Report of the auditor

with consolidated financial statements as of 31 December 2014 of

CORESTATE CAPITAL AG, Zug

Building a better
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To the Board of Directors

CORESTATE CAPITAL AG, Zug

Zurich, 30 September 2015

Report of the auditor on the consolidated financial statements

As auditor and in accordance with your instructions, we have audited the accompanying consolidated financial statements of CORESTATE CAPITAL AG, which comprise consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and notes, for the year ended 31 December 2014.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with the requirements of International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2014 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS.

Ernst & Young Ltd

Christian Krämer
Licensed audit expert
(Auditor in charge)

Simon Zogg
Licensed audit expert

Enclosure

- Consolidated financial statements (consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and notes)

Consolidated Financial Statements

CORESTATE Capital AG

Zug / Switzerland

for the period from 1 January 2014 to 31 December 2014

Consolidated Statement of Financial Position

(in k€)	Notes 2014	31.12.2014	31.12.2013
Non-Current Assets			
Property, Plant and Equipment	F.1	679	539
Intangible Assets		167	119
Shares in Subsidaries		0	0
Investment in Associates and Joint Ventures	F.2	22,536	16,082
Other Financial Instruments		31	27
Long-term Loans to Associates	F.3	715	759
Deferred Tax Assets	F.4	813	552
Long-term Loans to Related Parties		-	830
Total Non-Current Assets		**24,942**	**18,908**
Current Assets			
Receivables from Associates	F.5	9,753	4,591
Trade Receivables	F.6	4,387	3,007
Other short-term Receivables	F.7	1,842	419
Current Income Tax Assets		1	0
Other Short-term Assets	F.8	645	413
Cash and Cash Equivalents	F.9	21,820	20,915
Total Current Assets		**38,447**	**29,344**
TOTAL ASSETS		**63,388**	**48,252**
Share Capital	F.10	90	90
Participation Capital	F.11	27	27
Other Reserves	F.12	25,928	25,212
Net Profit/(Loss) for the Period		12,333	7,786
Subtotal Capital Accounts of shareholders of parent company		*38,378*	*33,115*
Non-controlling Interests	F.13	338	37
Total Equity		**38,717**	**33,152**
Non-Current Liabilities			
Long-term Financial Liabilities to Banks	F.14	8,000	-
Net Employee defined Benefit Liabilities	F.15	307	270
Other non-current Liabilities	F.16	1,388	861
Total Non-Current Liabilities		**9,695**	**1,131**
Current Liabilities			
Short-term Financial Liabilities to Banks	F.17	2	4,415
Short-term Liabilities to Associates	F.18	1,849	3,378
Trade Payables	F.19	3,228	1,771
Current Income Tax Liabilities	F.20	1,142	741
Other Current Liabilities	F.21	8,755	3,663
Total Current Liabilities		**14,977**	**13,969**
SUBTOTAL LIABILITIES		**24,672**	**15,099**
TOTAL EQUITY AND LIABILITIES		**63,388**	**48,252**

CORESTATE Capital

Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the Period from 1 January to 31 December 2014

(in k€)	Notes 2014	Financial Year 2014	Financial Year 2013
Revenue from Acquisition Related Fees	G.1	2,391	6,947
Revenue from Asset and Property Management	G.2	18,261	12,410
Revenue from Sales Fees	G.3	602	2,126
Revenue from Promote Fees realised	G.4	6,838	2,997
Total Revenue from Real Estate Investment Management		*28,093*	*24,481*
Total Expenses from Real Estate Investment Management	G.5	*(16,563)*	*(11,887)*
Total Earnings from Real Estate Investment Management		**11,530**	**12,593**
Share of Profit or Loss from Associates	G.6	*4,373*	*503*
Expenses from Management of Associates	G.7	*(1,004)*	*(756)*
Total Earnings from Alignment Capital Management		**3,370**	**(253)**
Total Income from Real Estate Operations/Warehousing	G.8	*3,765*	-
Expenses from Real Estate Operations/Warehousing	G.9	(558)	-
Total Earnings from Real Estate Operations / Warehousing		**3,207**	**-**
General and Administrative Expenses	G.10	(4,366)	(3,336)
Other Income	G.11	1,222	258
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)		**14,963**	**9,263**
Depreciation and Amortisation	G.12	(332)	(149)
Earnings before Interest and Taxes (EBIT)		**14,631**	**9,114**
Financial Income	G.13	218	360
Financial Expenses	G.14	(631)	(864)
Earnings before Taxes (EBT)		**14,218**	**8,609**
Income Tax Expense	G.15	(474)	(1,012)
Net Profit / (Loss) for the Period		**13,743**	**7,597**
of which attributable to equity holders of parent company		12,333	7,786
of which attributable to non-controlling interests	F.13	1,410	(189)
Total Revenues [1]		**28,093**	**24,481**
Total Expenses [2]		**(22,491)**	**(15,978)**

[1] not including Share of Profit or Loss from Associates and Net Gain from Selling Property Holding Companies
[2] excluding Financial Expenses and Depreciation and Amortisation

(in k€)	Notes 2014	Financial Year 2014	Financial Year 2013
Earnings per Share (in €):			
Basic, Profit for the Year attributable to Ordinary Equity Holders of the Parent	I.1	71.44	53.63
Diluted, Profit for the Year attributable to Ordinary Equity Holders of the Parent	I.1	71.00	53.30
Other Comprehensive Income (in k€)			
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax):			
Net (Loss)/Gain on Available-for-sale Financial Assets		3	(1)
Net Other Comprehensive Loss to be Reclassified to Profit or Loss in Subsequent Periods	F.12	3	(1)
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax):			
Remeasurement Gains (Losses) on Defined Benefit Plans		38	18
Income Tax Effect		(6)	(3)
Net other Comprehensive Income/(Loss) not to be Reclassified to Profit or Loss in Subsequent Periods	F.12	32	15
Other Comprehensive Income / (Loss) for the Period, Net of Tax		**36**	**14**
Total Comprehensive Income for the Period, Net of Tax		**13,779**	**7,611**
of which attributable to equity holders of parent company		12,369	7,800
of which attributable to non-controlling interests	F.13	1,410	(189)

Consolidated Statement of Changes in Equity for the Period 1 January to 31 December 2014

(in k€)	Notes 2014	SHARE CAPITAL	PARTICI-PATION CAPITAL	Legal Reserve	Additional Capital Paid In	Retained Earnings	Other Re-valuations	OTHER RESERVES	NET PROFIT / (LOSS) FOR THE PERIOD	*SUBTOTAL CAPITAL ACCOUNTS OF MAJORITY SHARE-HOLDERS*	Non-controlling interests in Paid-In Capital and Capital Reserve	Non-controlling interests in Profit for the period	*NON-CON-TROLLING INTERESTS*	TOTAL EQUITY
Closing Balance of Capital Accounts as at 31 December 2012		**64**	**19**	42	-	2,059	(96)	**2,004**	6,019	***8,106***	(6)	7	***1***	**8,107**
Profit for the period		-	-	-	-	-	-	-	7,786	*7,786*	-	(189)	*(189)*	7,597
Other comprehensive income	F.12	-	-	-	-	-	14	14	-	*14*	-	-	-	14
Total Comprehensive Income for the Period		-	-	-	-	-	14	14	7,786	*7,800*	-	(189)	*(189)*	7,611
Issue of new capital		26	8	18	17,562	-	-	17,579	-	*17,614*	-	-	-	17,614
Share issuance expense		-	-	-	(417)	-	-	(417)	-	*(417)*	-	-	-	(417)
Equity-settled share-based payment		-	-	-	-	12	-	12	-	*12*	-	-	-	12
Reclassification/others		-	-	-	-	6,019	-	6,019	(6,019)	-	232	(7)	*225*	225
Closing Balance of Capital Accounts as at 31 December 2013		**90**	**27**	60	17,145	8,090	(83)	**25,212**	7,786	***33,115***	226	(189)	***37***	**33,152**
Profit for the period		-	-	-	-	-	-	-	12,333	*12,333*	-	1,410	*1,410*	13,743
Other comprehensive income	F.12	-	-	-	-	-	36	36	-	*36*	-	-	-	36
Total Comprehensive Income for the Period		-	-	-	-	-	36	36	12,333	*12,369*	-	1,410	*1,410*	13,779
Equity-settled share-based payment		-	-	-	-	12	-	12	-	*12*	-	-	-	12
Dividends paid	F.12	-	-	-	(7,125)	-	-	(7,125)	-	*(7,125)*	(1,118)	-	*(1,118)*	(8,243)
Reclassification/others		-	-	-	0	7,793	-	7,793	(7,786)	*7*	(180)	189	*9*	16
Closing Balance of Capital Accounts as at 31 December 2014 (audited)		**90**	**27**	60	10,020	15,895	(47)	**25,928**	12,333	***38,378***	(1,072)	1,410	***338***	**38,717**

Consolidated Statement of Cash Flows for the Period 1 January to 31 December 2014

(in k€)	Notes 2014	Financial Year 2014	Financial Year 2013
Earnings before Taxes (EBT)		**14,218**	**8,609**
Adjustments:			
Amortisation of intangible assets		96	27
Depreciation of property, plant and equipment		236	123
Equity-settled share-based payment		12	12
Impairment loss on investment securities		(0)	3
Net loss/(gain) on disposal of property, plant and equipment		-	10
Finance costs		384	376
Interest income		(67)	(53)
Provisions		69	(5)
Share of results of associates		(4,373)	(503)
Total adjustments		(3,642)	(10)
Operating cash flows before changes in working capital		**10,575**	**8,600**
Changes in working capital			
Decrease/(increase) in trade and other receivables		(5,260)	(2,895)
Decrease/(increase) in other assets		(155)	84
Increase/(decrease) in trade and other payables		1,095	889
Increase/(decrease) in other liabilities		5,310	(1,050)
Total changes in working capital		990	(2,972)
Cash flows from operations		**11,565**	**5,627**
Income taxes received/(paid)		(336)	(362)
Net cash flows from operating activities	**I.7**	**11,230**	**5,266**
Outflow for acquisition of subsidiaries	I.7	(1,169)	442
Outflow for Alignment Capital Investments (Associates and Loans)		(23,684)	(9,413)
Inflow from repayment of Alignment Capital Investments (Associates and Loans)		14,174	8,336
Inflow from profit realised of Alignment Capital Investments		4,133	220
Advance dividends		1,408	3,354
Purchase of property, plant and equipment		(267)	(392)
Additions to intangible assets		(123)	(134)
Net cash flows generated from/(used in) investing activities	**I.7**	**(5,527)**	**2,413**
Proceeds from Issuance of New Share Capital		-	17,596
Share issuance expense		-	(490)
Dividend payments		(7,125)	(772)
Dividends paid to non-controlling interests		(1,118)	-
Proceeds from loans and borrowings		8,000	-
Repayment of loans and borrowings		(4,450)	(4,500)
Interest Paid		(105)	(257)
Net cash flows (used in)/from financing activities	**I.7**	**(4,798)**	**11,577**
Cash and cash equivalents at 1 January	**F.7**	**20,915**	**1,659**
Net increase in cash and cash equivalents		905	19,256
Cash and cash equivalents at 31 December	**F.9**	**21,820**	**20,915**

Notes to the Consolidated Financial Statements for the Period 1 January to 31 December 2014

A. CORPORATE INFORMATION

CORESTATE Capital AG (hereafter CC AG or the Company) is a limited Company (Aktiengesellschaft) incorporated under the laws of Switzerland, with registered office at Baarerstrasse 135, CH-6300 Zug (Switzerland), registered with the trade register of Kanton Zug under number CH-113.002.233. The ultimate beneficial owner of the Company is Ralph Winter.

CC AG was established on 29 June 2006. The reporting period is equal to the calendar year.

CORESTATE Capital is a fully integrated real estate investment manager addressing all elements of the real estate investment lifecycle with a strong relationship to ca. 250 investors; as part of its investment philosophy, CC AG typically co-invests by way of alignment capital in its product offerings; the firm operates principal offices in Switzerland, Germany, Singapore and Spain as well as a nationwide network of branch offices of its CAPERA platform; as at 31 December 2014, the group employs a total of c. 224 FTEs (previous year 169 FTEs) in its target markets Germany, Spain, and Austria, and is predominantly sourcing and executing off-market transactions; the core management team has combined 8 decades of experience covering all disciplines of the real estate investment lifecycle. Its product offering primarily covers residential, commercial and student housing assets (bot existing and developments), and addresses all risk/returns types, i.e. from core/core plus to value-add/opportunistic return profiles.

A Joint venture was created successfully in Spain during the first six month in 2015.

The Group focuses on three key business segments (see Note D) being

- Real Estate Investment Management
- Alignment Capital Management
- Real Estate Operations/Warehousing

The Consolidated Financial Statements of CORESTATE Capital AG and its subsidiaries (the Group) for the year ended 31 December 2014 were authorized for issue in accordance with a resolution of the Administrative board on 28 August 2015.

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Consolidated Financial Statements have been prepared on a historical cost basis, except for available-for-sale (AFS) financial assets that have been measured at fair value, financial liabilities at fair value through profit or loss and derivatives.

In addition to Income Statement (or profit or loss), other comprehensive income (OCI) is the second component of the Statement of Comprehensive Income.

The Consolidated Financial Statements are presented in Euros, which is the presentation currency of the Group and the functional currency of the parent Company. All values are rounded to the nearest thousand Euros (k€), except where otherwise indicated. The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts or percentage rates, therefore some of the total sums disclosed in the accounts may not add up.

B.2 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of CC AG and its subsidiaries as at 31 December 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

B.3 Summary of significant accounting policies

The accounting policies described in the following are applied for preparing the Consolidated Financial Statements of the Group including its Associates.

B.3.1 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquisition. For each business combination, the Group measures the non-controlling interests in the acquisition at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses or management expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

B.3.2 Investment in Associates

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its Associates (in the segment Alignment Capital Investments) are accounted for using the equity method.

Under the equity method, the investment in an Associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the Associate since the acquisition date. Goodwill relating to the Associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Income Statement reflects the Group's share of the results of operations of the Associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the Associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the Associate are eliminated to the extent of the interest in the Associate.

The aggregate of the Group's share of profit or loss of an Associate is shown in share of profit or loss from Associates on the face of the Income Statement.

The financial statements of the Associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. Typically, adjustments are made to account for the investment properties held by the Associates at fair value rather than at cost (see B.3.11).

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its Associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the Associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the Associate and its carrying value, and then recognises the loss as share of profit/(loss) of an Associate in the Income Statement.

Upon loss of significant influence, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the Associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

B.3.3 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

B.3.4 Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following Notes:

Disclosures for valuation methods, significant estimates and assumptions	Notes C.2.1, E
Quantitative disclosures of fair value measurement hierarchy	Note E
Investment properties	Note B.3.11
Investment in unquoted equity shares	Note E
Financial instruments (including those carried at amortised cost)	Note I.5.2

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable (comparable transactions)
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (Valuation models)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Executive Management Committee (EMC) determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted AFS financial assets. The EMC comprises of the chief investment officer, chief operating officer and chief finance officers.

External valuers are involved for valuation of significant assets, such as investment properties and derivative financial instruments. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the EMC analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the EMC verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The EMC, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

B.3.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

B.3.5.1 Sale of properties

A property is regarded as sold when the significant risks and returns have been transferred to the buyer. For conditional exchanges (i.e. when the transfer of title is dependent on the payment of the sales price), sales are recognised only when all the significant conditions are satisfied.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement. For sale of real estate property, transfer usually occurs when all rights, entitlements and obligations shall be assumed by the purchaser.

B.3.5.2 Fees

Fees from the operating business of the Group, such as Acquisition Related Fees, Sales Fees, Asset and Property Management Fees and Promote Fees are recognised with reference to the relevant individual contractual and on accrual basis.

Acquisition Related Fees and Sales Fees relate to fees earned in relation to the acquisition or divestment of real estate assets by the Associates or third parties. Acquisition related fees include a one-time-onboarding fee and typical acquisition and structuring fees amounting between 1.0% and 1.5% of the purchase price of the underlying assets of the portfolio. These fees are paid for sourcing and structuring of the transaction, conducting the due diligence, administrating and supervising the step-by step acquisition of the real estate asset or portfolio and are typically received and paid at the conclusion of the transaction documentation. These fees are recognised in profit or loss when the respective services are rendered.

Asset Management Fees are determined based in a range of 0.5% and 0.8% of the value of the real estate assets of the Projects and third-party assets managed. These fees are recognised on an accrual basis over the time when the services are rendered.

Property Management Fees are derived from the provision of property management services. These fees are also recognised on an accrual basis over the time when the services are rendered.

Promote Fees are generally agreed in the underlying documentation of the Project with the investors. This Fee is a compensation for CC AG depending of the net projected returns (cash profit for the investors) of the underlying investment. Typically this fee is between 15% and 20% of the net projected returns of the Project. Economically this fee is a performance-related component of the Asset Management Fee. The claim for the Promote fee is only recognised when the relevant transaction documentation resulting in a net project return has been validly entered into, and becomes payable after all investor commitments have been fully repaid to the investors. The Promote fee is basically being paid out as a disproportional profit allocation and becomes payable after all investors commitments have been fully repaid.

B.3.5.3 Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue. Contingent rental income is recognised when it arises.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

Income arising from expenses recharged to tenants (in particular Revenue from Service Charges) is recognised in the period in which the respective services are rendered.

B.3.5.4 Net Gain from Selling Property Holding Companies

Net Gain from Selling Property Holding Companies comprises the proceeds from selling real estate holding companies less selling costs. Such real estate holding companies were established to purchase investment property for the sale in the ordinary course of business.

The sale of the real estate property is structured as a share deal. The gain is recognised when the relevant real estate holding Company is deconsolidated from the Group.

B.3.5.5 Share of Profit or Loss from Associates

Share Profit or Loss from Associates reflects the Group's share of the results of operations of the Associate using the equity method as well as gains and losses from the disposal of shares in Associates. Share Profit or Loss from Associates is presented as a separate line item in the Income Statement.

B.3.5.6 Finance Income and Finance Expenses

Finance Income comprises interest income from bank balances and loans granted, dividend income and gains on the disposal of AFS financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest rate method (EIR-method). Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in Share of Profit or Loss from Associates or Finance Income in the Income Statement.

Financial Expenses comprise mainly interest expenses on financial liabilities, fees incurred in connection with the arrangement of debt facilities, foreign currency gains and losses and impairment losses recognised on financial assets (other than trade receivables).

B.3.6 Taxes

B.3.6.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

B.3.6.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, Associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

B.3.7 Foreign currencies

The Group's presentation currency is the Euro (€), which is the presentation currency of the Group and the functional currency of the parent Company. The Group's performance and its liquidity management is evaluated in Euro. Therefore, the Euro is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

B.3.8 Cash dividend to equity holders of the parent

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Switzerland, a distribution is authorised when it is approved by the Annual General Meeting. A corresponding amount is recognised directly in equity.

B.3.9 Property, plant and equipment

Property, plant and equipment is recognized at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Cars 3 to 5 years
- IT equipment 2 to 3 years
- Office equipment 3 to 10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is presented net in the Income Statement.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

B.3.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

B.3.10.1 Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Operating lease payments are recognised as an operating expense in the Income Statement on a straight-line basis over the lease term.

B.3.10.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The Group acts only as a lessor in regard to its office sublease agreements.

B.3.11 Investment properties

Investment properties as the main assets of the Associates are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an periodic evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee (Red Book).

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

B.3.12 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Software 3 to 5 years

The amortisation period and the amortisation method for an intangible asset is reviewed at least at the end of each reporting period. The amortisation expense on intangible assets is recognised in the Income Statement as Depreciation and Amortisation.

B.3.13 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

B.3.13.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables or AFS financial assets. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

Loans and receivables

This category is the most relevant to the Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. The losses arising from impairment are recognised in the Income Statement in finance costs for loans and in cost of sales or other operating expenses for receivables.

AFS financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the Income Statement in finance costs.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

CORESTATE Capital

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised costs

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the Income Statement. Interest income (recorded as finance income in the Income Statement) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the Associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the Income Statement.

AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the Income Statement – is removed from OCI and recognised in the Income Statement. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

B.3.13.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans, and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and other liabilities, and derivative financial instruments (only relevant to Associates).

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. With the exemption of the liabilities to shareholders in connection with the cash-settled share-based payment plan, the Group has not designated any financial liability as at fair value through profit or loss.

Loans and payables

After initial recognition, interest-bearing payables, loans and other liabilities are subsequently measured at amortised cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income Statement.

B.3.13.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

B.3.14 Derivative financial instruments

Derivative financial instruments, such as interest rate swaps and caps to hedge interest rate risks, are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are recognised in profit or loss.

The Group or its investments do not apply for hedge accounting.

B.3.15 Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

B.3.16 Provisions

Provisions (mainly in Associates) are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

B.3.17 Employee benefits

Total personnel expenses amounted to k€ 13,144 in the 2014 financial year (previous year k€ 7,782). This includes employer pension scheme contributions for defined contribution plans in Germany of k€ 591 (previous year k€ 222).

B.3.17.1 Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or contractual obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

B.3.17.2 Pensions and other post-employment benefits

Against the background of statutory requirements in Switzerland, in its Swiss entity, the Group has to operate a defined benefit pension plan, which requires contributions to be made to a fund administered by an independent insurance company.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

B.3.18 Share-based payments

The Group has cash-settled, share-based compensation plans, under which it receives services from qualifying employees in exchange of a liability to transfer cash for amounts that are based on the price of equity instruments of another group entity.

For cash-settled share-based payment transactions, services received and the liability incurred are measured at the fair value of the liability. Until and at settlement, the fair value of the liability is re-measured at the end of each reporting period with any changes in fair value recognized in profit or loss for the period.

The Group has equity-settled, share-based compensation plans, under which it receives services from qualifying employees in exchange for equity instruments. The employee services received in exchange for the grant of the equity-settled payments are measured at the fair value of the equity instruments granted and are recognized as expenses, with a corresponding increase in equity over the period that the employees become unconditionally entitled to the awards.

B.4 New Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. The Group intends to adopt applicable standards when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

C. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

Financial risk management and policies	Notes I.4
Sensitivity analyses disclosures	Notes C.2.2, I.5

C.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

C.1.1 Consolidation and Associates

Generally entities are classified as Associates in case the Group holds more than 20% and less than 50% of the voting rights. However the Group classifies entities as an Associate also if it considers that it has a significant influence on such entity based on the underlying investment documentation.

If the entity holds less than 20% of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated.

Significant influence is usually evidenced in one or more of the following ways:

- Representation on the administrative board or equivalent governing body of the investee
- Participation in policy-making processes, including participation in decisions about dividends or other distributions
- Material transactions between the entity and its investee
- Interchange of material personnel (Typically third-party investors do not participate in any formal roles as they only appear in their function as financial investors.)
- Provision of essential technical information (CC AG entered into an Asset Management agreement with all parties involved. A significant part of these Asset Management services is to provide the investee with CC AG’s expertise which also involves technical information (i.e. market information, Asset Management, business plan expertise))

C.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

C.2.1 Success fee

In some Projects, CC AG is entitled to receive a success fee (Promote Fee) equalling to 15% - 20% of the net project returns. The claim for the Promote fee is only recognised when the relevant transaction documentation resulting in a net project return has been validly entered into, and becomes payable after all investor commitments have been fully repaid to the investors. At this time, it is probable that the Promote fee will flow to the Group. Success fees represent a compensation for the Groups services rendered in connection with the Asset Management Agreements.

C.2.2 Valuation of Investment properties of Associates

The fair value of investment property as the main assets of the Associates is determined by using recognised valuation techniques. Such fair value measurement has a direct impact on the Group's Investment in Associates, Long-term Loans to Associates and Receivables from Associates

The valuation techniques comprise both the Discounted Cash Flow (DCF) method and the residual value method, respectively.

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value.

This involves the projection of future cash flows which are discounted by a market-derived discount rate in order to determine the property's present value. The fair value of investment property is considered to be Level 3.

Main key input parameters under the level 3 valuation models include:

- Discount rate
- Cap-rate
- Market rents
- Vacancy rate (current/long-term)
- Fluctuation rate
- Annual rent adaptation
- Maintenance costs
- Inflation rate
- Costs to sell

The net cash flow for the planning period is discounted to the valuation date using an appropriate discount rate for each property.

The discount rate is used to forecast future cash flows into perpetuity following the ten year planning period (as it is assumed that properties are held for a 10 year period). The individual capitalisation rate is based on each property's discount rate in year 10, which accounts for all potential risks related to a property.

Key input parameters may vary depending on the real estate property usage (i.e. commercial or residential building, student homes and developments) as well as from on the location and condition of the property and the current market trends.

If the property market or general economic situation develops negatively, there is a risk that the measurements might have to be adjusted. If the real estate assets have to be impaired, this would have a negative effect on the Group's Investment in Associates, Loans to Associates and Receivables from Associates.

The following sensitivity analysis shows how the Group's Investment in Associates and Loans to Associates would have been affected if the relevant property value of the Associates increased / decreased by 5% and 10% (as a result of changes in the main key input parameters stated above):

Sensitivity analysis to determine the change in Investment in Associate

(k€)	Property value (+10%)	Property value (+5%)	**Carrying value 31 Dec 2014**	Property value (-5%)	Property value (-10%)
Project:					
HIGHSTREET I	8,108	7,756	**7,405**	7,054	6,703
BEN	6,221	5,610	**4,956**	4,240	3,472
TURBO FRA	4,356	4,056	**3,755**	3,454	3,154
ENERGY [2)]	1,693	1,693	**1,693**	1,693	1,693
TURBO VIE	1,748	1,579	**1,410**	1,241	1,072
T6	1,913	1,533	**1,153**	773	392
DONALD [1)]	1,091	1,091	**1,091**	1,091	1,091
SQUIRREL	1,097	1,026	**950**	874	799
PHOENIX [2)]	112	112	**112**	112	112
VITU [2)]	11	11	**11**	11	11
BERRY	0	0	**0**	0	0
SAILING	0	0	**0**	0	0
Total	26,350	24,468	**22,536**	20,543	18,499

1) Initial at-equity valuation at cost

2) Investment properties are sold, only undistributed profits

Sensitivity analysis to determine the change in Long-term Loans to Associates

(k€)	Property value (+10%)	Property value (+5%)	**Carrying value 31 Dec 2014**	Property value (-5%)	Property value (-10%)
Project:					
SAILING	1,067	891	**715**	539	363
Total	1,067	891	**715**	539	363

Sensitivity analysis to determine the change in Investment in Associate

(k€)	Property value (+10%)	Property value (+5%)	**Carrying value 31 Dec 2013**	Property value (-5%)	Property value (-10%)
Project:					
VITU	4,414	4,106	**3,799**	3,491	3,184
BERRY [2)]	3,655	3,655	**3,655**	3,655	3,655
ENERGY [2)]	3,190	3,190	**3,190**	3,190	3,190
TURBO FRA [1)]	2,242	2,242	**2,242**	2,242	2,242
SQUIRREL	2,282	2,098	**1,913**	1,728	1,544
T6	1,299	925	**550**	175	(199)
TURBO VIE [3)]	373	373	**373**	373	373
PHOENIX [2)]	361	361	**361**	361	361
SAILING	131	0	**0**	0	0
Total	17,946	16,949	**16,082**	15,215	14,349

1) No investment properties as per 31 December 2013

2) Investment properties are measured at notarised sales prices closed until the reporting date

3) Undeveloped investment properties are measured at cost

Sensitivity analysis to determine the change in Long-term Loans to Associates

(k€)	Property value (+10%)	Property value (+5%)	**Carrying value 31 Dec 2013**	Property value (-5%)	Property value (-10%)
Project:					
SAILING	963	926	**759**	591	424
Total	963	926	**759**	591	424

D. SEGMENT INFORMATION

Based on its business model and related revenues and income streams, the company has determined the following reporting segments:

- Real Estate Investment Management
- Alignment Capital Management
- Real Estate Operations and Warehousing

Such segment definition and reporting in the Group corresponds to internal reporting to the operating decision-maker and is based on operating business divisions (management approach). The operating decision-maker is the EMC.

Today, the Group generates the majority of its revenues and income from German-based investment products.

D.1 Real Estate Investment Management

The Group acts as a real estate investment manager, and covers every stage of the lifecycle of a real estate investment. As an integral part of its investment philosophy, the Group has an in-depth understanding of the details and dynamics of the underlying real estate assets and markets, and focuses on value creation by way of hands-on management. The services provided by the Group throughout the lifecycle of an investment include

- the origination, structuring and execution of investment products tailored to the needs of its investors and in line with regulatory requirements,
- ongoing and day-to-day asset, fund and property management over the holding period as well as
- management of the realization of the investment product through multiple exit channels (asset-by-asset sales, portfolio sales, auctions, etc.).

Along the real estate investment lifecycle, the Group generates a variety of fees such as acquisition-relate fees, management fees, as well as success fees (Promotes). Such fees are typically based on the volume of the underlying assets under management and the management performance.

D.2 Alignment Capital Management

A key element to the business model of the Group is the alignment of interests with that of its investors, which is implemented by co-investments of CC AG and/or its subsidiaries alongside its investors in the various investment products. Typically, such alignment capital investments range between 5% and 10% (with certain exceptions for particular transactions) of the total equity capital invested into an investment product. As a result, in addition to the fee-based income generated through its real estate investment management services; the Group also participates in the performance of the investment products by way of dividend payments, and realizes capital gains upon successful exit from the investment products.

D.3 Real Estate Operations and Warehousing

As a complementary element to its real estate investment and alignment capital management, the Group also engages in identifying and securing real estate investment opportunities prior to converting/transferring them into an investment product tailor-made for investors (Warehousing). By acquiring such assets for its own account and balance sheet for a period of not more than 18 months, the Group is able to secure asset supply while still setting up and structuring the investment product for the investors. Over the holding period, the Group is managing the assets, implements value enhancement measures and receives/consolidates the income from the underlying real estate operations. Upon transfer/conversion into an investment structure/product, the Group typically realizes a margin over the initial purchase price (warehousing gain/premium).

D.4 Segment information

Segment Information for the year ended 31 December 2014

(k€)	Real Estate Investment Management	Alignment Capital Management	Real Estate Operations/ Warehousing	*Total Segments*	Overhead (not allocated)	Adjustments and eliminations	Consolidated Financial Statements
Revenues:							
Revenues	28,093	-	-	*28,093*	-	-	28,093
Inter-segment revenues	-	-	-	-	-	-	-
Total revenues	*28,093*	-	-	*28,093*	-	-	*28,093*
Income/expenses							
Expenses from Real Estate Investment Management	(16,563)	-	-	*(16,563)*	-	-	(16,563)
Share of Profit or Loss from Associates	-	4,373	-	*4,373*	-	-	4,373
Expenses from Management of Associates	-	(1,004)	-	*(1,004)*	-	-	(1,004)
Net Gain from Selling Property Holding Companies	-	-	3,765	*3,765*	-	-	3,765
Expenses from Real Estate Operations	-	-	(558)	*(558)*	-	-	(558)
General and Administrative Expenses	-	-	-	-	(4,366)	-	(4,366)
Depreciation & Amortisation	-	-	-	-	(332)	-	(332)
Financial Income	-	-	-	-	218	-	218
Financial Expenses	-	-	-	-	(631)	-	(631)
Other income/expenses and taxes	-	-	-	-	748	-	748
Segment Profit	**11,530**	**3,370**	**3,207**	***18,107***	**(4,363)**	**-**	**13,743**
Total Assets	**10,749**	**34,252**	**-**	***45,001***	**18,387**	**-**	**63,388**
Total Liabilities	**12,928**	**2,642**	**-**	***15,569***	**9,102**	**-**	**24,672**
Other disclosures							
Investment in associates	-	22,536	-	*22,536*	-	-	22,536
Segment investments	392	16,784	-	*17,176*	-	-	17,176

Segment Information for the year ended 31 December 2013

(k€)	Real Estate Investment Management	Alignment Capital Management	Real Estate Operations/ Warehousing	*Total Segments*	Overhead (not allocated)	Adjustments and eliminations	Consolidated Financial Statements
Revenues:							
Revenues	24,481	-	-	*24,481*	-	-	24,481
Inter-segment revenues	-	-	-	-	-	-	-
Total revenues	*24,481*	-	-	*24,481*	-	-	*24,481*
Income/expenses							
Expenses from Real Estate Investment Management	(11,887)	-	-	*(11,887)*	-	-	(11,887)
Share of Profit or Loss from Associates	-	503	-	*503*	-	-	503
Expenses from Management of Associates	-	(756)	-	*(756)*	-	-	(756)
General and Administrative Expenses	-	-	-	-	(3,336)	-	(3,336)
Depreciation & Amortisation	-	-	-	-	(149)	-	(149)
Financial Income	-	-	-	-	360	-	360
Financial Expenses	-	-	-	-	(864)	-	(864)
Other income/expenses and taxes	-	-	-	-	(754)	-	(754)
Segment Profit	**12,593**	**(253)**	**-**	***12,341***	**(4,744)**	**-**	**7,597**
Total Assets	**7,567**	**20,686**	**-**	***28,253***	**19,999**	**-**	**48,252**
Total Liabilities	**7,790**	**1,215**	**-**	***9,005***	**6,094**	**-**	**15,099**
Other disclosures							
Investment in associates	-	16,082	-	*16,082*	-	-	16,082
Segment investments	526	8,636	-	*9,162*	-	-	9,162

No operating segments have been aggregated to form the above reportable operating segments.

The Group operates currently with a focus on Germany and Austria. The Group has segmented its capital allocation by geographical area based on the location of the properties under its Real Estate Investment Management business. The following table sets forth the Group's capital allocation (comprising of Investment in Associates, Long-term Loans to Associates and Receivables from Associates) and revenues by geography for the periods indicated

Geographical Segment Information (Secondary Segments)		
(k€)	**2014**	**2013**
Capital Allocation	**33.004**	**21.432**
Germany	23.594	20.351
Austria	9.410	1.081
Revenues	**28.093**	**24.481**
Germany	26.962	24.322
Austria	1.130	158

The EMC monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Consolidated Financial Statements.

The Group's General and Administrative Expenses, financing (including Financial Income and Expenses) and Income Taxes (including Deferred and Current Taxes) are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are generally on an arm's length basis in a manner similar to transactions with third parties.

The following Projects and customers account for more than 10% of consolidated revenue. These revenues are completely recognised in the segment Real Estate Investment Management.

Information about Projects and customers with more than 10% of the Group's revenues		
(k€)	**2014**	**2013**
Project VITU	9.658	7.606
Project SQUIRREL	-	2.552
CORESTATE German Residential Limited	-	4.596
Project BERRY	-	2.035

Capital expenditure consists of additions of property, plant and equipment, intangible assets and Investments in Associates.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Inter-segment revenues are eliminated on consolidation. In the Group, sales and transactions between reportable segments are only of minor importance. Intra-segment transactions include:

- Interest-bearing loans (k€ 105; previous year: k€ 41)
- Liability remuneration to general partners (k€ 10; previous year: k€ 5)
- Cost-plus agreements with CORESTATE Capital Advisors (UK) Ltd. and CORESTATE Capital Advisors GmbH (k€ 5,128; previous year: k€ 2,432)
- Other services (k€ 284; previous year: k€ 233)

E. FAIR VALUE OF ASSETS AND LIABILITIES

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of available inputs. The Group has determined the following Fair Value Hierarchies:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable (comparable transactions)
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (Valuation models)

As in previous year the Group's fair value measurements of assets and liabilities are all within Level 3.

The EMC considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen. Any changes in valuation methods are discussed and agreed with the Group's administrative board.

F. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

F.1 Property, Plant and Equipment

Property, Plant and Equipment		
Financial Year (k€)		
	2014 Total	**2013 Total**
Acquisition cost		
As of 1 January	730	213
Additions	267	392
Changes from Business combinations and sales of subsidiaries	108	136
Disposals	0	(10)
As of 31 December	**1,105**	**730**
Amortisation and impairment losses		
As of 1 January	191	68
Depreciation charge for the year	236	123
As of 31 December	**427**	**191**
Total (Carrying amount)	**679**	**539**

Property, plant and equipment exclusively comprise cars as well as office and other equipment. The equipment and cars are depreciated on a straight-line basis over a period of 2 to 10 years.

F.2 Investment in Associates

Investment in Associates - Overview

Name of associate	Country of incorporation	Place of business	Project	Economic participation quote 2014	Economic participation quote 2013
Corestate VIE Developments S.à r.l.	Luxembourg	Austria	DANUBE	49.000%	n.a.
Corestate Turbo FRA HoldCo S.à r.l.	Luxembourg	Germany	TURBO FRA	48.000%	48.000%
CORESTATE IREI Holding S.A.	Luxembourg	Germany	BEN	23.910%	n.a.
Donald HoldCo S.à r.l.	Luxembourg	Germany	DONALD	18.748%	n.a.
Corestate Highstreet TopCo Limited	Guernsey	Germany	HIGHSTREET I	12.227%	n.a.
Corestate Berry HoldCo S.à r.l. i.L.	Luxembourg	Germany	BERRY	10.804%	10.804%
Corestate Energy HoldCo S.à r.l. i.L.	Luxembourg	Germany	ENERGY	10.695%	10.695%
Corestate Turbo HoldCo S.à r.l.	Luxembourg	Austria	TURBO VIE	7.910%	10.000%
T6 HoldCo S.à r.l.	Luxembourg	Germany	T6	6.364%	6.364%
Squirrel AcquiCo I S.à r.l.	Luxembourg	Germany	SQUIRREL	5.735%	5.735%
Sailing HoldCo I S.à r.l.	Luxembourg	Germany	SAILING	5.210%	5.210%
VITU TopCo Limited	Guernsey	Germany	VITU	5.096%	5.096%
Phoenix HoldCo I S.à r.l.	Luxembourg	Germany	PHOENIX	4.800%	4.800%

Investment in Associates - Movement in carrying value

Financial Year 2014 (k€)

Project	1 Jan 2014	Additions	Share of profit / (loss) for the year	Dividends and capital repayments received in cash	Disposals	31 Dec 2014
HIGHSTREET I	**0**	6,650	755	-	-	**7,405**
BEN	**0**	7,325	1,631	-	(4,000)	**4,956**
TURBO FRA	**2,242**	337	1,327	(152)	-	**3,755**
ENERGY	**3,190**	-	(82)	(1,416)	-	**1,693**
TURBO VIE	**373**	1,358	(321)	-	-	**1,410**
T6	**550**	-	604	(1)	-	**1,153**
DONALD	**0**	1,116	(4)	-	(20)	**1,091**
SQUIRREL	**1,913**	59	(212)	(810)	-	**950**
PHOENIX	**361**	-	0	(249)	-	**112**
VITU	**3,799**	-	702	(4,490)	-	**11**
BERRY	**3,655**	-	(301)	(3,354)	-	**0**
SAILING	**0**	-	-	-	-	**0**
Total	**16,082**	**16,845**	**4,102**	**(10,471)**	**(4,020)**	**22,536**

Investment in Associates - Movement in carrying value

Financial Year 2013 (k€)

Project	1 Jan 2013	Additions	Share of profit / (loss) for the year	Dividends and capital repayments received in cash	Disposals and transfers	31 Dec 2013
VITU	**0**	3,000	799	-	-	**3,799**
BERRY	**9,737**	-	(76)	(6,006)	-	**3,655**
ENERGY	**3,637**	-	(440)	(6)	-	**3,190**
TURBO FRA	**0**	2,304	(33)	-	(29)	**2,242**
SQUIRREL	**50**	1,301	1,018	(456)	-	**1,913**
T6	**50**	2,029	(531)	-	(998)	**550**
TURBO VIE	**476**	-	(103)	-	-	**373**
PHOENIX	**974**	-	(129)	(485)	-	**361**
SAILING	**0**	2	(2)	-	-	**0**
Total	**14,924**	**8,636**	**503**	**(6,953)**	**(1,028)**	**16,082**

The following table sets out key financial information for each of the projects the Group is invested in.

Key Financial Information of the Group's investment in Associates in 2014 (by Projects)

(k€)	SQUIRREL	T6	VITU	TURBO FRA	DONALD	SAILING
Investment Property	31,060	119,580	-	23,000	-	81,034
Other non-current assets	24	-	-	-	-	5
Cash (restricted and free cash)	8,500	5,388	3,301	892	1,038	2,332
Other current assets	4,153	2,034	5,766	1,017	4,685	5,186
Non-current financial liabilities	(12,342)	(97,913)	-	-	-	(60,163)
Other non-current liabilities	(27,955)	(251)	-	(1,419)	-	(27,596)
Current financial liabilities	(224)	(9,501)	-	(13,210)	-	(1,253)
Other current liabilities	(3,937)	(2,604)	(459)	(1,810)	(4,629)	(4,912)
Equity	**(721)**	**16,734**	**8,608**	**8,471**	**1,094**	**(5,368)**
Revenues	6,846	15,978	27,053	1,585	-	10,187
Net Operating Income from rental operations	421	14,387	115	998	-	3,265
Profit/(loss) from the Acquisition or Sale of Real Estate Assets	(1,668)	9	1,077	(261)	-	-
Profit/(loss) from changes in valuation of Investment Property	1,878	4,297	34,508	5,517	-	(1,830)
Interest income	1	0	0	0	-	-
Interest expenses	(606)	(4,864)	(3,089)	(377)	-	(2,843)
Income tax expense or income	(321)	(505)	(3)	(1,425)	(3)	183
Profit / (loss) from continuing operations	(3,504)	9,213	26,910	3,412	(22)	(1,597)
Total comprehensive income	(3,504)	9,213	26,910	3,412	(22)	(1,597)
Dividends received	-	-	2,978	-	-	-

Key Financial Information of the Group's investment in Associates in 2014 (by Projects)						
(k€)	PHOENIX	HIGHSTREET I	BEN	BERRY	ENERGY	TURBO VIE
Investment Property	2,100	85,300	81,656	-	-	42,700
Other non-current assets	-	-	3,527	-	-	66
Cash (restricted and free cash)	1,691	27,790	5,484	297	2,670	6,129
Other current assets	692	1,725	6,349	3,597	11,831	2,114
Non-current financial liabilities	-	(50,365)	(40,907)	-	-	-
Other non-current liabilities	-	(1,750)	(3,591)	-	-	(9,000)
Current financial liabilities	(2)	(72)	(10,542)	-	-	(12,180)
Other current liabilities	(4,245)	(2,447)	(15,313)	(1,966)	(1,152)	(9,404)
Equity	**236**	**60,181**	**26,662**	**1,928**	**13,348**	**20,425**
Revenues	347	876	2,545	(7)	639	-
Net Operating Income from rental operations	(43)	623	1,331	(65)	498	-
Profit/(loss) from the Acquisition or Sale of Real Estate Assets	(209)	(1,367)	8,991	(161)	(2,589)	274
Profit/(loss) from changes in valuation of Investment Property	-	10,734	(72)	-	-	-
Interest income	1	-	134	211	5	2
Interest expenses	(0)	(103)	(381)	(0)	(3)	(1,260)
Income tax expense or income	(155)	(1,762)	(153)	(250)	(30)	(6)
Profit / (loss) from continuing operations	(2,172)	7,431	8,113	(393)	472	(4,052)
Total comprehensive income	(2,172)	7,431	7,419	(393)	(15,338)	(4,052)
Dividends received	249	-	-	(2,736)	1,302	-

Key Financial Information of the Group's investment in Associates in 2013 (by Projects)									
(k€)	PHOENIX	BERRY	ENERGY	TURBO VIE	SQUIRREL	T6	VITU	TURBO FRA	SAILING
Investment Property	9,100	863	55,775	11,183	75,670	117,813	150,992	-	82,864
Other non-current assets	18	18	119	-	777	-	1,157	-	5
Cash (restricted and free cash)	9,290	3,168	3,753	49	9,002	5,727	14,980	5,525	1,770
Other current assets	1,802	34,295	2,370	108	4,293	1,391	12,470	-	4,366
Non-current financial liabilities	-	-	(21,228)	-	(37,543)	(105,176)	(92,991)	-	(61,352)
Other non-current liabilities	-	(36)	(3,523)	(6,843)	(40,714)	(212)	-	-	(25,357)
Current financial liabilities	(1)	-	(1,288)	-	(566)	(8,892)	(484)	-	(476)
Other current liabilities	(17,802)	(5,783)	(7,185)	(770)	(8,136)	(2,755)	(11,976)	(80)	(5,590)
Equity	**2,407**	**32,525**	**28,794**	**3,727**	**2,783**	**7,897**	**74,148**	**5,444**	**(3,771)**
Revenues	3,067	4,862	8,569	7	8,896	10,497	19,871	-	9,822
Net Operating Income from rental operations	1,274	3,608	1,072	7	3,066	9,448	7,280	-	1,028
Profit/(loss) from the Acquisition or Sale of Real Estate Assets	(1,166)	(1,562)	(3,613)	-	(31,620)	(3,417)	18,391	(74)	-
Profit/(loss) from changes in valuation of Investment Property	(391)	125	(2,932)	-	2,216	(8,279)	(4,008)	-	4
Interest income	123	781	16	1	3	0	2	-	0
Interest expenses	(393)	(1,310)	(738)	(496)	(856)	(3,309)	(2,304)	-	(2,785)
Income tax expense or income	(548)	(94)	(4)	(5)	(200)	(4)	(2)	-	(246)
Profit / (loss) from continuing operations	2,980	498	(8,393)	(1,034)	(29,885)	(8,705)	17,596	(81)	(2,120)
Other comprehensive income	-	-	73	-	-	-	-	-	-
Total comprehensive income	2,980	498	(8,320)	(1,034)	(29,885)	(8,705)	17,596	(81)	(2,120)
Dividends received	452	135	-	-	-	-	-	-	-

F.3 Long-term Loans to Associates

Long-term Loans to Associates		
(k€)	31 Dec 2014	31 Dec 2013
Loans granted to Project SAILING	**715**	**759**
Loan	942	809
Accrued interests	220	153
Individual allowance	(447)	(204)
Total	**715**	**759**

The loan granted to Sailing HoldCo I S.à r.l (Project SAILING) is used to finance the acquisition of subsidiaries and related operating activities. The loan is unsecured and repayable in full in March 2018. Fix interest is charged at 8.0% p.a.

F.4 Deferred Tax Assets

Deferred Tax Assets		
(k€)	**31 Dec 2014**	**31 Dec 2013**
Deferred Tax Assets	**1.068**	**606**
from temporary differences on liabilities	954	479
from temporary differences on receivables	69	80
from temporary differences on pensions	45	48
less Deferred Tax Liabilities	**(254)**	**(54)**
from temporary differences on receivables	(146)	-
from temporary differences on liabilities	(102)	(49)
from at-equity valuation of Associates	(6)	(5)
Total	**813**	**552**

Deferred tax assets and liabilities are calculated on a company by company basis. As in previous year, deferred taxes result mainly from CC AG. Consequently; the tax rates of CC AG (14.60%, previous year 14.88%) were used to determine deferred taxes.

Deferred tax assets from temporary differences on pension in the amount of totally k€ 14 (previous year k€ 19) were recognised through OCI and will be reclassified to profit or loss in subsequent periods.

F.5 Receivables from Associates

Receivables from Associates		
(k€)	**31 Dec 2014**	**31 Dec 2013**
Receivables from Project DANUBE	8,000	-
Receivables from Project VITU	1,002	65
Receivables from Project SQUIRREL	435	501
Loan granted to Project TURBO FRA	307	-
Receivables from Project T6	9	166
Receivables from Project ENERGY	-	2,997
Loan granted to Project TURBO VIE	-	708
Receivables from Project PHOENIX	-	153
Total	**9,753**	**4,591**

The Receivables from Project DANUBE reflects a receivable in Hamerlingpark Holding GmbH from December 2014.

The Receivables from Project VITU result mainly from the Promote fee (k€ 1,000), which will be paid when the corresponding funds on the escrow accounts have been released.

The unsecured loan granted to Turbo FRA GmbH bears a fixed interest of 6% per annum.

The Receivables from Project ENERGY resulted from the Promote fee (k€ 2,997) which was paid in March 2014.

The bridge loan granted to Turbo Ö2 Liegenschaftsbesitzverwaltungs GmbH (Project TURBO VIE) was used to finance the acquisition of subsidiaries and the operating activities. The unsecured loan was repayable in full in 2014. Fix interest rate was charged at 7% per annum.

F.6 Trade Receivables

Trade receivables (k€ 4,387; previous year k€ 3,007) are non-interest bearing and are generally on terms of 30 to 90 days and relate to various fee income streams generated by the Group's Real Estate Investment Management Business.

F.7 Other short-term Receivables

Other short-term Receivables		
(k€)	**31 Dec 2014**	**31 Dec 2013**
Loans to Shareholder	842	-
Notary escrow account	510	-
Receivables from employees and insurance claims	98	4
Cash in transit	80	17
Transaction Costs Reimbursements	75	94
Receivables due from affilitated companies	30	-
Receivables due from related parties	22	275
Others	184	29
Total	**1,842**	**419**

The loan granted to the shareholder Ralph Winter is secured by pledging of 4,164 shares (including dividend rights) in CC AG and repayable in full on 30 September 2015. Fix interest is charged at 1.50% per annum. In 2014, the loan was reclassified as short-term due to the maturity in September 2015.

F.8 Other Short-term Assets

Other Short-term Assets		
(k€)	**31 Dec 2014**	**31 Dec 2013**
Prepaid Expenses	308	133
Rental Deposits	141	95
Short-term receivables from other taxes (VAT)	92	95
others	104	89
Total	**645**	**413**

F.9 Cash and Cash Equivalents

Cash and cash equivalents (k€ 21,820; previous year: k€ 20,915) comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

F.10 Share Capital

The share capital of the Company amounts to CHF 132,795 (k€ 90) and is divided into 132,795 registered shares with a nominal value of CHF 1 each and is translated into EUR at historical exchange rates. The share capital is fully paid up. Each share entitles the bearer to one vote in the Annual General Meeting (Generalversammlung).

F.11 Participation Certificates

The participation certificates of the Company amounts to CHF 39,839 (k€ 27) and is divided into 39,839 registered participation certificates with a nominal value of CHF 1 each and is translated into EUR at historical exchange rates. The participation capital is fully paid up.

Participation certificates do grant the same right to net profits and liquidation results as ordinary shares but do not bear any voting or associated rights.

F.12 Other Reserves

Movements in group capital accounts and reserves during the reporting period are reflected in the Consolidated Statement of Changes in Equity. The legal reserve (k€ 60; previous year: k€ 60) is restricted based on the Swiss Code of Obligation.

The Annual General Meeting held on 5 May 2014 passed a resolution for a dividend classified as a capital repayment in the amount of k€ 7,125 (€ 41.27 per ordinary share) to the holders of registered shares and participation certificates. Further, the Annual General Meeting resolved to distribute an amount of k€ 18 to the legal reserve.

The Other revaluations (k€ -47; previous year k€ -83) are part of the line item Other reserves. Other revaluations relate to Net (Loss)/Gain on Available-for-sale Financial Assets (k€ 28; previous year k€ 25) and Remeasurement Gains (Losses) on Defined Benefit Plans (k€ -75; previous year k€ -107) which are recognised directly in OCI. An amount of k€ 28 (previous year k€ 25) will be retroactively reclassified in the Group's Income Statement under certain circumstances.

F.13 Non-controlling Interests

The net profit/loss of non-controlling interests for the year 2014 relates mainly to Corestate Sand HoldCo S.à r.l (k€ 1,118; previous year k€ 0) with non-controlling interests of 31.26% and CAPERA (k€ 300; previous year k€ -189) with non-controlling interests of 30.00%.

F.14 Long-term Financial Liabilities to Banks

Long-term Financial Liabilities to Banks					
(k€)	Nominal amount	Maturity	Interest rate	Face value as of **31 Dec 2014**	Face value as of **31 Dec 2013**
Schwyzer Kantonalbank Lombard Fixed-Term	max. CHF 10m	30.06.2020	Euribor plus margin	8,000	-
Total				**8,000**	**-**

Financial liabilities to banks with a remaining term of more than one year are presented as long-term financial liabilities to banks. In 2014, all liabilities with a maturity in 2015 were reclassified as short-term financial liabilities to banks (see Note F.16).

In July 2014, Schwyzer Kantonalbank and CC AG have entered into a master agreement for a credit facility of up to CHF 10m. Such facility will be reduced by CHF 2m annually starting 31 December 2016.

The credit facility is secured by a global assignment of receivables. Further the parties have agreed the following Covenants:

- Equity ratio of more than 40%
- Earnings before interest and tax (EBIT) of more than CHF 2m p.a.

Under the master agreement, CC AG may draw either in EUR or CHF and both on a fixed or variable interest basis. On 31 December 2014, the facility was utilised in an aggregate amount of EUR 8m and in the following interest tranches:

- Tranche k€ 4,550: Term from 8 November 2014 until 7 February 2015 with a fix interest of 1.66% p.a..
- Tranche k€ 3,450: Term from 6 December 2014 until 5 March 2015 with a fix interest of 1.66% p.a..

There were neither delays nor defaults in the loan repayment and interest payments in the financial year 2014.

As per 31 December 2014 the undrawn borrowing facilities amount to k€ 233.

F.15 Net Employee defined Benefit Liabilities

The Group has a defined benefit pension plan in Switzerland (funded). CC AG is affiliated to the Swiss Life Collective BVG Foundation (contract no. 816576) based in Zurich for the provision of occupational benefits. All benefits in accordance with the regulations are reinsured in their entirety with Swiss Life Ltd within the framework of the corresponding contract.

This pension plan fully reinsures the risks of disability, death and longevity with Swiss Life. Swiss Life invests the vested pension capital and provides a 100% capital and interest guarantee. The guaranteed interest was 1.75% for mandatory retirement savings and 1.25% for supplementary retirement savings. The pension plan is entitled to an annual bonus from Swiss Life comprising the effective savings, risk and cost results.

The technical administration and management of the savings account are guaranteed by Swiss Life on behalf of the collective foundation. Insurance benefits due are paid directly to the entitled persons by Swiss Life in the name of and for the account of the collective foundation. CC AG has committed itself to pay the annual contributions and costs due under the pension fund regulations.

The contract of affiliation between CC AG and the collective foundation can be terminated by either side. In the event of a termination recipients of retirement and survivors' benefits would remain with the collective foundation. CC AG hereby commits itself to transfer its active insured members and recipients of disability benefits to the new employee benefits institution, thus releasing the collective foundation from all obligations.

So-called fully insured BVG plans under IAS 19 shall be considered as defined benefit plans. The reasons are as follows:

- In the event of contract cancellation there is no guarantee that the employee benefits can be continued under the same conditions,
- The risk and cost premiums are charged at different levels.

The valuation of employee benefits obligations in accordance with international accounting standards is carried out regardless of the legal configuration of the pension plans and employee benefits institutions. The standards influence solely the financial result of the Company and not that of the employee benefits institution. These results are not relevant for an actuarial assessment in accordance with Article 52e, BVG.

No plan amendments, curtailment or settlement happened from 1 January 2011 till 31 December 2014.

CC AG outsources the asset liability management strategy and asset allocation to Swiss Life Ltd. The risks of disability, death and longevity are reinsured in their entirety with Swiss Life Ltd.

2014 changes in the defined benefit obligation and fair value of plan assets:

Net Employee defined Benefit Liabilities			
(k€)	**DBO**	**Plan assets**	**Difference**
As of 1 January 2014	**738**	**469**	**270**
Current service cost (employer)	121	-	121
Administration costs	6	-	6
Ordinary contributions paid by employees	31	31	-
Interest expense on defined benefit obligation	17	-	17
Contributions paid by plan participants	72	72	-
Benefits paid from plan assets	(205)	(205)	-
Interest income on plan assets	-	11	(11)
Ordinary contributions paid by employer	-	58	(58)
Return on plan assets excl. interest income	-	1	(1)
Actuarial (gain) / loss on defined benefit obligation	(38)	-	(38)
Exchange (gain) / loss	4	4	1
As of 31 December 2014	**746**	**439**	**307**
Actuarial (gain)/loss arising from changes in financial assumptions	*131*		

2013 changes in the defined benefit obligation and fair value of plan assets:

Net Employee defined Benefit Liabilities			
(k€)	DBO	Plan assets	Difference
As of 1 January 2013	**693**	**431**	**262**
Current service cost (employer)	113	-	113
Administration costs	7	-	7
Ordinary contributions paid by employees	53	53	-
Interest expense on defined benefit obligation	13	-	13
Contributions paid by plan participants	131	131	-
Benefits paid from plan assets	(247)	(247)	-
Interest income on plan assets	-	8	(8)
Ordinary contributions paid by employer	-	100	(100)
Return on plan assets excl. interest income	-	(2)	2
Actuarial (gain) / loss on defined benefit obligation	(18)	-	(18)
Exchange (gain) / loss	(8)	(6)	(2)
As of 31 December 2013	**738**	**469**	**270**
Actuarial (gain)/loss arising from changes in financial assumptions	*(38)*		

The principal assumptions used in determining pension benefit obligations for the Group's plans are shown below:

Actuarial assumptions		
	2014	**2013**
Discount rate, end of period	1.00%	2.25%
Salary increase, end of period	1.00%	1.00%
Increase in pension, end of period	0.00%	0.00%
Retirement age	M65/W64	M65/W64
Demographic assumptions	BVG 2010 GT	BVG 2010 GT

The major categories of plan assets of the fair value of the total plan assets are as follows:

Disaggregated Fair Value of plan assets		
(k€)	**2014**	**2013**
Insurance contracts (not quoted market price)	420	455
Cash (quoted market price)	20	14
Total	**440**	**469**

The following payments are expected contributions to the defined benefit plan in future years:

Expected contributions to the defined Benefit Plan in future years		
(k€)	**2014**	**2013**
Expected annual employee contribution in next year	33	31
Expected annual employer's contribution in next year	61	58
Projected benefits expected to be paid in:		
year +1	59	82
year +2	57	81
year +3	55	80
year +4	54	79
year +5	52	78
year +6 to +10	247	384

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.3 years (2013: 11.8 years).

F.16 Other non-current Liabilities

The other non-current Liabilities are for bonus payments to members of the Group's senior management structured as contributions to the Corestate MCIF scheme.

F.17 Short-term Financial Liabilities to Banks

Short-term Financial Liabilities to Banks					
(k€)	Nominal amount	Maturity	Interest rate	Face value as of **31 Dec 2014**	Face value as of **31 Dec 2013**
UBS Lombard Fixed-Term loan	10,000	30.09.2014	Euribor plus margin	-	4,415
Current account payables to banks				2	-
Total				**2**	**4,415**

Short-term financial liabilities to banks reflect loans with a maturity within the next 12-month from the reporting date as well as interest accrued and due within the next twelve month on both long-term and short-term financial liabilities.

The Facility Agreement between CC AG and UBS AG was terminated effective on 8 August 2014 and replaced with the more favourable master facility agreement with Schwyzer Kantonalbank. All outstanding loans (including interests, fees and costs) under the Facility Agreement with UBS AG were repaid in full.

F.18 Short-term Liabilities to Associates

Short-term Liabilities to Associates		
(k€)	**31 Dec 2014**	**31 Dec 2013**
Loan (including accrued interests) from Project ENERGY	1.671	-
Loan from Project BERRY	-	3.354
Other Projects	67	15
Liabilities from Project SAILING	112	9
Total	**1.849**	**3.378**

Short Term Loans from Project ENERGY reflect advances on profit distributions which were fully offset against claims arising from dividend resolutions in 2015.

Short Term Loans from Project BERRY reflected advances on profit distributions which were fully off-set against claims arising from dividend resolutions in 2014. The unsecured loan from Berry HoldCo S.à r.l. was charged with an interest rate of EURIBOR plus margin of 0.5% per annum. The loan was settled in 2014 by offsetting against receivables from capital decrease.

F.19 Trade Payables

Accounts payable (k€ 3,228; previous year k€ 1,771) mainly consist of amounts due to external service providers as well as capital raising agents.

F.20 Current Income Tax Liabilities

Current Income Tax Liabilities		
(k€)	**31 Dec 2014**	**31 Dec 2013**
Swiss corporate Income taxes	683	715
German income taxes	214	11
German trade taxes	223	12
Others	22	2
Total	**1,142**	**741**

F.21 Other Current Liabilities

Other Current Liabilities		
(k€)	**31 Dec 2014**	**31 Dec 2013**
Liabilities from employee benefits	1.886	504
Concession agreement	2.000	1.939
Prepayments received	1.640	200
Accrued Asset and Property Management revenues	1.625	-
Short-term liabilities from other taxes	933	264
Liabilities from minority shareholders	258	256
Liabilities from share-based payments	228	391
Liabilities from social security contributions	46	3
Deposits received	43	35
Deferred income	8	36
Others	89	37
Total	**8.755**	**3.663**

Liabilities from concession agreements relate to a lump-sum contribution of CC AG in the course of the wind-down of the CORESTATE German Residential Ltd. fund.

Prepayments received comprise advance payments from certain third party management agreements.

G. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

G.1 Revenue from Acquisition Related Fees

Revenue from Aquisition Related Fees		
(k€)	**2014**	**2013**
Revenue from Acquisition Fee	1,804	5,845
Revenue from Onboarding Fee	500	1,000
Revenue from other Acquisition Related Fees	87	102
Total	**2,391**	**6,947**

G.2 Revenue from Asset and Property Management

Revenue from Asset & Property Management		
(k€)	**2014**	**2013**
Revenue from Asset Management Fee	7.171	9.278
Revenue from Property Management Fee	9.918	2.795
Revenue from Capex Coordination Fee	220	230
Revenue from Sales Fee from third party AM	486	-
Revenue Other Fees	19	1
Other Revenues	447	106
Total	**18.261**	**12.410**

Revenue from Property Management Fee relates to the subsidiary CAPERA which was acquired in July 2013, so 2014 is its first year of full operation for the Group.

G.3 Revenue from Sales Fees

Sales Fees are incurred for Projects with complex exit processes (either by asset-by-asset structures or structured auction processes).

G.4 Revenue from Promote Fees realised

Revenue from Promote Fees realized		
(k€)	**2014**	**2013**
Promote realised	8,567	2,997
Success capital introduction Fee towards third parties	(1,729)	-
Total	**6,838**	**2,997**

The Promote Fee realised relates to services provided for Projects VITU and TURBO VIE (Phase I) for 2014 as well as ENERGY for 2013.

G.5 Expenses from Real Estate Investment

Expenses from Real Estate Investment include both personnel and overhead expenses (e.g. rent and leasing expenses, IT and telecommunication expenses, travel expenses, Legal and other advisory fees) allocated to the Group's Real Estate Investment Management activities.

Personnel expenses account for k€ 10,609 (previous year: k€ 5,973) and Management Expenses account for k€ 5,954 (previous year: k€ 5,914)

The increase is primarily driven by CAPERA. Reference is made to Note G.2.

G.6 Share of Profit or Loss from Associates

Share of Profit or Loss from Associates		
(k€)	**2014**	**2013**
Share of profit/(loss) for the year/net of tax	4.102	503
Profit from sale of shares in associates	272	-
Total	**4.373**	**503**

Reference is made to Note F.2.

G.7 Expenses from Management of Associates

Expenses from Management of Associates include both personnel and overhead expenses allocated to the Management of Associates. Personnel expenses account for k€ 643 (previous year: k€ 380) and Management Expenses account for k€ 361 (previous year: k€ 376)

The increase was primarily due to an increase in the Group's Alignment Capital Management and expenses that were incurred in these investments.

G.8 Total Income from Real Estate Operations/Warehousing

The gains from selling property holding companies relate to sales of entities to investment structures managed by the Group. The increase was due to the fact that the Group only commenced such deals in July 2014 (Project HIGHSTREET I).

G.9 Expenses from Real Estate Operations/Warehousing

Expenses from Real Estate Operations/Warehousing include both personnel and overhead expenses in connection with the acquisition, holding and sale of real estate properties. Personnel expenses account for k€ 357 (previous year: k€ 0) and Management Expenses account for k€ 201 (previous year: k€ 0)

G.10 General and Administrative Expenses

General and Administrative Expenses include both personnel and overhead expenses not allocable to either Management Expenses, Expenses from Management for Associates or Expenses from Real Estate Operations/Warehousing.

Personnel expenses account for k€ 1,127 (pervious year: k€ 1,156) and Management Expenses account for k€ 3,239 (previous year: k€ 2,180)

G.11 Other Income

Other Income includes an one-off effect for incorporation of a multi-family office (k€ 720; previous year k€ 0), cost reimbursements from investment structures (k€ 502; previous year k€ 258) as well as revenues from office subleases.

G.12 Depreciation and Amortisation

Depreciation & Amortisation		
(k€)	**2014**	**2013**
Intangible assets - scheduled depreciation	(96)	(26)
Property, plant and equipment - scheduled depreciation	(236)	(123)
Total	**(332)**	**(149)**

G.13 Financial Income

Financial Income		
(k€)	**2014**	**2013**
Interest income	218	334
Dividends	-	25
Total	**218**	**360**

G.14 Financial Expenses

Financial Expenses		
(k€)	**2014**	**2013**
Interest expenses	(151)	(257)
Subsequent measurement of liabilities stated at fair value	(40)	(2)
Financing Fees	(2)	(23)
Impairment losses on loans	(288)	(412)
Foreign currency income/expenses	(98)	(149)
Bank Charges	(52)	(19)
Total	**(631)**	**(864)**

G.15 Income Tax Expense

Income Tax Expense		
(k€)	**2014**	**2013**
Current income tax expense	(741)	(898)
Deferred taxes	267	(114)
Total	**(474)**	**(1.012)**

Current income tax expense		
(k€)	**2014**	**2013**
Income tax Switzerland	(227)	(835)
Income tax Germany	(474)	(52)
Income tax Luxembourg	(36)	(5)
Income tax United Kingdom	(5)	(7)
Total	**(741)**	**(898)**

H. INCOME TAX

Tax rate reconciliation

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

The table below shows the reconciliation of the tax expenses as recorded in Income Statement to the tax burden resulting from simply multiplying the consolidated IFRS accounting profit with the Switzerland statutory income tax rate for CC AG:

Tax rate reconciliation		
(k€)	**2014**	**2013**
Consolidated profit before taxes according to IFRS	14,218	8,609
Switzerland statutory income tax rate for CC AG	14.600%	14.880%
Projected income tax (gain) / burden	**2,076**	**1,281**
Effect from unused tax losses	(195)	201
Effect from permanent differences	53	274
Effect from different tax rates	694	(162)
Effect from dividends and other income exempt from taxation	(2,153)	(583)
Income tax reported in the income statement	**474**	**1,012**
Effective tax rate	3.33%	11.76%

I. OTHER INFORMATION

I.1 Earnings per share

Earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding (basic and diluted) during the year as outlined for below. Dilutive shares result from share-based payments as disclosed in Note I.6.2.

The following table reflects the income and share data used in the earnings per share computations:

Earnings per share		
(k€)	**2014**	**2013**
Profit attributable to ordinary equity holders of the parent for basic earnings	**12,333**	**7,786**
Weighted average number of ordinary shares:		
Share capital	132,795	111,680
Shares in participation capital (Certificates)	39,839	33,504
Weighted average number of ordinary shares (total)	**172,634**	**145,185**
Basic Earnings per share	**71.44 €**	**53.63 €**
Adjusted weighted average number of ordinary shares:		
Dilutive shares	1,070	891
Adjusted weighted average number of shares applicable to diluted earnings per share	**173,704**	**146,076**
Diluted earnings per share	**71.00 €**	**53.30 €**

I.2 Capital management

The Group's policy is to maintain a strong capital base in order to maintain investor, creditor, and general capital markets confidence and to support the ongoing development and growth of the Group in order to maximise shareholder value. Shareholder value is measured both in terms of total return as well as running dividend yield.

The Group proactively manages its capital structure and makes necessary adjustments by either changing dividend pay-outs, returning capital to shareholders or issuing new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2014 and 2013.

I.3 Commitments and contingencies

I.3.1 Capital commitments

At 31 December 2014, the Group has outstanding commitments of k€ 1,463 relating to Project BEN, k€ 384 relating to Project DONALD and k€ 147 relating to Project Sailing.

I.3.2 Guarantees

Except for an Intra-Group guarantee in favour of CORESTATE Capital Advisors GmbH there are no guaranties outstanding since the Group follows a strict non-recourse financing and security structure.

I.3.3 Contingent liabilities

There were no contingent liabilities for the provision of collateral for third-party liabilities.

There are no unresolved legal disputes outside the ordinary business activities.

I.3.4 Collateral held by the Group

Except for the pledged shares in connection with loans granted to shareholders (Note F.7) the Group did not hold any collateral at 31 December 2014.

I.4 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and receivables, trade and other payables with the main purpose of financing the Group's operations. The Group has loan, trade and other receivables, as well as cash and cash equivalents directly resulting from its operations. The Group also holds available-for-sale investments and enters into derivative transactions if necessary. The Group is exposed to credit risk, liquidity risk and interest rate risk.

The overarching risk management system, which is designed in line with the size of the Group, is geared towards the unpredictable nature of developments on the financial markets and aims to minimise potential negative effects on the Group's financial position. The Group identifies measures and hedges financial risks at regular intervals.

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risk. The Group's EMC oversees the management of these risks to ensure that an appropriate balance between risk an control is achieved.

The Group does currently not use any derivative financial instruments. All investments are dominated in Euros such that foreign exchange risks are largely eliminated. Going forward, should the Group decide to use any derivative instruments, it would solely be for the purpose of limiting potential risks and not for speculative profit objectives.

The EMC reviews and agrees policies for managing each of these risks which are summarised below.

I.4.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

In the case of variable-rate (loan) liabilities, there is an interest rate risk insofar as the interest rate for the loans raised is usually linked to the EURIBOR reference rate (European Interbank Offered Rate).

At the reporting date the interest rate profile of the Group's interest bearing liabilities is shown in Note F.14 and F.17 of the notes. All financial assets – with the exception of loans to shareholders and Associates - are non-interest bearing.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Except for a minor portion of its cost base, which is denominated in CHF, the Group does not have any foreign currency risk relating to financial instruments.

I.4.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from trade receivables) which, in turn, are dependent from the operating performance of the underlying investments. Such operating performance is very closely monitored by the Group's asset, property, and financial management teams.

The carrying amount of the Group's financial assets represents the maximum credit exposure.

I.4.3 Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

The table below shows the maturities of financial liabilities of the Group:

Maturities of financial liabilities (31 December 2014)				
(k€)	Closing Balance 31 Dec 2014	< 1 year	1 to 5 years	> 5 year
Bank loans	8,000	-	6,337	1,663
Short-term Liabilities to Associates	1,849	1,849	-	-
Trade payables	3,228	3,228	-	-
Other financial liabilities	10,144	8,755	1,388	-
Total financial liabilities	**23,221**	**13,833**	**7,726**	**1,663**

Maturities of financial liabilities (31 December 2013)				
(k€)	Closing Balance 31 Dec 2013	< 1 year	1 to 5 years	> 5 year
Bank loans	4,415	4,555	-	-
Short-term Liabilities to Associates	3,378	3,378	-	-
Trade payables	1,771	1,771	-	-
Other financial liabilities	4,524	3,663	861	-
Total financial liabilities	**14,089**	**13,367**	**861**	**-**

With the exemption of some personnel-related liabilities, all current liabilities are expected to be settled within twelve months of the end of the reporting period. As well as repayments, interest incurred in the future usually also results in an outflow of liquidity.

I.5 Financial instruments

Financial instruments can be classified as original or derivative financial instruments. Original financial instruments on the assets side include receivables and cash and cash equivalents. Original financial assets are shown at amortised costs. On the liabilities side, original financial instruments include liabilities valued at amortised cost.

Where default risks are identifiable for financial assets these risks are recognised as impairment losses.

I.5.1 Sensitivity analysis for variable rate instruments

In the event of a change in the interest rate by 100 basis points (bps), the annual interest expense from the variable-rate loans would increase or decrease by approximately k€ 80 – based on the value of the loans as of the end of the reporting period.

I.5.2 Fair value

Within the Group, only original financial instruments are used. Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments:

			Categories			
(in k€)	*IAS 39 Category*	**Carrying amount 31 Dec 2014**	Armortised cost	Fair value recognised through profit and loss	Fair value recognised directl in equity (OCI)	not applicable
Other financial instruments	*Afs*	31	-	-	31	-
Long-term loans to associates	*LaR*	715	715	-	-	-
Receivables from associates	*LaR*	9,753	9,753	-	-	-
Trade receivables	*LaR*	4,387	4,387	-	-	-
Other short-term receivables	*LaR*	1,842	1,842	-	-	-
Other short-term assets	*LaR*	645	645	-	-	-
Cash and cash equivalents	*n/a*	21,820	-	-	-	21,820
TOTAL ASSETS		**39,192**				
Other non-current liabilities	*FLaFV*	1,388	-	1,388	-	-
Long-term financial liabilities to banks	*FLAC*	8,000	8,000	-	-	-
Short-term financial liabilities to banks	*FLAC*	2	2	-	-	-
Short-term liabilities to associates	*FLAC*	1,849	1,849	-	-	-
Trade payables	*FLAC*	3,228	3,228	-	-	-
Other current liabilities	*FLAC/FLAFV*	8,755	8,755	-	-	-
TOTAL LIABILITIES		**23,223**				

(List of abbreviations: Afs = Available for sale; LaR = Loans and Receivables; FLAC = Financial Liability at cost; FLAFV = Financial Liability at Fair Value)

(in k€)	IAS 39 Category	Carrying amount 31 Dec 2013	Categories			
			Armortised cost	Fair value recognised through profit and loss	Fair value recognised directl in equity (OCI)	not applicable
Other financial instruments	Afs	27	-	-	27	-
Long-term loans to associates	LaR	759	759	-	-	-
Long-term loans to related parties	LaR	830	830	-	-	-
Receivables from associates	LaR	4,591	4,591	-	-	-
Trade receivables	LaR	3,007	3,007	-	-	-
Other short-term receivables	LaR	419	419	-	-	-
Other short-term assets	LaR	413	413	-	-	-
Cash and cash equivalents	n/a	20,915	-	-	-	20,915
TOTAL ASSETS		**30,960**				
Other non-current liabilities	FLaFV	861	-	861	-	-
Short-term financial liabilities to banks	FLAC	4,415	4,415	-	-	-
Short-term liabilities to associates	FLAC	3,378	3,378	-	-	-
Trade payables	FLAC	1,771	1,771	-	-	-
Other current liabilities	FLAC/FLAFV	3,663	3,663	-	-	-
TOTAL LIABILITIES		**14,089**				

(List of abbreviations: Afs = Available for sale; LaR = Loans and Receivables; FLAC = Financial Liability at cost; FLAFV = Financial Liability at Fair Value)

The carrying amounts of the financial instruments are a reasonable approximation to their fair value.

I.6 Related party information

Parties are generally considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Note I.8 provides information about the Group's structure, including details of the subsidiaries and the holding Company. CC AG has identified these Group companies as well as the following entities and persons as related parties:

Shareholders and shareholders' related entities

- Ralph Winter, shareholder
- Thomas Landschreiber, shareholder
- INTERSHOP Holding AG, Zurich, Switzerland, shareholder
- vitB AG, Zug, Switzerland

Ralph Winter is a senior advisor to CC AG through a consultancy agreement between vitB AG and CC AG. vitB AG is an investment company wholly-owned by Ralph Winter.

Key Management Personal

- Thomas Landschreiber, president of the administrative board, since 3 June 2009
- Andreas Wirz, member of the administrative board, since 26 August 2013
- Urs Felder, member of the administrative board, since 26 August 2013
- Daniel Schoch, executive director, since 1 March 2008
- Sascha Wilhelm, executive director, since 1 April 2014

- Philipp Burns, executive director, from 1 February 2011 until 31 March 2013
- Steffen Ricken, executive director, from 1 June 2013 until 20 December 2013
- Oliver Zimper, executive director, from 1 September 2013 until 20 December 2013

Associates (Co-Investments)

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies (Note B.3.2).

CC AG invests typically between 5% and 10% in each of its investment products alongside its investors as alignment capital investment. Since CC AG provides comprehensive real estate investment management services to, and is acting as asset manager for such investments structures, these investment structures qualify as an Associate under the IFRS regime. The revenues generated with such Associates are based on market-standard Joint-Venture and Co-Investments Agreements (JVCIA) as well as Asset Management Agreements (AMA), and are entered into with and approved by its investors. Note F.2 provides an overview of the Group's Investment in Associates.

I.6.1 Transactions with shareholders and shareholder related entities

Transactions with shareholders and shareholder related entities		
(k€)	**2014**	**2013**
Fees paid to vitB AG under consultancy agreements	(371)	(363)
Cost reimbursements to vitB AG	(589)	(319)
Rental income from sublease with vitB AG	13	13
Interests income on loans granted to shareholders	12	13
Dividends paid to shareholders	(8,098)	(754)
Sale of Shares in Subsidiaries or Associates to shareholders	24	-
Proceeds from loans granted by shareholders	14,469	-
Repayment of loans granted by shareholders	(14,469)	-
Repayments of loans granted to shareholders	-	144

We refer for items in the Statement of Financial Position to Note F.7 for further details on the shareholder loans.

I.6.2 Transactions with Key Management Personnel

Transactions with Key Management Personnel		
(k€)	**2014**	**2013**
Short-term employee benefits	(1,165)	(2,261)
Post-employment pension	(125)	(221)
Service Agreement termination benefits	-	(998)
Cost reimbursements to member of the administrative board	(7)	(11)
Bonus awards (MCIF)	(527)	(346)
Profit Distributions to key management personnel from MCIF	(123)	(191)
Equity-settled share-based payment	(12)	(12)

Some of the executive directors have a minority interest (Limited Partner) in Corestate MCIF GmbH & Co. KG (MCIF). All profits of MCIF are distributable to these Limited Partners (disproportionate profit distribution).

Under the MCIF scheme, executive directors as well as certain other senior manager personnel are required to contribute up to one third of the annual bonus (as compensation element for their service for the respective financial year) to Corestate MCIF GmbH & Co. KG as a deferred bonus payment (annual MCIF contribution). MCIF invests alongside CC AG in alignment capital investments, and serves as a retention instrument for the plan participants since the annual MCIF contribution becomes payable to the participants only after three years, and is further subject to good and bad leaver provisions. Profits generated by MCIF, however are immediately distributed to the participants pro rata their participations in the underlying alignment capital investment. All pay-outs to the MCIF participants are made in cash (cash-settled share-based payment transaction). In 2014, k€ 527 (previous year k€ 346) has been recognized as expense relating to MCIF (this amount also represents the fair value of MCIF related annual bonus awards). The respective liability recognized in the Statement of Financial Position as per 31 December 2014 is k€ 1,388 (previous year k€ 861).

The Group's CFO was granted an option to acquire 1.25% of CCAG at 50% of the fair value (equity settled share-based payment plan) in 2007, contingent on the fulfilment of specified vesting conditions. The service period commenced on 28 December 2007. The vesting period is variable and vesting occurs as soon as performance conditions (total revenues, implementation of certain company structures and functions) are cumulatively fulfilled. Upon vesting the option can be exercised within 36 months. The exercise price to acquire 1.25% of CCAG will be based on a company valuation, to be performed by a renowned expert.

The award was granted prior to the adoption of IFRS and under previous GAAP no estimate of fair value or estimates of the length of the vesting period had to be made nor can these estimates be developed without using hindsight. At the date of transition management has estimated the fair value of the award reflecting conditions existing at transition. The fair value has been determined based on the acquisition of a non-controlling interest stake by a third party. For the periods since transition to IFRS management has estimated that all vesting conditions would be met around the Company's initial public offering (expected to take place in 2015). Management has determined that it is appropriate to expense the fair value of the award determined at transition on a straight-line basis over the period from 2007 to 2015.

Total fair value of this award is k€ 98. In 2014 and 2013, k€ 12 were recognized as personnel expense.

I.6.3 Transactions with Associates (Co-Investments)

The terms and condition agrees with Associates for the services of CC AG Group are negotiated and set out in the underlying documentation for each investment product entered into with the respective investor (JVCIA, AMA etc.). Hence, such terms and conditions are at arm's length.

Transactions with Associates (Co-Investments)		
(k€)	**2014**	**2013**
Revenue from Aquisition Related Fees	2.919	7.757
Revenue from Asset and Property Management	4.331	3.823
Revenue from Sales Fees	602	2.126
Revenue from Promote Fees realized	8.567	2.997
Proceeds from Selling Property Holding Companies	3.800	-
Loans received from Associates	1.671	3.354
Interest income from Associates	67	60

We refer for items in the Statement of Financial Position to Notes F.2, F.3, F.5 and F.18 for further details on the receivables, liabilities and other transactions with Associates.

With sale and purchase agreement notarised on 12 November 2014 the Group Company CORESTATE Sand HoldCo S.à r.l sold its real estate holding subsidiary to the Co-Investment structure HIGH-STRRET I for a sales price of k€ 3,800 (received in November 2014). The net gain from the transaction amounts to k€ 3,765, and reflects the compensation for warehousing such assets.

I.7 Consolidated Statement of Cash Flow

The Consolidated Statement of Cash Flow shows how the Group's liquid funds have changed over the course of the financial year through inflows and outflows. As per IAS 7 cash flows from operating activities are distinguished from cash flows from investment activities and cash flows from financing activities. When determining the cash flow from operating activities using the indirect method, the profit for the period was adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, as well as items of income or expense associated with investing or financing cash flows. Therefore, direct comparison with the corresponding changes in the published consolidated statement of financial position is not possible.

In accordance with the IAS 7 option, interest paid is shown under cash flow used in/from financing activities.

The financial funds considered in the Consolidated Statement of Cash Flow include cash and cash equivalents.

The cash flows from investment and financing activities are directly related to payments. The total of the cash flows from the acquisition or sale of subsidiaries is shown separately and classified as investment activity in the cash flow statement.

Cash flows from Acquisition of Subsidiaries in 2014 (k€)	Share purchase price paid	Cash balance of subsidiaries	Net cash (outflow) / inflow from acqusition of subsidiaries
Acquisition of Corestate Capital Fund Management S.á r.l	88	468	380
Acquisition/foundation of companies without business	2,156	607	(1,549)
Total 2014	**2,244**	**1,075**	**(1,169)**

Cash flows from Acquisition of Subsidiaries in 2013 (k€)	Share purchase price paid	Cash balance of subsidiaries	Net cash (outflow) / inflow from aqusition of subsidiaries
Acquisition of CORESTATE Capital Advisors GmbH	31	249	217
Acquisition/foundation of companies without business	1,382	1,607	225
Total 2013	**1,413**	**1,855**	**442**

The Short Term Loans from Project BERRY (k€ 3,354) reflected advances on profit distributions which were fully offset against claims arising from dividend resolutions in 2014.

I.8 Group entities

As in previous years, CC AG was the parent Company of the Group. The ultimate controlling party was Ralph Winter.

The Consolidated Financial Statements include basically all companies which the group controls, i.e. typically for which CC AG owns, directly or indirectly through subsidiaries, more than half of the voting power. There are no restrictions regarding Cash or Dividend Payments from subsidiaries.

With the exception of CORESTATE MCIF GmbH & Co.KG (Note C.1.1) the equity interest is equal to the voting rights.

Group entities			
		31 Dec 2014	31 Dec 2013
Name	Seat and Country of incorporation	% equity interest	% equity interest
CORESTATE CAPITAL AG	**Zug/Switzerland**	**Parent Company**	**Parent Company**
CORESTATE Capital Advisors (UK) LLP	London/Great Britain	100.00%	100.00%
CORESTATE Capital Transactions AG	Zug/Switzerland	100.00%	100.00%
CORESTATE Capital Finance GmbH	Zug/Switzerland	100.00%	100.00%
CORESTATE Co Investment Verwaltungs GmbH	Frankfurt am Main/Germany	100.00%	100.00%
CORESTATE Capital Beteiligungs Verwaltung GmbH	Frankfurt am Main/Germany	100.00%	100.00%
Corestate Investment 1 S.à r.l.	Luxembourg	100.00%	100.00%
Corestate Sailing HoldCo S.à r.l.	Luxembourg	100.00%	100.00%
CORESTATE Capital Advisors GmbH	Frankfurt am Main/Germany	100.00%	100.00%
CORESTATE Capital Developments GmbH	Frankfurt am Main/Germany	100.00%	100.00%
CORESTATE Capital Advisors (Singapore) Pte. Ltd.	Singapore	100.00%	100.00%
T6 AquiCo II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
VITU AquiCo II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
TURBO FRA AcquiCo II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
Energy AquiCo II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	6.00%
SQUIRREL AquiCo II GmbH & Co. KG	Frankfurt am Main/Germany	100.00%	100.00%
CORESTATE MCIF GmbH & Co. KG	Frankfurt am Main/Germany	86.67%	86.67%
CAPERA Immobilien Service GmbH	Frankfurt am Main/Germany	70.00%	70.00%
CORESTATE CAPITAL Fund Management S.à r.l.	Luxembourg	100.00%	n.a.
Corestate Capital Vorratsgesellschaft mbH 1	Frankfurt am Main/Germany	100.00%	n.a.
Corestate Capital Vorratsgesellschaft mbh EINS & Co. KG	Frankfurt am Main/Germany	100.00%	n.a.
Corestate Highstreet II TopCo Ltd.	Guernsey	100.00%	n.a.
Highstreet AquiCo II S.à r.l.	Luxembourg	100.00%	n.a.
Soest HoldCo S.à r.l. (Corestate Shelf HoldCo 2 S.à r.l. - Soest)	Luxembourg	100.00%	n.a.
CorestateVIE Developments S.à r.l.	Luxembourg	100.00%	n.a.
Hamerling HoldCo GmbH	Vienna/Austria	100.00%	n.a.
Corestate SAND HoldCo S.à r.l.	Luxembourg	69.74%	n.a.
Corestate Highstreet II TopCo Limited	Guernsey	100.00%	n.a.
Corestate Highstreet II HoldCo S.à r.l.	Luxembourg	100.00%	n.a.
Highstreet II PropCo I S.à r.l.	Luxembourg	100.00%	n.a.
Highstreet II PropCo II S.à r.l.	Luxembourg	100.00%	n.a.
Highstreet II PropCo III S.à r.l.	Luxembourg	100.00%	n.a.

I.9 Business combination and disposals

In 2014, the Group accounted for the following business combination:

(k€)	**Corestate Capital Fund Management S.á r.l**
Acquisition date	*01.01.2014*
Total Cost of the combination (in k€)	88
thereof purchase prices (cash) (in k€)	88
Number of shares acquired	*87,500*
Voting rights acquired (%)	*100.00%*
Property, plant & equipment	108
Intangible assets (Software)	22
Receivables	33
Other assets	77
Cash and cash equivalents	468
Total assets	**708**
Trade payables	352
Other payables	269
Total liabilities	**621**
Fair value of net assets acquired	**88**
Non-controlling interests	-
Revenues generated since acquisition date	**1,081**
Profit / (loss) since acquisition date	**112**

Corestate Capital Fund Management S.à r.l, Luxembourg, operates as an Alternative Investment Fund Manager (AIFM) for the Group's AIF's regulated by the Alternative Investment Fund Management Directive (AIFMD).

In 2013, the Group identified the following business combination:

(k€)	CORESTATE Capital Advisors GmbH
Acquisition date	*07.08.2013*
Total Cost of the combination (in k€)	31
thereof purchase prices (cash) (in k€)	31
Number of shares acquired	*25,000*
Voting rights acquired (%)	*100.00%*
Property, plant & equipment	136
Intangible assets (Software)	9
Receivables	0
Receivables from affiliated companies	29
Current tax assets	50
Other assets	333
Cash and cash equivalents	249
Total assets	**805**
Other provisions	28
Trade payables	142
Other payables	605
Total liabilities	**774**
Fair value of net assets acquired	**31**
Non-controlling interests	-
Revenues generated since acquisition date	**-**
Profit / (loss) since acquisition date	**(2,035)**

In 2014 the Company Highstreet PropCo I GmbH was derecognized and comprised the following assets when control was lost: investment property as of k€ 25,585 and liabilities as of k€ 25,551.

I.10 Leasehold contracts

I.10.1 Operating lease commitments — Group as lessee

The Group has entered into commercial leases on certain motor vehicles and items of machinery. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

CORESTATE Capital

Detailed schedule of lease contracts as per 31 December 2014 (Group as Lessee)

Description of lease contract	Lessee	Lessor	Initiation	Maturity	lease payment (per month) (incl. VAT, k€)	minimum lease payments in 2015 (incl. VAT, k€)	minimum lease payments 2016 until 2020 (incl. VAT, k€)	minimum lease payments after 2020 (incl. VAT, k€)
Rental agreement relating to branch offices in Germany	CAPERA	various	2013-2014	max. 5 years	18	136	117	0
Rental agreement relating to office premises in Frankfurt am Main	CC Advisors GmbH	Pensionskasse der Mitarbeiter der Höchst Gruppe VVaG	01.08.2012	31.07.2017	25	301	476	0
Rental agreement relating to office premises in Frankfurt am Main - Residenz Argon	CC Advisors GmbH	Lepatra/Weyand	10.05.2013	undefined	2	18	90	0
Rental agreement relating to office premises in Gera	CAPERA	Poivre Durable S.e.c.s./ Leitner Walter u. Isolde	1.6.2013/ 16.10.2014	31.05.2018/ undefined	8	82	184	76
Rental agreement relating to office premises in Luxemburg	CC Fund Management S.à r.l.	Arthur Schummer	01.08.2014	undefined	4	42	210	210
Rental agreement relating to office premises in Neu-Isenburg	CAPERA	DIC HI Objekt Neu-Isenburg GmbH	1.8.2013/ 15.12.2014	31.05.2018	10	111	202	0
Rental agreement relating to office premises in Zug	CC AG	GoldenPeaks Capital Partners AG	01.10.2010	undefined	16	187	936	0
Rental agreement relating to storage/archiv in Frankfurt am Main	CC Advisors GmbH	Michael Sroka/ALS GmbH	01.01.2014	undefined	0	6	9	0
Software and IT-Leasing	CAPERA	various	2014	2015-2016	34	74	0	0
Lease agreement relating to office equipment	CC Advisors GmbH	various	2011-2014	2017-2019	1	11	24	0
Car lease contracts	various Group entities	various	2008-2014	2015-2018	42	507	889	0
Car parking contracts	CC Advisors GmbH	various	2008-2012	undefined	4	44	132	0
Total					**163**	**1,518**	**3,270**	**286**

Detailed schedule of lease contracts as per December 31, 2013 (Group as Lessee)

Description of lease contract	Lessee	Lessor	Initiation	Maturity	lease payment (per month) (incl. VAT, k€)	minimum lease payments in 2014 (incl. VAT, k€)	minimum lease payments 2015 until 2019 (incl. VAT, k€)	minimum lease payments after 2019 (incl. VAT, k€)
Rental agreement relating to branch offices in Germany	CAPERA	various	2013-2014	max. 5 years	16	157	124	0
Rental agreement relating to office premises in Gera	CAPERA	Poivre Durable S.e.c.s.	01.06.2013	31.05.2018	5	60	204	0
Rental agreement relating to office premises in Neu-Isenburg	CAPERA	DIC HI Objekt Neu-Isenburg GmbH	01.08.2013	31.05.2018	5	64	220	0
Rental agreement relating to office premises in London, Argyll Steet	CC Advisors (UK)	Wolfe Nominees Ltd. And MDDT Nominees SA	14.09.2012	13.09.2017 (terminated 09.12.2013)	10	0	0	0
Rental agreement relating to office premises in Frankfurt am Main	CC Advisors GmbH	Pensionskasse der Mitarbeiter der Höchst Gruppe VVaG	01.08.2012	31.07.2017	25	295	761	0
Rental agreement relating to office premises in Frankfurt am Main - Residenz Argon	CC Advisors GmbH	Lepatra/Weyand	10.05.2013	undefined	2	18	90	0
Rental agreement relating to office premises in Essen	CC Advisors GmbH	Treureal GmbH	01.07.2011	31.10.2014	0	5	0	0
Rental agreement relating to office premises in Zug	CC AG	GoldenPeaks Capital Partners AG	01.10.2010	undefined	15	186	928	0
Lease agreement relating to office equipment	CC Advisors GmbH	HPJ Leasing	01.11.2011	31.07.2017	1	10	25	0
Software and IT-Leasing	CAPERA	various	2014	2015-undefined	19	99	15	0
Car lease contracts	CC Advisors GmbH/CAPERA	various	2012-2013	2015-2016	27	328	592	0
Car parking contracts	CC Advisors GmbH	various	01.01.2008-01.09.2012	undefined	4	43	153	0
Total					**129**	**1,265**	**3,113**	**0**

I.10.2 Operating lease commitments — Group as lessor

With the exemption of sub-lease agreements, the Group is not a lessor.

Detailed schedule of lease contracts as per 31 December 2014 (Group as Lessor)									
Description of lease contract	Lessee	Lessor	Initiation	Maturity	lease payment (per month) (incl. VAT, k€)	minimum lease payments in 2015 (incl. VAT, k€)	minimum lease payments 2016 until 2020 (incl. VAT, k€)	minimum lease payments after 2020 (incl. VAT, k€)	Classification
Sub-lease agreement regarding real estate in Zug	CoreCam AG	CC AG	01.07.2014	31.03.2015	4	11	0	0	operating lease
Sub-lease agreement regarding real estate in Zug	vitB AG	CC AG	01.10.2010	undefined	1	14	71	0	operating lease
Sub-lease agreement regarding real estate in Frankfurt/M	YOUNIQ AG	CC Advisors GmbH	01.06.2009	31.07.2017	8	94	149	0	operating lease
Sub-lease agreement regarding real estate in Frankfurt/M	CC Developments GmbH	CC Advisors GmbH	01.08.2014	31.07.2017	1	11	17	0	operating lease
Total					**14**	**130**	**238**	**0**	

Detailed schedule of lease contracts as per 31 December 2013 (Group as Lessor)									
Description of lease contract	Lessee	Lessor	Initiation	Maturity	lease payment (per month) (incl. VAT, k€)	minimum lease payments in 2014 (incl. VAT, k€)	minimum lease payments 2015 until 2019 (incl. VAT, k€)	minimum lease payments after 2020 (incl. VAT, k€)	Classification
Sub-lease agreement regarding real estate in Zug	vitB AG	CC AG	01.10.2010	undefined	1	14	71	0	operating lease
Sub-lease agreement regarding real estate in Frankfurt/M	YOUNIQ AG	CC Advisors GmbH	01.06.2009	31.07.2017	10	122	316	0	operating lease
Total					**11**	**137**	**387**	**0**	

The Group is not subject to any relevant restrictions on financing, dividends or other leasing agreements as a result of its financing operating leases, whether as lessor or lessee.

I.11 Significant events after the reporting date (subsequent events)

- As of 3 February 2015 a Joint venture with two companies under the reputable Gropo Villar Mir group was created successfully in Spain.
- At the Annual General Meeting (Generalversammlung) held on 26 May 2015 the shareholders have decided for a dividend structured as a repayment from capital reserve about k€ 10,268 (€ 59.48 per ordinary share) due as of 29 May 2015 and a Dividend about k€ 3,572 (€ 20.69 per ordinary share) due as of 31 October 2015.
- Since 29 June 2015 CC AG has the permission as certified selling agent of Swiss Financial Market Supervisory Authority (FINMA).
- With Loan Agreement as of 7 July 2015 INTERSHOP Holding AG and vitB AG granted a credit facility in an aggregate amount of up to k€ 47,500 to CAP FinCo S.à r.l. for financing the acquisition of the real estate properties of the warehousing portfolio.
- The economic ownership of the purchased real estate asset in Paderborn was transferred to the Group on 8 August 2015.

Save for the matters set out above, there have been no events since the reporting date which could have a significant effect on the net assets, financial position or results of operations of the Group.

Zug/Switzerland, 30 September 2015

Urs Felder Member of the administrative board	Daniel Schoch Chief Financial Officer