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INTERIM REPORT 1-6/2017

## KEY PERFORMANCE INDICATORS AT A GLANCE

### Key performance indicators

		1-6/2017	1-6/2016	Change
Rental income	T€	93,069	107,091	-13.1%
Property expenses	T€	(35,405)	(35,538)	-0.4%
Net rental return (NRR)	T€	57,664	71,554	-19.4%
Proceeds from sale of properties	T€	406,408	153,586	-
Revenues from property services	T€	1,304	3,580	-63.6%
<b>Total revenue</b>	<b>T€</b>	<b>500,781</b>	<b>264,257</b>	<b>89.5%</b>
EBITDA (before revaluation gains/losses)	T€	35,420	51,392	-31.1%
EBIT	T€	122,507	146,041	-16.1%
<b>EBT</b>	<b>T€</b>	<b>89,479</b>	<b>102,470</b>	<b>-12.7%</b>
Consolidated profit after tax	T€	23,719	74,921	-68.3%
NRR margin	%	62.0	66.8	-7.3%
Adjusted NRR margin <sup>1)</sup>	%	87.4	89.1	-1.9%
Adjusted rental EBITDA margin	%	67.5	68.3	-1.2%
Like-for-like rental increase	%	3.5	1.1	-
Funds from Operations I <sup>2)</sup>	T€	34,505	39,274	-12.1%
Funds from Operations II <sup>3)</sup>	T€	40,497	39,381	2.8%
Cash profit <sup>4)</sup>	T€	35,386	38,998	-9.3%

### Balance sheet indicators

		30/06/2017	31/12/2016	Change
Equity	T€	1,468,804	1,452,590	1.1%
Equity ratio	%	<b>54.3</b>	<b>48.6</b>	<b>11.7%</b>
Non-current liabilities	T€	<b>897,581</b>	<b>1,046,448</b>	<b>-14.2%</b>
Current liabilities	T€	<b>337,424</b>	<b>488,279</b>	<b>-30.9%</b>
Ø Maturity of financial liabilities	years	5.8 <sup>5)</sup>	5.6	3.6%
Ø Interest on financial liabilities before hedging	%	1.78 <sup>6)</sup>	1.97	-9.6%

### Stock exchange indicators

		1-6/2017	1-6/2016	Change
Share price at end of reporting period	€	17.07	14.48	17.9%
Shares outstanding at year-end less treasury shares	No	101,906,213	93,017,148	9.6%
Market capitalisation	T€	1,739,539	1,346,423	29.2%
Book value (NAV) per share <sup>7)</sup>	€	14.04	14.10	-0.4%
EPRA NAV per share <sup>7)</sup>	€	17.20	16.40	4.9%
Basic earnings per share <sup>8)</sup>	€	0.20	0.75	-73.2%
Diluted earnings per share <sup>8)</sup>	€	0.20	0.71	-71.5%
FFO I per share <sup>8)</sup>	€	0.34	0.43	-20.3%
Share performance	%	5.2	3.1	67.7%

<sup>1)</sup> Margin on net rental income (rental income less running costs charged to tenants)

<sup>2)</sup> FFO I: Earnings before tax (EBT) - difference between sales and carrying amount of sold properties + operating expenses of sales result +/- revaluation result + depreciation and value adjustments + non-cash components of financial result and other non-cash costs + one-off charges - cash taxes on rental business

<sup>3)</sup> FFO II: FFO I + difference between sales and carrying amount of sold properties - operating expenses of sales result

<sup>4)</sup> Cash Profit: FFO II - cash taxes on sales result

<sup>5)</sup> If the repayment of a credit line on 3 July 2017 is not included, the average maturity of the liabilities is 6.5 years as at 30 June 2017

<sup>6)</sup> If the repayment of a credit line on 3 July 2017 is not included, the average interest on the liabilities is 1.88% as at 30 June 2017

<sup>7)</sup> Details on shares are based on the number of shares outstanding at the end of the period, less treasury shares of 101.9 mn in 1-6/2017 and 93.0 mn in 1-6/2016

<sup>8)</sup> Details per share are based on the average number of shares outstanding, less treasury shares of 101.8 mn in 1-6/2017 and 92.4 mn in 1-6/2016

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Numerous amounts and percentages have been rounded off; totals may therefore deviate from the amounts stated.





# *PORTFOLIO*

## PORTFOLIO STRUCTURE

The classification of the conwert property portfolio underlines the strategy as a residential property company focusing on A and B locations in selected metropolitan regions in Germany and Austria.

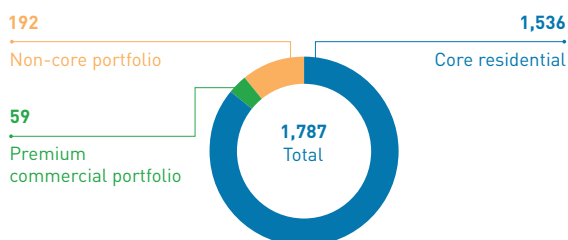
The conwert portfolio is subdivided into a core portfolio and a non-core portfolio.

### Performance of the property portfolio

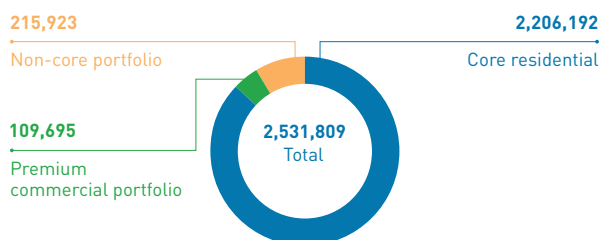
Compared to the end of the comparable period of the previous year, the property portfolio declined as the result of planned sales. At 30 June 2017 the total usable space was around 1,787,000 sqm, corresponding to a (14.2)% decrease (30.06.2016: 2,084,000 sqm). In the non-core portfolio the usable space decreased by (64.5)%. This consequently led to an increase in the percentage accounted for by the core portfolio of the total portfolio, in terms of usable space, of 15.2 percentage points to 89.2%.

At the end of the first half of 2017 the property portfolio was valued by the valuation company CBRE. The changes in fair value applied led to a net gain of T€87,954 (30.06.2016: T€95,503). The largest revaluation gains were from the German residential portfolio. At 30 June 2017 property assets totalled T€2,495,890. The fair value of the portfolio (property assets plus IFRS 5 and sell-properties at fair value) stood at T€2,531,809 at 30 June 2017.

Usable space at 30/06/2017  
(in 1,000 sqm)



Fair value at 30/06/2017  
(in T€)







# *INVESTOR RELATIONS*

## INVESTOR RELATIONS

### Developments on the stock exchange

The favourable performance in corporate profits, a positive economic backdrop and the ongoing expansive monetary policy led to an overall positive mood on the stock markets in the first half of 2017. In contrast, the prevailing political uncertainty had an impact on the markets, albeit a short-lived one.

In the first two quarters of 2017 the Vienna Stock Exchange managed to continue the strong price growth of the preceding two quarters: since mid-2016, i.e. a time period of one year, the leading Austrian index ATX grew by 48.2% and thereby achieved a value of 3,106.66 points at the end of the first half of 2017. At 30 June 2017 the IATX recorded a plus of 15.2% against the start of the year, while the DAX was up by 7.4%.

### Share performance

At 30 June 2017 the conwert share closed at €17.07, which was 5.2% above closing at year-end 2016 (30.12.2016: €16.22). The year-high of €17.19 was seen on 14 June 2017. At the end of the reporting period, the share was listed with a slight discount of (0.8)% to the EPRA Net Asset Value (EPRA NAV) per share, which stood at €17.20 at 30 June 2017.

#### Performance

(in %)	1-6/2017
conwert	5.2
ATX	18.6
IATX	15.2
DAX	7.4
FTSE EPRA/NAREIT Developed Europe Index	2.9

### Stock market listing

conwert Immobilien Invest SE (conwert) has been listed on the Vienna Stock Exchange since 28 November 2002 and was admitted to the prime market in June 2006.

In terms of trading volumes, conwert came tenth among the ATX companies in the first half of 2017; it was in 34th place on the prime market measured by free float market capitalisation.

#### Weighting of the conwert share in selected indices

(in %)	30/06/2017
ATX	0.4
IATX	5.0

### conwert Immobilien Invest SE shares

The total number of shares at 30 June 2017 amounted to 101,906,213. The share capital stood at €509,531,065.

## Share buybacks and sale of treasury shares

At year-end 2016 conwert still held 1,576,464 treasury shares, equivalent to 1.5% of the share capital. However, at this point in time conwert had already tendered these shares to the takeover offer of Vonovia SE (Vonovia). The transfer resulting from acceptance of the cash offer of €16.16 per share took place on 16 January 2017. No share buybacks were conducted in the period under review.

### Stock market indicators

		30/06/2017	30/06/2016
No. of shares on last trading day less treasury shares	No	101,906,213	93,017,148
Average no. of shares less treasury shares	No	101,819,116	92,402,134
Average trading turnover per day (double counting)	T€	2,829	5,096
Average trading turnover per day (double counting)	No	174,169	378,681
Share price at start of year	€	16.40	13.65
Share price at end of reporting period	€	17.07	14.48
Share price – high	€	17.19	14.80
Share price – low	€	15.54	11.66
Market capitalisation at end of period	T€	1,739,539	1,346,423

## Extraordinary general meeting

An extraordinary general meeting (EGM) was held in Vienna on 27 January 2017 for the purpose of electing the members of the conwert Administrative Board. This EGM was called at the request of the shareholder Vonovia. In the elections that followed, Rolf Buch, A. Stefan Kirsten, Sabine Gleiß and Fabian Heß were newly elected to the Administrative Board. Peter Hohlbein and Andreas Lehner were re-elected. In the constituent meeting that followed, Rolf Buch was elected as Chairman of the Administrative Board and A. Stefan Kirsten was elected as his Deputy.

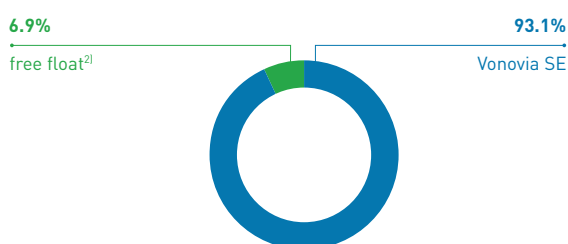
## Resolutions of the 16th Annual General Meeting

The 16th Annual General Meeting (AGM) was held on 13 June 2017 in Vienna. In addition to granting discharge to the members of the Administrative Board and to the Executive Directors, the AGM approved a dividend payment of €0.48 per share, which was paid out on 20 June 2017. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, was appointed as the auditor for the individual and consolidated financial statements for the financial year 2017.

## Core shareholder Vonovia

A total of 94,867,722 conwert shares were offered to Vonovia in the course of the takeover offer. Since 6 April 2017, when the final transfer of shares from the grace period of the takeover offer was concluded, Vonovia has held a total stake of 93.1% in conwert. At the request of Vonovia, an EGM will be held in Vienna on 29 August 2017 to vote on the squeeze-out of minority shareholders. More detailed information can be found on the website [www.conwert.com](http://www.conwert.com) under Investor Relations.

### Shareholder structure<sup>1)</sup> at 30 June 2017



<sup>1)</sup> Based on notifications of voting rights

<sup>2)</sup> Under the definition of Wiener Börse AG, free float accounts for 10.0%



#### Information on the conwert share

Investor Relations manager	Clemens Billek
Shareholder hotline	+43 1 521 45-700
Email	cwi@conwert.at
Website	www.conwert.com
Vienna Stock Exchange	CWI
Bloomberg	CWI AV
Reuters	CONW.VI
ISIN	AT0000697750
Type of shares	Ordinary shares
Number of shares including treasury shares	101,906,213
Share capital	T€509,531
Segment	Vienna Stock Exchange, Official Market
Indices	ATX, ATX-Prime, IATX
Specialist	Raiffeisen Centrobank AG
Market Maker	Erste Group Bank AG, Hudson River Trading Europe Ltd., Kepler Cheuvreux, Société Générale S.A., Spire Europe Limited, Virtu Financial Ireland Ltd., Wood & Company Financial Services, a.s.



# *CONDENSED INTERIM MANAGEMENT REPORT*

## ECONOMIC BACKDROP AND DEVELOPMENTS ON THE PROPERTY MARKETS

### Austria

Austria's economy is on a rapid growth path: the first three months of 2017 saw the strongest growth in six years and in the second quarter of 2017 Austria was one of the countries with the sharpest growth in the eurozone, with a GDP increase of 0.8%. This positive development was driven by lively export demand coupled with gross capital investment. For the full-year 2017 Austria's economy is set to grow by 2.4%, a rate significantly stronger than the previous year (2016: 1.5%).

*[Sources: WIFO, Economy in Austria with significantly stronger growth than eurozone average, press release dated 9 August 2017; WIFO, 2017 brings strongest growth in six years, press release dated 8 June 2017; WIFO, Economic forecast: Global trade invigorates Austria, press release dated 29 June 2017]*

### Germany

The growth phase of the German economy is continuing apace. The OECD forecasts that economic growth will remain buoyant and that unemployment will continue to decline. Construction activity has picked up, as the need for migrant accommodation and the low interest rates have led to an increase in housing demand. That said, corporate investments are only likely to see slow growth. As the result of the extremely expansive monetary policy in the eurozone and the ongoing appeal of Germany as a safe haven, the financial market conditions thereby point to further economic expansion. According to the forecast by the Institute for World Economy in Kiel (IfW), GDP growth of 1.7% is likely in 2017. The lower increase in the current year is attributable to the relatively high number of holidays that fall on a business day.

*[Sources: OECD, economic forecast June 2017 Germany dated 7 June 2017; IfW, economic forecast: German economy in overdrive, media information dated 15 June 2017]*

### Austria property market

The Austrian property investment market is operating at a record level not seen since 2015: a volume of around €3.5 bn is expected for the full year 2017, with around €2.5 bn already invested in Austria in the first half of 2017. Some 56% of investors were from Germany, while the majority of transactions took place in Vienna. In terms of asset class, office properties attracted the largest interest: around 61% of the total investment volume went on office property, whereby the top returns fell below the 4.0% level for the first time to 3.95% (1st half 2016: 4.1%). The Vienna housing market, dominated by surplus demand, has remained relatively stable in the first six months of 2017 following the price rises of the past years; thereby only limited increases in rents and purchase prices are now expected.

*[Sources: CBRE, press release dated 12 July 2017; EHL, press release dated 13 July 2017]*

### Germany property market

The very good fundamentals of the German economy combined with the robust growth on the rental markets in top locations and regional centres is reflected in the highly dynamic ongoing boom in investments on the real estate market. The demand for German residential property by institutional investors and real estate companies in this segment was unabatedly high. In line with this, the market performance was highly active in the first half of 2017, whereby transaction volumes underwent further growth of around 22% against the same period of the previous year. On the residential investment market, around €5.9bn was turned over in the segment of residential packages with at least 50 housing units in the first half of 2017, significantly more than in the same period in 2016. Due to ongoing high demand, yield compression increased in the first half of 2017; the initial net return on standing assets transacted averaged 3.5%.

*[Sources: CBRE, press release, Strong growth continues on investment market for residential property in Germany, dated 21 July 2017; CBRE, Germany residential investment market, Q2 2017 July 2017]*

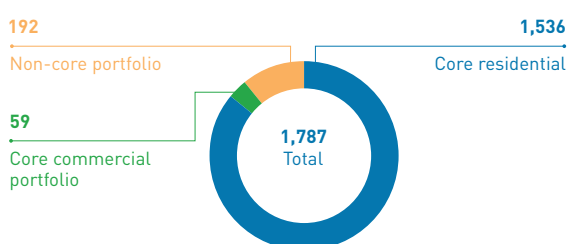


## BUSINESS PERFORMANCE

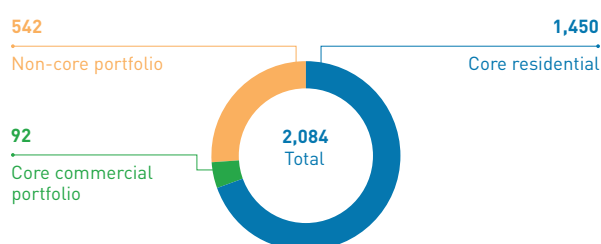
### Property portfolio

The progress made in selling properties from the non-core portfolio in 2016 and the first half of 2017 led the number of rental units to decrease by (6.0)% to 25,073 rental units (30/06/2016: 26,687 rental units) and the total usable space to decline by (14.2)% to around 1,787,000 sqm (30/06/2016: 2,084,000 sqm).

Total usable space by portfolio category 30/06/2017  
(in 1,000 sqm)



Total usable space by portfolio category 30/06/2016  
(in 1,000 sqm)



### Property assets

As a result of the sales activities and despite the positive contribution to earnings from the revaluation of the portfolio in light of the positive growth on the property markets, conwert's property assets decreased by (6.8)% to T€2,495,890 (30/06/2016: T€2,677,689).

Property assets by region and portfolio category

(in T€)		30/06/2017	30/06/2016
Austria	Core residential portfolio	410,644	415,211
	Core commercial portfolio	56,190	55,910
	Non-core portfolio	127,135	363,652
Germany	Core residential portfolio	1,764,168	1,468,237
	Core commercial portfolio	53,505	117,080
	Non-core portfolio	53,241	227,463
Other countries	Non-core portfolio	31,009	30,135
<b>Total</b>		<b>2,495,890</b>	<b>2,677,689</b>

## Vacancy rates

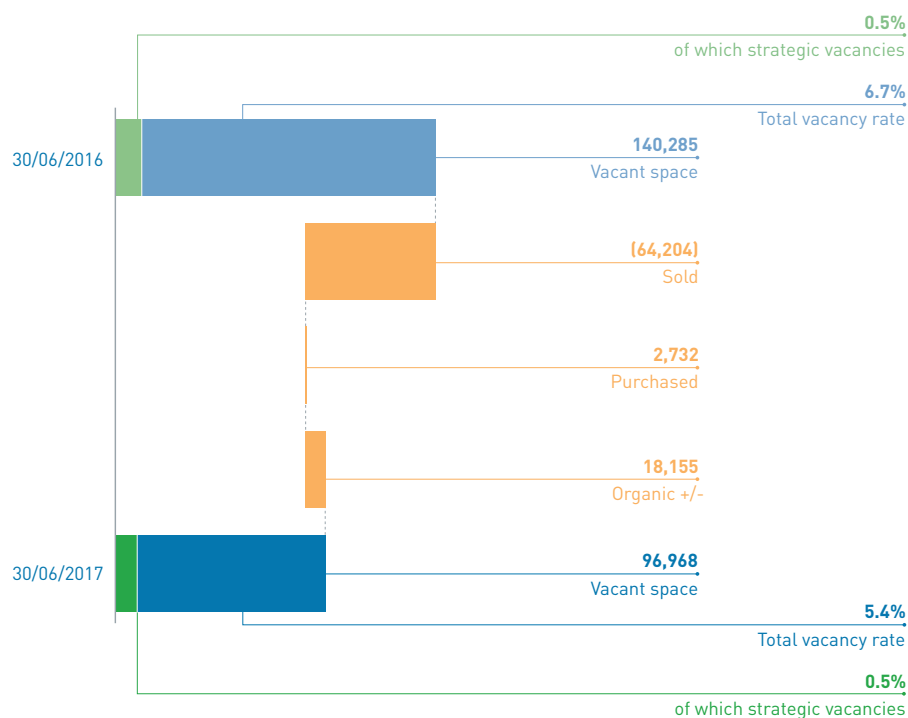
The average vacancy rate for the entire portfolio improved from 6.7% against the end of the comparative period of the previous year to 5.4% at 30 June 2017 and was thereby below 6% again, as was the case at the end of 2016.

### Vacancy rates by region and portfolio category

(in %)		30/06/2017	30/06/2016
Austria	Core residential portfolio	3.7	4.6
	Core commercial portfolio	8.3	0.2
	Non-core portfolio	18.9	15.4
Germany	Core residential portfolio	4.0	3.2
	Core commercial portfolio	4.3	3.6
	Non-core portfolio	10.9	15.1
Other countries	Non-core portfolio	25.8	39.8
<b>Total</b>		<b>5.4</b>	<b>6.7</b>

## Vacancy rates

(in sqm unless otherwise indicated)



## Rents

Average rents in the core residential portfolio rose by 3.0% to €6.03/sqm/m (30/06/2016: €5.86/sqm/m). In the core commercial portfolio the average rent per square metre decreased by (10.3)% to €8.51/sqm/m (30/06/2016: €9.50/sqm/m) and in the non-core portfolio by 2.5% to €7.27/sqm/m (30/06/2016: €7.45/sqm/m). On a like-for-like basis, the average rent in the core portfolio climbed by 3.6%; across every portfolio category the rise was 3.5%.

### Average rents by region and portfolio category

(in €/sqm/m)		30/06/2017	30/06/2016
Austria	Core residential portfolio	6.55	6.35
	Core commercial portfolio	11.71	11.81
	Non-core portfolio	7.68	8.08
Germany	Core residential portfolio	5.96	5.78
	Core commercial portfolio	7.12	8.90
	Non-core portfolio	5.27	6.61
Other countries	Non-core portfolio	11.74	11.32
<b>Total</b>		<b>6.23</b>	<b>6.40</b>

## Property services

At 30 June 2017 conwert managed 29,766 units (incl. parking spaces) in Germany with around 1,605,000 sqm usable space from the conwert portfolio and for third parties. In Austria the property management for conwert properties was taken over by an external provider in the first quarter of 2017.



## Revenues

conwert's revenues are primarily generated by letting portfolio properties, the sale of individual apartments, whole properties and portfolios, as well as income from property services for third parties. In the first half of 2017 revenues totalled T€500,781 and were thereby up by 89.5% against the comparable period of the previous year (1-6/2016: T€264,257). This was caused by the strong sales revenue – generated by the sale of a major commercial portfolio to HanseMerkur.

### Revenues by income type

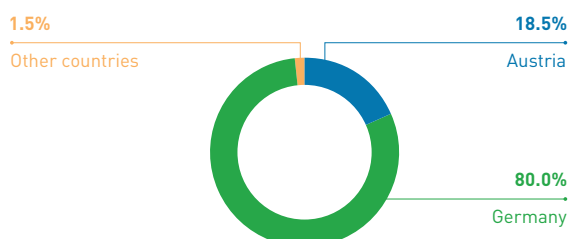
(in T€)

	Austria		Germany		Other countries		Group eliminations		Group		
	1-6/ 2017	1-6/ 2016	1-6/ 2017	1-6/ 2016	1-6/ 2017	1-6/ 2016	1-6/ 2017	1-6/ 2016	1-6/ 2017	1-6/ 2016	Change
Rental income	17,330	26,698	74,805	79,609	1,427	1,373	(493)	(588)	93,069	107,091	-13.1%
Sales revenue	231,222	53,759	174,668	97,380	518	2,447	0	0	406,408	153,586	-
Service revenue	5,888	6,872	11,724	17,057	91	134	(16,400)	(20,483)	1,304	3,580	-63.6%
<b>Total revenue</b>	<b>254,440</b>	<b>87,328</b>	<b>261,197</b>	<b>194,047</b>	<b>2,037</b>	<b>3,954</b>	<b>(16,893)</b>	<b>(21,071)</b>	<b>500,781</b>	<b>264,257</b>	<b>89.5%</b>

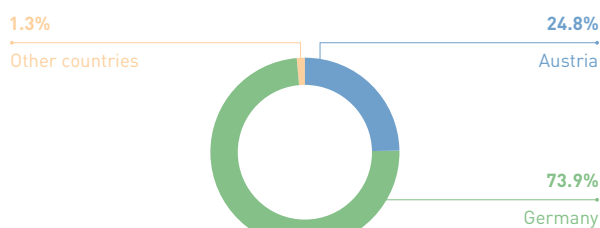
### Rental income

Rental income underwent a year-on-year decrease of (13.1)% as the result of focusing on the core property portfolio and because of the reduction in lettable space as the result of sales. This also led to a (19.4)% decline in the net rental result (NRR, rental income less property expenses) to T€57,664, while the NRR margin (NRR/rental income) slipped back to 62.0% (1-6/2016: 66.8%). The adjusted NRR margin (NRR/rental income less running costs charged to tenants) saw a slight decrease to 87.4% (1-6/2016: 89.1%).

#### Rental income by region before eliminations 1-6/2017



#### Rental income by region before eliminations 1-6/2016



### NRR by region

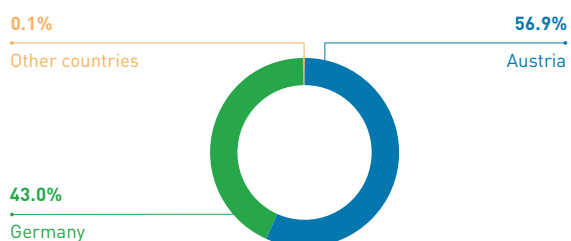
(in T€)

	1-6/2017	1-6/2016
Austria	11,634	17,349
Germany	42,486	48,643
Other countries	1,208	1,052
Group eliminations	2,335	4,509
<b>Group</b>	<b>57,664</b>	<b>71,554</b>

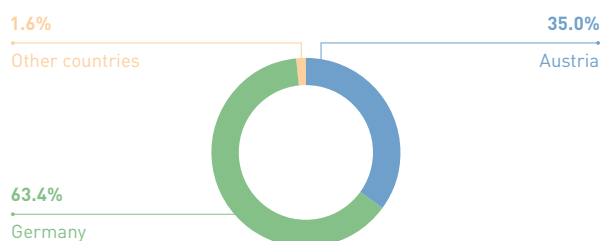
### Proceeds from the sale of properties

The sales revenues in the first half of 2017 were influenced by the closing of the sale of a commercial property package to HanseMerkur and amounted to T€406,408 (1-6/2016: T€153,586). A total of 423 residential and 1,231 commercial units were sold along with 2,913 parking spaces. The IFRS profit from the sales totalled T€10,484.

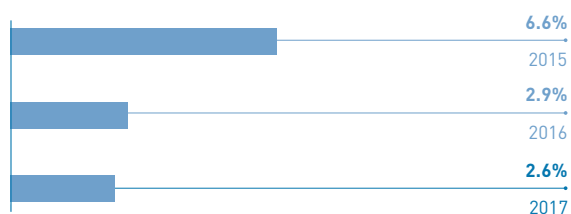
Sales revenue by region 1-6/2017



Sales revenue by region 1-6/2016



Revenues from property services



### Revenues from property services

The termination of third-party mandates led revenues from property services to decrease to T€1,304 in the period under review (1-6/2016: T€3,580).

## Financial performance

In the first half of 2017 earnings before interest and taxes (EBIT) of T€122,507 were (16.1)% lower than in the comparable period of the previous year (1-6/2016: T€146,041) – mainly because of the lower rental income as the result of sales.

The revaluation of the property portfolio carried out once every six months led to net revaluation gains of T€87,954 (30/06/2016: T€95,503). The largest value increases were applied to the German residential portfolio.

Higher personnel expenses – as the result of provisions related to restructuring measures in Germany – along with higher other operating expenses led to a 20.1% increase in total operating expenses to T€(35,395) (1-6/2016: T€(29,462)). The increase in other operating expenses was primarily caused by allocations to a provision for rents relating to office properties that will no longer be used in the future and that have contractual terms extending beyond 30 June 2017.

The financial result was severely affected by non-cash effects from derivatives totalling T€(19,039). The change in the market value of ineffective derivatives led to a positive contribution to earnings of T€2,560, although this effect was overcompensated for by the progress made in releasing the cash flow hedge reserve of derivatives that have already been released or restructured in the amount of T€(21,599).

The reduction in the financing volumes led financing costs with an impact on cash to fall sharply to T€(10,807) (1-6/2016: T€(15,859)); the effective interest rate after hedging declined to 1.78% (1-6/2016: 2.27%). The overall financial result improved to T€(33,027) (1-6/2016: T€(43,570)).

In the first half of 2017 conwert generated a consolidated profit after income tax and non-controlling interests of T€20,512, following on from a profit of T€69,355 in the comparable period of the previous year.



## Overview of selected financial performance indicators

		1-6/2017	1-6/2016	Change
<b>Rental business</b>				
Rental income	T€	93,069	107,091	-13.1%
Property expenses	T€	(35,405)	(35,538)	-0.4%
<b>Net income from the rental business (NRR)</b>	<b>T€</b>	<b>57,664</b>	<b>71,554</b>	<b>-19.4%</b>
<b>Sale of properties</b>				
Proceeds from the sale of properties	T€	406,408	153,586	-
Expenses from the sale of properties	T€	(395,924)	(149,267)	-
<b>Net income from the sale of properties</b>	<b>T€</b>	<b>10,484</b>	<b>4,319</b>	<b>-</b>
<b>Services</b>				
Revenues from property services	T€	1,304	3,580	-63.6%
<b>Fair value adjustments to the property portfolio</b>				
<b>Net gains from fair value adjustments</b>	<b>T€</b>	<b>87,954</b>	<b>95,503</b>	<b>-7.9%</b>
<b>Operating expenses</b>				
Personnel expenses	T€	(14,578)	(12,196)	19.5%
Other operating expenses	T€	(20,817)	(17,266)	20.6%
<b>Total operating expenses</b>	<b>T€</b>	<b>(35,395)</b>	<b>(29,462)</b>	<b>20.1%</b>
<b>Financing</b>				
<b>Financial result</b>	<b>T€</b>	<b>(33,027)</b>	<b>(43,570)</b>	<b>-24.2%</b>
<b>Group earnings</b>				
EBITDA	T€	35,420	51,392	-31.1%
EBIT	T€	122,507	146,041	-16.1%
EBT	T€	89,479	102,470	-12.7%
Consolidated profit after tax	T€	23,719	74,921	-68.3%
<b>Profit after non-controlling interests</b>	<b>T€</b>	<b>20,512</b>	<b>69,355</b>	<b>-70.4%</b>
Basic earnings per share <sup>3)</sup>	€	0.20	0.75	-73.2%
Diluted earnings per share <sup>3)</sup>	€	0.20	0.71	-71.5%
<b>Other indicators</b>				
NRR margin	%	62.0	66.8	-7.3%
Adjusted NRR margin <sup>1)</sup>	%	87.4	89.1	-1.9%
Adjusted rental EBITDA margin	%	67.5	68.3	-1.2%
Like-for-like rental increase	%	3.5	1.1	-
<b>FFO I <sup>2)</sup> per share<sup>3)</sup></b>	<b>€</b>	<b>0.34</b>	<b>0.43</b>	<b>-20.3%</b>
<b>FFO II <sup>4)</sup> per share<sup>3)</sup></b>	<b>€</b>	<b>0.40</b>	<b>0.43</b>	<b>-6.7%</b>
<b>Cash profit<sup>5)</sup> per share<sup>3)</sup></b>	<b>€</b>	<b>0.35</b>	<b>0.42</b>	<b>-17.7%</b>

<sup>1)</sup> Margin on net rental income (rental income less running costs charged to tenants)

<sup>2)</sup> 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 interests of associates + restructuring costs/one-off costs – cash taxes on net rental income

<sup>3)</sup> Based on the average number of shares outstanding, less treasury shares of 101.8 mn in 1-6/2017 and 92.4 mn in 1-6/2016

<sup>4)</sup> FFO II: FFO I + difference between sales and carrying amount of sold properties – net sales income expenses

<sup>5)</sup> Cash profit: FFO II – actual cash taxes on net sales income

### Funds from Operations (FFO) and cash profit

The Funds from Operations before sales and one-off effects (FFO I) of T€34,505 in the first half of 2017 were slightly below that of the comparable period of the previous year, declining by (12.1)% (1-6/2016: T€39,274).

FFO II, which also includes the book gains on property sales, increased to T€40,497 (1-6/2016: T€39,381). The cash profit, which also contains cash taxes on net sales proceeds, stood at T€35,386 (1-6/2016: T€38,998).

#### FFO in detail

(in T€)	1-6/2017	1-6/2016
<b>EBT</b>	<b>89,479</b>	<b>102,470</b>
Difference between sales and carrying amount of sold properties	(10,484)	(4,319)
Operating expenses of sales income	4,492	4,212
Net revaluation gains/losses	(87,954)	(95,503)
Depreciation, impairment and value adjustments	868	855
Non-cash components of financial income and other non-cash costs	22,328	27,975
One-off effects	15,776	3,583
<b>FFO I</b>	<b>34,505</b>	<b>39,274</b>
Difference between sales and carrying amount of sold properties	10,484	4,319
Operating expenses of sales income	(4,492)	(4,212)
<b>FFO II</b>	<b>40,497</b>	<b>39,381</b>
Cash taxes	(5,112)	(383)
<b>Cash profit</b>	<b>35,386</b>	<b>38,998</b>

### Net revaluation gains/losses

conwert's property portfolio was subjected to its twice-yearly evaluation at the end of the reporting period. The positive and negative fair value adjustments applied led to net revaluation gains of T€87,954 (30/06/2016: T€95,503). The largest increases in value came from the German residential portfolio.

#### Fair value adjustments to property assets at 30 June 2017 by region and portfolio category

			Austria	Germany	Other countries	Group
Revaluation gains from fair value adjustments to investment property	Core residential portfolio	T€	6,475	85,710	0	92,185
	Core commercial portfolio	T€	465	1,178	0	1,643
	Non-core portfolio	T€	687	1,725	0	2,412
	<b>Total</b>	<b>T€</b>	<b>7,626</b>	<b>88,613</b>	<b>0</b>	<b>96,240</b>
Revaluation losses from fair value adjustments to investment property	Core residential portfolio	T€	(389)	(6,029)	0	(6,418)
	Core commercial portfolio	T€	(730)	(386)	0	(1,116)
	Non-core portfolio	T€	(237)	0	0	(237)
	<b>Total</b>	<b>T€</b>	<b>(1,355)</b>	<b>(6,415)</b>	<b>0</b>	<b>(7,770)</b>
Revaluation losses from property held for sale	Core residential portfolio	T€	(75)	(141)	0	(216)
	Non-core portfolio	T€	(299)	0	0	(299)
	<b>Total</b>	<b>T€</b>	<b>(374)</b>	<b>(141)</b>	<b>0</b>	<b>(515)</b>
<b>Total revaluation gains/losses</b>	<b>Core residential portfolio</b>	<b>T€</b>	<b>6,012</b>	<b>79,540</b>	<b>0</b>	<b>85,552</b>
	<b>Core commercial portfolio</b>	<b>T€</b>	<b>(265)</b>	<b>792</b>	<b>0</b>	<b>527</b>
	<b>Non-core portfolio</b>	<b>T€</b>	<b>151</b>	<b>1,725</b>	<b>0</b>	<b>1,876</b>
	<b>Total</b>	<b>T€</b>	<b>5,897</b>	<b>82,057</b>	<b>0</b>	<b>87,954</b>
Property assets	Core residential portfolio	T€	410,644	1,764,168	0	2,174,811
	Core commercial portfolio	T€	56,190	53,505	0	109,695
	Non-core portfolio	T€	127,135	53,241	31,009	211,384
	<b>Total</b>	<b>T€</b>	<b>593,968</b>	<b>1,870,913</b>	<b>31,009</b>	<b>2,495,890</b>

#### Fair value adjustments to property assets at 30 June 2017 by region and portfolio category in percent

(in %)	Austria	Germany	Other countries	Total
Core residential portfolio	1.5	4.5	-	3.9
Core commercial portfolio	(0.5)	1.5	-	0.5
Non-core portfolio	0.1	3.2	-	0.9
<b>Total</b>	<b>1.0</b>	<b>4.4</b>	<b>-</b>	<b>3.5</b>

## FINANCIAL POSITION AND ASSETS

### Overview of selected balance sheet figures

		30/06/2017	31/12/2016	Change
<b>Total non-current assets</b>	<b>T€</b>	<b>2,277,082</b>	<b>2,364,620</b>	<b>-3.7%</b>
of which investment property	T€	2,266,169	2,335,726	-3.0%
<b>Total current assets</b>	<b>T€</b>	<b>426,727</b>	<b>622,697</b>	<b>-31.5%</b>
of which properties held for sale	T€	83,149	117,645	-29.3%
of which assets held for sale	T€	146,572	331,079	-55.7%
of which cash and cash equivalents	T€	139,890	61,297	-
<b>Total equity</b>	<b>T€</b>	<b>1,468,804</b>	<b>1,452,590</b>	<b>1.1%</b>
of which non-controlling interests	T€	38,209	36,515	4.6%
<b>Total non-current liabilities</b>	<b>T€</b>	<b>897,581</b>	<b>1,046,448</b>	<b>-14.2%</b>
of which non-current loans and borrowings	T€	646,542	838,431	-22.9%
<b>Total current liabilities</b>	<b>T€</b>	<b>337,424</b>	<b>488,279</b>	<b>-30.9%</b>
of which current loans and borrowings	T€	262,248	294,837	-11.1%
of which bond liabilities	T€	0	64,952	-100.0%
<b>Balance sheet total (total assets and/or total equity and liabilities)</b>	<b>T€</b>	<b>2,703,809</b>	<b>2,987,317</b>	<b>-9.5%</b>
Equity ratio <sup>1)</sup>	%	54.3	48.6	11.7%
Gearing <sup>2)</sup>	%	44.9	58.8	-23.7%
Loan to value (LTV) <sup>3)</sup>	%	30.8	40.8	-24.6%
Net debt	T€	(659,238)	(854,431)	-22.8%

<sup>1)</sup> Equity including non-controlling interests

<sup>2)</sup> Total net debt/total equity

<sup>3)</sup> Debt in relation to property projects under inclusion of cash and cash equivalents

At 30 June 2017 conwert's total assets declined by (9.5)% against year-end 2016 to T€2,703,809 (31/12/2016: T€2,987,317). This decrease resulted from the sale of properties that were sold in the course of focusing on the company's core strategic areas. The company's equity stood at T€1,468,804 at 30 June 2017, a slight increase of 1.1% against year-end 2016 (31/12/2016: T€1,452,590).



**EPRA NAV**

The EPRA NAV (Net Asset Value of the European Public Real Estate Association) per share rose against the end of the previous year – as the result of an increase in deferred taxes – to €17.20 at the reporting date (31/12/2016: €16.89 per share).

**EPRA NAV**

(in T€)	30/06/2017	31/12/2016	Change
Equity	1,468,804	1,452,590	1.1%
Equity attr. to shareholders of conwert	1,430,595	1,416,075	1.0%
Revaluation of Sell portfolio	26,147	27,147	-3.7%
Fair value of financial instruments	3,635	21,158	-82.8%
Long-term financing contributions from tenants	8,150	8,425	-3.3%
Deferred taxes	283,886	222,112	27.8%
<b>Basic EPRA NAV</b>	<b>1,752,413</b>	<b>1,694,917</b>	<b>3.4%</b>

**EPRA NAV per share**

(in €)	30/06/2017	31/12/2016	Change
Number of shares on reporting date less treasury shares (no.)	101,906,213	100,329,749	1.6%
Equity attr. to shareholders of conwert	14.04	14.11	-0.5%
Revaluation of Sell portfolio	0.26	0.27	-5.2%
Fair value of financial instruments	0.04	0.21	-83.1%
Long-term financing contributions from tenants	0.08	0.08	-4.8%
Deferred taxes	2.79	2.21	25.8%
<b>Basic EPRA NAV</b>	<b>17.20</b>	<b>16.89</b>	<b>1.8%</b>

## Non-current and current liabilities

At 30 June 2017 conwert's financing volumes totalled T€908,790 (31/12/2016: T€1,198,220). Of this total, non-current loans and borrowings amounted to T€646,542 (31/12/2016: T€838,431) and current loans and borrowings stood at T€262,248 (31/12/2016: T€294,837).

The average remaining financing term was 5.8 years as at 30 June 2017 (31/12/2016: 5.6 years). At the reporting date, 53% of the financing volume was subject to variable interest rates, while 47% was subject to fixed interest rates. Around 80% of financial liabilities had been hedged against interest rate risks.

The effective interest rate of the financing volume was 1.65% p.a. before hedging costs (30/06/2016: 2.07% p.a.) and 1.78% p.a. after hedging costs (30/06/2016: 2.27% p.a.). If the repayment of a credit line on 3 July 2017 amounting to T€94,238 is not included in the calculation, the effective interest rate is 1.71% p.a. before hedging costs and 1.88% p.a. after hedging costs. When this credit line is excluded, the remaining term of the financing increases to 6.5 years.

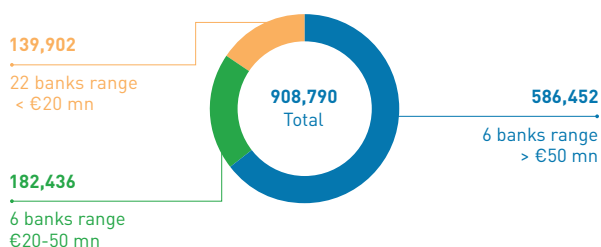
At 30 June 2017 there were no liabilities in foreign currencies; all of the liabilities were in euros.

In May 2017 S&P confirmed its investment grade rating for conwert of BBB+ with a stable outlook before withdrawing at conwert's request.

### Financing volumes – before deduction of transaction costs

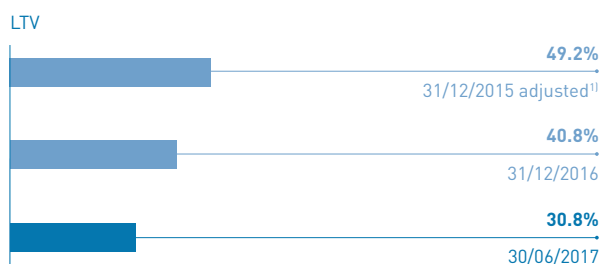
(in T€)	Financing volumes	of which at fixed interest rates	of which at variable interest rates
of which remaining term of less than a year	246,142	70,449	175,693
of which remaining term between 1 and 5 years	252,663	87,871	164,792
of which remaining term of over 5 years	413,880	274,541	139,339
<b>Total</b>	<b>912,685</b>	<b>432,861</b>	<b>479,824</b>

### Financial liabilities as at 30/06/2017



## Loan-to-Value (LTV)

The net financial liabilities related to conwert's property assets fell to T€768,900 (31/12/2016: T€1,136,924) as a result of paying back financing for properties sold. This consequently led to a decrease in LTV – debt in relation to property projects under inclusion of cash and cash equivalents – to 30.8% (31/12/2016: 40.8%).



<sup>1)</sup> Under inclusion of the conversion of the 5.25% convertible bonds 2010-2016

## Cash flows

In the period under review, cash and cash equivalents rose to T€139,890. The increase primarily resulted from the contribution by cash flow from operating activities. This contrasted with higher repayments of loans and borrowings in cash flow from financing activities. The payout of a dividend and redemption of a bond were also included under financing.

### Overview of cash flows

(in T€)	1-6/2017	1-6/2016	Change
Net profit/loss for the period	23,719	74,921	-68.3%
Operating cash flow	26,829	49,565	-45.9%
Cash flow from operating activities	72,910	72,946	-
Cash flow from investing activities	307,452	159,133	93.2%
Cash flow from financing activities	(301,769)	(164,009)	84.0%
Change in cash and cash equivalents	78,593	68,070	15.5%
Cash and cash equivalents at start of period	61,297	55,240	11.0%
Cash and cash equivalents at end of period	139,890	123,309	13.4%

## RISK REPORT

The significant aspects of the conwert Group's risk environment and risk management methods remain unchanged in the first half 2017. Please refer to the risk report in the 2016 Annual Report for detailed information and statements.

## RELATED PARTY TRANSACTIONS

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For the purpose of this presentation, related parties are defined as the Executive Directors and members of the Administrative Board as well as their closely related companies and subsidiaries, joint ventures, shareholders and associated companies.

Business transactions with related parties are carried out at ordinary arm's length conditions.

### Executive Directors and Administrative Board

A total of around T€1,119 was paid during the reporting period (1-6/2016: T€731) for services provided by related parties (remuneration for the Executive Directors). The Administrative Board invoiced remuneration of T€268 during the reporting period (1-6/2016: T€234), of which T€23 relates to remuneration for the year 2016. Settlement of attendance fees for the Administrative Board for the second quarter of 2017 will take place in the third quarter of 2017.

### Related companies

In the course of evaluating the potential for comprehensive efficiency increases, conwert and Vonovia SE (Vonovia) have determined a centralized management and administration approach to conwert Group properties by Vonovia companies. Following the conclusion of the requisite preparatory negotiations, as of 1 July 2017 certain management and administrative processes by conwert companies have been outsourced to Vonovia companies.

## OUTLOOK FOR CONWERT

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conwert will consistently pursue its optimisation in managing the property portfolio, increasing rental income and selling properties from the non-core portfolio. We maintain our guidance and expect sales proceeds of T€400,000-450,000 in 2017 along with a slight decrease in FFO I (before sales and one-off items) of T€64,000-74,000 as the result of the decline in usable space due to sales.



# *CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS*



## CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017

(in T€)	01/01- 30/06/2017	01/01- 30/06/2016	01/04- 30/06/2017	01/04- 30/06/2016	Notes
1. Rental income	93,069	107,091	43,795	54,477	5.1.
2. Proceeds from the disposal of properties held for sale	42,103	14,172	6,123	9,371	
3. Proceeds from the disposal of investment properties	364,305	139,414	18,683	106,004	
4. Revenues from property services	1,304	3,580	611	2,086	5.3.
<b>5. Total revenues</b>	<b>500,781</b>	<b>264,257</b>	<b>69,213</b>	<b>171,939</b>	
6. Property expenses	(35,405)	(35,538)	(15,874)	(19,063)	5.1.
7. Expenses from the disposal of properties held for sale	(34,909)	(10,858)	(4,300)	(6,841)	
8. Expenses from the disposal of investment properties	(361,015)	(138,409)	(17,298)	(106,202)	6.1.
<b>9. Subtotal of 5. to 8.</b>	<b>69,451</b>	<b>79,453</b>	<b>31,740</b>	<b>39,833</b>	
10. Gains from fair value adjustments	96,240	178,953	96,192	176,641	
11. Losses from fair value adjustments	(7,770)	(79,936)	(7,770)	(78,975)	
<b>12. Net gain/(loss) from fair value adjustments (Subtotal of 10. and 11.)</b>	<b>88,469</b>	<b>99,016</b>	<b>88,422</b>	<b>97,666</b>	<b>6.1.</b>
13. Negative fair value adjustments to properties held for sale	(515)	(3,513)	(515)	(3,513)	
14. Depreciation, amortisation and other impairment charges	(868)	(855)	(425)	(436)	
15. Other operating income	1,365	1,401	847	822	
16. Personnel expenses	(14,578)	(12,196)	(9,794)	(5,907)	5.4.
17. Other operating expenses	(20,817)	(17,266)	(10,778)	(7,487)	5.5.
<b>18. Operating result (EBIT)</b>	<b>122,507</b>	<b>146,041</b>	<b>99,497</b>	<b>120,977</b>	
19. Finance revenue	2,922	338	1,364	125	5.6.
20. Finance costs	(35,897)	(43,827)	(23,226)	(18,979)	5.7.
21. Share of profit/(loss) from associates	(52)	(81)	(55)	(25)	
<b>22. Financial result</b>	<b>(33,027)</b>	<b>(43,570)</b>	<b>(21,917)</b>	<b>(18,878)</b>	
<b>23. Earnings before tax (EBT)</b>	<b>89,479</b>	<b>102,470</b>	<b>77,580</b>	<b>102,099</b>	
24. Income tax expense/revenue	(65,760)	(27,549)	(64,367)	(23,175)	5.8.
<b>25. Profit/(loss) for the year</b>	<b>23,719</b>	<b>74,921</b>	<b>13,212</b>	<b>78,925</b>	
Thereof attributable to non-controlling interests	3,207	5,566	2,776	4,790	
Thereof attributable to equity holders of the parent	20,512	69,355	10,436	74,135	
Basic earnings per share (in €)	0.20	0.75	0.10	0.80	
Diluted earnings per share (in €)	0.20	0.71	0.10	0.75	

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017

(in T€)	Equity holders of the parent	Non-controlling interests	01/01- 30/06/2017 Total	Equity holders of the parent	Non- controlling interests	01/01- 30/06/2016 Total
<b>Profit/(loss) after tax for the period</b>	<b>20,512</b>	<b>3,207</b>	<b>23,719</b>	<b>69,355</b>	<b>5,566</b>	<b>74,921</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>						
Currency translation differences	(77)	(3)	(80)	226	24	250
Cash flow hedges	22,932	0	22,932	1,979	0	1,979
Tax effect on cash flow hedges	(5,733)	0	(5,733)	(493)	0	(493)
Sundry comprehensive income	0	0	0	(157)	(5)	(161)
Tax effect on others	0	0	0	25	0	25
<b>Total other comprehensive income</b>	<b>17,122</b>	<b>(3)</b>	<b>17,119</b>	<b>1,581</b>	<b>19</b>	<b>1,600</b>
<b>Total comprehensive income for the period</b>	<b>37,634</b>	<b>3,204</b>	<b>40,838</b>	<b>70,936</b>	<b>5,585</b>	<b>76,521</b>

(in T€)	Equity holders of the parent	Non-controlling interests	01/04- 30/06/2017 Total	Equity holders of the parent	Non- controlling interests	01/04- 30/06/2016 Total
<b>Profit/(loss) after tax for the period</b>	<b>10,436</b>	<b>2,776</b>	<b>13,212</b>	<b>74,135</b>	<b>4,790</b>	<b>78,925</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>						
Currency translation differences	(77)	(3)	(80)	89	52	141
Cash flow hedges	16,477	0	16,477	3,035	0	3,035
Tax effect on cash flow hedges	(4,119)	0	(4,119)	(762)	0	(762)
Sundry comprehensive income	0	0	0	(157)	(5)	(161)
<b>Total other comprehensive income</b>	<b>12,281</b>	<b>(3)</b>	<b>12,278</b>	<b>2,206</b>	<b>47</b>	<b>2,253</b>
<b>Total comprehensive income for the period</b>	<b>22,717</b>	<b>2,773</b>	<b>25,490</b>	<b>76,341</b>	<b>4,837</b>	<b>81,177</b>

## CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2017

(in T€)	30/06/2017	31/12/2016	Notes
<b>Assets</b>			
<b>A. Non-current assets</b>			
Investment properties	2,266,169	2,335,726	6.1.
Intangible assets	2,878	3,546	
Investments in associates	3,362	3,414	
Other tangible assets	1,058	1,202	
Other financial assets	3,000	12,809	6.5.
Deferred tax assets	615	7,922	
<b>Total non-current assets</b>	<b>2,277,082</b>	<b>2,364,620</b>	
<b>B. Current assets</b>			
Properties held for sale	83,149	117,645	
Trade accounts receivable	22,897	67,994	6.5.
Other financial assets	26,145	38,232	6.5.
Other assets	8,073	6,450	
Cash and cash equivalents	139,890	61,297	6.5.
Assets held for sale	146,572	331,079	6.2.
<b>Total current assets</b>	<b>426,727</b>	<b>622,697</b>	
<b>Total assets</b>	<b>2,703,809</b>	<b>2,987,317</b>	
<b>Equity and liabilities</b>			
<b>C. Equity</b>			
Share capital	509,531	509,531	
Capital reserves	697,749	687,673	
Treasury shares	0	(15,400)	
Retained earnings	275,510	303,588	
Other reserves	(52,195)	(69,317)	
<b>Equity attributable to equity holders of the parent</b>	<b>1,430,595</b>	<b>1,416,075</b>	
Non-controlling interests	38,209	36,515	
<b>Total equity</b>	<b>1,468,804</b>	<b>1,452,590</b>	
<b>D. Non-current liabilities</b>			
Loans and borrowings	646,542	838,431	6.3.
Provisions	2,087	2,349	
Deferred tax liabilities	230,102	172,894	
Financing contributions from tenants	8,150	8,425	6.5.
Other non-current financial liabilities	10,700	24,347	
<b>Total non-current liabilities</b>	<b>897,581</b>	<b>1,046,448</b>	
<b>E. Current liabilities</b>			
Loans and borrowings	262,248	294,837	6.3.
Bond liabilities	0	64,952	6.5.
Trade accounts payable	9,171	67,052	6.5.
Provisions	2,288	2,210	
Income tax payable	19,362	17,344	
Other current financial liabilities	41,140	37,234	6.5.
Other current liabilities	3,214	4,649	
<b>Total current liabilities</b>	<b>337,424</b>	<b>488,279</b>	
<b>Total equity and liabilities</b>	<b>2,703,809</b>	<b>2,987,317</b>	

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017

(in T€)	Issued capital	Capital reserves	Treasury shares	Retained earnings	Reserve for derivatives	Other reserves	Subtotal: equity holders of the parent	Non-controlling interests	Total equity
<b>Balance as of 01/01/2016</b>	<b>450,326</b>	<b>620,423</b>	<b>(15,400)</b>	<b>223,950</b>	<b>(59,492)</b>	<b>(23,675)</b>	<b>1,196,131</b>	<b>64,511</b>	<b>1,260,642</b>
Profit/(loss) for the period (after tax)	0	0	0	69,355	0	0	69,355	5,566	74,921
Other comprehensive income	0	0	0	0	1,486	94	1,581	19	1,600
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>69,355</b>	<b>1,486</b>	<b>94</b>	<b>70,936</b>	<b>5,585</b>	<b>76,521</b>
Issue of shares out of conditional capital	22,642	25,858	0	0	0	0	48,500	0	48,500
Reduction/ Acquisition of non-controlling interests without change of control	0	0	0	(3,884)	0	0	(3,884)	(27,765)	(31,649)
<b>Balance as of 30/06/2016</b>	<b>472,968</b>	<b>646,281</b>	<b>(15,400)</b>	<b>289,421</b>	<b>(58,006)</b>	<b>(23,581)</b>	<b>1,311,683</b>	<b>42,331</b>	<b>1,354,014</b>
<b>Balance as of 01/01/2017</b>	<b>509,531</b>	<b>687,673</b>	<b>(15,400)</b>	<b>303,588</b>	<b>(45,762)</b>	<b>(23,555)</b>	<b>1,416,075</b>	<b>36,515</b>	<b>1,452,590</b>
Profit/(loss) for the period (after tax)	0	0	0	20,512	0	0	20,512	3,207	23,719
Other comprehensive income	0	0	0	0	17,199	(77)	17,122	(3)	17,119
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,512</b>	<b>17,199</b>	<b>(77)</b>	<b>37,634</b>	<b>3,204</b>	<b>40,838</b>
Allocation to capital reserves	0	10,076	0	0	0	0	10,076	0	10,076
Dividend	0	0	0	(48,915)	0	0	(48,915)	0	(48,915)
Sale of treasury shares	0	0	15,400	0	0	0	15,400	0	15,400
Reduction/ Acquisition of non-controlling interests without change of control	0	0	0	325	0	0	325	(1,510)	(1,185)
<b>Balance as of 30/06/2017</b>	<b>509,531</b>	<b>697,749</b>	<b>0</b>	<b>275,510</b>	<b>(28,563)</b>	<b>(23,632)</b>	<b>1,430,595</b>	<b>38,209</b>	<b>1,468,804</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017

(in T€)	01/01-30/06/2016	01/01-30/06/2016	01/04-30/06/2017	01/04-30/06/2016
Profit/(loss) for the period (after tax)	23,719	74,921	13,212	78,925
Operating cash flow	26,829	49,565	8,642	26,975
<b>Cash flow from operating activities</b>	<b>72,910</b>	<b>72,946</b>	<b>16,174</b>	<b>24,770</b>
<b>Cash flow from investing activities</b>	<b>307,452</b>	<b>159,133</b>	<b>15,613</b>	<b>93,097</b>
<b>Cash flow from financing activities</b>	<b>(301,769)</b>	<b>(164,009)</b>	<b>(201,352)</b>	<b>(101,052)</b>
<b>Change in cash and cash equivalents</b>	<b>78,593</b>	<b>68,070</b>	<b>(169,565)</b>	<b>16,815</b>
<b>Cash and cash equivalents</b>				
Cash and cash equivalents at the beginning of the period	61,297	55,240	309,455	106,495
Cash and cash equivalents at the end of the period	139,890	123,309	139,890	123,309
<b>Change in cash and cash equivalents</b>	<b>78,593</b>	<b>68,070</b>	<b>(169,565)</b>	<b>16,815</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 1 General Information

conwert Immobilien Invest SE (conwert) is a single-tier European stock corporation that is listed for official trading on the Vienna Stock Exchange. The company's shares are included in the prime market as well as the Austrian Traded Index (ATX). conwert's registered headquarters are located at Alserbachstrasse 32, 1090 Vienna, Austria.

The business activities of the conwert Group are focused on real estate, in particular the acquisition, development, rental and best possible realisation of properties in order to optimise investments.

These condensed consolidated interim financial statements as of 30 June 2017 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 2016 financial year.

The condensed consolidated interim financial statements were prepared in thousand Euros (T€). 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 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 2017. 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 2017, 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 2017 if they are designated with "yes" in the following table.

Standard		Effective date <sup>1)</sup>	Material impact on the consolidated financial statements
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	01/01/2017 <sup>2)</sup>	no
IAS 7	Disclosure Initiative	01/01/2017 <sup>2)</sup>	no

<sup>1)</sup> Applicable to financial years beginning on or after the indicated date.

<sup>2)</sup> The date may change for the European Union upon endorsement by the EU.

## 3 Consolidated Group

In the period under review, 2017, conwert neither sold nor acquired any subsidiaries.

## 4 Segment Reporting

### 4.1 Third party revenues

All proceeds from the sale of properties were generated by transactions with external customers. Revenues from property services included T€1,304 (1-6/2016: T€3,580) recorded with external customers. Rental revenues include T€493 (1-6/2016: T€588) of revenues from intersegment transactions.

## 4.2 Segment reporting by region

	Austria 01/01-30/06		Germany 01/01-30/06		Other countries 01/01-30/06		Operations 01/01-30/06	
(in T€)	2017	2016	2017	2016	2017	2016	2017	2016
Rental income	17,330	26,698	74,805	79,609	1,427	1,373	93,562	107,680
Proceeds from the disposal of properties	231,222	53,759	174,668	97,380	518	2,447	406,408	153,586
Revenues from property services	5,888	6,872	11,724	17,057	91	134	17,703	24,063
<b>Revenues</b>	<b>254,440</b>	<b>87,328</b>	<b>261,197</b>	<b>194,047</b>	<b>2,037</b>	<b>3,954</b>	<b>517,673</b>	<b>285,329</b>
Property expenses	(5,695)	(9,348)	(32,319)	(30,966)	(219)	(321)	(38,234)	(40,635)
Expenses from the disposal of properties	(223,374)	(50,370)	(172,032)	(95,564)	(519)	(3,334)	(395,924)	(149,267)
Net gain/(loss) from fair value adjustments	6,271	2,937	82,198	101,434	0	(5,355)	88,469	99,016
Negative fair value adjustments to properties held for sale	(374)	(915)	(141)	(2,214)	0	(385)	(515)	(3,513)
Depreciation, amortisation and other impairment charges	(14)	(16)	(80)	(101)	(1)	(1)	(95)	(118)
Personnel expenses	(917)	(1,938)	(12,264)	(6,359)	(49)	(44)	(13,231)	(8,341)
Other operating income	546	(6,006)	3,903	2,058	4	6,729	4,452	2,782
Other operating expenses	(9,080)	(20,127)	(29,999)	(27,341)	(1,011)	8,255	(40,090)	(39,213)
<b>Operating result (EBIT)</b>	<b>21,803</b>	<b>1,547</b>	<b>100,462</b>	<b>134,995</b>	<b>242</b>	<b>9,499</b>	<b>122,507</b>	<b>146,041</b>
Financial result	(7,553)	(9,348)	(24,149)	(32,873)	(1,325)	(1,349)	(33,027)	(43,570)
<b>Earnings before tax (EBT)</b>	<b>14,250</b>	<b>(7,801)</b>	<b>76,313</b>	<b>102,121</b>	<b>(1,083)</b>	<b>8,150</b>	<b>89,479</b>	<b>102,470</b>
<b>Property assets</b>	<b>593,968</b>	<b>834,773</b>	<b>1,870,913</b>	<b>1,812,780</b>	<b>31,009</b>	<b>30,135</b>	<b>2,495,890</b>	<b>2,677,689</b>
<b>Investments in property assets</b>	<b>1,162</b>	<b>3,348</b>	<b>18,270</b>	<b>18,703</b>	<b>61</b>	<b>37</b>	<b>19,493</b>	<b>22,089</b>

	Other 01/01-30/06		Subtotal 01/01-30/06		Group eliminations 01/01-30/06		Group 01/01-30/06	
(in T€)	2017	2016	2017	2016	2017	2016	2017	2016
Rental income	0	0	93,562	107,680	(493)	(588)	93,069	107,091
Proceeds from the disposal of properties	0	0	406,408	153,586	0	0	406,408	153,586
Revenues from property services	0	0	17,703	24,063	(16,400)	(20,483)	1,304	3,580
<b>Revenues</b>	<b>0</b>	<b>0</b>	<b>517,673</b>	<b>285,329</b>	<b>(16,893)</b>	<b>(21,071)</b>	<b>500,781</b>	<b>264,257</b>
Property expenses	0	0	(38,234)	(40,635)	2,828	5,098	(35,405)	(35,538)
Expenses from the disposal of properties	0	0	(395,924)	(149,267)	0	0	(395,924)	(149,267)
Net gain/(loss) from fair value adjustments	0	0	88,469	99,016	0	0	88,469	99,016
Negative fair value adjustments to properties held for sale	0	0	(515)	(3,513)	0	(0)	(515)	(3,513)
Depreciation, amortisation and other impairment charges	(773)	(737)	(868)	(855)	0	0	(868)	(855)
Personnel expenses	(1,347)	(3,855)	(14,578)	(12,196)	0	0	(14,578)	(12,196)
Other operating income	6,777	9,823	11,230	12,606	(9,865)	(11,204)	1,365	1,401
Other operating expenses	(4,657)	(5,231)	(44,747)	(44,444)	23,930	27,178	(20,817)	(17,266)
<b>Operating result (EBIT)</b>	<b>0</b>	<b>(0)</b>	<b>122,507</b>	<b>146,041</b>	<b>0</b>	<b>(0)</b>	<b>122,507</b>	<b>146,041</b>
Financial result	0	0	(33,027)	(43,570)	0	(0)	(33,027)	(43,570)
<b>Earnings before tax (EBT)</b>	<b>0</b>	<b>0</b>	<b>89,479</b>	<b>102,470</b>	<b>0</b>	<b>(0)</b>	<b>89,479</b>	<b>102,470</b>
<b>Property assets</b>	<b>0</b>	<b>0</b>	<b>2,495,890</b>	<b>2,677,689</b>	<b>0</b>	<b>0</b>	<b>2,495,890</b>	<b>2,677,689</b>
<b>Investments in property assets</b>	<b>0</b>	<b>0</b>	<b>19,493</b>	<b>22,089</b>	<b>0</b>	<b>0</b>	<b>19,493</b>	<b>22,089</b>

	Austria 01/04-30/06		Germany 01/04-30/06		Other countries 01/04-30/06		Operations 01/04-30/06	
(in T€)	2017	2016	2017	2016	2017	2016	2017	2016
Rental income	7,497	12,732	35,878	41,354	719	694	44,094	54,781
Proceeds from the disposal of properties	15,010	21,270	9,796	92,101	0	2,005	24,806	115,376
Revenues from property services	2,549	3,467	5,974	10,063	40	63	8,563	13,593
<b>Revenues</b>	<b>25,056</b>	<b>37,469</b>	<b>51,648</b>	<b>143,517</b>	<b>759</b>	<b>2,763</b>	<b>77,463</b>	<b>183,749</b>
Property expenses	(2,758)	(4,636)	(14,331)	(16,857)	(86)	(135)	(17,175)	(21,628)
Expenses from the disposal of properties	(13,348)	(19,798)	(8,250)	(90,775)	0	(2,470)	(21,598)	(113,043)
Net gain/(loss) from fair value adjustments	6,271	2,937	82,151	100,084	0	(5,355)	88,422	97,666
Negative fair value adjustments to properties held for sale	(374)	(915)	(141)	(2,214)	0	(385)	(515)	(3,513)
Depreciation, amortisation and other impairment charges	(7)	(6)	(35)	(51)	(0)	(0)	(43)	(57)
Personnel expenses	(358)	(1,078)	(9,657)	(2,894)	(29)	(22)	(10,044)	(3,995)
Other operating income	136	(6,281)	3,072	1,414	2	6,729	3,209	1,862
Other operating expenses	(2,630)	(5,233)	(17,441)	(14,589)	(152)	(242)	(20,223)	(20,064)
<b>Operating result (EBIT)</b>	<b>11,989</b>	<b>2,459</b>	<b>87,015</b>	<b>117,636</b>	<b>493</b>	<b>883</b>	<b>99,497</b>	<b>120,977</b>
Financial result	(5,275)	(5,518)	(15,969)	(12,741)	(674)	(619)	(21,917)	(18,878)
<b>Earnings before tax (EBT)</b>	<b>6,714</b>	<b>(3,060)</b>	<b>71,046</b>	<b>104,895</b>	<b>(181)</b>	<b>264</b>	<b>77,580</b>	<b>102,099</b>
<b>Property assets</b>	<b>593,968</b>	<b>834,773</b>	<b>1,870,913</b>	<b>1,812,780</b>	<b>31,009</b>	<b>30,135</b>	<b>2,495,890</b>	<b>2,677,689</b>
<b>Investments in property assets</b>	<b>599</b>	<b>1,554</b>	<b>11,088</b>	<b>10,725</b>	<b>0</b>	<b>11</b>	<b>11,687</b>	<b>12,290</b>

	Other 01/04-30/06		Subtotal 01/04-30/06		Group eliminations 01/04-30/06		Group 01/04-30/06	
(in T€)	2017	2016	2017	2016	2017	2016	2017	2016
Rental income	0	0	44,094	54,781	(299)	(303)	43,795	54,477
Proceeds from the disposal of properties	0	0	24,806	115,376	0	0	24,806	115,376
Revenues from property services	0	0	8,563	13,593	(7,952)	(11,507)	611	2,086
<b>Revenues</b>	<b>0</b>	<b>0</b>	<b>77,463</b>	<b>183,749</b>	<b>(8,251)</b>	<b>(11,810)</b>	<b>69,213</b>	<b>171,939</b>
Property expenses	0	0	(17,175)	(21,628)	1,301	2,565	(15,874)	(19,063)
Expenses from the disposal of properties	0	0	(21,598)	(113,043)	0	(0)	(21,598)	(113,043)
Net gain/(loss) from fair value adjustments	0	0	88,422	97,666	0	0	88,422	97,666
Negative fair value adjustments to properties held for sale	0	0	(515)	(3,513)	0	(0)	(515)	(3,513)
Depreciation, amortisation and other impairment charges	(382)	(379)	(425)	(436)	0	(0)	(425)	(436)
Personnel expenses	250	(1,913)	(9,794)	(5,907)	0	(0)	(9,794)	(5,907)
Other operating income	2,257	4,778	5,466	6,640	(4,619)	(5,818)	847	822
Other operating expenses	(2,125)	(2,487)	(22,347)	(22,551)	11,569	15,064	(10,778)	(7,487)
<b>Operating result (EBIT)</b>	<b>(0)</b>	<b>(0)</b>	<b>99,497</b>	<b>120,977</b>	<b>0</b>	<b>(0)</b>	<b>99,497</b>	<b>120,977</b>
Financial result	0	0	(21,917)	(18,878)	0	(0)	(21,917)	(18,878)
<b>Earnings before tax (EBT)</b>	<b>(0)</b>	<b>(0)</b>	<b>77,580</b>	<b>102,099</b>	<b>0</b>	<b>(0)</b>	<b>77,580</b>	<b>102,099</b>
<b>Property assets</b>	<b>0</b>	<b>0</b>	<b>2,495,890</b>	<b>2,677,689</b>	<b>0</b>	<b>0</b>	<b>2,495,890</b>	<b>2,677,689</b>
<b>Investments in property assets</b>	<b>0</b>	<b>0</b>	<b>11,687</b>	<b>12,290</b>	<b>0</b>	<b>0</b>	<b>11,687</b>	<b>12,290</b>

## 5 Selected Notes to the Statement of Comprehensive Income

The income and expenses listed below are, in general, distributed equally over the individual quarters.

### 5.1 Rental income and property expenses

(in T€)	01/01- 30/06/2017	01/01- 30/06/2016
Net rental income	65,959	80,282
Operating costs charged to tenants	27,110	26,809
<b>Rental income</b>	<b>93,069</b>	<b>107,091</b>
<i>Less property expenses</i>		
Operating costs	(30,309)	(30,919)
Maintenance	(3,656)	(3,027)
Management services	(201)	(356)
Miscellaneous	(1,240)	(1,236)
<b>Property expenses</b>	<b>(35,405)</b>	<b>(35,538)</b>
<b>Total</b>	<b>57,664</b>	<b>71,554</b>

### 5.2 Rental income by property use

(in T€)	01/01- 30/06/2017	01/01- 30/06/2016
Residential space	79,417	75,847
Office and commercial space	12,393	29,321
Garages/parking spaces	1,259	1,923
<b>Total</b>	<b>93,069</b>	<b>107,091</b>

### 5.3 Revenues from property services

(in T€)	01/01- 30/06/2017	01/01- 30/06/2016
Management of property companies	0	599
Facility management	220	1,289
Brokerage and sales	502	1,293
Property insurance	582	399
<b>Total</b>	<b>1,304</b>	<b>3,580</b>

### 5.4 Personnel expenses

(in T€)	01/01- 30/06/2017	01/01- 30/06/2016
Salaries and wages	12,881	10,035
Expenses for legally required duties and contributions	1,501	1,960
Miscellaneous	196	201
<b>Total</b>	<b>14,578</b>	<b>12,196</b>

## 5.5 Other operating expenses

(in T€)	01/01- 30/06/2017	01/01- 30/06/2016
Rental and leasing expenses	5,488	755
Other taxes and duties	2,399	539
Legal advising and notaries public	2,256	2,350
Temporary personnel	1,764	543
IT expenses	1,521	1,408
Commissions	1,403	934
Write-off of uncollectible receivables/impairment charges to receivables	1,286	1,928
External accounting and tax advising	917	845
Other consulting expenses	555	1,569
Bank charges	391	638
Communications and advertising	379	699
Motor vehicle expenses	343	461
Duties	316	317
Remuneration for the Executive and Administrative Boards	288	274
Expenses for legal proceedings	247	1,610
Insurance	146	162
Business travel	121	221
Auditing	109	74
Information and messenger services	86	99
Membership fees	60	68
Office operations	51	97
Damages not related to properties	43	86
IT consulting	43	58
External opinions	42	569
Training	41	57
Property management fees	41	12
Personnel search	10	213
Miscellaneous other operating expenses	471	682
<b>Total</b>	<b>20,817</b>	<b>17,266</b>

## 5.6 Finance revenue

(in T€)	01/01- 30/06/2017	01/01- 30/06/2016
Interest income	70	20
Income from the change in the value of ineffective derivatives	2,560	61
Other finance revenue	292	256
<b>Total</b>	<b>2,922</b>	<b>338</b>

## 5.7 Finance costs

(in T€)	01/01- 30/06/2017	01/01- 30/06/2016
Interest expense	10,885	15,847
Bank charges	2,256	1,483
Write-up of convertible bond	0	516
Expenses from the change in value of ineffective derivatives	0	12,970
Expenses from the release of the cash flow hedge reserve	21,599	12,689
Other finance costs	1,157	321
<b>Total</b>	<b>35,897</b>	<b>43,827</b>



## 5.8 Income tax expense

(in T€)	01/01- 30/06/2017	01/01- 30/06/2016
Current tax expense	[7,841]	[6,450]
Deferred tax income/expense from the recognition and reversal of temporary differences	[57,919]	[21,099]
<b>Total</b>	<b>[65,760]</b>	<b>[27,549]</b>

## 6 Selected Notes to the Consolidated Balance Sheet

### 6.1 Investment property

	Austria		Germany		Other countries		Total	Total
(in T€)	Residential	Commercial	Residential	Commercial	Residential	Commercial	01/01- 30/06/2017	01/01- 31/12/2016
<b>Carrying amount at the beginning of the financial year</b>	<b>322,085</b>	<b>227,049</b>	<b>1,697,177</b>	<b>60,403</b>	<b>0</b>	<b>29,011</b>	<b>2,335,726</b>	<b>2,523,230</b>
Net foreign exchange differences	0	0	0	0	0	[91]	[91]	[211]
Additions from the acquisition of properties	0	0	348	0	0	0	348	108,533
Additions to existing properties	462	565	16,431	768	0	0	18,225	42,936
Additions/disposals resulting from the reclassification of assets as held for sale	0	[21,500]	[115,908]	[10,613]	0	0	[148,021]	[484,025]
Additions/disposals resulting from the reclassification of properties as held for sale	0	0	0	0	0	0	0	5
Disposals	[1,812]	[18,699]	[962]	[7,014]	0	0	[28,487]	[66,626]
Net gain/loss from fair value adjustments	5,639	632	81,225	973	0	0	88,469	211,884
<b>Carrying amount at the end of the financial year</b>	<b>326,374</b>	<b>188,047</b>	<b>1,678,310</b>	<b>44,517</b>	<b>0</b>	<b>28,920</b>	<b>2,266,169</b>	<b>2,335,726</b>

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.

### 6.2 Assets and liabilities held for sale

The assets classified as held for sale include 114 properties (31/12/2016: 104 properties) for which the purchase contract was signed during the reporting period.

## 6.3 Interest-bearing loans and borrowings

(in T€)	Credit liabilities	Convertible bonds	Bond liabilities
<b>Carrying amount as of 01/01/2017</b>	<b>1,133,268</b>	<b>0</b>	<b>64,952</b>
Increase	19,554	0	0
Repayment	(246,290)	0	(65,000)
Other movements	2,258	0	48
<b>Carrying amount as of 30/06/2017</b>	<b>908,790</b>	<b>0</b>	<b>0</b>

(in T€)	Credit liabilities	Convertible bonds	Bond liabilities
<b>Carrying amount as of 01/01/2016</b>	<b>1,274,490</b>	<b>126,601</b>	<b>64,853</b>
Increase	76,832	0	0
Repayment	(175,609)	(1,300)	0
Other movements	182	(47,912)	48
<b>Carrying amount as of 30/06/2016</b>	<b>1,175,895</b>	<b>77,389</b>	<b>64,901</b>

The term structure of the conwert 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.

30/06/2017

(in T€)	Financing volume	Thereof fixed interest rate	Thereof variable interest rate
Thereof remaining term up to 1 year	246,142	70,449	175,693
Thereof remaining term between 1 and 5 years	252,663	87,871	164,792
Thereof remaining term over 5 years	413,880	274,541	139,339
<b>Total</b>	<b>912,685</b>	<b>432,861</b>	<b>479,824</b>

31/12/2016

(in T€)	Financing volume	Thereof fixed interest rate	Thereof variable interest rate
Thereof remaining term up to 1 year	339,781	77,721	262,060
Thereof remaining term between 1 and 5 years	342,380	117,462	224,918
Thereof remaining term over 5 years	522,105	307,088	215,017
<b>Total</b>	<b>1,204,266</b>	<b>502,271</b>	<b>701,995</b>

As of 30 June 2017 there were no loans with contractual provisions providing for cancellation by either party at any time (31/12/2016: €0).

#### 6.4 Pending legal proceedings

There are currently a total of five cases pending against conwert Group companies with the Federal Supreme Court (BGH); these are as follows:

Company	KG (Higher Regional Court of Berlin)	BGH
conwert Elbflorenz Invest GmbH	Appeal rejected	Appeal against refusal of leave to appeal
conwert lambda Invest GmbH	Appeal rejected	Appeal against refusal of leave to appeal
conwert Dresden Invest GmbH	Appeal rejected	Appeal against refusal of leave to appeal
conwert Dresden Zwei Invest GmbH	Appeal rejected	Appeal against refusal of leave to appeal
IESA Immobilien Entwicklung Sachsen GmbH	Appeal rejected	Appeal against refusal of leave to appeal

The cases essentially are of a similar nature, whereby in each case one of the minority shareholders is contesting or aiming to revoke shareholder resolutions. The content of these legal actions by minority shareholders is directed, in particular, against resolutions approving the annual statements for the 2008 to 2013 financial years. They claim that the annual statements are flawed as they do not show capital reserves even though, in the opinion of the minority shareholders, these reserves were effectively formed. The minority shareholders have also filed objections against individual resolutions over the release from liability of the directors of the conwert Group for 2011 to 2013. A number of the objections involve resolutions for the approval of cash pooling agreements.

The companies have filed contingent cross-complaints for the instance that the court rules that the annual statements are invalid as the capital reserves should have been recognised. In this case, the companies will bring a case to determine that the minority shareholders were not involved in the disputed capital reserves in any case.

The first-instance decision by the regional court in Berlin has upheld each of the lawsuits in full and rejected the contingent cross-complaints. Appeals have been filed against all of the judgments. The appeals filed by conwert Elbflorenz Invest GmbH, conwert lambda Invest GmbH, conwert Dresden Zwei Invest GmbH and conwert Dresden Invest GmbH were dismissed by the Court of Appeal in Berlin without a verbal hearing through a decision based on Art. 522 Sec. 2 of the German Code of Civil Procedure. In the appeal of IESA Immobilien Entwicklung Sachsen GmbH, the appeal to have the case heard by the court was also dismissed. All of the companies have filed legal remedies for the appeal against the denial of leave to appeal with the Federal Supreme Court. The appeals against the refusal of leave to appeal in all proceedings are being conducted with a view to the legal proceedings currently pending in Austria, which are described below.

In these proceedings the probability of success is estimated at less than 50%; this is why a retrospective adjustment was applied in the 2016 financial year.

conwert Immobilien Invest SE has filed two lawsuits in Austria against former members of the Administrative and Executive Boards over possible violations of duties in connection with the creation of the disputed capital reserves. These proceedings were initially suspended in light of the proceedings conducted in Germany, whereby the respondents waived their right to assert the statute of limitations up to 31 December 2016. Both proceedings were continued on 30 December 2016 and the requests for legal action were extended and modified in light of the developments that had occurred in the German proceedings in the meantime. A probability of success of more than 50% is currently assumed for these proceedings.

## 6.5 Financial instruments

### 6.5.1 Fair value of financial instruments by category<sup>1)</sup>

30/06/2017

(in T€)	Carrying amount HfT&CFH <sup>1)</sup>	Carrying amount L&R <sup>1)</sup>	Total carrying amount
<b>Non-current assets</b>			
Other financial assets	21	2,978	3,000
<b>Current assets</b>			
Trade accounts receivable	0	22,897	22,897
Other financial assets	0	26,145	26,145
Cash and cash equivalents	0	139,890	139,890
<b>Total</b>	<b>21</b>	<b>191,911</b>	<b>191,932</b>

31/12/2016

(in T€)	Carrying amount HfT&CFH <sup>1)</sup>	Carrying amount L&R <sup>1)</sup>	Total carrying amount
<b>Non-current assets</b>			
Other financial assets	5	12,804	12,809
<b>Current assets</b>			
Trade accounts receivable	0	67,994	67,994
Other financial assets	0	38,232	38,232
Cash and cash equivalents	0	61,297	61,297
<b>Total</b>	<b>5</b>	<b>180,327</b>	<b>180,332</b>

30/06/2017

(in T€)	Carrying amount HfT&CFH <sup>1)</sup>	Carrying amount FLAC <sup>1)</sup>	Total carrying amount	Fair value
<b>Non-current liabilities</b>				
Non-current loans and borrowings	0	646,542	646,542	666,461
Financing contributions from tenants	0	8,150	8,150	n/a
Other non-current financial liabilities	3,656	7,044	10,700	n/a
<b>Current liabilities</b>				
Current loans and borrowings	0	262,248	262,248	262,446
Trade accounts payable	0	9,171	9,171	n/a
Other current financial liabilities	0	41,140	41,140	n/a
<b>Total</b>	<b>3,656</b>	<b>974,296</b>	<b>977,951</b>	

31/12/2016

(in T€)	Carrying amount HfT&CFH <sup>1)</sup>	Carrying amount FLAC <sup>1)</sup>	Total carrying amount	Fair value
<b>Non-current liabilities</b>				
Non-current loans and borrowings	0	838,431	838,431	858,015
Financing contributions from tenants	0	8,425	8,425	n/a
Other non-current financial liabilities	21,164	3,184	24,347	n/a
<b>Current liabilities</b>				
Current loans and borrowings	0	294,837	294,837	294,863
Bond liability	0	64,952	64,952	65,650
Trade accounts payable	0	67,052	67,052	n/a
Other current financial liabilities	0	37,234	37,234	n/a
<b>Total</b>	<b>21,164</b>	<b>1,314,116</b>	<b>1,335,280</b>	

<sup>1)</sup> 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 non-current loans and borrowings represents level two. The fair value of the non-current interest-bearing loans and borrowings is determined by discounting the future cash flows at current market interest rates. The fair values of the other financial assets and liabilities generally reflect the respective carrying amount.

#### 6.5.2 Derivative financial instruments and hedges

As of 30 June 2017 conwert did not hold any derivative financial instruments that were recorded as cash flow hedges without recognition through profit or loss in accordance with IAS 39.

As of 30 June 2017 conwert held the following derivative financial instruments that were recognised through profit or loss:

Financial institution	Derivative	Beginning	End	Reference value 30/06/2017 (in T€)	Fixed interest rate (in %)	Reference interest rate	Market value 30/06/2017 (in T€)
Raiffeisenbank International AG	Interest rate swap	24/12/2014	01/10/2025	4,770	1.000	3-M-EURIBOR	(171)
Raiffeisenbank International AG	Interest rate swap	10/07/2008	07/07/2025	31,500	1.000	3-M-EURIBOR	(1,166)
Raiffeisenbank International AG	Interest rate swap	22/08/2008	24/08/2026	10,750	1.000	3-M-EURIBOR	(325)
Raiffeisenbank International AG	Interest rate swap	07/10/2008	08/10/2026	36,000	1.000	3-M-EURIBOR	(1,058)
Raiffeisenbank International AG	Interest rate swap	01/07/2016	30/06/2026	30,000	1.000	3-M-EURIBOR	(936)
Bank Austria	Interest rate cap	01/04/2010	31/03/2020	5,000	4.000	3-M-EURIBOR	0
Bank Austria	Interest rate cap	01/04/2010	31/03/2020	15,000	4.000	3-M-EURIBOR	1
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2020	30,000	4.000	3-M-EURIBOR	3
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2025	7,670	4.000	3-M-EURIBOR	7
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2020	12,330	4.000	3-M-EURIBOR	1
Raiffeisenlandesbank NÖ-Wien	Interest rate cap	01/04/2010	01/04/2020	20,000	3.000	3-M-EURIBOR	3
Raiffeisenlandesbank NÖ-Wien	Interest rate cap	01/07/2010	01/04/2020	40,000	3.000	3-M-EURIBOR	6
Landesbank Hessen-Thüringen	Interest rate cap	30/07/2008	30/04/2018	37,000	4.800	3-M-EURIBOR	0
<b>Total</b>							<b>(3,635)</b>

As of 31 December 2016 conwert held the following derivative financial instruments that were recorded as cash flow hedges without recognition through profit or loss in accordance with IAS 39:

Financial institution	Derivative	Beginning	End	Reference value 30/06/2016 (in T€)	Fixed interest rate (in %)	Reference interest rate	Market value 30/06/2016 (in T€)
Raiffeisenbank International AG	Interest rate swap	30/06/2017	30/06/2027	50,000	1.970	3-M-EURIBOR	(6,477)
Hypo Landesbank Vorarlberg	Interest rate swap	30/06/2017	30/06/2027	25,000	1.927	3-M-EURIBOR	(3,125)
UniCredit Bank Austria AG	Interest rate swap	30/06/2017	30/06/2027	25,000	1.973	3-M-EURIBOR	(3,244)
<b>Total</b>							<b>(12,846)</b>



As of 31 December 2016 conwert held the following derivative financial instruments that were recognised through profit or loss:

Financial institution	Derivative	Beginning	End	Reference value 30/06/2016 (in T€)	Fixed interest rate (in %)	Reference interest rate	Market value 30/06/2016 (in T€)
Raiffeisenbank International AG	Interest rate swap	24/12/2014	01/10/2025	4,770	1.000	3-M-EURIBOR	(253)
UniCredit Bank Austria AG	Interest rate swap	24/12/2012	08/05/2025	12,970	1.000	3-M-EURIBOR	(707)
Raiffeisenbank International AG	Interest rate swap	10/07/2008	07/07/2025	31,500	1.000	3-M-EURIBOR	(1,699)
Raiffeisenbank International AG	Interest rate swap	01/10/2007	02/10/2023	34,250	1.000	3-M-EURIBOR	(1,971)
Raiffeisenbank International AG	Interest rate swap	22/08/2008	24/08/2026	10,750	1.000	3-M-EURIBOR	(517)
Raiffeisenbank International AG	Interest rate swap	07/10/2008	08/10/2026	36,000	1.000	3-M-EURIBOR	(1,700)
Raiffeisenbank International AG	Interest rate swap	01/07/2016	30/06/2026	30,000	1.000	3-M-EURIBOR	(1,471)
UniCredit Bank Austria AG	Interest rate cap	01/04/2010	31/03/2020	5,000	4.000	3-M-EURIBOR	0
UniCredit Bank Austria AG	Interest rate cap	01/04/2010	31/03/2020	15,000	4.000	3-M-EURIBOR	0
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2020	30,000	4.000	3-M-EURIBOR	1
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2025	7,671	4.000	3-M-EURIBOR	3
Raiffeisenbank International AG	Interest rate cap	31/03/2010	31/03/2020	12,330	4.000	3-M-EURIBOR	0
Raiffeisenlandesbank NÖ-Wien	Interest rate cap	01/04/2010	01/04/2020	20,000	3.000	3-M-EURIBOR	1
Raiffeisenlandesbank NÖ-Wien	Interest rate cap	01/07/2010	01/04/2020	40,000	3.000	3-M-EURIBOR	1
Landesbank Hessen-Thüringen	Interest rate cap	30/07/2008	30/04/2018	37,000	4.800	3-M-EURIBOR	0
<b>Total</b>							<b>(8,312)</b>

## 7 Related Party Transactions

For the purpose of this presentation, related parties are defined as the Executive Directors and members of the Administrative Board as well as their closely related companies and subsidiaries, joint ventures, shareholders and associated companies.

Business transactions with related parties are carried out at ordinary arm's length conditions.

### Executive Directors and Administrative Board

A total of around T€1,119 was paid during the reporting period (1-6/2016: T€731) for services provided by related parties (remuneration for the Executive Directors). The Administrative Board invoiced remuneration of T€268 during the reporting period (1-6/2016: T€234), of which T€23 relates to remuneration for the year 2016. Settlement of attendance fees for the Administrative Board for the second quarter of 2017 will take place in the third quarter of 2017.

### Related companies

In the course of evaluating the potential for comprehensive efficiency increases, conwert and Vonovia SE (Vonovia) have determined a centralized management and administration approach to conwert Group properties by Vonovia companies. Following the conclusion of the requisite preparatory negotiations, as of 1 July 2017 certain management and administrative processes by conwert companies have been outsourced to Vonovia companies.

## 8 Information on Bodies of the Corporation

### *Executive Directors*

- +Wolfgang Beck
- +Thomas Doll

### *Administrative Board 2017*

- +Rolf Buch (Chair since 27 January 2017)
- +A. Stefan Kirsten (Deputy Chair since 27 January 2017)
- +Sabine Gleiß (Member since 27 January 2017)
- +Fabian Heß (Member since 27 January 2017)
- +Peter Hohlbein (Deputy Chair until 27 January 2017, member since 27 January 2017)
- +Andreas Lehner (Member since 28 June 2016, newly elected as of 27 January 2017)

### *Administrative Board remuneration*

Furthermore, the remuneration regulations for the Administrative Board underwent the following changes as of 1 January 2016:

- +Fixed remuneration: The chair receives annual fixed remuneration of T€100, each deputy chair T€65 and each regular member T€50.
- +Premiums: The chair and deputy chair of each committee each receive a premium of T€10 and T€5, respectively. Each of the committee members also receives a premium of T€5 for each committee membership.
- +Attendance fee: All members of the Administrative Board are also entitled to an attendance fee of T€2.

The payout of attendance fees is subject to a voluntary limit imposed by the Administrative Board members. Every Administrative Board member has agreed to the voluntary limit. The maximum for claiming attendance fees has been determined as ten meetings per year (including committee meetings).

## 9 Significant Events after the End of the Reporting Period

### *Request for squeeze-out of minority shareholders*

Vonovia SE has issued a written request in accordance with Art. 1 Sec. 1 of the Austrian Squeeze-out Act calling for a resolution by the general shareholders' meeting for the minority shareholders to transfer their shares to Vonovia in exchange for reasonable monetary compensation at a general shareholders' meeting yet to be held. This extraordinary general meeting will take place on 29 August 2017.

Following the completion of the successful takeover offer, along with the settlement of the shares tendered during the grace period, Vonovia holds a total of 94,867,722 shares in conwert; this corresponds to 93.09% of the conwert share capital. Vonovia is thereby the main shareholder of conwert within the meaning of Art. 1 of the Austrian Squeeze-out Act.

In relation to the initiated shareholder squeeze-out, together with the Administrative Board, the appropriate cash settlement to be paid out to the minority shareholders of conwert has been set at €17.08 per share.

Furthermore, Vonovia and the conwert Administrative Board have approved the joint report in accordance with Art. 3 Sec. 1 of the Austrian Squeeze-out Act.

The cash settlement to be paid in the course of the squeeze-out proceedings was set on the basis of an expert valuation report by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. The accuracy of the joint report as well as the adequacy of the cash settlement were confirmed by PwC Wirtschaftsprüfung GmbH as the court-appointed expert.

*Outsourcing management and administrative processes*

In the course of evaluating the potential for comprehensive efficiency increases, conwert and Vonovia SE (Vonovia) have determined a centralized management and administration approach to conwert Group properties by Vonovia companies. Following the conclusion of the requisite preparatory negotiations, as of 1 July 2017 certain management and administrative processes by conwert companies have been outsourced to Vonovia companies.

**10 Waiver of Review**

The consolidated interim financial report of conwert Immobilien Invest SE, Vienna, for the first six months of 2017 was neither audited nor reviewed by a certified public accountant.

Vienna, 24 August 2017

The Executive Directors of  
conwert Immobilien Invest SE



Wolfgang Beck  
Executive Director - CEO



Thomas Doll  
Executive Director - CEO

## RESPONSIBILITY STATEMENT

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We, the Executive Directors, confirm to the best of our knowledge that the condensed interim financial statements as of 30 June 2017 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 condensed 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, 24 August 2017

The Executive Directors of  
conwert Immobilien Invest SE



Wolfgang Beck  
Executive Director - CEO



Thomas Doll  
Executive Director - CEO

## FINANCIAL CALENDAR

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Extraordinary General Meeting	29 August 2017
Results 1-9/2017	29 November 2017
Annual results 2017	28 March 2018

## ACKNOWLEDGEMENTS

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### **Owner, editor and publisher**

conwert Immobilien Invest SE

### **Graphic concept, image world and design**

The Gentlemen Creatives GmbH

### **Photos**

Stefan Badegruber

### **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 1-6/2017 published in German 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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