-EURIBOR	0.0
Landesbank Berlin	Interest rate swap	31/03/2008	31/03/2018	Interest rate change	5.0	4.280	3-M-EURIBOR	(0.7)
Aareal Bank AG	Interest rate swap	30/06/2006	31/05/2016	Interest rate change	10.6	4.300	3-M-EURIBOR	(0.8)
BAWAG PSK	Interest rate swap	30/09/2009	30/06/2016	Interest rate change	26.0	4.150	3-M-EURIBOR	(2.1)
BAWAG PSK	Interest rate swap	08/11/2011	30/09/2017	Interest rate change	34.0	3.115	3-M-EURIBOR	(3.1)
BAWAG PSK	Interest rate swap	01/10/2007	01/10/2020	Interest rate change	30.0	4.490	3-M-EURIBOR	(7.0)
Landesbank Hessen-Thüringen	Interest rate swap	02/10/2008	30/06/2017	Interest rate change	20.0	4.870	3-M-EURIBOR	(2.8)
Landesbank Hessen-Thüringen	Interest rate swap	30/07/2008	30/04/2018	Interest rate change	10.0	4.495	3-M-EURIBOR	(1.6)
Landesbank Berlin	Interest rate swap	31/12/2009	31/05/2016	Interest rate change	11.4	4.150	3-M-EURIBOR	(0.9)
Raiffeisenbank International AG	Interest rate swap	02/01/2012	30/12/2022	Interest rate change	35.0	3.985	3-M-EURIBOR	(8.4)
Raiffeisenbank International AG	Interest rate swap	07/08/2003	01/07/2023	Interest rate change	2.5	4.373	12-M-EURIBOR	(0.4)
Raiffeisenbank International AG	Interest rate swap	01/07/2016	30/06/2026	Interest rate change	30.0	4.600	3-M-EURIBOR	(7.9)
Corealkredit Bank AG	Interest rate swap	31/03/2020	30/09/2023	Interest rate change	65.3	3.000	3-M-EURIBOR	(1.8)
Total								(37.5)

As of 30 June 2014 conwert held the following derivative financial instruments that were recognised through profit or loss:

	j			3	Reference value 30/06/2014	Fixed interest rate	Reference	Market value 30/06/2014
Financial institution	Derivative	Beginning	End	Hedge	(in € mn)	(in %)	interest rate	(in € mn)
Barclays Capital	Interest rate swap	31/07/2007	26/06/2022	Interest rate change	66.8	4.080	3-M-EURIBOR	(16.2)
Barclays Capital	Interest rate swap	01/10/2007	30/09/2022	Interest rate change	34.1	4.160	3-M-EURIBOR	(8.6)
Barclays Capital	Interest rate swap	01/10/2007	30/09/2022	Interest rate change	13.0	4.687	3-M-EURIBOR	(3.8)
Kreissparkasse Köln	Interest rate swap	01/10/2008	01/10/2025	Interest rate change	4.8	4.500	3-M-EURIBOR	(1.6)
UniCredit Bank Austria AG	Interest rate swap	24/12/2012	27/11/2019	Interest rate change	1.2	3.680	3-M-EURIBOR	(0.2)
UniCredit Bank Austria AG	Interest rate swap	24/12/2012	27/11/2019	Interest rate change	1.2	3.680	3-M-EURIBOR	(0.2)
UniCredit Bank Austria AG	Interest rate swap	24/12/2012	08/05/2025	Interest rate change	13.0	4.090	3-M-EURIBOR	(3.6)
Raiffeisenbank International AG	Interest rate swap	10/07/2008	07/07/2025	Interest rate change	31.5	4.380	3-M-EURIBOR	(9.9)
Raiffeisenbank International AG	Interest rate swap	01/10/2007	02/10/2023	Interest rate change	34.3	4.680	3-M-EURIBOR	(10.8)
Raiffeisenbank International AG	Interest rate swap	22/08/2008	24/08/2026	Interest rate change	10.8	4.200	3-M-EURIBOR	(3.3)
Raiffeisenbank International AG	Interest rate swap	07/10/2008	08/10/2026	Interest rate change	36.0	4.310	3-M-EURIBOR	(11.6)
Barclays Capital	Interest rate floor	30/09/2010	31/03/2020	Interest rate change	65.0	3.990	3-M-EURIBOR	(12.5)
UniCredit Bank Austria AG	Interest rate cap	01/04/2010	31/03/2020	Interest rate change	5.0	4.000	3-M-EURIBOR	0.0
UniCredit Bank Austria AG	Interest rate cap	01/04/2010	31/03/2020	Interest rate change	15.0	4.000	3-M-EURIBOR	0.1
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2020	Interest rate change	30.0	4.000	3-M-EURIBOR	0.1
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2025	Interest rate change	7.7	4.000	3-M-EURIBOR	0.1
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2020	Interest rate change	12.3	4.000	3-M-EURIBOR	0.0
Raiffeisenlandesbank NÖ-Wien	Interest rate cap	01/04/2010	01/04/2020	Interest rate change	20.0	3.000	3-M-EURIBOR	0.1
Raiffeisenlandesbank NÖ-Wien	Interest rate cap	01/07/2010	01/04/2020	Interest rate change	40.0	3.000	3-M-EURIBOR	0.2
Corealcredit Bank AG	Interest rate cap	26/08/2013	01/04/2020	Interest rate change	20.0	3.000	3-M-EURIBOR	0.1
Landesbank Hessen-Thüringen	Interest rate collar	30/07/2008	30/04/2018	Interest rate change	37.0	4.800	3-M-EURIBOR	[3.6]
Landesbank Hessen-Thüringen	Interest rate swap	30/09/2009	30/09/2016	Interest rate change	8.2	3.183	6-M-EURIBOR	(0.5)
Hypo Landesbank Vorarlberg	Interest rate swap	31/03/2006	31/03/2016	Interest rate change	2.4	3.860	3-M-EURIBOR	(0.1)
Hypo Landesbank Vorarlberg	Interest rate cap	02/01/2006	01/01/2016	Interest rate change	1.7	3.500	3-M-EURIBOR	0.0
Hypo Landesbank Vorarlberg	Interest rate swap	02/01/2006	01/01/2016	Interest rate change	3.9	3.530	3-M-EURIBOR	[0.2]
Hypo Landesbank Vorarlberg	Interest rate swap	31/03/2006	31/03/2016	Interest rate change	5.3	3.840	3-M-EURIBOR	(0.3)
Hypo Landesbank Vorarlberg	Interest rate swap	31/03/2006	31/03/2016	Interest rate change	9.6	3.840	3-M-EURIBOR	(0.5)
Österr. Volksbanken AG	Interest rate cap	30/12/2005	30/06/2015	Interest rate change	3.7	3.250	3-M-EURIBOR	0.0
Österr. Volksbanken AG	Interest rate swap	30/12/2005	31/12/2015	Interest rate change	4.2	3.450	3-M-EURIBOR	(0.2)
Österr. Volksbanken AG	Interest rate swap	31/03/2006	01/10/2027	Interest rate change	8.7	3.955	3-M-EURIBOR	[1.7]
Raiffeisenbank International AG	Interest rate swap	15/03/2006	31/12/2025	Interest rate change	19.6	4.430	SMY issuers	(3.0)
Raiffeisenbank International AG	Interest rate swap	07/10/2008	08/10/2018	Interest rate change	30.0	4.330	3-M-EURIBOR	(5.1)
Raiffeisenbank International AG	Interest rate swap	04/08/2006	30/06/2016	Interest rate change	37.1	4.060	3-M-EURIBOR	(2.8)
Raiffeisenbank International AG	Interest rate swap	04/08/2006	30/06/2016	Interest rate change	15.7	4.060	3-M-EURIBOR	(1.2)
Raiffeisenbank International AG	Interest rate swap	01/02/2006	31/12/2015	Interest rate change	13.7	3.470	3-M-EURIBOR	(0.7)
Raiffeisenbank International AG	Interest rate swap	01/02/2006	01/02/2016	Interest rate change	8.7	3.470	3-M-EURIBOR	(0.4)
Raiffeisenbank International AG	Interest rate swap	02/01/2006	04/01/2016	Interest rate change	2.0	3.450	3-M-EURIBOR	(0.1)
Raiffeisenbank International AG	Interest rate swap	02/01/2006	04/01/2016	Interest rate change	2.0	3.450	3-M-EURIBOR	(0.1)
Raiffeisenbank International AG	Interest rate swap	03/04/2006	01/04/2016	Interest rate change	4.2	3.890	3-M-EURIBOR	(0.3)
UniCredit Bank Austria AG	Interest rate swap	24/12/2012	27/11/2019	Interest rate change	3.0	3.490	3-M-EURIBOR	(0.5)
UniCredit Bank Austria AG	Interest rate swap	24/12/2012	27/11/2019	Interest rate change	3.0	3.490	3-M-EURIBOR	(0.5)
Commerzbank AG	Interest rate swap	31/10/2008	31/10/2018	Interest rate change	3.9	4.610	1-M-EURIBOR	(0.7)
Total		3.,,2000	3.7.372010	or out rate charige	- 3.7	4.010	Zombon	(104.1)
Total	-				-			(104.1)

As of 31 December 2013 conwert held the following derivative financial instruments that were recognised as cash flow hedges without recognition through profit or loss in accordance with IAS 39:

Financial institution	Derivative	Beginning	End	Hedge	Reference value 31/12/2013 (in € mn)	Fixed interest rate (in %)	Reference interest rate	Market value 31/12/2013 (in € mn)
DZ Bank	Interest rate cap	19/05/2010	30/06/2015	Interest rate change	1.7	4.000	3-M-EURIBOR	0.0
Landesbank Berlin	Interest rate cap	30/04/2009	30/09/2017	Interest rate change	0.4	4.200	3-M-EURIBOR	0.0
Landesbank Berlin	Interest rate swap	31/03/2008	31/03/2018	Interest rate change	5.0	4.280	3-M-EURIBOR	(0.7)
Aareal Bank AG	Interest rate swap	30/06/2006	31/05/2016	Interest rate change	11.0	4.300	3-M-EURIBOR	(0.9)
BAWAG PSK	Interest rate swap	30/09/2009	30/06/2016	Interest rate change	26.0	4.150	3-M-EURIBOR	(2.4)
BAWAG PSK	Interest rate swap	08/11/2011	30/09/2017	Interest rate change	34.0	3.115	3-M-EURIBOR	(3.0)
BAWAG PSK	Interest rate swap	01/10/2007	01/10/2020	Interest rate change	30.0	4.490	3-M-EURIBOR	(5.9)
Landesbank Hessen-Thüringen	Interest rate swap	02/10/2008	30/06/2017	Interest rate change	20.0	4.870	3-M-EURIBOR	(2.9)
Landesbank Hessen-Thüringen	Interest rate swap	30/07/2008	30/04/2018	Interest rate change	10.0	4.495	3-M-EURIBOR	(1.5)
Landesbank Berlin	Interest rate swap	31/12/2009	31/05/2016	Interest rate change	11.5	4.150	3-M-EURIBOR	(1.0)
Raiffeisenbank International AG	Interest rate swap	02/01/2012	30/12/2022	Interest rate change	35.0	3.985	3-M-EURIBOR	(6.3)
Raiffeisenbank International AG	Interest rate swap	07/08/2003	01/07/2023	Interest rate change	2.5	4.373	12-M-EURIBOR	(0.3)
Raiffeisenbank International AG	Interest rate swap	01/07/2016	30/06/2026	Interest rate change	30.0	4.600	3-M-EURIBOR	(4.7)
Corealkredit Bank AG	Interest rate swap	31/03/2020	30/09/2023	Interest rate change	65.3	3.000	3-M-EURIBOR	0.1
Total								(29.6)

As of 31 December 2013 conwert held the following derivative financial instruments that were recognised through profit or loss:

Financial institution	Derivative	Beginning	End	Hedge	Reference value 31/12/2013 (in € mn)	Fixed interest rate (in %)	Reference interest rate	Market value 31/12/2013 (in € mn)
Hypo Landesbank Vorarlberg	Interest rate swap	31/03/2006	31/03/2016	Interest rate change	2.4	3.860	3-M-EURIBOR	(0.2)
Hypo Landesbank Vorarlberg	Interest rate cap	02/01/2006	01/01/2016	Interest rate change	1.7	3.500	3-M-EURIBOR	0.0
Hypo Landesbank Vorarlberg	Interest rate swap	02/01/2006	01/01/2016	Interest rate change	4.0	3.530	3-M-EURIBOR	[0.2]
Hypo Landesbank Vorarlberg	Interest rate swap	31/03/2006	31/03/2016	Interest rate change	5.4	3.840	3-M-EURIBOR	(0.4)
Hypo Landesbank Vorarlberg	Interest rate swap	31/03/2006	31/03/2016	Interest rate change	9.9	3.840	3-M-EURIBOR	(0.7)
Landesbank Hessen-Thüringen	Interest rate swap	30/09/2009	30/09/2016	Interest rate change	8.3	3.183	6-M-EURIBOR	(0.5)
Landesbank Hessen-Thüringen	Interest rate collar	30/07/2008	30/04/2018	Interest rate change	37.0	2.75 / 4.80	3-M-EURIBOR	(3.2)
Österr. Volksbanken AG	Interest rate cap	30/12/2005	30/06/2015	Interest rate change	4.1	3.250	3-M-EURIBOR	0.0
Österr. Volksbanken AG	Interest rate swap	30/12/2005	31/12/2015	Interest rate change	4.6	3.450	3-M-EURIBOR	(0.2)
Österr. Volksbanken AG	Interest rate swap	31/03/2006	01/10/2027	Interest rate change	9.0	3.955	3-M-EURIBOR	[1.3]
Raiffeisenbank International AG	Interest rate swap	15/03/2006	31/12/2025	Interest rate change	20.4	4.430	SMY issuers	(2.0)
Raiffeisenbank International AG	Interest rate swap	07/10/2008	08/10/2018	Interest rate change	30.0	4.330	3-M-EURIBOR	(4.7)
Raiffeisenbank International AG	Interest rate swap	04/08/2006	30/06/2016	Interest rate change	37.6	4.060	3-M-EURIBOR	(3.3)
Raiffeisenbank International AG	Interest rate swap	04/08/2006	30/06/2016	Interest rate change	15.8	4.060	3-M-EURIBOR	[1.4]
Raiffeisenbank International AG	Interest rate swap	01/02/2006	31/12/2015	Interest rate change	14.1	3.470	3-M-EURIBOR	(0.8)
Raiffeisenbank International AG	Interest rate swap	01/02/2006	01/02/2016	Interest rate change	9.0	3.470	3-M-EURIBOR	(0.6)
Raiffeisenbank International AG	Interest rate swap	02/01/2006	04/01/2016	Interest rate change	2.0	3.450	3-M-EURIBOR	(0.1)
Raiffeisenbank International AG	Interest rate swap	02/01/2006	04/01/2016	Interest rate change	2.0	3.450	3-M-EURIBOR	(0.1)
Raiffeisenbank International AG	Interest rate swap	03/04/2006	01/04/2016	Interest rate change	4.3	3.890	3-M-EURIBOR	(0.3)
UniCredit Bank Austria AG	Interest rate swap	24/12/2012	27/11/2019	Interest rate change	3.0	3.490	3-M-EURIBOR	(0.4)
UniCredit Bank Austria AG	Interest rate swap	24/12/2012	27/11/2019	Interest rate change	3.0	3.490	3-M-EURIBOR	(0.4)
Barclays Capital	Interest rate swap	31/07/2007	26/06/2022	Interest rate change	66.8	4.080	3-M-EURIBOR	[12.3]
Barclays Capital	Interest rate swap	01/10/2007	30/09/2022	Interest rate change	34.1	4.160	3-M-EURIBOR	(6.6)
Barclays Capital	Interest rate swap	01/10/2007	30/09/2022	Interest rate change	13.0	4.687	3-M-EURIBOR	(3.0)
Kreissparkasse Köln	Interest rate swap	01/10/2008	01/10/2025	Interest rate change	4.8	4.500	3-M-EURIBOR	(1.1)
UniCredit Bank Austria AG	Interest rate swap	24/12/2012	27/11/2019	Interest rate change	1.2	3.680	3-M-EURIBOR	(0.2)
UniCredit Bank Austria AG	Interest rate swap	24/12/2012	27/11/2019	Interest rate change	1.2	3.680	3-M-EURIBOR	(0.2)
UniCredit Bank Austria AG	Interest rate swap	24/12/2012	08/05/2025	Interest rate change	13.0	4.090	3-M-EURIBOR	(2.6)
Raiffeisenbank International AG	Interest rate swap	10/07/2008	07/07/2025	Interest rate change	31.5	4.380	3-M-EURIBOR	(7.2)
Raiffeisenbank International AG	Interest rate swap	01/10/2007	02/10/2023	Interest rate change	34.3	4.680	3-M-EURIBOR	(8.4)
Raiffeisenbank International AG	Interest rate swap	22/08/2008	24/08/2026	Interest rate change	10.8	4.200	3-M-EURIBOR	(2.3)
Raiffeisenbank International AG	Interest rate swap	07/10/2008	08/10/2026	Interest rate change	36.0	4.310	3-M-EURIBOR	(8.3)
Commerzbank AG	Interest rate swap	31/10/2008	31/10/2018	Interest rate change	3.9	4.610	1-M-EURIBOR	(0.7)
Barclays Capital	Interest rate floor	30/09/2010	31/03/2020	Interest rate change	65.0	3.990	3-M-EURIBOR	(11.0)
UniCredit Bank Austria AG	Interest rate cap	01/04/2010	31/03/2020	Interest rate change	5.0	4.000	3-M-EURIBOR	0.1
UniCredit Bank Austria AG	Interest rate cap	01/04/2010	31/03/2020	Interest rate change	15.0	4.000	3-M-EURIBOR	0.2
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2020	Interest rate change	30.0	4.000	3-M-EURIBOR	0.3
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2025	Interest rate change	7.7	4.000	3-M-EURIBOR	0.1
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2020	Interest rate change	12.3	4.000	3-M-EURIBOR	0.1
Raiffeisenlandesbank NÖ-Wien	Interest rate cap	01/04/2010	01/04/2020	Interest rate change	20.0	3.000	3-M-EURIBOR	0.3
Raiffeisenlandesbank NÖ-Wien	Interest rate cap	01/07/2010	01/04/2020	Interest rate change	40.0	3.000	3-M-EURIBOR	0.7
Corealcredit Bank AG	Interest rate cap	26/08/2013	01/04/2020	Interest rate change	20.0	3.000	3-M-EURIBOR	0.3
Total								(82.7)

The derivative financial instruments include an option issued for the purchase of conwert shares, which has a market value of \in [0.4] mn [31/12/2013: \in [0.6] mn].

9. Dividend

The 13th Annual General Meeting on 7 May 2014 approved a dividend of $\\ensuremath{\in} 0.10$ per share in the form of a capital repayment. The dividend was distributed to shareholders on 14 May 2014.

10. Related Party Transactions

Related persons and companies are disclosed in the consolidated financial statements as of 31 December 2013. All transactions with related parties are conducted at arm's length.

Executive Board and Administrative Board

Approx. €0.5 mn was paid during the reporting period (1-6/2013: €0.8 mn) for services provided by related parties (remuneration for the Executive Directors). The Administrative Board received remuneration of approx. €0.1 mn during the reporting period (1-6/2013: €0.2 mn). The Administrative Board attendance fees for the second quarter of 2014 will be paid during the third quarter of 2014.

Alexander Tavakoli, a member of the Administrative Board, provided €36,000 of consulting services to conwert during the reporting period; these services were approved by the Administrative Board. The consulting contract was terminated as of 31 March 2014.

Relations with associated companies

The loans outstanding to associated companies as of the balance sheet date represent project financing.

(in € mn)		
	30/06/2014	31/12/2013
Originated loans	1.5	1.5
Outstanding receivables	0.1	0.5
Outstanding liabilities	0.1	0.0
(in € mn)	01/01-	01/01-
	30/06/2014	30/06/2013

(in € mn)	01/01- 30/06/2014	01/01- 30/06/2013
Revenues from property services	0.3	0.7
Property expenses	0.2	0.4
Interest income	0.1	0.0

Relations with other closely related parties

Member companies of STRABAG SE provide facility management services for the conwert Group and received €0.2 mn for these services during the reporting period.

conwert leases residential, office and parking space to member companies of STRABAG SE. The related lease fees amounted to &28,490 for the reporting period.

11. Information on Bodies of the Corporation

Johannes Meran resigned as chairman of the Administrative Board as of 26 March 2014. Kerstin Gelbmann was elected chairwoman of this body on 23 April 2014.

At the 13th Annual General Meeting on 7 May 2014, Alexander P. Schoeller and Martina Postl were elected by the shareholders to the Administrative Board.

12. Significant Events after the Interim Balance Sheet Date

No significant reportable events occurred after the end of the interim reporting period on $30\,\mathrm{June}\ 2014.$

13. Waiver of Review

The consolidated interim financial report of conwert Immobilien Invest SE, Vienna, for the first six months of 2014 was neither audited nor reviewed by a certified public accountant.

Vienna, 26 August 2014

The Executive Directors of conwert Immobilien Invest SE

Clemens Schneider m.p.

The Administrative Directors of conwert Immobilien Invest SE

Alexander Tavakoli m.p.

Kerstin Gelbmann m.p.

Martina Postl m.p.

Alexander P. Schoeller m.p.

Eveline Steinberger-Kern m.p. Thomas Doll m.p.

Statement of all legal representatives

"We, the Executive Board and the Administrative Board, confirm to the best of our knowledge that the condensed interim financial statements as of 30 June 2014 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in accordance with the applicable reporting principles and that the Group interim management report gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group with regard to important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements in terms of the principal risks and uncertainties for the remaining six months of the financial year as well as the requisite disclosures on transactions with related parties."

Vienna, 26 August 2014

The Executive Board of conwert Immobilien Invest SE

The Administrative Board of conwert Immobilien Invest SE

Chair

Deputy Chair

Member

Alexander P. Schoeller Member

Financial Calendar

Results 1-9/2014	26 November 2014
Annual results 2014 / press conference	25 March 2014

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Disclaimer

This report contains forward-looking estimates and statements that were made on the basis of the information available at the time. These forward-looking statements usually involve terms such as "expect", "estimate", "plan", "reckon", "assume", "should", "supposed to", "can", etc. Forward-looking statements reflect the point of view at the time they are made.

Please be aware that the circumstances and, consequently, the actual results realised at a later date may differ from the forecasts presented in this report for a variety of reasons.

Misprints and errors cannot be entirely ruled out.

This report is a translation into English of the Interim Report 1-6/2014 published in the German language and is provided solely for the convenience of English-speaking users. In the event of a discrepancy or translation error, the German-language version prevails.

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