

KEY FIGURES

PERFORMANCE		30-Jun-15	30-Jun-14	Change in %
Gross rental revenue	MCZK	2,246	2,199	2%
Occupancy*	%	88	85	3%
Gross return	%	6	6	
Net rental income	MCZK	2,198	2,040	8%
Result from operating activities	MCZK	1,901	1,744	9%
EBITDA	MCZK	1,993	1,836	9%
Profit before tax	MCZK	1,040	1,056	-2%
Net interest expense	MCZK	919	752	22%
Net profit for the period	MCZK	827	899	-8%

*	exc	luding	Hotels

ASSETS		30-Jun-15	31-Dec-14	Change in %
Total assets	MCZK	95,953	90,463	6%
Property Portfolio	MCZK	79,552	75,989	5%
Gross lettable area *	sqm	2,078,000	2,058,000	1%
Total number of properties**	No	289	278	4%
Total number of residential units	No	12,510	12,536	0%
Total number of hotel beds	No	9,761	8,129	20%
EPRA NAV	MCZK	41,449	40,276	3%
* avaluding Hatala				

^{*} excluding Hotels

** excluding Residential properties

FINANCING STRUCTURE		30-Jun-15	31-Dec-14	Change in %
Total equity	MCZK	33,697	32,490	4%
Equity ratio	%	35	36	-1%
Net debt	MCZK	47,018	45,803	3%
Loan to value ratio	%	59	60	-1%

CONTENTS

KEY FIGURES	2
2015 HIGHLIGHTS	4
MESSAGE FROM THE CEO	6
Parent Company	8
REPORT ON OPERATIONS	9
ECONOMIC DEVELOPMENT IN THE CORE COUNTRIES OF THE GROUP	9
THE PROPERTY MARKETS IN THE CORE COUNTRIES OF THE GROUP	10
PROPERTY PORTFOLIO	14
INCOME GENERATING	18
Income generating rental properties	18
Income generating operational properties	18
RETAIL	19
OFFICE	20
RESIDENTIAL	22
HOTELS	23
INDUSTRY AND LOGISTICS	24
HOSPITALITY	25
DEVELOPMENT	26
LAND BANK	28
FINANCING	29
Bank loans	30
Bonds issued	31
Finance leases and other loans	33
RESULTS AND NET ASSETS	34
Information on Equity	36
Data on shares	36
Data on share capital	36
Outlook	37
Person Responsible for the half-year Report 2015	38
Statutory Declaration	38
Financial Statements	30

2015 HIGHLIGHTS

Major acquisitions

In June 2015, the Group acquired 50% share stake in Hospitality Invest S.à r.l. and 88 % share stakes in Endurance Hospitality Finance S.à r.l. and in Endurance Hospitality Asset S.à r.l., entity holding the remaining 50% shares in Hospitality Invest S.à r.l., all together with remaining part of Equity loans. As such, the Group directly and indirectly holds 94 % of Hospitality Group as of 30 June 2015. All mentioned above was acquired from CPI PG Group. Total transfer price was set to CZK 833 million. Acquisition of Hospitality Group portfolio represents a unique collection of well-established luxury boutique hotels and all-suite residence hotels under Mamaison brand, mostly located in prime central locations of the CEE capitals.

Acquisition of 100% share in OC Futurum Kolín, a.s. The shopping centre, with a leasable area of 10,100 sqm comprises of supermarket, shopping gallery with 50 shops, restaurants and other amenities, as well as underground for parking for 320 cars. The aggregate acquisition price in a share transaction amounts to CZK 509 million, with bank financing provided at the level of CZK 473 million.

Acquisition of 100% share in Karviná Property Development, a.s. Due to the acquisition, Czech Property Investments, a.s. group acquired more than 42 thousand sqm of land bank. The intention of the Group is to use the acquired plot for development purposes in the future.

New Bonds issue on the Slovak market

On 16 April 2015 Czech Property Investments, a.s. group issued new bonds by its subsidiary CPI Finance Slovakia, a.s. The bonds with the nominal amount of EUR 1,000 each and the aggregate amount of EUR 30 million were issued. On the same day EUR 25 million were subscribed and by 27 April 2015 the remaining EUR 5 million were also allotted to investors. The bonds, due in 2018, are registered under ISIN code SK4120010653 and carry a fixed rate coupon of 5.85% p.a.

CZK 1.34 billion bonds Issue

In August 2015 the Group has issued new bonds in total value of CZK 1 335 million. The bonds with CZK 10,000 nominal value are due on 24 August 2019 and carry a fixed coupon of 4.75%. The fixed coupon is payable on quarterly basis. The bonds CPI 4.75/19 have been admitted to trading on the Prague Stock Exchange.

Financing secured for Quadrio

The Group has obtained financing for its major project in the Czech Republic, QUADRIO shopping centre. Following the successful completion of QUADRIO project, the Group agreed with the current club of financing banks, Helaba and UniCredit, on a major increase of the financing from CZK 2 billion up to CZK 3.7 million.

Prolongation of EUR 58 million for Mamaison portfolio

In July 2015 the Group obtained a 5-year refinancing for its boutique hotels portfolio located in the Czech Republic, the Slovak Republic, Poland, Hungary and Russia, held under the Hospitality Invest S.a.r.l. subholding. The Group now achieved the long-term CZK 1.58 billion refinancing with Erste bank. The hotels portfolio is mostly operated under the brand Mamaison Hotels and Residences and represents a unique collection of well-established luxury boutique hotels and all-suite residences, mostly located in prime central locations of the CEE capitals (Prague, Warsaw, Budapest, Bratislava and Moscow).

Portfolio news

Phase C of the Meteor Centre Office Park in Prague's Karlín district has obtained occupancy approval. Construction began in August 2013 and the investment, including the price of acquiring the plot, reached CZK 287 million. Located at a prestigious address in the centre of Karlín, Meteor C offers first-rate office and commercial space over some 4,700 square metres. The spaces can be flexibly divided according to the tenant's wishes and some of the spaces also include an attractive terrace. The Channel Crossings language agency is among the first tenants moving into the attractive, brand new offices. The Meteor C project also includes commercial units at street level and executive apartments on the top floor offering peaceful and comfortable accommodation with beautiful views and excellent connections to the city centre. The Meteor Centre Office Park is located in one of the fastest developing areas of Prague, which is being transformed into a prestigious office location in close proximity to the centre. The building complex is located right near the Křižíkova metro station (line B).

The Czech Property Investments, a.s. group has welcomed its first tenant to the exclusive offices of its multifunctional Quadrio Complex. Associated companies of the Hungarian gas and oil group MOL (Slovnaft Czech Republic, Pap Oil, and MOL Retail) have moved into the attractive site directly above the Národní Třída metro station in the centre of Prague.

A new lease agreement for offices in the Quadrio was concluded with MetLife Europe Limited. The insurance company moved into its new offices on the fourth floor, with a total area of 2,500 square metres, at the end of May.

The Quadrio has obtained LEED Silver international green building certification. "The LEED Silver green certification confirms that Quadrio is a unique and high-quality project also in terms of environmental sustainability.

CPI Property Group moved its offices in the last week of July to the Quadrio complex, which Czech Property Investments, a.s. group also owns. The new headquarters have an area of approximately 4,500 square metres.

MESSAGE FROM THE BOARD OF DIRECTORS

Dear Business Partners, Colleagues and Stakeholders,

Over the last few months, some major steps have been achieved in the field of new acquisitions as well as a wide range of financing. With the current EPRA NAV at CZK 41.4 billion and a total balance sheet of CZK 96 billion we have managed to be successful in achieving our long-term strategy and as a key building stone of the CPI Property Group, one of the major real estate groups in Central Europe. Our company is getting bigger and stronger and creating greater value for its shareholders. Based on our performances in the first half of the year, we can have positive expectations and share others modest optimism for the future.

In the first half of 2015, we have managed to achieve outstanding economic results. The key factors of making profits were the favourable development of the market, increase in the efficiency of the whole group's financing and the overall success of our business. Speaking of numbers, over the first six months of 2015, the value of assets managed by the Group increased by 6 % and amounted to CZK 96 billion at the end of June 2015. The gross rental income was increased to CZK 2,246 million, net profit amounted to CZK 827 million and operating profit before interest, taxes, depreciation and amortization (EBITDA) reached CZK 1,993 million, which represents an annual increase by 9%. Czech Property Investments, a.s. manages a well-balanced and diversified portfolio with a total value over CZK 79,552 million, which includes a wide range of properties located in the Czech Republic, Slovak Republic, Hungary, Poland and Romania.

We have continued to seek acquisitions in Central Europe. For example, in the first half of 2015 we completed the acquisition of the Futurum Shopping Centre in Kolin, Czech Republic for CZK 626 million. The summary also includes own development, with the biggest attention devoted to the construction of the Meteor Centre Office in Prague and reconstruction of the residential complex Palais Maeterlinck in France, both completed in the first half of 2015.

We have been very active and successful in improving our financing profile and costs. In March 2015, with a total facility of CZK 3,207 million we refinanced our three shopping centres and obtained a development loan for an extension on one of them. A low interest rate environment has ensured that the overall debt service has decreased despite a higher loan amount. In June 2015, Helaba and UniCredit increased and converted our development loan on the Quadrio project to a long-term investment loan under prime commercial terms. And just a few days ago, Czech Property Investments, a.s. placed Czech crown denominated bonds for the private clients of Komerční banka and UniCredit and consequently investors oversubscribed the issue. In all new bond issues, for an amount of CZK 1 billion, the coupons were down on average 150 BPS against our previous bond issues which clearly demonstrates the positive development our company has made in recent years and the strong covenant the company now enjoys. Bond financing has become a standard and important way in the financing of our business activities and we are proud it is an appealing product for our investors.

An essential pillar of our business strategy and the success in the rental arena is due to our long-term and quality relationships with our tenants. We have managed to acquire a number of new tenants and to renew several key contracts. Among the new tenants of the Meteor Center Office Park C we welcomed the language school Channel Crossings and the well-known Starbucks Coffee shop. We entered into new lease agreements for the offices in the Quadrio multifunctional complex. MetLife Europe Limited and associated companies of the Hungarian gas and oil group MOL (Slovnaft Czech Republic, Pap Oil, and MOL Retail) moved its Czech branch into the attractive new headquarters right there. A few weeks ago, Czech Property Investments, a.s. and our team also changed its offices to the new multipurpose Quadrio complex, which the company owns.

Our strategy for the future is to continue growing and provide the best rental and property management services. We continue to focus on investments in the commercial real estate sector, especially offices and retail, as well as residential, hotel accommodation and logistic centres. In addition to our traditional regions, we have an appetite to look at acquisitions and high-end projects. I would like to thank all our colleagues and business partners who have helped make our company successful and remain committed in driving towards further achievements.

In Prague, 31 August 2015

Zdeněk Havelka

Chairman of the Board of Directors

Czech Property Investments, a.s.

THE GROUP

Czech Property Investments, a.s. group (hereinafter also referred to as "the Group") is a real estate group concentrating on long-term investments and the lease of real estate, mainly in the Central and Eastern European region. It has been operating on the real estate market since the end of 1990s.

The Group is active across all real estate segment in the Czech Republic, Slovak Republic, Hungary, Poland, Romania and Russia. In recent years, the Group has successfully established itself among the leading investors and developers in the domestic real estate market and also expanded within Central and Eastern Europe. Its conservative and responsible approach laid the foundation for stability and long-term prosperity of the whole Group supported with years of experience and strong financial base.

The Group owns and manages 464,000 sqm of office space; 644,000 sqm of retail space; 24 hotels with about 9,761 beds, 211,000 sqm of space intended for light industry and storage and with over 12,500 apartments, it is the second largest provider of rental housing in the Czech Republic.

The goal of the Group is to develop the potential of its property portfolio, to create a new business opportunities and increase its commercial value. Cooperation with tenants and support of mutual relationships are the key points for its success.

Parent Company

The parent company of the Group is Czech Property Investments, a.s. (hereinafter also referred to as "the parent company" or "the Company").

The Company was established on 17 December 1991 for an indefinite period of time.

The Company's registered office address was changed from Václavské náměstí 1601/47, 110 00 Praha 1, Czech Republic to Vladislavova 1390/17, Nové město, 110 00 Praha 1. The change in Commercial register was made on 1 July 2015.

The Company was registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1115, IČ (Company Identification Number) is 427 16 161. Documents are filed in the collection of documents and in the registered office of the Company.

Contact Information:

Czech Property Investments, a.s.

QUADRIO Building Purkyňova 2121/3 Praha 1, 110 00

Tel: +420 281 082 110 Fax: +420 281 082 150 E-mail: cpi@cpi.cz www.cpi.cz

Since 1 January 2005, the Company has been reporting its results in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) as adopted by the European Union.

The Company did not create any programs, on the basis of which employees and members of the Board of Directors are allowed to acquire participating securities of the Company, options to such securities or other rights to them under favourable conditions.

REPORT ON OPERATIONS

ECONOMIC DEVELOPMENT IN THE CORE COUNTRIES OF THE GROUP

Czech Republic

The following reviews on macroeconomic data were published by the Czech Statistical Office (unless otherwise stated).

According to the preliminary estimate, the gross domestic product increased in the Q2 2015 by 4.4%, year-on-year; compared to the Q1 2015 it was 0.9% up. In the second quarter of 2015, the Czech economy retained its growth and thus confirmed its enhancing performance. According to the preliminary estimate, the gross domestic product (GDP) adjusted for price effects and seasonally adjusted increased in the Q2 2015 by 4.4%, year-on-year; compared to the Q1 2015 it increased by 0.9%. The growth dynamics is more balanced through all economic activities, in comparison with Q1 2015. On the expenditure side, the growth is contributed to by consumption of households as well as higher investment activity. The development on the labour market is also positive. Employment in terms of national accounts increased by 1.4%, y-o-y, and by 0.2% in the q-o-q comparison.

Hungary

The gross domestic product of Hungary went up by 2.7% in the second quarter of 2015 compared to the corresponding period of the previous year. The increase was basically due to a growth in the performance of industry. The slowdown of the rate of increase resulted primarily from a decrease in the performance of agriculture. In the second quarter of 2015 – according to seasonally and calendar effects adjusted data – the volume of gross domestic product increased by 0.5% compared to the previous quarter. The total consumer price level increased by 0.6% compared to June 2014. The number of employed people increased by 3.1% to 4,201 thousand, 126 thousand more than a year ago.

Slovak Republic

In the second quarter of 2015 the Gross domestic product (GDP) at constant prices increased by 3.2 % as compared to the same quarter of 2014. After seasonal adjustment GDP rose by 3.1 % as compared to the second quarter of 2014 and by 0.8 % in comparison with the previous quarter. The volume of GDP at current prices in the second quarter of 2015 reached 19 311,7 million EUR what represented the increase by 3 % in comparison with the same quarter of 2014. Total employment in the reference period reached 2,264 thousand persons. In comparison with the second quarter of 2014 it increased by 2 %. Seasonally adjusted total employment rose by 2.1 % as compared to the second quarter of 2014 and by 0.7 % as compared to the first quarter 2015. In June 2015, a year-on-year inflation was reduced by 0.1 % in total. The annual inflation rate measured by harmonized index of consumer prices reached the value -0.1 %. The unemployment rate had to the lowest level since 2009 and significant real wage growth (higher than in the neighbouring Poland, Czech Republic and Hungary at 5% in 2014).

Poland

In the 2nd quarter of 2015 seasonally adjusted GDP (constant prices, reference year 2010) was higher by $0.9\,\%$ than in the previous quarter and $3.6\,\%$ higher than in the 2nd quarter of the previous year. Non-seasonally adjusted GDP (constant average prices of the previous year) was higher by $3.3\,\%$ than in the corresponding quarter of the previous year. According to the preliminary estimate the unemployment rate represents $10.3\,\%$ as at June 2015.

THE PROPERTY MARKETS IN THE CORE COUNTRIES OF THE GROUP

Czech Republic

The following data and description for real estate market in the Czech Republic are based on a report published by JLL or by the CBRE (unless otherwise stated).

Retail Market

Over the course of H1 2015, no major retail schemes were completed. As at end of H1 2015 three shopping centres are currently under construction - Aupark in Hradec Kralove (20,900 sqm, with expected completion in 2016), Nová Palmovka in Prague (8,000 sqm, with expected completion in 2016) and Centrum Chodov Phase II in Prague (40,700 sqm, with expected completion in 2017). Major planned projects in the Czech Republic are Bořislavka in Prague (expected completion in 2017, 10,000 sqm), Central Jablonec in Jablonec nad Nisou (expected completion in 2017, 40,700 sqm) and NC Královo Pole in Brno (expected completion in 2017, 9,500 sqm). The Czech Republic remains a market with the majority of the retail demand concentrated on Prague. Prime shopping centres are strengthening their position on the market and therefore, prime rents have been increasing. Rents on the prime high streets of Prague remained stable at around EUR 195 /sqm /month. Prime shopping centre rents in Prague around EUR 110 /sqm /month. Shopping centres in regions rent EUR 70 /sqm /month.

Prague office market

In H1 2015, three new office schemes with a total leasable area of 95,149 sqm were completed. New supply included Crystal Prague in Prague 3 and in Prague 4, another extension of BB Centrum with building Delta and The Greenline at Kačerov. Several office projects are due to commence construction in the second half of 2015. At the end of Q2 2015, the modern office stock in the capital city totalled 3,126,927 sqm. Currently, there is approximately 148,000 sqm of office space under construction. Out of this number, ca. 88,200 sqm is scheduled for completion by the end of 2015. The year 2015 remains on track to become a very successful year in terms of demand. In Q2 2015, we recorded the strongest ever quarterly demand recorded on Prague office market. In H1 2015, gross take-up reached 204,972 sqm. The H1 2015 vacancy rate in Prague stands at 16.56%. The Q2 vacancy rate decreased by 0.5 of a percentage point compared to the previous quarter. This is mainly the result of the postponed completion of some speculative projects into the next quarter. The prime office rent remained stable at EUR 19.50 /sqm /month in city centre.

Residential Market

In Q1 2015 Real estate price index announced by Hypoteční banka (HB INDEX) confirmed a slight increase in prices of residential real estate which already started at the beginning of 2014. The prices of family houses increased in 2014 by 0.5 p.p. and reached HB INDEX 106.3. That is the highest level since the beginning of 2010. The land prices increased by 0.9 p.p., and reached 120.3, followed by an increase in flats by 1.0 p.p. The average market price of the flats increased to HB INDEX 98.4.

HB Index is regularly presented by Hypoteční banka, a.s. and is based on realistic estimates of market prices of real estates. HB INDEX itself is calculated for the entire Czech Republic, and for the three types of real estates: flats, houses and land. For basis 100.0 were selected real estate prices as of 1 January 2010.

Hotel Market

As at April 2015, Prague's hotel supply comprised of 489 hotels with approximately 33,000 bedrooms. 4- and 5-star establishments dominate the market accounting for 50% of all graded hotel supply, followed by one third being rated as 3-star hotels. The average capacity of hotels in Prague is at 88 rooms per property, corresponding with a healthy mix of larger chain hotels and many smaller privately run hotels. Prague is characterised by a majority of unbranded hotel rooms. Only 36 per cent of all hotel rooms are branded, totalling about 12,000 rooms. The average capacity of branded hotels in Prague is 166 rooms, about double compared to the overall market's average.

Industrial Market

At the end of Q2 2015, the total modern A-class industrial stock in the Czech Republic (owned by developers and investors) stood at 5.26 million sqm. Greater Prague remains the largest market in the country with a 40% share, followed by Brno and Pilsen. For H1 2015, the number of completions reached 139,800 m2. The largest development includes a new warehouse for Mall.cz (31,700 m2) in Prologis Park Prague – Jirny. The majority of new completions are situated in Greater Prague with more than 70% of the total. The number of speculative developments is slowly increasing. Even though there are only a few projects to date that started construction speculatively, compared to 18 months ago it is a significant step forward. The overall conditions on the market, the improved economic situation has resulted in strong take-up and the decreasing vacancy will further support speculative construction.

Slovak Republic

The following data and description for real estate market in the Slovak Republic are based on a report published by JLL (unless otherwise stated).

Retail Market

The total retail stock comprises ca.1.54 million sqm, of which more than a third is located in Bratislava. Strengthening domestic demand is playing a supportive role in the growth of the Slovak economy this year. High regional inequality still continuing in wages, unemployment and private consumption. There are three shopping centres under construction: Trnava — City arena with 24,000 sqm, Poprad — Forum with 23,000 sqm and Lučenec — Galéria Lučenec with 10,000 sqm. Vajnoria - a small shopping centre, commenced construction in Q2 2015 in Bratislava — Vajnory. The retail stock density in Bratislava is 1,187 sqm per 1,000 inhabitants. Prime high street rents in Bratislava are at a level of EUR 20 and 45 /sqm /month. Prime shopping centre rents in Bratislava range between EUR 50 and 85 /sqm /month.

Industry and Logistic Market

The total A class industrial Stock in the Slovak Republic totals 1.31 million sqm. Q1 2015 brought only one new industrial facility (2,500 sqm) - located in Žilina – developed by P3. There are several new premises under construction with a total leasable area of more than 120,000 sqm, located both in Greater Bratislava and the regions. Pre-lease based construction and built-to-suit facilities are still preferred. The annual forecasted supply will reach almost 120,000 sqm in 2015. Overall take-up in H1 2015 totalled more than 52,000 sqm. The vacancy rate as of Q4 2014 stands at 3.7%. Prime headline rents in the Greater Bratislava area are at EUR 3.50-4.80 /sqm /month and in Eastern Slovakia, prime headline rents are at EUR 3.30-3.90 /sqm /month. Continued strong competition is expected in 2015 as far as new and existing tenants are concerned, mainly in the Bratislava region. The main factors will remain to be headline rents, rent free periods and a focus on the reduction of service charges.

Hungary

The following data and description for real estate market in Hungary are based on a report published by JLL and CBRE (unless otherwise stated).

Budapest office market

Over 20 thousand sqm were delivered to the office market over H1 2015. The total office stock stands at 3.25 million sqm as at end of H1 2015. The half year gross take-up totalled 196,500 sqm, which is an all-time high in the history of the Budapest office market and 10% stronger than previous peak. The vacancy rate declined by a massive 340 bps year-on-year, dropping to 14.2%. The improvement was due to a combination of factors: a strong 12-month rolling volume of 151,000 sqm, which is the highest since Q2 2010 and the limited volume of completions — on year-on-year basis new deliveries represent 44% decline in comparison to H1 2014. Prime rent stands at EUR 15,5 /sqm /month. This level is only achievable in a few, selected prime properties in the Central Business District for the best office units within the building. Average asking rents did not change significantly on the previous quarter; they remained in the range of EUR 11-14 /sqm /month for A class offices.

Budapest retail market

The mandatory Sunday closure of shops do not seem to be having a negative impact of retail sales volumes, which have been constantly rising. Between January and May, retail sales volumes have risen 6.1% year-on-year. With no new completions, shopping centre supply was stable in Q2.The total shopping centre stock in Budapest stands at 771,500 sq m in 25 assets, while the shopping centre density is equal to 444 sq m / per 1,000 inhabitants. Typical shopping centre rents range between EUR 20 and 65 /sqm /month in Budapest while downtown high street rents at Váci utca are around EUR 80 to 100 /sqm /month.

Budapest industrial market

No new scheme was handed over in H1 2015 and currently there is only one 5,000 sqm city-logistics BTS shed under construction without any availability. Limited availability of large continuous space can trigger the commencement of speculative projects as from late 2015, contributing finally to higher delivery figure in 2016. Take-up in H1 2015 increased by 16% y-o-y totalling 108,900 sqm and including a 22,000 sqm pre-lease. In contrary to previous years, distribution function was the main driver of demand, while logistics service providers have had a smaller share from take-up this year so far. Vacancy rate has declined for the eight consecutive quarter reaching 13.7%, the lowest level since Q1 2008. Half-year net absorption totalled to 32,250 sqm, 42% lower than in H1 2014. The relatively large difference between the net absorption and total take-up is due to a number of relocations and the high volume of pre-lease. Due to the decreased availability on the market, some major landlords started to quote higher asking rents in logistics parks than a year ago.

Budapest hotel market

Budapest remains the most popular city of the country – in 2014, 35% more guests came to Budapest than in 2008, outperforming the national average growth of 24%. Number of guest arrivals increased with an average annual growth rate of 6% since 2009 which has helped to push up occupancy rate. Increasing demand was backed by leisure tourism as business tourism stagnated in recent years. Despite growing ADR figures, Budapest still offers a good price-to-value ratio compared to other CEE capitals; in recent years this was clearly backed by the appreciation of HUF. GOPPAR growth in 2014 was higher than TrevPAR increase as hotels have improved on the cost savings side. Since 2010, TrevPAR growth was continuously lower than RevPAR growth as more hotels tend to incorporate additional services in room rates in order to attract more guests. Hotel market showed clear signs of a recovery in 2014. All key performance indicators improved on the back of growing number of tourist arrivals and guest nights. Demand for hotel accommodation in Budapest is mostly fueled by leisure travelers and to a less extent by business. The Hungarian capital has matured as a key destination for city breaks and spa tourism in the CEE region. The city attracts more arrivals from new source markets while keeps the clientele from traditionally important countries.

Poland

The following data and description for real estate market in Poland are based on a report published by DTZ and JLL (unless otherwise stated).

Warsaw office market

At the end of the first half of 2015, modern office stock in Warsaw reached 4.54 million sqm. During the first two quarters of this year, 14 buildings with the office area of almost 150,000 sqm received occupancy permits and, according to developers' plans, a further 200,000 sqm may be completed by the end of 2015. If all projects are delivered according to schedule, the annual supply this year may reach 350,000 sqm, which will be the highest value recorded so far on the Warsaw market. An even larger volume of new completions can be expected for 2016 (approx. 430,000 sqm), two of which are major tower buildings located in the city centre: Q22 and Warsaw Spire, collectively accounting for almost 120,000 sqm of new office space. DTZ is of the opinion that depending on the market situation and absorption pace of the space delivered earlier, part of the projects scheduled for 2016 may be delayed due to insufficient tenants' activity. 75% of the total modern office stock in Warsaw is located within the four largest subzones: Upper South, Fringe, South West and Core. The vacancy rates for the central zones were 15%, and 13.7% for non-central locations. The highest vacancy rates were recorded in the Core, West and Upper South subzones. In the East zone the availability ratio was the lowest among other districts in Warsaw.

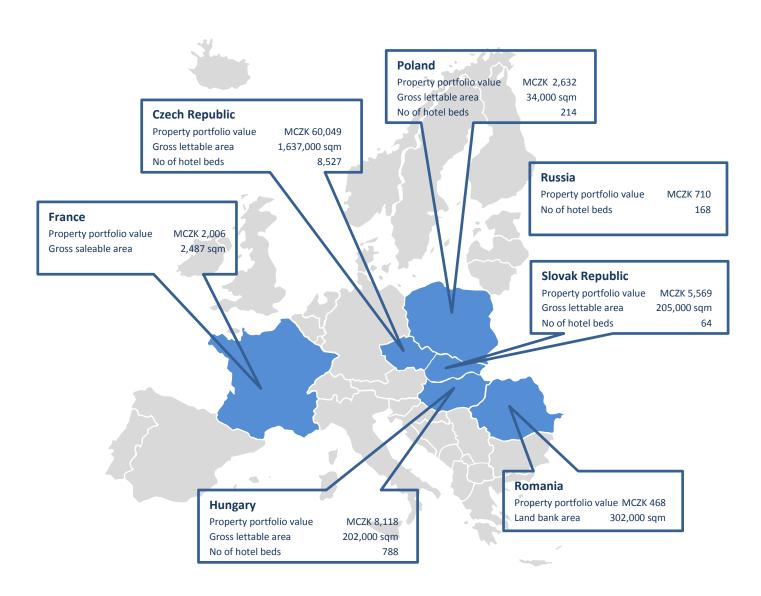
Retail Market in Poland

After a considerable number of completed projects in small cities, developers are back in mass. Completions in 2014 were 30% lower than the previous year; however the 2015 pipeline is forecasted to surpass the previous five years. The developments launched in the first half of 2015 are located mostly in large cities and agglomerations, the majority being large and medium-sized schemes. At the end of Q2 2015 modern retail stock in Poland totalled 12.54 million sqm and was found in the following retail formats: 8.96 million sqm (72%) in shopping centres; 3.39 million sqm (27%) in retail parks and warehouses, and 0.19 million sqm (1%) in outlet centres. Overall demand for retail space in Poland remains strong, as the economic performance over the last few years has ranked country in top tier among other EU states. The increasing wealth of Polish society and gradually falling unemployment are positively reflected in growing retail sales. The promising outlook for growth of the nation's GDP in the next three years (an average in excess of 3.8% annually) will certainly have a positive impact on retailers, developers and investors. Prime shopping centre rents peaked at EUR 90-110 /sqm /month for top retail assets in Warsaw and oscillate between EUR 40-55 /sqm /month in other main agglomerations.

PROPERTY PORTFOLIO

The Group is a real estate group concentrating on long-term investments and the lease of real estate, mainly in the Central European region. The Group activities are focused on rental income generating properties—such as retail, office, hotels, residential, industry and logistics or operating own hotels. Additionally, the Group develops office and retail assets for future rental and some residential development for future sale.

The Group extended its portfolio of hotels operated either by the Group or by external operator by acquisition of 11 well-established luxury boutique hotels and all-suite residence hotels under Mamaison brand.



The property portfolio of the Group is reported on the balance sheet under the following positions:

- Investment property
- Property, plant and equipment
- Trading property inventories

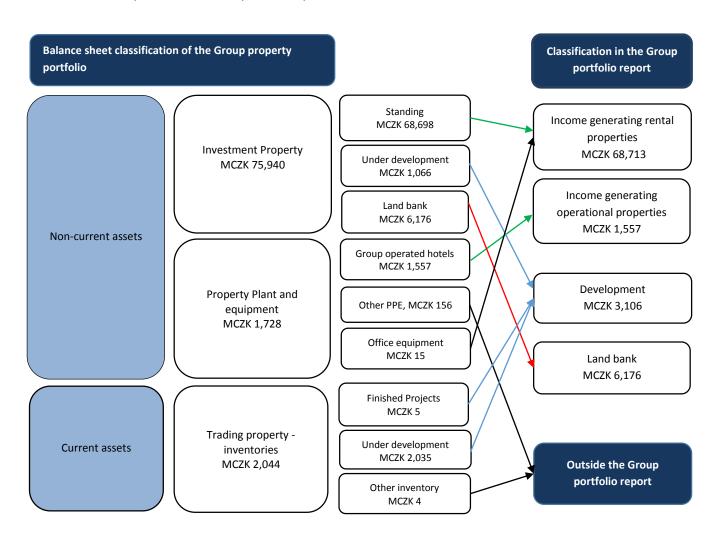
"Investment property" consists of rental properties, investment property under development and land bank. Investment property under development represents development projects currently in progress, which will be reclassified by the Group as rental properties after completion. Land bank represents properties held for development and/or capital appreciation.

"Property, plant and equipment" include owner occupied properties comprising hotels operated by the Group and offices rented out to the Group entities.

"Trading property - inventories" comprise properties that are under development or have been finished and are intended for a future sale in the ordinary course of business.

The property portfolio report covers all properties held by the Group, independent of the balance sheet classification. These properties are reported as income generating properties (generating rental income or income from operations), development projects (investment property projects under development and inventories) or land bank.

The following chart reconciles the property assets of the Group as reported on the balance sheet as at 30 June 2015 with the presentation in our portfolio report:



Property valuation

The condensed consolidated interim financial statements of the Group as of 30 June 2015 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union, which include the application of the fair value method.

Since the Investment properties owned by the Group must be stated at fair value (present value), the regular valuation of these properties by independent experts is recommended. The Group's management analysed the situation on the real estate market at the time together with current yields and then applied discount rates and other factors used by independent valuators in their appraisals as of 31 December 2014. As a result, the fair value of the majority of the property portfolio as of 30 June 2015 was determined based on the management's analysis described above and it does not significantly differ from the fair value as of 31 December 2014.

In instances where there have been indications of significant changes and therefore with potential impact on the property value during the first half of 2015, the value of the property has been updated based on the external appraisals as of 30 June 2015.

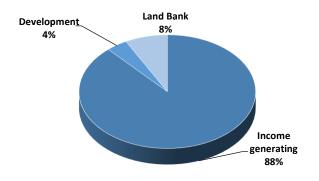
The following table shows the amount of the Group's property portfolio as of 30 June 2015:

PROPERTY PORTFOLIO 06 / 2015	N° of properties *	No of residential units	No of hotel beds	Income generating MCZK	Development MCZK	Land Bank MCZK	Carrying value MCZK	Carrying value %	Outstanding financing MCZK
Czech Republic	244	12,507	8,527	54,312	1,190	4,547	60,049	75%	28,068
Slovak Republic	19		64	5,569			5,569	7%	2,614
Hungary	19		788	7,058	5	1,055	8,118	10%	4,705
Poland	5		214	2,526		106	2,632	3%	1,517
Russia	1		168	710			710	1%	
Romania						468	468	1%	
France	1	3		95	1,911		2,006	3%	1,001
THE GROUP	289	12,510	9,761	70,270	3,106	6,176	79,552	100%	37,905

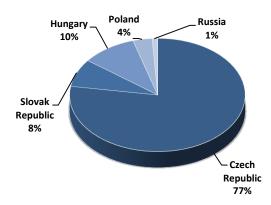
^{*}excluding Residential unit

The Group property value total CZK 79,552 million as of 30 June 2015 (31 Dec 2014: CZK 75,989 million). As showed in the chart below, 88% of the Group property portfolio value is made of income generating assets of which CZK 68,713 million (98%) are income generating rental properties and CZK 1,557 million (2%) are income generating operational properties. The majority of the income generating assets is located in the Czech Republic with 77% of the total value, followed by Hungary with 10% and Slovak Republic with 8%.





Income generating by country



Total increase of CZK 3,563 million in the portfolio value in H1 2015 was mainly attributable to the following:

- acquisition of 11 well-established luxury boutique hotels and all-suite residence hotels under Mamaison brand in amount of CZK 1,640 million (hotels) and CZK 1,098 million (hospitality);
- new shopping centre in Kolín (OC Futurum Kolín) in total value of CZK 689 million;
- ongoing and finished development of offices in multifunctional complex QUADRIO.

INCOME GENERATING

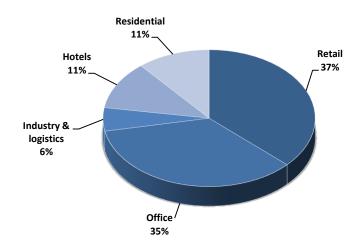
Income generating rental properties

INCOME GENERATING RENTAL PROPERTIES	N° of properties **	Carrying value MCZK	Carrying value %	Gross lettable area thds. sqm	Occupancy * %	Rental income H1/2015 MCZK	Rent per sqm CZK	WAULT	Outstanding financing MCZK
Retail	190	25,341	37%	644	94.3%	915	270	5.0	13,158
Office	44	24,120	35%	464	81.7%	726	327	4.5	13,818
Industry & logistics	16	3,779	6%	211	94.2%	154	130	3.8	1,753
Hotels	24	7,851	11%	201	100.0%	192	233	12.1	3,681
Residential		7,622	11%	759	82.9%	245	67		3,095
THE GROUP	274	68,713	100%	2,279	88.3%	2,232	205	5.0	35,505

^{*}the Group occupancy rate do not include Hotels

Income generating rental portfolio of CZK 68,713 million represents the major part of the Group's property portfolio. The Group is renting out a great variety of assets but is primarily focusing on office and retail. These two together represent 72% of the portfolio value and provide about 1,108,000 sqm of lettable area.

Income generating rental by type of asset



Income generating operational properties

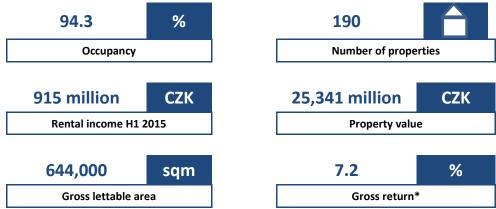
Income generating operational properties currently include segment hospitality and represents hotels operated by the Group. The segment include a hotel under the brand of Courtyard by Marriott, located in Budapest, Hungary. The portfolio has grown from CZK 481 million to CZK 1,557 million due to the purchase of Mamasion hospitality business in June 2015. The Group acquired a unique collection of well-established luxury boutique hotels and all-suite residence hotels operated under Mamaison brand, located in CEE capital.

INCOME GENERATING OPERATIONAL PROPERTIES	N° of properties	Carrying value MCZK	Carrying Value %	Number of beds	Hotel revenues H1 2015 MCZK	Net hotel income H1 2015 MCZK	Average occupancy %	Average daily rate CZK	Outstanding financing MCZK
Hospitality	4	1,557	100%	1,022	65	22	73.4%	2,452	748
The Group	4	1,557	100%	1,022	65	22	73.4%	2,452	748

^{**}excluding Residential

RETAIL

Key Figures - June 2015



^{*}Gross return is based on the annualized 6-months 2015 income

Retail historically represents a very stable category of income generating assets which is flexible to adapt to market conditions and economic changes without substantial losses. The Group concentrates on mid-sized shopping areas as retail parks and supermarkets with long-term contracts generating long-lasting rental income and experiencing relatively high occupancy rate. The Group currently owns and manages retail space in the Czech Republic, Slovak Republic, Hungary and Poland.

RETAIL	N° of properties	Carrying value MCZK	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Rental income H1/2015 MCZK	Rent per sqm CZK	WAULT	Outstanding financing MCZK
Czech Republic	169	20,835	82%	515	94.8%	728	272	4.8	10,631
Slovak Republic	16	3,041	12%	82	99.9%	127	278	7.2	1,481
Hungary	4	938	4%	39	87.4%	36	176	1.9	707
Poland	1	527	2%	8	94.4%	24	458	2.2	339
THE GROUP	190	25,341	100%	644	94.3%	915	270	5.0	13,158

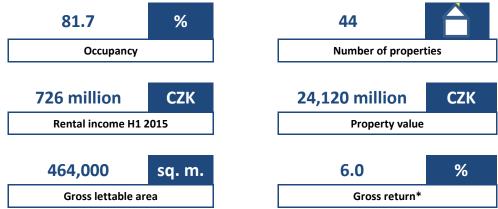
Retail portfolio provides about 644 thousand sqm of lettable area which can be further divided as follows:

- Retail warehouse which comprise supermarkets, hypermarkets, hobby markets and retail parks of about 401 thousand sqm of lettable area;
- Shopping centres and galleries of about 162 thousand sqm of lettable area;
- So-called special properties (separate units and establishments, usually B class) which provide about 81 thousand sqm of lettable area.

In June the Group acquired Futurum Shopping Centre in Kolín, Czech Republic. The shopping centre, with a leasable area of 10,100 sqm comprises of supermarket, shopping gallery with 50 shops, restaurants and other amenities, as well as underground parking for 320 cars. Among major tenants belong Billa, Intersport ČR, DATART INTERNATIONAL, NEW YORKER CZ, Hoffmann Czech Republic, Takko Fashion, dm drogerie markt and others. The acquisition of this project is in line with the Company's strategy and perfectly fits its portfolio of high quality shopping centres in attractive locations with stable tenants. Excluding Futurum's tenants shopping Centre in Kolín, the Group has entered 21 new leases with the tenants and extended a number of current rental contracts in the Czech Republic. Among new tenants belong companies such as AHOLD Czech Republic. Current contract were extended with tenants such as NEW YORKER, Billa and Lindex.

OFFICE

Key Figures - June 2015



^{*} Gross return is based on the annualized 6-months 2015 income

Office portfolio represents an important and constantly growing segment of investment activities of the Group. The Group owns buildings in the capital cities of the Czech Republic, Hungary and Poland as well as in regional cities of the Czech Republic.

OFFICE	Nº of properties	Carrying value MCZK	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Rental income H1/2015 MCZK	Rent per sqm CZK	WAULT	Outstanding financing MCZK
Czech Republic	33	17,698	73%	298	87.3%	499	316	5.3	10,085
Slovak Republic	1	237	1%	4	64.7%	6	371	3.0	92
Hungary	8	4,784	20%	136	69.9%	168	323	2.8	2,868
Poland	2	1,401	6%	26	82.1%	53	473	3.4	773
THE GROUP	44	24,120	100%	464	81.7%	726	327	4.5	13,818

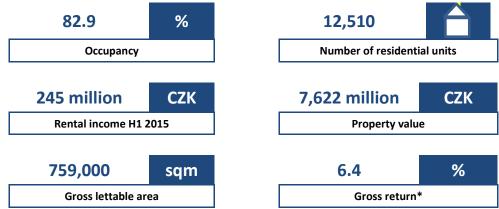
In October 2014 the Group finished development of its prime commercial property in the Czech Republic -QUADRIO. This multifunctional complex, found at a prestigious address with excellent transport and pedestrian access, has enriched the centre of Prague with its offer of offices of the highest standard. QUADRIO offers 16,400 sqm of modern A-class office space. In spring 2015 QUADRIO welcomed its first tenants in recently completed office premises. The first lease agreements were signed with companies associated with the Hungarian gas and oil group MOL and Czech branch of MetLife Europe Limited. In July 2015 the Group moved its headquarters to QUADRIO. In general, tenants receive especially high comfort, modern design and above-standard quality of services accompanied with an attractive location of the building. In addition, the roof of the top eighth floor carries a spacious terrace with a fantastic view of all of Prague. The tenants appreciate not only remarkable efficiency of the offices and the high technical standard of the building, but also low operating costs. The compound consists of six buildings, which, viewed from above, form the shape of a four leaf clover. A unique ground plan with an above-standard proportion of glass facade allows maximum efficiency of the working space without so-called dead and unused spots and together with the latest technologies enables premises to be designed both as separated offices and open space. It also have a major influence on the operating costs of the building. QUADRIO succeeded in many competitions: Awards for the best office project and environmentally friendly building took home from the CIJ Awards, as well as the prestigious prize Developer of the Year 2014. QUADRIO succeeded in the competition Best of Realty in the category of best offices. Also, QUADRIO centre obtained LEED Silver international green building certification.

In April 2015 the third phase of successful office project Meteor Centre Office Park in Prague's Karlín district was opened. Meteor Centre Office Park C, located directly at Křižíkova metro station, comprises of approximately 5,000 sqm of offices, shops and other amenities, parking on two underground floors and rental apartments. Exceptional quality of construction and services fulfills the current demands on work environment and lifestyle.

In addition to extension of the portfolio, the Group has entered into many new rental contract with the tenants and extended a number of current rental contracts, notably in the Czech Republic and Poland. Among new tenants belong companies such as Metlife Europe Limited, Slovnaft Česká republika and Channel Crossings. Current contracts were extended with tenants such as Wincor Nixdorf, ExxonMobil in Czech Republic and Comarch in Poland.

RESIDENTIAL

Key Figures - 2015



^{*} Gross return is based on the annualized 6-months 2015 income

Residential properties have been at the forefront of the Group's interest for many years. The Group is an important player in the Czech Republic residential housing market holding the position of the second largest provider of the rental housing. The existing housing stock of the Group includes 12,510 rental flats in 15 cities of the Czech Republic concentrated mainly in the North Moravia, North Bohemia and Middle Bohemia regions. Rental housing portfolio is managed under the brand CPI BYTY, a.s., and CPI Flats, a.s.

In second half of 2014 three apartment in the total value of CZK 95 million located in Cannes, France were acquired. Apartments are financed by long term loan of CZK 95 million.

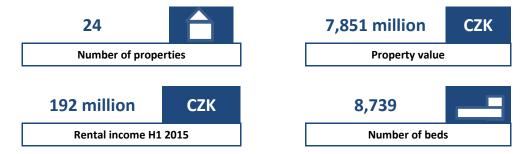
RESIDENTIAL	N° of residential units	Carrying value MCZK	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Rental income H1/2015 MCZK	Rent per sqm CZK	Churn rate %	Outstanding financing MCZK
Czech Republic - Prague	527	1,183	16%	32	97%	26	127	6.26%	
Czech Republic - other	11,980	6,344	83%	727	82%	218	63	5.46%	3,000
France	3	95	1%		100%	1	1,130		95
THE GROUP	12,510	7,622	100%	759	82.9%	245	67	5.5%	3,095

As for the prior years, the Group is implementing a long term and thorough refurbishment plan of the portfolio. The most significant expenditures of the first half of 2015 was reconstruction and revitalization of old apartments which are newly rented out.

In addition to ongoing refurbishment plan, the Group continues to create Client's centres in each location, which provides rent-related advisory services to the tenants. The personal approach through the Client's centres and continuous refurbishment of the apartments contribute positively to the long-term and stable relationship with the tenants and form the basis for a firm rental income.

HOTELS

Key Figures - June 2015



The Group is one of the largest Czech owner and developer of hotels. As a result of acquisition of Hospitality Invest in June 2015 hotel portfolio has grown up and currently includes 24 hotels located in capitals and main cities of Czech Republic, Hungary and Poland.

The diverse portfolio includes lodging houses for long-term accommodation and hotels in the two to five stars category. The flagship of the Group is a network of four-stars Clarion hotels aimed at the corporate and congress clientele.

In June 2015 the Group acquired a unique collection of 8 well-established luxury boutique hotels and all-suite residence hotels operated under Mamaison brand. Hotels are located in Prague, Ostrava, Warsaw and Budapest.

The existing and newly opened hotels show that the Group cutting-edge facilities, in conjunction with an experienced and quality operator, are easily able to compete in this segment inside and also outside Prague.

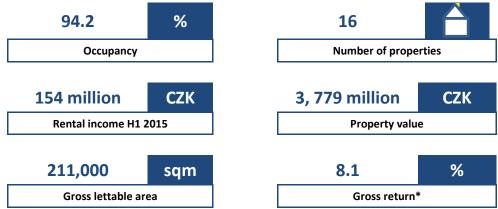
HOTELS	N° of properties	Carrying value MCZK	Carrying value %	Gross lettable area thds. sqm	Number of beds	Rental income H1/2015 MCZK	Rent per sqm CZK	WAULT	Outstanding financing MCZK
Czech Republic	19	6,816	87%	179	8,205	192	229	12.3	2,946
Hungary	3	437	5%	13	320		196	10.1	330
Poland	2	598	8%	9	214		358	10.5	405
THE GROUP	24	7,851	100%	201	8,739	192	233	12.1	3,681

As Mamasion portfolio was acquired in June 2015, no rental income is disclosed in 2015 information above.

Building the Clarion brand and reconstruction of regional hotels into modern multipurpose hotels that offer high-quality services has resulted into positive feedback from tourists and companies and has given the hotels a high rate of occupancy. In December 2014, the Group completed renovation of Clarion hotel in Northern Bohemia which offers an extended modern restaurant and large congress facility.

INDUSTRY AND LOGISTICS

Key Figures - June 2015



^{*} Gross return is based on the annualized 6-months 2015 income

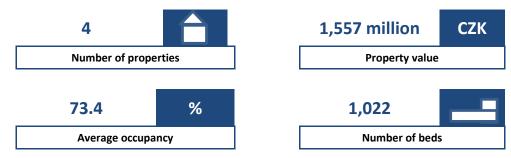
Logistics is the most recent class of assets in which the Group started to invest and will continue to expand. The Group currently owns about 211,000 sqm of rental space and manages 16 objects used for light industrial production, including the Autologistics Park Lozorno in Slovak Republic, the Continental Logistics Park in the Czech Republic, as well as the Airport City Logistics Park in Hungary.

INDUSTRY AND LOGISTIC	N° of properties	Carrying value MCZK	Carrying value %	Gross lettable area thds. sqm	Occupancy %	Rental income H1/2015 MCZK	Rent per sqm CZK	WAULT	Outstanding financing MCZK
Czech Republic	12	1,051	28%	65	90.2%	46	129	3.5	515
Slovak Republic	1	2,288	60%	119	98.1%	89	127	3.8	1,041
Hungary	3	440	12%	27	86.7%	19	143	4.0	197
THE GROUP	16	3,779	100%	211	94.2%	154	130	3.8	1,753

The Group succeeded to expansion the lease contracts with several tenants in Airport City Logistics Park and the Autologistics Park Lozorno. The segment keeps relatively high occupancy at 94.2 %.

HOSPITALITY

Key Figures - June 2015



The portfolio includes hotels operated by the Group. Within the portfolio of Mamaison hotels acquired in June 2015, 3 hotels in total of CZK 1,098 million are operated by the Group as at 30 June 2015.

The Group also operated the Courtyard by Marriott Budapest City Center hotel, acquired in June 2013. It is located at the heart of Budapest, only a few minutes away from the Rudas Thermal Bath, Buda Castle and Erzsébet Bridge. The hotel which is among the newest hospitality offerings of the Hungarian capital, having opened in 2010, has 235 bedrooms and is a part of the Europeum Shopping Centre.

HOSPITALITY	Nº of properties	Carrying value MCZK	Carrying value %	Number of beds	Hotel revenues H1/2015 MCZK	Net hotel income H1/2015 MCZK	Average occupancy %	Average daily rate CZK	Outstanding financing MCZK
Czech Republic	1	385	25%	322			64.0%	1,898	292
Slovak Republic	1	3	0%	64			84.0%	1,540	
Hungary	1	459	29%	468	65	22	70.6%	1,612	456
Russia	1	710	46%	168			75.0%	4,758	
THE GROUP	4	1,557	100%	1,022	65	22	73.4%	2,452	748

Acquisition of Mamaison portfolio was finalized in June 2015, no hotel revenues and income from the hotel operation is disclosed in 2015. However, if the Mamaison portfolio was acquired 1 January 2015 its hotel revenues and net hotel income would total CZK 127 million and gain of CZK 57 million, respectively.

Marriott Budapest City Center hotel generated revenue of CZK 65 million and net income of CZK 22 million for the 6 months ended 30 June 2015.

The most attractive hotels within newly acquired Mamaison portfolio includes:

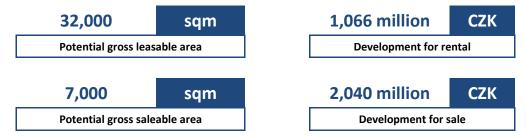
Spa Hotel Pokrovka Residence Moscow, located in historic downtown is offering some of the most spacious accommodation in the Russian capital. The boutique hotel has 84 bedrooms and is a combination of modern design and warmth, unique amongst the luxury hotels in Moscow.

Marriott Courtyard Hotel Prague, is one of few Prague hotels located in the trendy Vinohrady area close to Prague city centre. Perfect for business travel or a relaxing Prague weekend, the Hotel offers 161 rooms and 4 meeting rooms with 325 square meters of conference space.

Hospitality portfolio is financed by bank loans of CZK 748 million as of 30 June 2015, out of which CZK 292 million represents loans acquired with new Mamaison hotels.

DEVELOPMENT

Key Figures – June 2015



The Group views development as a mean of increasing the value of land or other assets by new construction. These assets will remain in the Group's portfolio as yielding property or are planned for future sale.

DEVELOPMENT	N° of properties	Potential GLA thds. sqm	Potential GSA thds. sqm	Development for rental MCZK	Development for sale MCZK	Development for rental %	Development for sale %	Remaining development costs MCZK
Czech Republic	10	32	5	1,066	129	100%	6%	1,135
France	1		2		1,911		94%	122
THE GROUP	11	32	7	1,066	2,040	100%	100%	1,257

Development projects are financed from external financing sources as well as through internal financing as summarised in the overview below:

DEVELOPMENT financing	Bank Ioans MCZK	Internal financing MCZK	Total MCZK
Czech Republic	599	455	1,054
France	906	1,130	2,036
CPI GROUP	1,505	1,585	3,090

The biggest focus is on the completion of current development project – the reconstruction of unique historical building in Prague.

In 2013, the Group started an unique development project for the future use of historically valuable building in the centre of Prague (Živnobanka). Once refurbished, the building will be opened to the public and will offer to Prague several exhibition spaces for a total area of 3,500 sqm that will be one of the largest exhibition dedicated to glass and utility design. The concept will also include a café and a restaurant, thematic programs for families, and also boutiques, showrooms and offices. The public areas will be complemented by retail spaces with glass, light and design and a wide variety of events and educational programs. Development finalization is planned at the end of 2016.

In half year to 30 June 2015 the Group has completed its development projects that mainly included reconstruction of the residential complex Palais Maeterlinck in France and the development project Meteor Centre Office Park – building C, located in Prague, the Czech Republic.

Palais Maeterlinck represented the first foreign development project of the Group. This former home of Belgian poet Maurice Maeterlinck is located on the Cote d'Azur which is one of the most popular locations on the French Riviera. The total area comprised about 6,000 sqm of residential area and 3 hectares of land. Reconstruction enabled the creation of luxurious apartments, which are intended for sale. The project was substantially finished in 2014 and four apartments were sold to the clients before the year end. Outstanding apartments which are subject to the interior customisation to each client's specifications should be finished by spring 2015.

The development project Meteor Centre Office Park – building C, located in Prague, offers above 5,000 sqm of office and commercial space and an enjoyable terrace. The Meteor project is of great interest, mainly due to its excellent location, excellent technical quality and modern design.

LAND BANK

Key Figures – June 2015



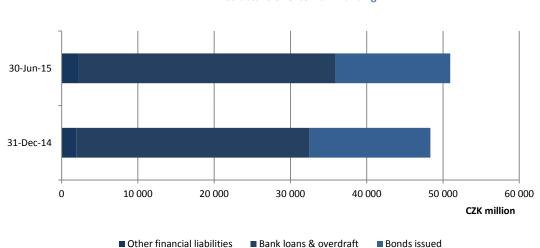
The Group has a rather extensive portfolio of land plots throughout the Czech Republic, Hungary, Poland and Romania. Plots are often in attractive locations, either separate or adjacent to existing commercial buildings or in the city centre, and their value continues to increase with the growth of surrounding infrastructure.

LAND BANK	Total area thds. sqm	Area with zoning thds. sqm	Area without zoning thds. sqm	Carrying value MCZK	Carrying value	Outstanding financing MCZK
Czech Republic	17,459	1,154	16,305	4,547	74%	
Hungary	163	163		1,055	17%	147
Poland	25		25	106	2%	
Romania	302	268	34	468	7%	
THE GROUP	17,949	1,585	16,364	6,176	100%	147

Portfolio mainly include plots in Ústí nad Labem and Plzeň region, which are very often adjacent to the emerging highway and smaller land plots, which are distributed all over the Czech Republic. Part of land bank portfolio include plots intended for future residence, office and industrial projects in Hungary, Poland, Czech Republic and Romania. Out of the total plots area, approximately 9% are with zoning.

FINANCING

The external financing total CZK 50,942 million as of 30 June 2015 (31 Dec 2014: CZK 48,354 million) and costs of financing total CZK 1,094 million (H1 2014: CZK 1,008 million). The structure of external financing remained on the same level compared to 31 December 2014 and bank loans and bonds represented 96% of the Group's external financing (31 Dec 2014: 96%).

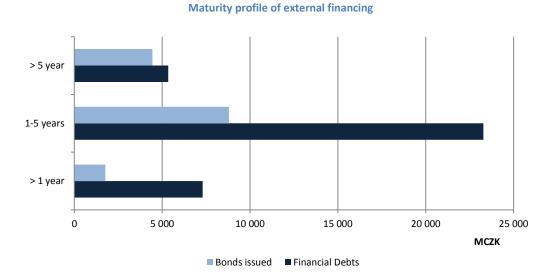


Structure of external financing

The Group continues to focus on establishing the most effective structure of sources of external financing alongside successful management of the property portfolio. The share of net debt on property value decreased from 60.3% to 59.1% as showed in the table below:

MCZK	30-Jun-15	31-Dec-14
Financial debts (non-current)	28,625	25,743
Financial debts (current)	7,306	6,738
Bonds issued (non-current)	13,243	14,963
Bonds issued (current)	1,768	910
Cash and cash equivalents	-3,924	-2,551
Net debt	47,018	45,803
Property Portfolio	79,552	75,989
Loan to value ratio in %	59.1%	60.3%

The maturity profile of the Group's financing, including accrued interest as at 30 June 2015 is showed in the chart below:



80% of the outstanding balance of external financing is due within 5 years. This is substantially driven by the maturity of bank loans and overdrafts of which 85% is payable within 5 years. On the other hand 30% of the bonds outstanding balance will mature after 5 years.

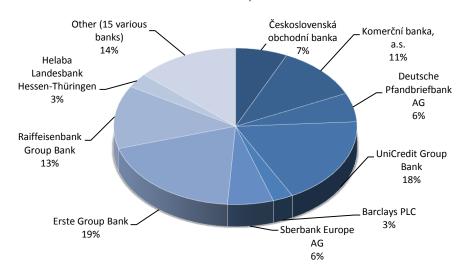
Bank loans

Significant part of the interest-bearing liabilities represents bank loans. Bank loans balance reached CZK 33,714 million as at 30 June 2015, which represents increase by CZK 3,146 million compared to 31 December 2014. A ratio of loans drawn in Czech crowns against loans drawn in Euro has not changed and is 38:62 as at 30 June 2015 (31 Dec 2014: 38:62).



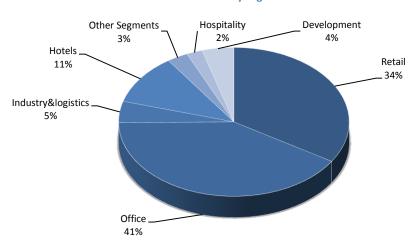
The Group benefits from long-term business relationships with a number of banks in the Czech Republic, Hungary, Slovak Republic and other countries. With this diversification, the Group is not dependent on the actions of individual lenders and has access to a wide variety of financing sources. About 81% of outstanding bank loan balance is drawn from 7 financing bank groups; in total the Group draws 155 bank loan facilities from 24 banks.

Bank loans by banks



The Group focuses on the secured financing; therefore majority of debts is drawn by the companies within the Group, which held the respective real estate.

Bank loans by segments



Interest rate fluctuation might have a significant impact on the profit of the Group. The Group has therefore entered into interest rate swap contracts to hedge against an interest rate fluctuation. The fair value of the swap open position is negative of CZK 294 million (31 Dec 2014: CZK 391 million).

Within the outstanding bank loans balance, 46% bears variable interest, 50% bears variable interest but is hedged by derivatives and 4% bears a fixed interest.

Bonds issued

Bonds represent significant additional source of the Group's financing. Bond balance total CZK 15,011 million as at 30 June 2015 (31 Dec 2014: CZK 15,873 million).

The Group issued new Euro project bonds in total nominal value of EUR 30 million (CZK 817 million) with a maturity in 2018, bearing a fixed interest of 5.85% p.a. by its newly founded company CPI Finance Slovakia, a.s., domiciled in Slovak Republic.

The Group repaid CPI VAR/15 bonds (ISIN CZ0003501835), the nominal value of bonds issued amounted EUR 15 million (app. CZK 409 million).

On 7 May 2015, bonds CPI BYTY 2.50/15 (ISIN CZ0003510679), were repaid. These bonds were issued on 7 May 2013 and the nominal value amounted to CZK 300 million. In connection with this repayment, the Group issued on 11 May 2015 new bonds CPI BYTY 2.50/17 (ISIN CZ0003512485). The bonds mature on 7 May 2017. The nominal value of each bond is CZK 1,000 and the total nominal value of bonds issued amounts to CZK 300 million. Bonds bear fixed interest rate of 2.50 % per annum. Interests are due annually on 7 May. These bonds are traded on Prague Stock Exchange, altogether with other emissions issued by CPI BYTY, a.s.

Moreover, bonds of CZK 1,122 million which were owned by the Group at 31 December 2014 were sold to the external holders.

Part of the bonds outstanding balance (CZK 7,821 million; 52%) provide unsecured financing mainly at CPI level, while remaining part represents bonds which are secured by mortgage. Unsecured bonds are generally used as source of financing for current and future investment activities. The significant volume of issued bonds (43% of the nominal balance) is owned by other companies within the Group which provide certain level of flexibility of financing the investment activities.

The bonds issued by the Group as at 30 June 2015 are summarized in the table below:

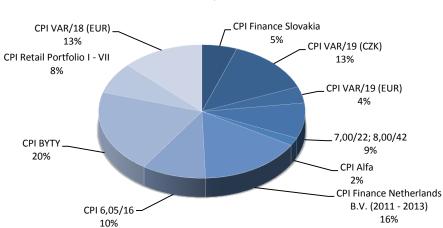
				Nomina	30-	Jun-14		
Group company	ISIN	Туре	Currency	l issued MCZK	Owned by group	Owned by external	Interest rate	Maturity
СРІ	CZ0003501496	CPI 2021	CZK	2,430	2,430	0	6M PRIBOR + 3,5% p.a.	8.8.2021
CPI Finance		CPI Finance NL -						
Netherlands		2011	CZK	5,000	2,620	2,380	5% p.a.	15.12.2021
СРІ	CZ0003501868	CPI VAR/19 (CZK)	CZK	2,000	0	2,000	6M PRIBOR + 6.5%	29.3.2019
CPI	CZ0003501843	CPI VAR/19 (EUR)	EUR	1,580	987	593	6M EURIBOR + 6.5%	29.3.2019
CPI	CZ0003502932	8,00/42	CZK	1,000	52	948	8% p.a.	5.12.2042
CPI Alfa	CZ0003502205	CPI Alfa	CZK	279	0	279	5,5% p.a.	26.10.2017
CPI	CZ0003502924	7,00/22	CZK	1,000	899	101	7% p.a.	11.12.2022
CPI	CZ0003502957	7,00/22	CZK	1,000	1,000	0	7% p.a.	13.12.2022
CPI	CZ0003502916	7,00/22	CZK	1,000	1,000	0	7% p.a.	6.12.2022
CPI	CZ0003502940	8,00/42	CZK	1,000	766	234	8% p.a.	17.12.2042
CPI Finance		CPI Finance NL						
Netherlands		(2012)	CZK	1,000	1,000	0	5% p.a.	15.12.2022
CPI	CZ0003510646	CPI 6,05/16 CPI BYTY	CZK	1,487	0	1,487	6,05%	29.3.2016
CPI BYTY	CZ0003512485	2,50/17	CZK	300	0	300	2,5 % p.a.	7.5.2017
CPI BYTY	CZ0003510687	CPI BYTY 3,50/17	CZK	500	0	500	3,5% p.a.	7.5.2017
CPI BYTY	CZ0003510695	CPI BYTY 4,80/19	CZK	900	0	900	4,8 % p.a.	7.5.2019
CPI BYTY	CZ0003511412	CPI BYTY 4,80/19	CZK	500	0	500	4,8 % p.a.	7.5.2019
CPI BYTY	CZ0003510703	CPI BYTY 5,80/21	CZK	800	0	800	5,8 % p.a. 12M EURIBOR + 5,50%	7.5.2021
CPI	CZ0003511024	CPI VAR/18 (EUR)	EUR	2,545	643	1,902	p.a.	26.11.2018
CPI Finance		CPI Finance NL						
Netherlands		(2013)	CZK	100	100	0	5% p.a.	15.12.2023
CPI Retail		CPI Retail						
Portfolio	CZ0003511164	Portfolio I 5,00/19	CZK	1,125	0	1,125	5 % p.a.	25.4.2019
CPI Finance								
Slovakia	SK4120010653	CPI 5,85/2018	EUR	817	0	817	5,85 %	16.4.2018
Total balance due t	o bondholders			26,363	11,497	14,866		
Accrued transaction	cost					-153		
Accrued interest						298		
Total balance after	transaction cost					15,011		

A ratio of bonds issued in Czech crowns against bonds issued in Euro is 78:22 as at 30 June 2015 (31 Dec 2014: 74:26).

CPI RP I 5,00/19, CPI VAR/19 (CZK), CPI VAR/19 (EUR), CPI 6,05/16, CPI Alfa and CPI BYTY were registered for trading on the Prague Stock Exchange. Bonds CPI 5,85/2018 were registered for trading on the Bratislava Stock Exchange.

Except of bonds CPI VAR/19 (CZK), CPI Alfa, CPI BYTY, CPI Retail Portfolio I 5,00/19, CPI 5,85/2018 which are secured by mortgage, all other bonds provide unsecured financing mainly at the parent company level and are generally used as source of financing for current and future investment activities.

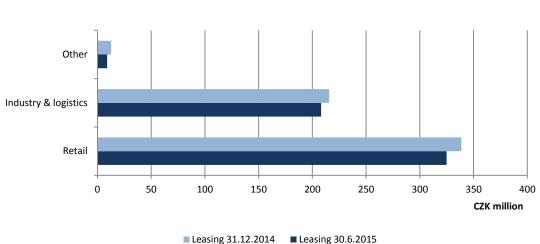
Bonds owed by external



Issued bonds CPI VAR/19 (CZK), CPI VAR/19 (EUR), CPI 6,05/16, CPI VAR/18 and CPI 5,85/2018 are subject to a number of covenants. Covenant ratios were met as at 30 June 2015.

Finance leases and other loans

The Group used finance lease as other option of financing its property portfolio mainly in retail and industry and logistics. Finance lease liability balance total CZK 542 million (31 Dec 2014: CZK 567 million).



Finance lease liabilities

RESULTS AND NET ASSETS

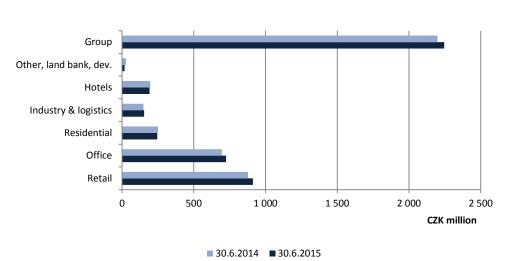
Net rental and service related income

Gross rental income for 6-months period of 2015 rose by 2% to CZK 2,246 million (H1 2014: CZK 2,199 million). The increase in gross rental income in 2015 reflects primarily the acquisition of Arena Corner Ingatlanfejleszto Kft. in May 2014.

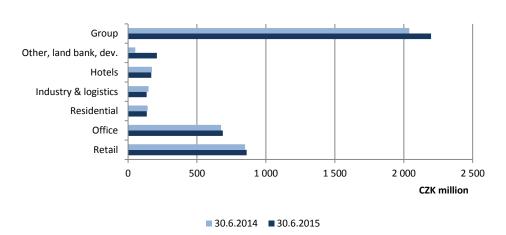
Increase in service revenue from CZK 39 million in H1 2014 to CZK 199 million in H1 2015 is primarily attributable to advisory and accounting services provided by the Group to its parent and affiliated companies together with extended range of services provided to third parties. These services derive directly from rental activities performed by the Group so they are disclosed as a part of service income. Furthermore, the increase in service income follows expansion of Group's rental activities. It includes mainly facility management provided to third parties.

An increase in property operating expenses of CZK 281 million (H1 2014: CZK 238 million) was influenced by increase in repairs and maintenance costs by CZK 24 million related mainly to residential portfolio.





Net rental and service related income



Administrative expenses

Administrative expenses increased by 45% to CZK 300 million in H1 2015 (H1 2014: CZK 207 million). This generally related to the expansion of the Group in the second half of 2014 and to the extended requirements for financial and other advisory services.

The major part (68%) represents personnel, audit, tax, advisor and legal services. Personnel expenses increased due to the increase in number of employees from 490 (as at 30 June 2014) to 793 (as at 30 June 2015).

Operating results and EBITDA

Operating result rose by 9% from CZK 1,744 million in first half of 2014 to CZK 1,901 million in the same period of 2015. Over H1 2015 the Group generated EBITDA of CZK 1,993 million (H1 2014: CZK 1,836 million) which represents an increase by 8.5%.

Net finance income / costs

Total net finance result dropped from net loss of CZK 688 million in H1 2014 to net loss of CZK 861 million in H1 2015. An increase in interest expenses of CZK 87 million reflecting mainly increase in interest on bonds related mainly to new bonds issued by the Group in 2015 and in April 2014 and also with the process of resale of bonds hold by companies within the Group to third and related parties. The drop was further followed by a decrease in interest income by CZK 80 million, reflecting repayment of provided loans and finance restructuring process in 2014.

Total assets and total liabilities

Total assets increased by CZK 5,490 million (6%) to CZK 95,953 million as at 30 June 2015. The increase is primarily connected with increase in property portfolio which rose by CZK 3,563 million.

Growth in other financial current assets (other receivables due from related parties) by CZK 6,366 million is followed by a drop in current loans provided to related parties in amount of CZK 7,291 million. In 2014, the Group has assigned loans provided to third and related parties and other receivables from third and related parties exceeding CZK 7,335.3 million to one related party. This process resulted into new loan due to related party. New loans bear average interest rate of 6.5 % p.a. equal to the original effective interest rate of assigned loans and other receivables. The loan matures on 31 December 2015. In 2015, this loan has been assigned to CPI Property Group and resulted into other receivable due to CPI Property Group.

Cash and cash equivalent total CZK 3,924 million which is by 54% higher than as at 31 December 2014.

Non - current and current liabilities total CZK 62,257 million as at 30 June 2015 which represents increase by CZK 4,284 million (7%) compared to 31 December 2014. Main drivers of this increase were growth in bank loans (current and non-current) in total by CZK 3,145 million and bills of exchange of CZK 473 million.

Equity (Net assets value)

Net assets value - NAV totals TCZK 33,485 as of 30 June 2015 and compared to 31 December 2014 rose by 3%.

The table below shows how NAV is calculated in compliance with the best practice policy recommendations of the European Public Real Estate Association (EPRA).

MCZK	30-Jun-15	31-Dec-14
Equity per the financial statements (NAV)	33,485	32,415
Effect of exercise of options, convertibles and other equity interests		
Diluted NAV, after the exercise of options, convertibles and other equity interests	33,485	32,415
Revaluation of trading properties	968	847
Fair value of financial instruments	294	391
Deferred tax	6,702	6,623
Goodwill as a result of deferred tax		
EPRA NAV	41,449	40,276
EPRA NAV per share	5.36	5.21

INFORMATION ON EQUITY

Data on shares

Shares of the Company are common shares in the form of paper certificates, issued to the bearer. They are not listed securities; the nominal value is CZK 800 per share. The total nominal value of the issue is CZK 6,186,996,800.

Income from the shares is taxed according to the Act No. 586/1992 Coll., on Income Tax, as amended. The tax is applied as a deduction on the dividend payment.

Shares of CPI are transferable without any restrictions. Changes in the owner of the paper shares are made by their handover and endorsement in accordance with the Securities Act.

The share owner does not have any exchange or first option right; the shares do not have limited voting rights or any other special rights. During the shareholder voting at the General Meeting, each share represents one vote.

Dividend payments are made by the Board of Directors of CPI in accordance with the decision of the General Meeting which determines the place and date of dividend payments. The latest date of dividend payment is the date designated as the reference date for the eligibility to participate in the General Meeting. The latest date of dividend payment is the date designated as the reference date for the dividend payment. Unless the General Meeting decides otherwise, the dividend is payable within one year from the date on which the General Meeting decided on profit distribution.

After dissolution of CPI through liquidation, each shareholder is entitled to a share in the liquidation balance.

Shares of CPI are not traded on any public or regulated domestic or foreign market.

Data on share capital

The share capital of CPI is CZK 6,186,996,800 and it is divided into 7,733,746 shares with a nominal value of CZK 800 per share.

The share capital of CPI has been paid in full; it is not a subject to any option or exchange rights. CPI is not a direct holder of any of its own participating securities.

Shareholder structure of CPI as of 30 June 2015:

Shareholder	Share in share capital
CPI PROPERTY GROUP, Luxembourg	100.00%
Total	100.00%

CPI is not aware about any contracts that could result in aggravating the transferability of shares or voting rights.

OUTLOOK

The Commercial real estate market in the Czech Republic is in good condition and has shown increased activity in the first half of this year. The Company has been monitoring individual transactions considering the overall context of its activities and the European markets. In the area of acquisitions, we are mainly focused on new opportunities outside of our current scope of markets. A reliable model of acquisitions which is focused on the purchase of completed and functional projects generating a large income will continue in the near future. The Company is ready to invest in cases offering an extremely attractive opportunity.

Czech Property Investments, a.s. still maintains its strategic priorities with three objectives: to deliver attractive long-term returns, to develop and co-ordinate an extensive property portfolio and which is appropriately diversified by geography, sector, and property activity. Capital is allocated between these, increasingly having regard to macro-economic and social trends. The Company also continues to maintain a strong, low-geared balance sheet enabling us to withstand any unexpected shocks. This is continuously reflected in our role as stewards via the asset management of existing buildings, and as developers of new buildings.

In the residential segment, we have finalised completion of a new building with flats for sale in Prague. In the segment of long-term rental housing, which is a traditional part of CPI's portfolio, we are continuously utilising our investment financial resources and focusing on three main areas: revitalizing properties, reducing energy consumption and the cost of delivered energy and the development of services for existing tenants and support for new leases. The plan is a continuous growth of the retail portfolio – In the first half of 2015, we acquired the Futurum Shopping Center in Kolín and we are searching for other opportunities for similar acquisitions. Under construction is the CPI Retail Park Jeseníky in the Czech Republic, with other new retail parks in the process of being prepared in Poland. The Company also wants to continue with multifunctional complexes in the domestic regions, a potential for this kind of activity can currently be seen in Hradec Králové.

The long-term goal is to maintain our existing tenants and extend leases for shopping centres, stores in retail parks and separate units and offices. We will also improve the tenant mix in shopping centres and assure their adaptation to the local demand. With regard to the personnel and professional strength of the Company's team, letting and property managers will fulfil this task and will continue to work on deepening the co-operation with tenants.

Our expectation is that the market will also show a slight increase in the second half of this year and generally with greater demand for higher quality. The priority of the Company remains focused on maintaining the property portfolio diversification into the different assets types, as well as their geographical diversification, and ensuring internal stability of the Company through a strong financial base.

Czech Property Investments, a.s. has been successfully developing its position as a key part of the International CPI Property Group, listed on the Frankfurt Stock Exchange, and all indicators show that from the perspective of economic performance the Group is heading towards an extremely prosperous year.

PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT 2015

Statutory Declaration

With the use of all reasonable care and to the best of our knowledge, the consolidated Half-year Report 2015 provides a true and fair view of the financial situation, business activities, and results of operations of the issuer and its consolidated group for six months period ended 30 June 2015, and of the outlook for the future development of the financial situation, business activities, and results of operations of the issuer and its consolidated group. No facts have been omitted that could change the meaning of this report.

Prague, 31 August 2015

Zdeněk Havelka

Chairman of the Board of Directors

Czech Property Investments, a.s.

Kristína Magdolenová

Member of the Board of Directors

Czech Property Investments, a.s.

FINANCIAL STATEMENTS

Condensed consolidated interim financial statements as at 30 June 2015

Condensed consolidated interim statement of financial position

Condensed consolidated interim statement of comprehensive income

Condensed consolidated interim statement of cash flow

Condensed consolidated interim statement of changes in equity

Notes to the Condensed consolidated interim financial statements

Czech Property Investments, a.s.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

(UNAUDITED)

All the figures in this report are presented in thousands of Czech crowns, except if explicitly indicated otherwise.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	30 June 2015	30 June 2014
Gross rental income	5.1	2,245,738	2,199,255
Service revenue	5.1	199,022	38,873
Net service charge income	5.2	33,937	39,608
Property operating expenses	5.3	(280,902)	(237,684)
Net rental income		2,197,795	2,040,052
Development sales	5.4	78,669	24,932
Cost of goods sold	5.4	(86,803)	(10,639)
Development operating expenses	5.4	(6,800)	(7,169)
Net development income		(14,934)	7,124
Hotel revenue	5.5	65,400	57,714
Cost of goods sold	5.5		
Hotel operating expenses	5.5	(43,329)	(41,866)
Net hotel income		22,071	15,848
Total revenues		2,622,766	2,360,382
Total direct business operating expenses		(417,834)	(297,358)
Net business income		2,204,932	2,063,024
Net valuation gain on investment property	5.6	417,295	19,245
Net loss on the disposal of investment property	5.7	(7,778)	17,072
Net gain on disposal of subsidiaries and investees	5.8	1,968	,
Amortization, depreciation and impairments	5.9	(57,906)	(145,360)
Other operating income	5.10	25,843	35,958
Administrative expenses	5.11	(300,240)	(207,375)
Other operating expenses	5.12	(382,793)	(38,051)
Operating result		1,901,321	1,744,513
Interest income	5.13	174,795	255,079
Interest expense	5.14	(1,094,174)	(1,007,632)
Other net financial result	5.15	57,880	64,048
Net finance costs	3.13	(861,499)	(688,505)
Profit before income tax		1,039,822	1,056,008
Income tax expense	5.16	(213,164)	(157,094)
Net profit from continuing operations		826,658	898,914
Items that may or are reclassified subsequently to profit or loss			
Foreign currency translation differences - foreign operations		(207)	(9,005)
Effective portion of changes in fair value of cash flow hedges		94,073	(83,008)
Income tax on other comprehensive expense		(17,767)	16,263
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post employment benefit obligations			
Other comprehensive income for the period, net of tax		76,099	(75,750)
Total comprehensive income for the period			202.404
rotal comprehensive income for the period		902,757	823,164
Total complemensive income for the period		902,757	823,164
Profit attributable to:		902,757	823,164
·		902,757	823,164 955
Profit attributable to:			·
Profit attributable to: Non controlling interests		556	955
Profit attributable to: Non controlling interests Owners of the Company		556 826,102	955 897,959
Profit attributable to: Non controlling interests Owners of the Company		556 826,102	955 897,959 898,914
Profit attributable to: Non controlling interests Owners of the Company Profit for the period		556 826,102	955 897,959
Profit attributable to: Non controlling interests Owners of the Company Profit for the period Total comprehensive income attributable to: Non controlling interests Owners of the Company		556 826,102 826,658	955 897,959 898,914
Profit attributable to: Non controlling interests Owners of the Company Profit for the period Total comprehensive income attributable to: Non controlling interests		556 826,102 826,658	955 897,959 898,914 (262)
Profit attributable to: Non controlling interests Owners of the Company Profit for the period Total comprehensive income attributable to: Non controlling interests Owners of the Company Total comprehensive income for the period		556 826,102 826,658 774 901,983	955 897,959 898,914 (262) 823,426
Profit attributable to: Non controlling interests Owners of the Company Profit for the period Total comprehensive income attributable to: Non controlling interests Owners of the Company Total comprehensive income for the period Earnings per share	6.11	556 826,102 826,658 774 901,983	955 897,959 898,914 (262) 823,426
Profit attributable to: Non controlling interests Owners of the Company Profit for the period Total comprehensive income attributable to: Non controlling interests Owners of the Company Total comprehensive income for the period Earnings per share Basic earnings in CZK per share	6.11	556 826,102 826,658 774 901,983 902,757	955 897,959 898,914 (262) 823,426 823,164
Profit attributable to: Non controlling interests Owners of the Company Profit for the period Total comprehensive income attributable to: Non controlling interests Owners of the Company Total comprehensive income for the period Earnings per share	6.11	556 826,102 826,658 774 901,983 902,757	955 897,959 898,914 (262) 823,426 823,164

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

NON CURRENT ACCETS	Note	30 June 2015	31 December 2014
NON-CURRENT ASSETS		244.002	00.204
Intangible assets and goodwill	6.1	344,093	88,294
Investment property	6.2	75,940,328	73,359,911
Property, plant and equipment	6.3	1,728,346	644,978
Available-for-sale financial assets	6.4	49,230	49,890
Financial assets at fair value through profit or loss		22,270	12,053
Loans provided	6.5	1,322,895	614,896
Trade and other receivables	6.6	4,818	5,711
Deferred tax asset		570,553	570,553
Total non-current assets		79,982,533	75,346,286
CURRENT ASSETS			
Inventories	6.7	2,043,771	2,134,102
Current income tax receivables		87,422	66,083
Trade receivables	6.6	1,364,608	950,910
Loans provided	6.5	304,750	7,595,614
Cash and cash equivalents	6.8	3,923,553	2,550,657
Other financial current assets	6.9	7,645,233	1,279,246
Other non-financial current assets	6.10	601,507	539,757
Total current assets		15,970,844	15,116,369
TOTAL ASSETS		95,953,377	90,462,655
FOURTY			
Equity attributable to owners of the Company	6.11	33,484,795	32,414,874
Non controlling interests		212,000	75,552
Total equity		33,696,795	32,490,426
NON-CURRENT LIABILITIES			
Bonds issued	6.12	13,242,760	14,963,255
Financial debts	6.13		
	0.15	28,625,180	25,742,565
Deferred tax liabilities		269,570 6,926,356	359,082 6,553,996
Provision		409	0,555,990
Other non-current liabilities	6.14		269 020
Total non-current liabilities	0.14	1,312,005 50,376,280	368,029 47,986,927
CURRENT LIABILITIES		4 = 22 22 .	
Current bonds	6.12	1,768,004	909,768
Financial debts	6.13	7,306,269	6,737,544
Trade payables	6.15	843,244	756,353
Advance payments	6.16	941,546	832,567
Derivative instruments		24,627	32,171
Other financial current liabilities	6.17	817,570	554,740
Other non-financial current liabilities	6.18	179,042	162,159
Total current liabilities		11,880,302	9,985,302
TOTAL EQUITY AND LIABILITIES		05-053-333	.00 463-655
TOTAL EQUITY AND LIABILITIES		95,953,377	90,462,655

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Translation reserve	Legal reserve	Hedging reserve	Other capital funds	Retained earnings	Total attributable to owners of the Company	Non- controlling interests	Total equity
Balance at 1 January 2015		6,186,997	652,364	296,939	146,938	(652,875)	10,312,575	15,471,936	32,414,874	75,552	32,490,426
Comprehensive income for the period											
Profit for the period								826,102	826,102	556	826,658
Foreign currency translation differences - foreign operations				(425)					(425)	218	(207)
Net changes in fair value of cash flow FX hedges						58,100			58,100		58,100
Income tax on other comprehensive expense						(8,639)			(8,639)		(8,639)
Net changes in fair value of cash flow IRS hedges						35,973			35,973		35,973
Income tax on other comprehensive expense						(9,128)			(9,128)		(9,128)
Total other comprehensive income / (expense)				(425)		76,306	-		75,881	218	76,099
Total comprehensive income for the period				(425)		76,306		826,102	901,983	774	902,757
Changes in ownership interests in subsidiaries											
Common control transaction - Hospitality Group	3.2			432				167,506	167,506	135,674	303,180
Acquisition of subsidiary with non-controlling interests											
Other changes in non-controlling interests											
Total changes in ownership interests in subsidiaries		-		432		-		167,506		135,674	303,180
Total transactions with owners of the Company			-	432		-		167,506	167,506	135,674	303,180
Balance at 30 June 2015		6,186,997	652,364	296,946	146,938	(576,569)	10,312,575	16,465,544	33,484,795	212,000	33,696,795

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Note	Share capital	Share premium	Translation reserve	Legal reserve	Hedging reserve	Other capital funds	Retained earnings	Total attributable to owners of the Company	Non- controlling interests	Total equity
Balance at 1 January 2014		6,186,997	652,364	201,660	146,938	(527,484)	5,196,105	13,817,293	25,673,873	78,216	25,752,089
Comprehensive income for the period											
Profit for the period								1,654,382	1,654,382	(1,367)	1,653,015
Foreign currency translation differences - foreign operations				95,279					95,279	(1,021)	94,258
Net changes in fair value of cash flow FX hedges						(18,075)			(18,075)		(18,075)
Income tax on other comprehensive expense						3,437			3,437		3,437
Net changes in fair value of cash flow IRS hedges						(135,577)			(135,577)		(135,577)
Income tax on other comprehensive expense						24,824			24,824		24,824
Total other comprehensive income / (expense)				95,279		(125,391)			(30,112)	(1,021)	(31,133)
Total comprehensive income for the period				95,279		(125,391)		1,654,382	1,624,270	(2,388)	1,621,882
Contributions by and distributions to owners of the Company											
Owner's contribution	6.11						5,116,470		5,116,470		5,116,470
Total contributions by and distributions to owners of the Company							5,116,470		5,116,470		5,116,470
Changes in ownership interests in subsidiaries											
Other changes in non-controlling interests								261	261	(276)	(15)
Total changes in ownership interests in subsidiaries								261	261	(276)	(15)
Total transactions with owners of the Company							5,116,470	261	5,116,731	(276)	5,116,455
Balance at 31 December 2014		6,186,997	652,364	296,939	146,938	(652,875)	10,312,575	15,471,936	32,414,874	75,552	32,490,426

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

	Note	30 June 2015	30 June 2014
PROFIT BEFORE INCOME TAX		1,039,822	1,056,008
Adjusted by:			
Net valuation gain on investment property	5.6	(417,295)	(19,245)
(Gain) / loss on the disposal of investment property	5.7	7,778	(17,072)
Depreciation / amortisation of tangible and intangible assets	5.9	44,731	27,840
Impairment of assets / Reversal of impairment of assets	5.9	13,175	99,225
Gain on the disposal of property, plant and equipment		(653)	(73)
Gain on the disposal of subsidiaries and investees	5.8	(1,968)	
Net finance costs	5.13, 5.14	861,499	688,505
Gain on bargain purchase			18.295
Exchange rate differences		251.792	(27,161)
Other non-cash adjustments			7.090
Profit before changes in working capital and provisions		1,798,881	1,833,412
(Increase) Decrease in inventories		93.178	(415,696)
Decrease in receivables		562.903	172,167
Increase in liabilities		440.382	196.122
Changes in provisions		(641)	5.074
Income tax paid		(28.584)	(70.683)
NET CASH FROM /(USED IN) OPERATING ACTIVITIES		2,866,119	1,720,396
Acquisition of subsidiaries, net of cash acquired	3.2	(386.432)	(10,623)
Capital expenditure and acquisition of investment property	6.2	(380,432)	(63,623)
Expenditure on investment property under development		(69,199)	(446,814)
Proceeds from sale of investment property under development	5.7	290.446	99,736
1 1 7		425	1.962
Proceeds from sale of property, plant and equipment Proceeds from disposals of subsidiaries, net of cash disposed		(5,556)	1,962
, , , , , , , , , , , , , , , , , , , ,			
Acquisition of presents plant and equipment		(260,094)	(3,096)
Acquisition of property, plant and equipment		(6,147)	. , ,
Acquisition of intangible assets		(11,966)	(11,862)
Acquisition of call option		(10,217)	(4.042.024)
Other loans (provided) / repaid	6.5	(727,576)	(1,012,031)
Interest received		179,060	6,584
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		(1,007,256)	(1,439,767)
Proceeds from bond issued	6.12	(878,870)	1,351,024
Interest paid		(1,059,789)	(232,653)
Drawings / (repayments) of borrowings		1,487,634	(1,428,991)
Repayments of finance lease liabilities		(24,935)	(20,272)
NET CASH USED IN FINANCING ACTIVITIES		(475,960)	(330,892)
NET INCREASE/(DECREASE) IN CASH		1,382,903	(50,263)
Cash and cash equivalents at the beginning of the year		2,550,657	3,005,919
Effect of movements in exchange rates on cash held		(10,007)	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		3,923,553	2,955,656

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 General information

Czech Property Investments, a.s. (hereinafter also the "Company" or "CPI", and together with its subsidiaries as the "Group" or individually as "Group entities") is a joint-stock company incorporated under the laws of the Czech Republic.

The Company was established on 17 December 1991 and is registered in the Commercial Register kept by the Municipal Court in Prague. The registration number of the Company is 427 16 161.

The address of its registered office is Václavské náměstí, 1601/47, Praha 1, 110 00.

Principal activities

Principal activities of the Group are described in Note 4.

Description of ownership structure

The sole shareholder of the Company is CPI PROPERTY GROUP (hereinafter also "CPI PG"). CPI PG is a real estate group founded in 2004. Since its foundation it has been operating in Germany and concentrates on commercial property, project development and asset management. The Group focuses on investment properties, realizes development potentials and offers full-service asset management for third parties.

CPI PROPERTY GROUP is a Luxembourg based *Société Anonyme*, whose shares registred under ISIN code LU0251710041 are listed on the regulated market of the Frankfurt Stock Exchange in the General Standard segment. Some shares of the Company are not listed yet, but the Company will seek to list them on the regulated market of the Frankfurt Stock Exchange in the General Standard segment as soon as practicable, subject to regulatory delays.

The registered office of the Company is located at 40, rue de la Vallée, L-2661 Luxembourg, Grand-Duchy of Luxembourg.

Management

Board of Directors

<u>Board of Directors as at 30 June 2015</u> Chairman

Zdeněk Havelka, since 13 November 2014 *Member*

Kristína Magdolenová, since 15 February 2014

<u>Board of Directors as at 31 December 2014</u> Chairman

Zdeněk Havelka, since 13 November 2014 *Member*

Kristína Magdolenová, since 15 February 2014

Supervisory Board

<u>Supervisory Board as at 30 June 2015</u> Member

Milan Trněný, since 5 June 2014

<u>Supervisory Board as at 31 December 2014</u> Members

Milan Trněný, since 5 June 2014

The management

The management team of the Company is comprised of the following members: Martin Němeček, CEO; Zdeněk Havelka, Executive Director; Tomáš Salajka, Director of Asset Management & Sales; Pavel Semrád, Deputy Director of Asset Management & Sales; Pavel Měchura, CFO; Pavel Menšík, Director of Investments; Igor Klajmon, Director of Development; Martin Stibor, Head of Property Management; Štěpán Rázga, Chief Operations Officer and Martin Matula, General Counsel.

Employees

The Group has 793 employees as at 30 June 2015 (at 31 December 2014 – 692 employees).

Basis of preparation of financial statements

The condensed consolidated interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2014.

The condensed consolidated interim financial statements are presented in thousands of Czech crowns and all values are rounded to the nearest thousand except when otherwise indicated. The Group's objectives and policies for managing capital, credit risk and liquidity risk were the same as those applied to the consolidated financial statements for the year ended 31 December 2014.

The Group's operations are not any subject to seasonal fluctuations.

These condensed consolidated interim financial statements have not been audited.

The Group has amended classification and presentation of certain items in the condensed consolidated interim financial statements as at 30 June 2015 compared to the condensed consolidated interim financial statements as at 30 June 2014. To ensure consistency with the classification and presentation selected in the current period, reclassifications were made to the comparative condensed consolidated interim financial statements as at 30 June 2014.

The condensed consolidated interim financial statements were authorized to issue by the Board of Directors on 31 August 2015.

2 Significant accounting policies

The accounting policies applied in preparing these condensed consolidated interim financial statements are consistent with those used to prepare the financial statements for the year ended 31 December 2014.

2.1 New accounting standards and amendments

For the preparation of these financial statements were not found new or amended standards and interpretations, which are mandatory for the first time for the financial year beginning on 1 January 2015.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for periods beginning on or after 1 January 2015, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early and the extent of the impact has not been determined.

The following new standards, new interpretations and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015 and have not been early adopted by the Group:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted, subject to EU endorsement. It is very likely to affect the Group's accounting treatment of financial instruments. The Group is yet to assess IFRS 9's full impact.
- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted, subject to EU adoption. The Group is assessing the impact of IFRS 15.

• IFRIC 21 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy, and when should a liability be recognised. The Group is not currently subject to significant levies so the impact on the Group's financial statements is not material.

The Group has estimated the impact of the implementation of the other new standards and amendments not early adopted as non-significant.

The Group refers to the endorsement status of the new IFRS standards and amendments to standards and interpretations as they are published by the European Union (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

2.2 Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience, internal calculations and various other factors that the management believes to be reasonable under the circumstances, the results of which form the basis of judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2014.

3 The Group Structure

Control of the Group

Czech Property Investments, a.s. is the Group's ultimate parent.

As at 30 June 2015 the Group is formed by parent company and 242 subsidiaries controlled by the parent company and no associate (at 31 December 2014 - 220 subsidiaries and no associate). For the list of subsidiaries refer to Appendix I.

3.1 Changes in the Group in 2015

During 2015, the Group has acquired/founded the following entities:

Entity	Change	Share in %	Date of acquisition/foundation
CPI Finance Slovakia, a.s.	founded	100.00%	4 March 2015
CPI Finance Ireland II Ltd	founded	100.00%	22 January 2015
CPI Finance Netherlands II, B. V.	founded	100.00%	14 January 2015
Endurance Hospitality Asset S.à r.l	acquisition	88.00%	3 June 2015
Endurance Hospitality Finance S.à r.l	acquisition	88.00%	3 June 2015
Hospitality Invest S.à r.l	acquisition	94.00%	3 June 2015
Karviná Property Development, a.s.	acquisition	100.00%	1 June 2015
OC Futurum Kolín, a.s.	acquisition	100.00%	17 June 2015

The following entities were disposed of/liquidated in 2015:

Entity	Change	Share in %	Date of disposal/liquidation
CPI Finance Ireland II Ltd	disposal	100.00%	1 April 2015
CPI Finance Netherlands II, B. V.	disposal	100.00%	2 March 2015
CPI North, s.r.o.	disposal	100.00%	9 March 2015
Polma 1, S.à r.l	disposal	100.00%	1 May 2015
SCTO, Kft.	liquidation	100.00%	13 January 2015
ZPS Kft.	liquidation	100.00%	2 March 2015

3.2 Acquisition of subsidiaries in 2015

Acquisition of Hospitality Group (Endurance Hospitality Assets S.à r.l., Endurance Hospitality Finance S.à r.l., Hospitality Invest S.à r.l.)

In June 2015, the Group acquired 50% share in Hospitality Invest S.à r.l. and 88% share in Endurance Hospitality Finance S.à r.l. and in Endurance Hospitality Asset S.à r.l., entity holding the remaining 50% share in Hospitality Invest S.à r.l., all together with remaining part of Equity loans. As such, the Group directly and indirectly holds 94% of Hospitality Group as of 3 June 2015. All mentioned above was acquired from CPI PG Group and held under common control transaction as all combining entities have been ultimately controlled by the same party both before and after the combination, and that control has not been transitory. Total transfer price for shares and receivables was set to CZK 833 million.

If the acquisition had occurred on 1 January 2015 with all other variables held constant, the Group gross rental income all together with gross hotel income for 1-6/2015 would have been higher in CZK 118.5 million and profit before tax from continuing operations would have been higher in CZK 171.794 million.

The table below summarizes total assets and liabilities at fair value of the Hospitality Group as at 30 June 2015.

The fair value of the identifiable assets and liabilities at the date of acquisition was as follows:

	Hospitality Group
Intangible assets and goodwill	251,639
Investment property	1,640,695
Property, plant and equipment	1,113,918
Loans provided	4,959
Deferred tax asset	135,178
Total non-current assets	3,146,389
Inventories	2,847
Current income tax receivables	462
Trade receivables	26,150
Loans provided	6
Cash and cash equivalents	61,994
Other non-financial current assets	7,594
Total current assets	99,054
Identifiable acquired assets	3,245,442
Financial debts	(935,185)
Deferred tax liabilities	(225,244)
Provisions	(409)
Other non-current liabilities	(627)
Total non-current liabilities	(1,161,464)
Financial debts	(1,670,806)
Trade payables	(80,069)
Advance payments	(2,506)
Other financial current liabilities	(10,307)
Other non-financial current liabilities	(16,678)
Total current liabilities	(1,780,366)
Identifiable acquired liabilities	(2,941,831)
Net ident. assets of subsidiary acquired	303,612
Non-controlling interest	135,674
Share acquried in %	94.00%
Share acquired	157,861
Consideration paid	-
Goodwill / (bargain purchase)	<u> </u>
Cash and cash equivalents acquired	61,994
Cash (inflow)	(61,994)
POST-acquisition profit / (loss)	

OC Futurum Kolín, a.s.

On 17 June 2015, the Group acquired 100% share in OC Futurum Kolín, a.s. Due to the acquisition, the Group acquired Futurum Shopping Centre in Kolín, Czech Republic. The shopping centre, with a leasable area of 10,100 sqm comprises of supermarket, shopping gallery with 50 shops, restaurants and other amenities, as well as underground parking lot for 320 cars. The net consideration paid represents CZK 508.9 million, with bank financing at the level of CZK 472.8 million (app. EUR 17.25 million).

The fair value of the identifiable assets and liabilities at the date of acquisition was as follows:

	OC Futurum Kolín, a.s.
Investment property	689,257
Total non-current assets	689,257
Trade receivables	3,029
Cash and cash equivalents	61,839
Other financial current assets	13,921
Other non-financial current assets	2,945
Total current assets	81,734
Identifiable acquired assets	770,991
Financial debts	(177,131)
Deferred tax liabilities	(57,889)
Other non-current liabilities	(10,802)
Total non-current liabilities	(245,822)
Financial debts	(830)
Trade payables	(6,404)
Advance payments	(239)
Other financial current liabilities	(7,806)
Other non-financial current liabilities	(995)
Total current liabilities	(16,274)
Identifiable acquired liabilities	(262,096)
Net ident. assets of subsidiary acquired	508,895
Non-controlling interest	-
Share acquried in %	100.00%
Share acquired	508,895
Consideration paid	508,895
Goodwill / (bargain purchase)	
Cash and cash equivalents acquired	61,839
Cash outflow	447,056
POST-acquisition profit	3,616

Karviná Property Development, a.s.

On 1 June 2015, the Group acquired 100% share in Karviná Property Development. Due to the acquisition, the Group acquired more than 41 thousand sqm of land bank. The intention of the Company is to use the acquired plot for development purposes in the future.

The fair value of the identifiable assets and liabilities at the date of acquisition was as follows:

	Karviná Property Development, a.s.
Investment property	37,150
Total non-current assets	37,150
Cash and cash equivalents	61
Other non-financial current assets	21
Total current assets	82
Identifiable acquired assets	37,232
Financial debts	(41,217)
Deferred tax liabilities	(313)
Total non-current liabilities	(41,530)
Financial debts	(7,777)
Trade payables	(97)
Other financial current liabilities	(3)
Total current liabilities	(7,877)
Identifiable acquired liabilities	(49,407)
Net ident. assets of subsidiary acquired	(12,175)
Non-controlling interest	
Share acquried in %	100.00%
Share acquired	(12,175)
Consideration paid	1,000
Goodwill / (bargain purchase)	13,175
Cash and cash equivalents acquired	61
Cash outflow	939
POST-acquisition (loss)	(126)

The following table summarizes the effect of all acquisitions made by the Group in 2015:

	Hospitality Group	OC Futurum Kolín, a.s.	Karviná Property Development, a.s.	TOTAL
Intangible assets and goodwill	251,639			251,639
Investment property	1,640,695	689,257	37,150	2,367,102
Property, plant and equipment	1,113,918			1,113,918
Loans provided	4,959			4,959
Deferred tax asset	135,178			135,178
Total non-current assets	3,146,389	689,257	37,150	3,872,795
Inventories	2,847			2,847
Current income tax receivables	462			462
Trade receivables	26,150	3,029		29,179
Loans provided	6			6
Cash and cash equivalents	61,994	61,839	61	123,894
Other financial current assets		13,921		13,921
Other non-financial current assets	7,594	2,945	21	10,560
Total current assets	99,054	81,734	82	180,870
Identifiable acquired assets	3,245,442	770,991	37,232	4,053,665
Financial debts	(935,185)	(177,131)	(41,217)	(1,153,533)
Deferred tax liabilities	(225,244)	(57,889)	(313)	(283,446)
Provisions	(409)			(409)
Other non-current liabilities	(627)	(10,802)		(11,429)
Total non-current liabilities	(1,161,464)	(245,822)	(41,530)	(1,448,816)
Financial debts	(1,670,806)	(830)	(7,777)	(1,679,413)
Trade payables	(80,069)	(6,404)	(97)	(86,570)
Advance payments	(2,506)	(239)		(2,745)
Other financial current liabilities	(10,307)	(7,806)	(3)	(18,116)
Other non-financial current liabilities	(16,678)	(995)		(17,673)
Total current liabilities	(1,780,366)	(16,274)	(7,877)	(1,804,517)
Identifiable acquired liabilities	(2,941,831)	(262,096)	(49,407)	(3,253,334)
Net ident. assets of subsidiary acquired	303,612	508,895	(12,175)	800,331
Non-controlling interest	135,674			135,674
Share acquried in %	94.00%	100.00%	100.00%	
Share acquired	157,861	508,895	(12,175)	654,581
Consideration paid		508,895	1,000	509,895
Goodwill / (bargain purchase)			13,175	13,175
Cash and cash equivalents acquired	61,994	61,839	61	123,894
Cash outflow/(inflow)		447,056	939	447,995
POST-acquisition profit / (loss)		3,616	(126)	3,490

Disposal of subsidiaries in 2015

On 22 January 2015, the Company founded new company CPI Finance Ireland II Limited, domiciled in Ireland. Share capital of the company amounted to EUR 1. On 2 March 2015, the Company sold CPI Finance Ireland II Ltd to CPI PG for the selling price of EUR 1.

On 14 January, the Company founded new company CPI Finance Netherlands II B. V., domiciled in Netherlands. Share capital of the company amounted to EUR 1. On 9 March 2015, the Company sold CPI Finance Netherlands II B. V. to CPI PG for the selling price of EUR 1.

On 1 May 2015, the Company disposed 100% stake in Polma 1, S.à r.l., company domiciled in Luxembourg, which was acquired on 1 October 2014 altogether with its mother company Endurance Asset S.à r.l.

The 100% share in CPI North, s.r.o. was disposed of on 1 April 2015. CPI North s.r.o. was sold to CPI PG.

3.3 Changes in the Group in 2014

During 2014, the Group has acquired the following entities:

Entity	Change	Share in %	Date of acquisition/foundation
Arena Corner Ingatlanfejleszto Kft.	acquisition	100.00%	11 April 2014
CPI IMMO, S.à r.l	founded	100.00%	27 March 2014
CPI Poland Sp. Z o.o.	acquisition	100.00%	7 February 2014
CPI Retail MB s.r.o.	acquisition	100.00%	31 March 2014
CPI Retail Portfolio VIII s.r.o. (former Kouge s.r.o.)	acquisition	100.00%	11 April 2014
Čáslav Investments, a.s.	acquisition	100.00%	2 May 2014
ENDURANCE ASSET, S.á r.l	acquisition	100.00%	1 October 2014
Pelhřimov Property Development, a.s.	acquisition	100.00%	2 April 2014
Platnéřská 10 s.r.o.	acquisition	100.00%	31 December 2014

The following entities were disposed of in 2014:

Entity	Change	Share in %	Date of disposal
MQM Czech, s.r.o.	disposal	100.00%	30 October 2014
Polygon BC s.r.o.	disposal	100.00%	30 October 2014
K.B.P. BUSINESS PARK sp. Zoo	disposal	50.00%	27 August 2014

4 Segment reporting

For all asset types, discrete financial information is provided to the Board of Directors, which is the chief operating decision maker, on an individual entity (subsidiary) basis. The information provided are revenues (consisting of sale of goods, rental activities, services and net service charge income), net gain/loss from fair value adjustment on investment property, cost of goods sold, impairments, amortization and other operating result which altogether form the operating result.

The individual entities are aggregated into reportable segments with similar economic characteristics for the purposes of consolidated reporting.

Due to the change in the ownership structure in 2014, by which the Group became a part of the CPI PROPERTY GROUP, the management of the Group decided to modify the structure of reportable operating segments in order to reflect new asset types and the extended geographical structure in the financial statements as at 31 December 2014. The structure of operating segments remains unchanged in 2015 compared to the financial statements as at 31 December 2014.

Income generating rental properties

Within the segment "Income generating rental properties" the Group is considered to have six types of assets as at 30 June 2015, as follows:

- Retail acquires, develops and leases shopping malls
- Office acquires, develops and leases offices
- Logistics acquires, develops and leases warehouses and factories
- Residential rents residential property
- Hotels acquires, develops and leases hotels to operators
- Other primarily includes intergroup service and financing entities

Income generating operational properties

The segment includes properties which primarily generate income from other than rental activities. As at 30 June 2015 the segment includes the following types of assets:

Hospitality – operates hotel premises as hotel operator

Development

Covers all real estate assets under construction or designated for future development in order to be sold to a third party or to be transferred to the Income generating rental properties operating segment.

Land bank

Acquires and retains lands for further Group's utilization. The segment also includes building which are intended for future redevelopment and do not generate any rental income.

Consolidated profit or loss			Income generatir	ng - rental propertie	s		Income generating - operational properties	Land bank	Development	Total consolidated
As at 30 June 2015	Office	Retail	Residential	Industry and Logistics	Hotels	Other	Hospitality			
Gross rental income	724,638	912,662	245,153	153,553	192,043	2,315		5,865	9,509	2,245,738
Service revenue	306	3,803	169	28	126	229,404		70	(34,884)	199,022
Net service charge income	17,233	4,423	(236)	1,728	8	29,114		(4,040)	(14,293)	33,937
Property operating expenses	(54,219)	(60,864)	(108,608)	(20,064)	(23,819)	(52,883)		(10,027)	49,582	(280,902)
Net rental income	687,958	860,024	136,478	135,245	168,358	207,950		(8,132)	9,914	2,197,795
Development sales			92,016			185		(13,532)		78,669
Cost of goods sold	(14,886)	(8,374)	(63,484)					(59)		(86,803)
Development operating expenses									(6,800)	(6,800)
Net development income	(14,886)	(8,374)	28,532	-		185		(13,591)	(6,800)	(14,934)
Hotel revenue							65,400			65,400
Hotel operating expenses							(43,329)			(43,329)
Net hotel income							22,071			22,071
Total revenues	742,177	920,888	337,102	155,309	192,177	261,018	65,400	(11,637)	(39,668)	2,622,766
Total direct business operating expenses	(69,105)	(69,238)	(172,092)	(20,064)	(23,819)	(52,883)	(43,329)	(10,086)	42,782	(417,834)
Net business income	673,072	851,650	165,010	135,245	168,358	208,135	22,071	(21,723)	3,114	2,204,932
Net valuation gain or loss on investment property	324,402	96,107	(12,145)					24,709	(15,778)	417,295
Net gain or loss on the disposal of investment property	377	(518)	11,596		21	669		(19,923)		(7,778)
Net gain or loss on disposal of subsidiaries						1,967		1		1,968
Amortization, depreciation and impairments	(3,380)	(1,716)	(6,583)	2,753	(8,459)	(13,045)	(13,946)	(13,530)		(57,906)
Other operating income	2,552	6,644	1,539	233	1,702	7,801		5,201	171	25,843
Administrative expenses	(23,910)	(15,566)	(4,442)	(2,267)	(6,003)	(232,976)	(93)	(11,466)	(3,517)	(300,240)
Other operating expenses	(238,534)	(130,587)	(879)	(755)	(2,006)	(5,518)		(1,783)	(2,731)	(382,793)
Operating Results	734,579	806,014	154,096	135,209	153,613	(32,967)	8,032	(38,514)	(18,741)	1,901,321
Interest income	15,014	17,182	38	120	4,155	138,252	18	14	2	174,795
Interest expense	(203,739)	(244,097)	(83,288)	(41,150)	(42,822)	(457,913)	(3,454)	(4,012)	(13,699)	(1,094,174)
Other net financial result	86,277	33,095	(3,802)	(3,274)	(10,238)	(58,093)	(807)	745	13,977	57,880
Net finance income / (costs)	(102,448)	(193,820)	(87,052)	(44,304)	(48,905)	(377,754)	(4,243)	(3,253)	280	(861,499)
Profit / (Loss) before income tax	632,131	612,194	67,044	90,905	104,708	(410,721)	3,789	(41,767)	(18,461)	1,039,822
Income tax expense	(129,589)	(125,500)	(13,744)	(18,635)	(21,465)	84,200	(777)	8,561	3,785	(213,164)
Net profit / (Loss) from continuing operations	502,542	486,694	53,300	72,270	83,243	(326,521)	3,012	(33,206)	(14,676)	826,658

Consolidated profit or loss		Inco	ome generating - r	ental properties			Income generating - operational properties	Land bank	Development	Total consolidated	
As at 30 June 2014	Office	Retail	Residential	Industry and Logistics	Hotels	Other	Hospitality				
Gross rental income	694,867	877,521	251,507	149,778	197,960	1,980		22,349	3,293	2,199,255	
Service revenue	449	422	9	21	155	37,795		(18)	41	38,873	
Net service charge income	2,140	1,251	(1,842)	4,390	(702)	35,911	(379)	(1,218)	57	39,608	
Property operating expenses	(22,829)	(30,576)	(107,556)	(5,399)	(23,882)	(42,600)	(207)	(4,635)	(0)	(237,684)	
Net rental income	674,627	848,617	142,118	148,791	173,531	33,086	(586)	16,478	3,390	2,040,052	
Development sales			24,932							24,932	
Cost of goods sold			(10,567)					(72)		(10,639)	
Development operating expenses			(3,206)						(3,963)	(7,169)	
Net development income			11,158					(72)	(3,963)	7,124	
Hotel revenue							57,714			57,714	
Hotel operating expenses							(41,866)			(41,866)	
Net hotel income							15,848			15,848	
Total revenues	697,456	879,193	274,606	154,189	197,413	75,686	57,335	21,113	3,391	2,360,382	
Total direct business operating expenses	(22,829)	(30,576)	(121,329)	(5,399)	(23,882)	(42,600)	(42,073)	(4,707)	(3,963)	(297,358)	
Net business income	674,627	848,617	153,276	148,791	173,531	33,086	15,262	16,406	(573)	2,063,024	
Net valuation gain or loss on investment property	(1,866)	21,563		(71)				(381)		19,245	
Net gain or loss on the disposal of investment property	4	60,925	(14,170)	151	4	(111)		(29,731)		17,072	
Net gain or loss on disposal of subsidiaries		(178,731)				178,731					
Amortization, depreciation and impairments	(32,207)	(25,642)	(4,173)	158	(11,688)	(13,286)	(13,761)	(27,775)	(16,985)	(145,360)	
Other operating income	1,070	25,204	711	26	1,223	6,872	12	839		35,958	
Administrative expenses	(18,370)	(15,346)	(6,607)	(1,647)	(2,900)	(176,904)	(319)	(4,046)	18,763	(207,375)	
Other operating expenses	(15,365)	(8,520)	(6,075)	(736)	(256)	(3,163)	(385)	(1,015)	(2,536)	(38,051)	
Operating Results	607,893	728,070	122,963	146,672	159,913	25,226	809	(45,703)	(1,330)	1,744,513	
Interest income	3,557	2,307	7	145	14,490	234,174	20	378	1	255,079	
Interest expense	(167,509)	(202,903)	(79,026)	(45,100)	(44,130)	(584,100)	(3,841)	(4,926)	123,903	(1,007,632)	
Other net financial result	(79,499)	(54,732)	(300)	1,603	(9,060)	209,223	(23,160)	18,779	1,194	64,048	
Net finance income / (costs)	(243,451)	(255,328)	(79,319)	(43,352)	(38,700)	(140,703)	(26,981)	14,231	125,098	(688,505)	
Profit / (Loss) before income tax	364,442	472,743	43,644	103,321	121,213	(115,477)	(26,172)	(31,471)	123,768	1,056,008	
Income tax expense	(70,449)	(36,363)	(9,835)	(9,472)	(4,739)	(4,203)	(2,697)	(14,227)	(5,108)	(157,094)	
Net profit / (Loss) from continuing operations	293,994	436,379	33,808	93,849	116,474	(119,680)	(28,869)	(45,698)	118,659	898,914	

Consolidated statement of financial position		,	ncome generating	- rental properties	Income generating - operational properties	Land bank	Development	Total consolidated		
30 June 2015	Office	Retail	Residential	Industry and Logistics	Hotels	Other	Hospitality			
Gross assets value	24,147,221	25,358,809	7,727,545	3,778,288	7,868,366	87,861	1,567,036	6,199,507	2,977,812	79,712,445
Investment Property	24,106,708	25,341,219	7,622,043	3,778,141	7,851,175			6,175,514	1,065,528	75,940,328
Property, plant and equipment	40,599	17,420	457	110	17,082	87,530	1,563,477	141	1,530	1,728,346
Inventories	(86)	170	105,045	37	109	331	3,559	23,852	1,910,754	2,043,771
Other assets non-current	9,429	183,849			6,657	1,801,511	255,198	54,215	3,000	2,313,859
Other assets current	488,573	431,974	465,651	19,984	145,387	8,328,954	28,402	9,406	85,189	10,003,520
Cash and cash equivalents	696,139	867,745	189,059	114,730	168,200	1,384,044	52,943	48,726	401,967	3,923,553
Total Assets	25,341,362	26,842,377	8,382,255	3,913,002	8,188,610	11,602,370	1,903,579	6,311,854	3,467,968	95,953,377
Other payables non-current	2,259,575	2,628,936	1,184,145	532,684	505,010	798,349	26,874	471,135	101,632	8,508,340
Finance debts non-current	12,015,568	11,012,494	95,433	1,444,144	1,710,862	880,814	560,044		905,821	28,625,180
Bonds issued non-current		1,379,638	2,927,257			8,935,865				13,242,760
Other payables current	636,737	485,555	625,783	29,841	141,179	679,763	83,066	47,681	76,424	2,806,029
Finance debts current	1,802,661	788,877	2,312	265,546	1,977,733	1,389,400	322,233	158,117	599,390	7,306,269
Bonds issued current		15,453	21,175			1,731,376				1,768,004
Total Liabilities	16,714,541	16,310,953	4,856,105	2,272,215	4,334,784	14,415,567	992,217	676,933	1,683,267	62,256,582

As at 31 December 2014

Consolidated statement of financial position		١	ncome generating	g - rental properties	Income generating - operational properties	Land bank	Development	Total consolidated		
31 December 2014	Office	Retail	Residential	Industry and Logistics	Hotels	Other	Hospitality			
Gross assets value	23,261,306	24,744,864	7,684,502	3,826,188	6,218,945	97,674	481,820	6,383,635	3,440,057	76,138,991
Investment Property	23,221,902	24,728,520	7,683,877	3,826,188	6,210,480			6,383,456	1,305,489	73,359,911
Property, plant and equipment	39,405	16,344	625		8,465	97,674	480,756	179	1,530	644,978
Inventories							1,064		2,133,038	2,134,102
Other assets non-current	10,083	184,401			5,632	1,084,066		54,215	3,000	1,341,397
Other assets current	418,300	438,774	366,390	35,109	149,480	8,882,747	5,293	41,473	94,045	10,431,610
Cash and cash equivalents	622,001	859,039	136,559	98,060	133,236	206,827	20,112	60,701	414,122	2,550,657
Total Assets	24,311,690	26,227,079	8,187,451	3,959,357	6,507,292	10,271,314	507,225	6,540,024	3,951,224	90,462,655
Other payables non-current	2,075,228	2,422,990	1,173,899	529,163	421,825	41,558	1,378	483,479	131,588	7,281,107
Finance debts non-current	11,108,487	9,357,190	97,209	1,525,249	1,692,908	576,128	392,987		992,407	25,742,565
Bonds issued non-current		1,387,525	2,651,348			10,924,382				14,963,255
Other payables current	560,578	470,563	441,755	52,511	161,253	433,960	15,535	92,995	108,839	2,337,990
Finance debts current	1,942,009	1,858,744	2,771	271,231	639,125	1,065,255	96,431	242,082	619,897	6,737,544
Bonds issued current		13,168	368,052			528,548				909,768
Total Liabilities	15,686,302	15,510,181	4,735,034	2,378,154	2,915,111	13,569,831	506,331	818,556	1,852,731	57,972,229

Profit or loss As at 30 June 2015	Czech Republic	Slovak Republic	Hungary	Poland	Romania	Netherland	France	Ireland	Cyprus	British Virgin Islands	Guernsey	Luxembourg	Total consolidated
Gross rental income	1,720,364	221,669	225,838	76,712			1,155						2,245,738
Service revenue	(70,522)	(18,746)	11,547	(2,768)			110				278,888	513	199,022
Net service charge income	8,827	(809)	32,696	(6,777)									33,937
Property operating expenses	(213,391)	(23,405)	(24,951)	(18,411)	(470)		(268)				(6)		(280,902)
Net rental income	1,445,278	178,709	245,130	48,756	(470)		997				278,882	513	2,197,795
Development sales	78,484		185										78,669
Cost of goods sold	(86,744)		(59)										(86,803)
Development operating expenses	(6,800)												(6,800)
Net development income	(15,060)		126										(14,934)
Hotel revenue			65,400										65,400
Hotel operating expenses			(43,329)										(43,329)
Net hotel income			22,071										22,071
Total revenues	1,737,153	202,114	335,666	67,167			1,265				278,888	513	2,622,766
Total direct business operating expenses	(306,935)	(23,405)	(68,339)	(18,411)	(470)		(268)				(6)		(417,834)
Net business income	1,430,218	178,709	267,327	48,756	(470)		997				278,882	513	2,204,932
Net valuation gain or loss on investment property	362,971	(12,341)	(9,708)	76,373									417,295
Net gain or loss on the disposal of investment property	11,722	176	(19,676)										(7,778)
Net gain or loss on disposal of subsidiaries	248		329,712								(28)	(327,964)	1,968
Amortization, depreciation and impairments	(41,413)	(265)	(15,558)	(638)	(32)								(57,906)
Other operating income	19,505	57	6,037	240	2		2						25,843
Administrative expenses	(213,038)	(2,160)	(42,223)	(10,926)	(1,321)	(2,182)	(1,797)	(514)	(4,186)	(86)	(21,246)	(561)	(300,240)
Other operating expenses	(362,529)	(201)	(16,321)	(858)			(2,868)		(16)				(382,793)
Operating Results	1,207,684	163,975	499,590	112,947	(1,821)	(2,182)	(3,666)	(514)	(4,202)	(86)	257,608	(328,012)	1,901,321
Interest income	152,426	10	345			13,566			8,448				174,795
Interest expense	(919,349)	(57,608)	(41,739)	(15,992)	(282)	(59,025)	(179)						(1,094,174)
Other net financial result	46,031	(3,168)	(10,026)	35,079	1,900	(4,114)		20	(6,781)	(703)	(95)	(263)	57,880
Net finance income / (costs)	(720,892)	(60,766)	(51,420)	19,087	1,618	(49,573)	(179)	20	1,667	(703)	(95)	(263)	(861,499)
Profit / (Loss) before income tax	486,792	103,209	448,170	132,034	(203)	(51,755)	(3,845)	(494)	(2,535)	(789)	257,513	(328,275)	1,039,822
Income tax expense	(99,792)	(21,158)	(91,875)	(27,068)	42	10,610	789	101	519	162	(52,790)	67,296	(213,164)
Net profit / (Loss) from continuing operations	387,000	82,051	356,295	104,966	(161)	(41,145)	(3,056)	(393)	(2,016)	(627)	204,723	(260,979)	826,658

Consolidated profit or loss As at 30 June 2014	Czech Republic	Slovak Republic	Hungary	Poland	Romania	Netherland	France	Ireland	Cyprus	British Virgin Islands	Guernsey	Total consolidated
Gross rental income	1,693,187	214,173	215,702	76,194								2,199,255
Service revenue	35,986	363		2,524								38,873
Net service charge income	10,817	1,586	30,533	(3,328)							(21)	39,608
Property operating expenses	(203,757)	(13,713)	(17,793)	(1,966)	(455)						(54)	(237,684)
Net rental income	1,536,232	202,409	228,442	73,424	(455)						(75)	2,040,052
Development sales	24,932											24,932
Cost of goods sold	(10,567)		(72)									(10,639)
Development operating expenses	(7,169)											(7,169)
Net development income	7,195	-	(72)								-	7,124
Hotel revenue			57,714									57,714
Hotel operating expenses			(41,866)									(41,866)
Net hotel income		-	15,848								-	15,848
Total revenues	1,764,921	216,122	303,949	75,390								2,360,382
Total direct business operating expenses	(221,494)	(13,713)	(59,731)	(1,966)	(455)							(297,358)
Net business income	1,543,428	202,409	244,218	73,424	(455)							2,063,024
Net valuation gain or loss on investment property	3,482		23,925	(251)	(7,911)							19,245
Net gain or loss on the disposal of investment property	17,072											17,072
Amortization, depreciation and impairments	(74,701)	(414)	(15,326)	(55,714)	(34)		829					(145,360)
Other operating income	30,695	474	1,528	3,261								35,958
Administrative expenses	(162,046)	(2,966)	(28,718)	(8,399)	(1,632)	(2,880)	10,970	(711)	(6,158)	(56)	(4,779)	(207,375)
Other operating expenses	(21,965)	(66)	(10,183)	(4,759)	(46)		(1,011)		(20)		(0)	(38,051)
Operating Results	1,335,965	199,437	215,444	7,561	(10,079)	(2,880)	10,788	(711)	(6,178)	(56)	(4,778)	1,744,513
Interest income	183,590	44	587	2,932	4	54,570			13,352			255,079
Interest expense	(772,764)	(51,301)	(42,447)	(17,905)		(196,398)	73,263		(80)			(1,007,632)
Other net financial result	(119,558)	(6,352)	(63,225)	(10,021)	31,888	2,050	144	(31)	229,203		(51)	64,048
Net finance income / (costs)	(708,732)	(57,609)	(105,084)	(24,994)	31,892	(139,778)	73,407	(31)	242,475		(51)	(688,505)
Profit / (Loss) before income tax	627,232	141,828	110,359	(17,432)	21,813	(142,658)	84,195	(742)	236,297	(56)	(4,829)	1,056,008
Income tax expense	(84,579)	(7,225)	(55,758)	(8,761)	(733)				(38)			(157,094)
Net profit / (Loss) from continuing operations	542,653	134,603	54,602	(26,193)	21,080	(142,658)	84,195	(742)	236,259	(56)	(4,829)	898,914

Consolidated statement of financial position 30 June 2015	Czech Republic	Slovak Republic	Hungary	Poland	Romania	Netherland	France	Ireland	Cyprus	British Virgin Islands	Guernsey	Luxembourg	Russia	Total consolidated
Gross assets value	60,195,076	5,569,006	8,126,904	2,633,208	468,482		2,006,112				308	710,794	2,555	79,712,445
Investment Property	59,539,509	5,565,369	7,640,108	2,631,643	468,341		95,358							75,940,328
Property, plant and equipment	530,985	3,551	481,277	1,448	141							710,794	150	1,728,346
Inventories	124,582	86	5,519	117			1,910,754				308		2,405	2,043,771
Other assets non-current	1,267,548	6,082	1,360	524					246,160	58,277		733,450	458	2,313,859
Other assets current	9,053,804	31,003	94,418	27,227	923	128,551	84,244	384	252,818	57,737	207,413	58,224	6,774	10,003,520
Cash and cash equivalents	1,812,876	155,671	200,039	161,283	196	1,192,715	383,809	108	31	3	5,505	7,429	3,888	3,923,553
Total Assets	72,329,304	5,761,762	8,422,721	2,822,242	469,601	1,321,266	2,474,165	492	499,009	116,017	213,226	1,509,897	13,675	95,953,377
Other payables non-current	5,884,504	762,708	757,663	188,414	356	(10,610)	81,273	(101)	(519)	832,804	52,790	(40,786)	(156)	8,508,340
Finance debts non-current	21,338,943	2,416,298	2,670,787	1,063,982			1,001,179					133,991		28,625,180
Bonds issued non-current	10,045,410	817,350				2,380,000								13,242,760
Other payables current	2,338,652	55,773	165,320	64,448	(361)	24,800	76,009	540	586	(31)	967	68,789	10,537	2,806,029
Finance debts current	4,607,307	199,406	2,035,358	453,368	10,729		101							7,306,269
Bonds issued current	1,702,763	10				65,231								1,768,004
Total Liabilities	45,917,579	4,251,545	5,629,128	1,770,212	10,724	2,459,421	1,158,562	439	67	832,773	53,757	161,994	10,381	62,256,582

As at 31 December 2014

Consolidated statement of financial position 31 December 2014	Czech Republic	Slovak Republic	Hungary	Poland	Romania	Netherland	France	Ireland	Cyprus	British Virgin Islands	Guernsey	Luxembourg	Total consolidated
Gross assets value	57,970,970	5,663,540	8,077,599	1,956,326	476,772		1,993,471				313		76,138,991
Investment Property	57,594,786	5,663,423	7,572,024	1,956,047	476,593		97,038						73,359,911
Property, plant and equipment	144,420	63	500,154	162	179								644,978
Inventories	231,764	54	5,421	117			1,896,433				313		2,134,102
Other assets non-current	644,075	6,082	920						142,390	59,304		488,626	1,341,397
Other assets current	9,730,223	82,612	58,326	20,234	898	131,178	86,473		260,840	58,755	38	2,033	10,431,610
Cash and cash equivalents	1,673,482	128,111	200,838	162,365	277	402	375,553	534	22	52	8,912	109	2,550,657
Total Assets	70,018,750	5,880,345	8,337,683	2,138,925	477,947	131,580	2,455,497	534	403,252	118,111	9,263	490,768	90,462,655
Other payables non-current	5,617,621	761,533	672,176	145,947	322		83,508						7,281,107
Finance debts non-current	18,648,141	2,594,333	2,714,116	766,887			1,019,088						25,742,565
Bonds issued non-current	12,483,255					2,480,000							14,963,255
Other payables current	1,953,417	34,667	199,374	48,214	(304)	21,644	75,039	538	1,727	154	984	2,535	2,337,990
Finance debts current	4,119,090	213,012	2,010,388	383,821	10,843		390						6,737,544
Bonds issued current	904,298					5,470							909,768
Total Liabilities	43,725,822	3,603,545	5,596,054	1,344,869	10,861	2,507,114	1,178,025	538	1,727	154	984	2,535	57,972,229

5 Condensed consolidated interim statement of comprehensive income

5.1 Gross rental income

For the six month period ended

	30 June 2015	30 June 2014
Gross rental income (1)	2,245,738	2,199,255
Service revenue (2)	199,022	38,873
Total gross rental income	2,444,760	2,238,128

- (1) The increase in gross rental income in 2015 reflects primarily the acquisition of Arena Corner Ingatlanfejleszto Kft. in May 2014 with contribution of CZK 48 million (from January to June 2015).
 - Rental income is derived from a large number of tenants and no single tenant or group of tenants contribute more than 10% to the Group's rental income.
- (2) Significant increase in service revenue is primarily attributable to advisory and accounting services provided by the Group to its parent and affiliated companies together with extended range of services provided to third parties. These services derive directly from rental activities performed by the Group so they are disclosed as a part of service income. Furthermore, the increase in service income follows expansion of Group's rental activities. It includes mainly facility management provided to third parties.

5.2 Net service charge income

For the six month period ended

	30 June 2015	30 June 2014
Service charge income	198,568	249,205
Service charge expenses	(173,918)	(220,801)
Total	24,650	28,404
Revenues from sales of energy	55,584	47,232
Cost of sales - energy	(46,297)	(36,028)
Total	9,287	11,204
Total net service charge income	33,937	39,608

Profit from sale of energies (the Group has a license for the purchase and its further distribution) remains stable and also contributed to total positive result from service recharges.

5.3 Property operating expenses

For the six month period ended

Tot the six month period ended		
	30 June 2015	30 June 2014
Building Maintenance	(106,917)	(82,887)
Personnel expenses (5.3.2)	(69,436)	(56,673)
Utilities Supplies (5.3.1)	(42,756)	(38,786)
Other property related expenses	(29,656)	(26,040)
Letting fee, other fees paid to real estate agents	(13,621)	(8,644)
Real estate tax	(11,525)	(12,531)
Insurance	(4,434)	(9,345)
Facility management	(1,442)	(1,884)
Leases and rents	(1,115)	(894)
Total property operating expenses	(280,902)	(237,684)

Generally, property operating expenses include mainly building maintenance, personnel expenses, utilities supplies, facility management and other general overhead expenses related to properties which cannot be charged to current tenants based on existing rental contracts concluded. They also include Group's expenses related to vacant premises.

5.3.1 Utility services

For the six month period ended

	30 June 2015	30 June 2014
Energy consumption	(30,830)	(22,400)
Material consumption	(5,843)	(5,546)
Waste management	(1,241)	(2,528)
Security services	(3,558)	(6,219)
Cleaning services	(1,284)	(2,093)
Total utility services	(42,756)	(38,786)

5.3.2 Personnel expenses

For the six month period ended

	30 June 2015	30 June 2014
Personnel operating expenses		
Wages and salaries	(50,113)	(41,193)
Social and health security contributions	(17,379)	(13,680)
Other social expenses	(1,944)	(1,800)
Total personnel operating expenses	(69,436)	(56,673)
Personnel administrative expenses		
Wages and salaries	(84,220)	(51,134)
Social and health security contributions	(27,399)	(16,769)
Other social expenses	(2,074)	(1,244)
Total personnel administrative expenses	(113,693)	(69,147)
Personnel expenses - hotel operations		
Wages and salaries	(9,901)	(7,831)
Social and health security contributions	(3,273)	(2,355)
Other social expenses	(963)	
Total personnel expenses - hotel operations	(14,137)	(10,186)
Total personnel expenses	(197,266)	(136,006)

5.4 Net development income

For the six month period ended

	30 June 2015	30 June 2014
Development sales (1)	78,669	24,932
Cost of goods sold (1)	(86,803)	(10,639)
Development operating expenses (2)	(6,800)	(7,169)
Total net development income	(14,934)	7,124

- (1) The development income represents primarily sale of apartments from the residential portfolio of Quadrio Residence, s.r.o. (project "QUADRIO") in the amount of CZK 91 million and related carrying value of apartments sold amounts to CZK 86 million.
- (2) Development operating expenses cover all property operating expenses occurred in connection with development in 2015 (utility services, real estate agents services, maintenance etc.).

5.5 Net hotel income

For the six month period ended

	30 June 2015	30 June 2014
Hotel revenue	65,400	57,714
Personnel expenses (5.3.2)	(14,137)	(10,186)
Other hotel expenses	(29,192)	(31,680)
Total net hotel income	22,071	15,848

5.6 Net valuation gain on investment property

Generally, the majority of the property portfolio has not been valued using an independent appraisal as of 30 June 2015. The Group's management analysed the situation on the real estate market at the time together with current yields and then applied discount rates and other factors used by independent valuers in their appraisals as of 31 December 2014. As a result, the fair value of the majority of the property portfolio as of 30 June 2015 was determined based on the management's analysis described above and it does not significantly differ from the fair value as of 31 December 2014.

In instances where there have been indications of significant changes and therefore with potential impact on the property value during the first half of 2015, the value of the property has been updated based on the external appraisals as of 30 June 2015. A major part of the valuation gain relates primarily to the office segment and is mostly influenced by the multifunctional complex QUADRIO which was completed in Q4 2014.

5.7 Net loss on the disposal of investment property

For the six month period ended

	30 June 2015	30 June 2014
Proceeds from disposal of investment property	299,628	137,696
Carrying value of investment property disposed of and related cost	(307,406)	(120,624)
Total loss on the disposal of investment property	(7,778)	17,072

Main investment property disposal in first half of 2015 was represented by sale of selected "Land bank projects" in Hungary which did not fit to corporate business strategy.

At the date of sale total carrying value of investment properties mentioned above was set to CZK 238.9 million.

Other disposals of investment property in 2015 represent sale of apartments in Praha – Letňany from residential portfolio of CPI BYTY, a.s. in total carrying value of CZK 60.2 million.

5.8 Net gain or loss on the disposal of subsidiaries in 2015

In 2015, the Group disposed two subsidiaries (note 3.3). Net asset value of the companies sold amounted to CZK 2.1 million and these companies altogether were sold for CZK 112.5 thousand resulting into a gain on the disposal of subsidiaries in the amount of CZK 2 million.

5.9 Amortization, depreciation and impairments

For the six month period ended

	30 June 2015	30 June 2014
Depreciation and amortization - rental	(20,180)	(14,079)
Depreciation and amortization – hotel (1)	(13,946)	(13,761)
Impairment of assets	(23,780)	(117,520)
Total depreciation, amortization and impairment	(57,906)	(145,360)

(1) Depreciation charge on hotel segment relates solely to Duna Office Center in Hungary.

5.9.1 Impairment of assets / Reversal of impairment of assets

For the six month period ended

	30 June 2015	30 June 2014
Impairment of goodwill (1)	(13,175)	(18,295)
Impairment of trading property		3,596
Impairment of other receivables		(358)
Impairment of trade receivables	(10,605)	(46,521)
Impairment of trade receivables total	(10,605)	(46,521)
Impairment of provided loans		(55,942)
Impairment of provided loans total	-	(55,942)
Total impairment of assets	(23,780)	(117,520)

(1) Impairment of goodwill in 2015 relates to the acquisition of Karviná Property Development, a.s. (goodwill recognized ans subsequently fully impaired of CZK 13.2 million). For detail of this business combination refer to note 3.2.

5.10 Other operating income

For the six month period ended

	30 June 2015	30 June 2014
Income from penalties	8,708	2,099
Income from lands acquired based on court decision (1)		22,992
Insurance claims	2,306	2,141
Other	14,176	8,653
Income from sale of PPE	653	73
Total other operating income	25,843	35,958

(1) In 2015 the Group won no litigation claims regarding ownership of land (in 2014: CZK 23 million).

5.11 Administrative expenses

For the six month period ended

	30 June 2015	30 June 2014
Salaries and personnel expenses (1)	(113,693)	(69,147)
Audit, tax and advisory services	(82,409)	(39,744)
Legal services	(24,148)	(19,355)
Other administrative expenses	(19,417)	(17,366)
Lease and rental expenses	(17,240)	(18,600)
Advertising expenses	(12,775)	(14,671)
Telecommunication, internet and software related expenses	(10,042)	(7,076)
Representation expenses	(7,374)	(9,565)
Material consumption	(6,483)	(5,721)
Other insurance expenses	(3,474)	(3,689)
Repairs and maintenance	(2,990)	(2,189)
Energy consumption	(195)	(252)
Total administrative expenses	(300,240)	(207,375)

(1) Personnel expenses increased due to the increase in number of employees from 490 (as at 30 June 2014) to 793 (as at 30 June 2015).

Generally, the increase in administrative expenses reflects Group's substantial growth affected mainly by acquisitions carried out in the second half of 2014 and in 2015 and due to the extended requirements for financial and other advisory services.

5.12 Other operating expenses

For the six month period ended

	30 June 2015	30 June 2014
Penalties	(3,797)	(4,642)
Tax non-deductible VAT expenses	(4,914)	(7,130)
Taxes and fees	(18,197)	(14,518)
Loss on assignment of receivables	(983)	(1,302)
Gifts	(2,126)	(962)
Change in provisions	(838)	(2,144)
Other (1)	(351,938)	(7,353)
Total other operating expenses	(382,793)	(38,051)

(1) Other operating expenses for the amount of CZK 328.4 million relate to the change in the fair value of a contingent liability reflecting the expected future settlement with the seller of the project, which was acquired by the Group in 2012. The value of the liability was set to zero in the previous reporting periods as the Group had no certain and valid indications concerning the project performance, which represents the fundamental basis for the calculation of the contingent liability.

5.13 Interest income

For the six month period ended

	30 June 2015	30 June 2014
Bank interest income	515	762
Interest income on bonds	4,033	6,320
Interest income on loans and receivables (1)	167,626	247,997
Interest income on other non-current receivables	2,621	
Total interest income	174,795	255,079

(1) Significant decrease in interest income on loans and receivable reflects mainly repayments of provided loans and finance restructuring process carried out in 2014 (refer to note 6.5).

5.14 Interest expense

For the six month period ended

	30 June 2015	30 June 2014
Interest expense related to bank and non-bank loans (1)	(490,564)	(560,340)
Interest expense on bonds issued (2)	(594,154)	(436,644)
Interest expense related to finance leases	(6,485)	(7,859)
Interest expense on other non-current liabilities	(2,971)	(2,789)
Total interest expenses	(1,094,174)	(1,007,632)

- (1) Decrease in interest expense relates mainly to loan due to third party (nominal value CZK 236 million), which was repaid in the second half of 2014 (effect for six months of 2014 CZK 61 million).
- (2) Substantial increase in interest on bonds relates mainly to new bonds issued by the Group in 2015 and in April 2014 and also to the process of resale of bonds to third and related parties (refer to note 6.12).

5.15 Other net financial results

For the six month period ended

	30 June 2015	30 June 2014
Other net financial results (1)	(22,353)	219,753
Net foreign exchange gain	72,338	
Net foreign exchange loss		(35,329)
Gain/Loss on revaluation of financial derivatives (2)	57,087	(77,706)
Bank charges	(49,192)	(42,670)
Total other net financial results	57,880	64,048

- (1) In H1 2014 the Group acquired receivables of bank creditors of third party for a price which was lower than receivable's nominal value. The receivables were subsequently sold for a price equaled to the nominal value. As a result, the Group recognized profit of CZK 227.7 million.
- (2) Change in the fair value of derivative instruments essentially arise from the revaluation of interest rate swaps (not used for hedging) recognized at fair value as described in note 7.1.1.

5.16 Income tax expense

Tax recognized in profit or loss

For the six month period ended

	30 June 2015	30 June 2014
Current income tax expense		
Current year		
Adjustment for prior years	868	(16,724)
Total	868	(16,724)
Deferred income tax expense Origination and reversal of temporary differences Total	(214,032) (214,032)	(140,370) (140,370)
Income tax from continuing operations recognised in profit and loss	(213,164)	(157,094)
Total income tax recognised in profit or loss	(213,164)	(157,094)

Tax expense for the six month period ended 30 June 2015 is recognized based on management's best estimate of the effective tax rate for full financial year 2015. The Group expects, that effective tax rate for 2015 will not significantly differ from effective tax rate for 2014.

The Company's effective tax rate in respect of continuing operations for the six months ended 30 June 2015 was 20.5 %.

6 Condensed consolidated interim statement of financial position

6.1 Intangible assets and goodwill

Reconciliation of carrying amount

	Goodwill
Cost	
Balance at 1 January 2015	103,066
Acquisiton through business combinations	253,040
Balance at 30 June 2015	356,106
Impairment losses	
Balance at 1 January 2015	54,403
Acquisiton through business combinations	13,175
Balance at 30 June 2015	67,578
Carrying amounts	
Balance at 1 January 2015	48,663
Balance at 30 June 2015	288,528

Goodwill

Opening balance of intangible assets and goodwill includes goodwill of CZK 48.7 million recognized by the Group in 2013. The goodwill relates to acquisition of former ABLON Group in June 2013. Goodwill is allocated to retail segment.

Closing balance of goodwill includes goodwill of CZK 239.9 million which relates to the acquisition of Hospitality Group (note 3.2). Goodwill is allocated to hospitality segment.

The goodwill that arose on the business combinations is attributed to the synergies expected to be derived from the combination. None of the goodwill recognized is expected to be deductible for tax purposes.

Impairment of goodwill

As at 30 June 2015 there are no indicators of impairment recognized by the Group neither in connection with the acquisition of Hospitality Group, nor in connection with the acquisition of former ABLON Group. As a result of the acquisition of Karviná Property Development, a.s. (note 3.2), the Group recognized goodwill in the total amount of CZK 13.18 million, which was subsequently fully impaired (note 5.9).

6.2 Investment property

	Income Generating - Rental properties				Subtotal - rental properties	Land bank	Development	Total	
	Office	Retail	Residential	Industry and logistics	Hotels				
Balance at 1 January 2014	19,800,645	22,426,943	7,716,242	3,771,747	6,122,929	59,838,506	7,775,792	2,349,189	69,963,487
Investments/acquisitions	1,621,574	138,836	7,701			1,768,111		23,988	1,792,099
Transfers	1,684,331	1,382,652	(68,563)			2,998,420	(667,698)	(2,330,722)	
Development costs								1,196,010	1,196,010
Additions	117,826	75,921	120,897	26,387	163,368	504,399	38,078		542,477
Disposals		(82,217)	(133,063)		(535)	(215,815)	(479,063)		(694,878)
Valuation gain/(loss)	(38,829)	736,657	40,663	(7,519)	(75,282)	655,690	(300,921)	67,024	421,793
Translation differences	36,355	49,727		35,573		121,655	17,268		138,923
Balance at 31 December 2014	23,221,902	24,728,519	7,683,877	3,826,188	6,210,480	65,670,966	6,383,456	1,305,489	73,359,911
Investments/acquisitions		689,257			1,640,695	2,329,952	37,150		2,367,102
Transfers	301,598					301,598		(301,598)	
Development costs								77,415	77,415
Additions	231,058	16,891	12,145			260,094			260,094
Disposals	(5,125)		(60,154)			(65,279)	(238,936)		(304,215)
Valuation gain/(loss)	444,424	(24,268)	(12,145)			408,011	25,062	(15,778)	417,295
Translation differences	(87,149)	(69,180)	(1,680)	(48,047)		(206,056)	(31,218)		(237,274)
Balance at 30 June 2015	24,106,708	25,341,219	7,622,043	3,778,141	7,851,175	68,699,287	6,175,514	1,065,528	75,940,328

Investments/acquisitions

2015

In 2015, the Group acquired investment property in overall amount of CZK 2,367.1 million.

Major part of the acquired investment property consists of the property portfolio of Hospitality Group (note 3.2). Acquisition of Hospitality Group portfolio in the amount of CZK 1,640.7 million represents a unique collection of well-established luxury boutique hotels and all-suite residence hotels under Mamaison brand, mostly located in prime central locations of the CEE capitals.

Due to the acquisition of OC Futurum Kolín, a.s. (note 3.2) the Group acquired Futurum Shopping Centre in Kolín in total value of CZK 689.3 million.

The Group also acquired land bank in the total value of CZK 37.2 million due to the acquisition of Karviná Property Development, a.s. (note 3.2).

2014

In 2014, the Group acquired investment property portfolio in total amount of CZK 1,792.1 million. The most significant items of investment property were acquired through following business combinations:

- Acquisition of Arena Corner on 11 April 2014. Its portfolio includes administrative building Arena Corner
 in Budapest comprised of office spaces on 8 floors in 3 office towers with direct connections to each
 other, with large efficient spaces ideal for operation of shared service centers.
- Poštová Office Center, refurbished office building located in the prime downtown area of Bratislava, Slovakia.

Transfers among segments

2015

At the end of February 2015, phase C of the project "Meteor Centre Office Park", located in Prague – Karlín, was completed. Due to completion, the Group reclassified this project from development segment to segment income generating rental properties – office (CZK 301.6 million).

2014

Major investment property project "QUADRIO" (CPI Národní s.r.o.) was completed in the second half of 2014. Consequently the Group reclassified this project from development segment to segment income generating rental properties. Within this segment, two asset types have been recognized – retail and office – in the total value amounting CZK 2,986.7 million.

"Retail Park Čáslav" was transferred from development operating segment to the operating segment income generating rental properties – retail (CZK 81.7 million).

Investment property project "Glass museum" (Příkopy Property Development, a.s.), which was part of land bank operating segment in 2013, was transferred to development segment in 2014, due to the beginning of development work (CZK 918.2 million).

Due to the beginning of construction works on the retail project "Jeseník City Park", the property was transferred to development operating segment (CZK 20.3 million).

Development costs

2015

Development costs mainly relate to the "Meteor Centre Office Park" project, which was completed in 2015 (CZK 45 million). Developments costs in the amount of CZK 16 million relate to the "Glass museum" project (Příkopy Property Development, a.s.)

2014

Development costs in 2014 represent mainly costs expensed on multifunctional complex QUADRIO (CPI Národní, s.r.o.) of CZK 965.5 million.

Additions

2015

Additions in 2015 represent mainly capital expenditures in connection with the project "QUADRIO" – CZK 227.1 million (office asset type) and CZK 16.9 million (retail asset type).

The Group also acquired new flat which is part of the residential portfolio of CPI Flats, a.s. (CZK 12.1 million).

2014

In 2014 the most significant additions represent purchase of apartments in Cannes (CPI IMMO, S.à r.l.) of CZK 97 million. Furthermore, additions of CZK 78.6 million were recognized in connection with revitalization of Areál Hloubětín hostel (BAYTON Alfa, a.s.) and CZK 57.65 million relates to partial refurbishment of Clarion Grand Hotel Zlatý Lev in Liberec (Conradian, a.s.).

Disposals

2015

Disposals of land bank in the amount of CZK 238.9 million relate to the asset deals in Hungary (note 5.7). Other disposals represent sale of apartments in Praha – Letňany from residential portfolio of CPI BYTY, a.s. to current tenants (CZK 60.2 million).

2014

Investment property in the amount of CZK 415.9 million was disposed of due to the sale of two subsidiaries in 2014 (note 3.3).

Other disposals represent mainly sale of apartments in Praha – Letňany from residential portfolio of CPI BYTY, a.s. to current tenants (CZK 117.9 million) and sale of investment property from the portfolio of CPI – Reality, a.s. (CZK 81.5 million) (note 5.7).

6.3 Property, plant and equipment

	Hotel
Cost	
Balance at 1 January 2015	522,451
Acquisitions through business combinations	1,098,388
Effect of movements in exchange rates	(9,308)
Balance at 30 June 2015	1,611,531
Balance at 1 January 2015	41,695
Accumulated depreciation and impairment losses	41 60E
Depreciation for the period	41,055
Depreciation for the period	13,957
Effect of movements in exchange rates	·
	13,957
Effect of movements in exchange rates	13,957 (1,292)
Effect of movements in exchange rates Balance at 30 June 2015	13,957 (1,292)

Balance of property, plant and equipment significantly increased due to the acquisition of Hospitality Group in June 2015 (note 3.2). Newly acquired Hospitality Group operates chain of Mamaison brand hotels in Europe, particularly Hotel Pokrovka (CZK 710.8 million) and hotel Marriot Flora (CZK 387.5 million).

In 2014, the most significant item of property, plant and equipment is represented by Marriott Budapest City Center Hotel in Budapest from the property portfolio of former ABLON Group. Because of the provisions of IAS 40.12 pertaining to owner-operated hotels, ABLON Group and consequently the Group recognize hotel property operated according to IAS 16 at cost less depreciation. Any increases in the value of other properties are not recognized in the profit in the respective reporting period, but are measured using the cost model according to IAS 16.30. Value of Mariott hotel represents CZK 458.8 million as at 30 June 2015 (CZK 480.8 million as as 31 December 2014).

6.4 Available-for-sale financial assets

	30 June 2015	31 December 2014
Vodovody a kanalizace Přerov, a.s. (share 1.60%)	6,782	6,782
Vodovody a kanalizace Hodonín, a.s. (share 1.99%)	4,614	4,614
COOP Centrum Družstvo	300	300
STRM Delta a.s. (share 0.07%)	50	50
Ekopark Odolena Voda, s.r.o. (share 10%)	20	20
Moravský Peněžní Ústav - spořitelní družstvo	2	2
Total equity investments (1)	11,768	11,768
Debentures (2)	37,462	38,122
Total available-for-sale financial assets	49,230	49,890

- (1) Equity investments represent investments with the ownership interest not exceeding 10 %. These investments do not have a quoted market price in an active market and their fair values cannot be reliably measured, which is why they are measured at cost less accumulated impairment. There is no indication of impairment as at 30 June 2015.
- (2) The Group acquired debentures issued by third party in total nominal value of CZK 37.5 million. Debentures are denominated in EUR. The debentures bear interest rate of 10 % p.a. and are due on 10 December 2016. Interest are paid on annual basis. Debentures are not publicly traded and not secured.

6.5 Loans provided

Non-current

	30 June 2015	31 December 2014
Loans provided - related parties (1)	998,069	323,425
Loans provided - third parties	324,826	296,310
Total non-current loans provided	1,322,895	619,735
Impairment to non-current loans provided to third parties		(4,839)
Total non-current loans provided net of impairment	1,322,895	614,896

Current

	30 June 2015	31 December 2014
Loans provided - related parties (2)	28,688	7,349,412
Loans provided - third parties	208,988	269,266
Bills of exchange - third parties	132,733	42,595
Total current loans provided	370,409	7,661,273
Impairment to current loans provided to third parties	(65,659)	(65,659)
Total current loans provided net of impairment	304,750	7,595,614

- (1) In 2015, the Group increased the volume of the loan provided to CPI PG (CZK 832.2 million as at 30 June 2015). This loan bears interest rate of 4 % p.a. and matures on 31 December 2019.
- (2) In 2014, the Group has assigned loans provided to third and related parties and other receivables from third and related parties exceeding CZK 7,335.3 million to one related party. This process resulted into new loan due to related party. Majority shareholder of CPI PG issued full guarantee in respect of the loan and accrued interest as at 31 December 2014. The guarantee is valid till 31 December 2015. New loans bear average interest rate of 6.5 % p.a. equal to the original effective interest rate of assigned loans and other receivables. The loan matures on 31 December 2015. In 2015, this loan has been assigned to CPI PG and resulted into other receivable due from CPI PG (note 10).

Balances of non-current loans include loan principal and unpaid interest that are expected to be settled more than 12 months after the reporting period. Balances of current loans include loan principal and unpaid interest that are due to be settled within 12 months after the reporting period.

Current loans provided to third parties were impaired to reflect the recoverable amount.

6.6 Trade and other receivables

Non-current

	30 June 2015	31 December 2014
Advances paid	4,799	5,041
Other receivables due from third parties	19	670
Total non-current receivables	4,818	5,711

Current

	30 June 2015	31 December 2014
Trade receivables due from related parties (1)	309,408	117,601
Trade receivables due from third parties (2)	1,375,718	1,141,164
Impairment to trade receivables due from third parties	(320,518)	(307,855)
Total current receivables	1,364,608	950,910

(1) Trade receivables due from related parties increased mainly due to the services provided between the service companies of the Group and Company's parent and affiliated companies (note 10).

(2) Trade receivables due from third parties in the amount of CZK 1,100.3 million represent trade receivables due from tenants (in 2014: CZK 843.3 million) and receivables from invoicing of utilities of CZK 341.4 million (2014: CZK 261.7 million). Receivables from invoicing of utilities will be settled against Advances received from tenants when final amount of utilities consumption is known and final utilities invoicing is performed. Significant part of impairment to trade receivables due from third parties is created for trade receivables from tenants overdue more than 181 days. Creation of adjustments for receivables is recognized in statement of comprehensive income as impairment loss.

6.7 Inventories

	30 June 2015	31 December 2014
Projects and property for resale	5,038	4,294
Projects under development (1)	2,034,927	2,128,197
Other inventory	3,806	1,611
Total inventories	2,043,771	2,134,102

(1) Projects under development primarily relate to "Palais Maeterlinck project" in total amount of CZK 1,910.8 million, to residential part of project "QUADRIO" (Quadrio Residence, s.r.o.) in the amount of CZK 105 million and to "Jižní stráň" project (Březiněves, a.s.) totalling of CZK 19.2 million. Decrease in projects under development represent mainly apartment sales in respect of "Jižní stráň project" (CZK 60 million) and project "QUADRIO" (CZK 45 million).

6.8 Cash and cash equivalents

	30 June 2015	31 December 2014
Bank balances	3,864,020	2,517,493
Cash on hand	59,533	33,164
Total cash and cash equivalents	3,923,553	2,550,657

6.9 Other financial current assets

	30 June 2015	31 December 2014
Interest to debentures issued by third parties	2,092	212
Receivables due from employees	786	
Receivables from financial leasing - other parties	15	
Other receivables due from related parties (1)	7,544,129	1,215,619
Other receivables due from third parties	111,113	75,376
Impairment - other receivables due from other parties	(12,902)	(11,961)
Total other financial current assets	7,645,233	1,279,246

(1) The significant increase in other receivables due from related parties relates mainly to the assignment of loans, (note 6.5 and 10) provided to related party, to CPI PG.

6.10 Other non-financial current assets

	30 June 2015	31 December 2014
Other advances paid to third parties	167,956	200,080
Other tax receivables (excl. CIT and VAT)	7,042	6,423
Prepaid expenses	426,509	333,254
Total other non-financial current assets	601,507	539,757

6.11 Equity

Changes in equity

The condensed consolidated interim statement of changes in equity is presented on the face of the condensed consolidated interim financial statements.

Share capital and share premium

For the six month period ended 30 June 2015, the Company didn't subscribe any new shares. The subscribed capital of the Company as at 30 June 2015 was CZK 6,186.997 million (as at 31 December 2014 – CZK 6,186.997 million), comprising 7,733,746 shares (as at 31 December 2014 – 7,733,746 shares), each with a nominal value of CZK 800 (as at 31 December 2014 – CZK 800). All shares are the same type (ordinary registered shares) and fully paid-up. All authorized shares were issued.

Shares of the Company are transferable without any restrictions. Changes in the owner of the paper shares are made by their handover and endorsement in accordance with the Securities Act. The share owner does not have any exchange or first option rights; the shares do not have limited voting rights or any other special rights. During the shareholder voting at the General Meeting, each share represents one vote.

Shares of the Company are not traded on any public or regulated domestic or foreign market.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations from their functional to the presentation currency.

Hedging reserve

Group maintains several interest rate swaps for hedging of future interest payments on liabilities. These are swaps where the Group pays a fixed interest rate and receives a floating rate.

Since January 2011 the Group applies hedge accounting in respect of foreign currency risks and interest rates risk in selected subsidiaries. The hedging reserve includes effective portion of the fair value changes of hedging instruments designated as a cash flow hedge in accordance with accounting policy. Ineffective portion of cash flow hedges represents part of finance costs or income.

Other capital funds

For the six month period ended 30 June 2015, no capital contributions were made. Other capital funds amount to CZK 10,312.6 million as at 30 June 2015 (CZK 10,312.6 million as at 31 December 2014).

Earnings per share

For the six month period ended

	30 June 2015	30 June 2014
At the beginning of the period	7,733,746	7,733,746
Shares issued	7,733,746	7,733,746
Weighted average movements		
Shares issued		
Weighted average outstanding shares for the purpose of calculating the basic		
earnings per share	7,733,746	7,733,746
Weighted average outstanding shares for the purpose of calculating the diluted		
earnings per share	7,733,746	7,733,746
Net (loss)/ profit attributable to the Equity holders of the Company	826,102	897,959
Net (loss)/ profit attributable to the Equity holders of the Company after assumed		
conversions/exercises	826,102	897,959
Total Basic earnings in EUR per share	106.82	116.11
o/w discontinued operations		
Diluted earnings in EUR per share	106.82	116.11
o/w discontinued operations		

Basic earnings per share (EPS) is calculated by dividing the profit / (loss) attributable to the Group by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

6.12 Bonds issued

6.12.1 Non-current bonds issued

CZECH PROPERTY INVESTMENTS, a.s.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds - CPI VAR/18	100,000	2,545,094	100,000	2,587,223
Less: bonds owned by Group	(23,615)	(643,391)	(12,114)	(335,861)
Less: transaction costs		(197)		(2,197)
CPI VAR/18 (EUR)	76,385	1,901,506	87,886	2,249,165
Proceeds from issued bonds - CPI VAR/19 - CZK	2,000,000,000	2,000,000	2,000,000,000	2,000,000
Less: transaction costs		(7,396)		(8,556)
CPI VAR/19 (CZK)	2,000,000,000	1,992,604	2,000,000,000	1,991,444
Proceeds from issued bonds - CPI VAR/19 - EUR	116,000	1,580,210	116,000	1,608,050
Less: bonds owned by Group	(72,479)	(987,345)	(11,640)	(161,360)
Less: transaction costs		(20,969)		(27,490)
CPI VAR/19 (EUR)	43,521	571,896	104,360	1,419,201
Proceeds from issued bonds - CPI 2021	1,215	2,430,000	1,215	2,430,000
Less: bonds owned by Group	(1,215)	(2,430,000)	(1,215)	(2,430,000)
CPI 2021				
Proceeds from issued bonds - CPI 6,05/16			150,000	1,479,299
Less: transaction costs				(16,720)
CPI 6,05/16			150,000	1,462,579
Proceeds from issued bonds - CPI 7,00/22	1,000,000,000	1,000,000	1,000,000,000	1,000,000
Less: bonds owned by Group	(1,000,000,000)	(1,000,000)	(1,000,000,000)	(1,000,000)
Less: transaction costs		(1,775)		(1,720)
CPI 7,00/22		(1,775)		(1,720)
Proceeds from issued bonds - CPI 7,00/22	1,000,000,000	1,000,000	1,000,000,000	1,000,000
Less: bonds owned by Group	(898,880,396)	(898,880)	(901,680,396)	(901,680)
Less: transaction costs		(1,780)		(1,722)
CPI 7,00/22	101,119,604	99,340	98,319,604	96,598
Proceeds from issued bonds - CPI 7,00/22	1,000,000,000	1,000,000	1,000,000,000	1,000,000
Less: bonds owned by Group	(1,000,000,000)	(1,000,000)	(1,000,000,000)	(1,000,000)
Less: transaction costs		(1,781)		(1,724)
CPI 7,00/22		(1,781)		(1,724)
Proceeds from issued bonds - CPI 8,00/42	1,000,000,000	1,000,000	1,000,000,000	1,000,000
Less: bonds owned by Group	(52,000,000)	(52,000)		
Less: transaction costs		(2,395)		(2,340)
CPI 8,00/42	948,000,000	945,605	1,000,000,000	997,660
Proceeds from issued bonds - CPI 8,00/42	1,000,000,000	1,000,000	1,000,000,000	1,000,000
Less: bonds owned by Group	(766,477,976)	(766,478)	(766,477,976)	(766,478)
Less: transaction costs		(2,402)		(2,342)
CPI 8,00/42	233,522,024	231,120	233,522,024	231,180
Subtotal - bonds issued by Czech Property Investments a.s.	3,282,761,534	5,738,515	3,332,183,874	8,444,382

CPI FINANCE NETHERLANDS B.V.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
Proceed from issued bonds - CPI Finance Netherlands B.V. (2011)	500	5,000,000	500	5,000,000
Less: bonds owned by Group	(262)	(2,620,000)	(252)	(2,520,000)
CPI Finance Netherlands B.V. (2011)	238	2,380,000	248	2,480,000
Proceed from issued bonds - CPI Finance Netherlands B.V. (2012)	100	1,000,000	100	1,000,000
Less: bonds owned by Group	(100)	(1,000,000)	(100)	(1,000,000)
CPI Finance Netherlands B.V. (2012)				
Proceed from issued bonds - CPI Finance Netherlands B.V. (2013)	100	100,000	100	100,000
Less: bonds owned by Group	(100)	(100,000)	(100)	(100,000)
CPI Finance Netherlands B.V. (2013)			-	
Subtotal - bonds issued by CPI Finance Netherlands B. V.	238	2,380,000	248	2,480,000

CPI BYTY, a.s.	30 June 2015		31 December 2014	
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds - CPI BYTY 2,50/17 (CZ0003512485)	300,000	300,000		
Proceeds from issued bonds - CPI BYTY 3,50/17 (CZ0003510687)	500,000	500,000	500,000	500,000
Proceeds from issued bonds - CPI BYTY 4,80/19 (CZ0003510695)	900,000	900,000	900,000	900,000
Proceeds from issued bonds - CPI BYTY 4,80/19 (CZ0003511412)	500,000	500,000	500,000	500,000
Proceeds from issued bonds - CPI BYTY 5,80/21 (CZ0003510703)	800,000	800,000	800,000	800,000
Less: transaction costs		(72,743)		(48,652)
Subtotal bonds - CPI BYTY, a.s.	3,000,000	2,927,257	2,700,000	2,651,348

CPI Alfa, a.s.	30 June 2015		31 December	2014
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds	279,000,000	279,000	279,000,000	279,000
Less: transaction costs		(3,298)		(4,239)
Subtotal bonds - CPI Alfa, a.s.	279,000,000	275,702	279,000,000	274,761

CPI RETAIL PORTFOLIO I, a.s.	30 June 2	30 June 2015		31 December 2014	
	No. of bonds	No. of bonds Value		Value	
	issued	value	issued	value	
Proceeds from issued bonds	112,500	1,125,000	112,500	1,125,000	
Less: transaction costs		(21,064)		(12,236)	
Subtotal bonds - CPI Retail Portfolio I, a.s.	112,500	1,103,936	112,500	1,112,764	

CPI FINANCE SLOVAKIA, a.s.	30 June 20	30 June 2015		015 31 December 2014		er 2014
	No. of bonds	Value	No. of bonds	Value		
	issued	Value	issued	value		
Proceeds from issued bonds - CPI Finance Slovakia, a.s.	30,000	817,350				
Subtotal bonds - CPI Finance Slovakia, a.s.	30,000	817,350				

Total non-current bonds	13,242,760	14,963,255
-------------------------	------------	------------

6.12.2 Current bonds issued

CZECH PROPERTY INVESTMENTS, a.s.	30 June 2	30 June 2015		ber 2014
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds - CPI VAR/15 - EUR	-		30,000	415,875
Less: transaction costs				(13,203)
CPI VAR/15 (EUR)	-		30,000	402,672
Proceeds from issued bonds - CPI 6,05/16	150,000	1,487,484		
Less: transaction costs		(17,628)		
CPI 6,05/16	150,000	1,469,856	-	
Subtotal - bonds issued by Czech Property Investments a.s.	150,000	1,469,856	30,000	402,672

CPI BYTY, a.s.	30 June 2015		31 December	r 2014
	No. of bonds issued	Value	No. of bonds issued	Value
Proceeds from issued bonds - CPI BYTY 2,50/15 (CZ0003510679)			300,000	300,000
Less: transaction costs				(23,963)
CPI BYTY 2,50/15			300,000	276,037

Accrued interest on bonds	30 June 2015	31 December 2014
CPI VAR/15 (EUR)		7,871
CPI VAR/18 (EUR)	73,134	18,381
CPI VAR/19 (CZK)	35,990	36,114
CPI VAR/19 (EUR)	6,568	27,973
CPI 6,05/16	23,472	23,199
CPI 7,00/22 (ISIN CZ0003502924)	3,913	401
CPI 8,00/42 (ISIN CZ0003502932)	43,187	5,688
CPI 8,00/42 (ISIN CZ0003502940)	10,015	779
CPI Finance Netherlands B.V. (2011)	65,231	5,470
CPI BYTY, a.s.	21,175	92,015
CPI Alfa, a.s.	2,813	2,856
CPI Retail Portfolio I, a.s.	12,640	10,312
CPI Finance Slovakia, a.s.	10	
Total accrued interest	298,148	231,059

Total current bonds	1,768,004	909,768
Total bonds	15,010,764	15,873,023

Changes in the period ended 30 June 2015

On 4 March 2015, the Company founded new company CPI Finance Slovakia, a.s., domiciled in Slovak Republic (note 3.1). On 16 April 2015, CPI Finance Slovakia, a.s. issued new bonds with the following characteristics:

CPI 5,85/2018 (ISIN SK4120010653)

CPI 5,85/2018 bonds were issued on 16 April 2015. The bonds mature on 16 April 2018. The nominal value of each bond is EUR 1,000 and the total nominal value of bonds issued amounts to EUR 30 million. CPI 5,85/2018 bonds bear the fixed interest rate of 5.85%. Interests are due quarterly, on 16 April, 16 July, 16 October and 16 January.

Bonds were issued as bearer notes in listed form (registred in Central Securities Depository, the abbreviation is CPI 5,85/2018, ISIN SK4120010653). The prospectus and the issuing terms were approved by the decision of the National Bank of Slovakia on 9 April 2014., reference number ODT-3557/2015-1 that came into force on 10 April 2015.

Bonds were accepted for trading on the Bratislava Stock Exchange.

On 23 March 2015, the Group repaid CPI VAR/15 bonds (ISIN CZ0003501835), which were issued on 23 March 2012. The nominal value of bonds issued amounted to EUR 15 million (app. CZK 408.7 million).

On 7 May 2015, bonds CPI BYTY 2,50/15 (ISIN CZ0003510679), were repaid. These bonds were issued on 7 May 2013 and the nominal value amounts to CZK 300 million. In connection with this repayment, the Group issued new bonds with the following characteristics:

CPI BYTY 2,50/17 (ISIN CZ0003512485)

CPI BYTY 2,50/17 bonds were issued on 11 May 2015. The bonds mature on 7 May 2017. The nominal value of each bond is CZK 1,000 and the total nominal value of bonds issued amounts to CZK 300 million. Bonds bear fixed interest rate of 2.50 % per annum. Interests are due annually on 7 May. These bonds are traded on Prague Stock Exchange, altogether with other emissions issued by CPI BYTY, a.s.

Covenants

Issued bonds CPI VAR/19 (CZK) and CPI VAR/19 (EUR) are subject to a number of covenants. All covenant ratios were met as at 30 June 2015.

Issued bonds CPI 6,05/16 are subject to a number of covenants. All covenant ratios were met as at 30 June 2015. Issued bonds CPI VAR/18 are subject to a number of covenants. All covenant ratios were met as at 30 June 2015. Issued bonds CPI 5,85/2018 are subject to a number of covenants. All covenant ratios were met as at 30 June 2015.

6.13 Financial debts

	30 June 2015	31 December 2014
Loans from related parties (1)		51,642
Loans from third parties (2)	180,497	85,549
Bank loans (3)	27,402,300	24,905,430
Finance lease liabilities	504,503	527,722
Bills of exchange	537,880	172,222
Total non-current financial debts	28,625,180	25,742,565

	30 June 2015	31 December 2014
Loans from related parties (1)	6,617	63,028
Loans from third parties (2)	74,595	203,290
Bank loans including overdraft (3)	6,311,360	5,662,773
Finance lease liabilities	37,582	39,298
Bills of exchange	876,115	769,155
Total current financial debts	7,306,269	6,737,544

- (1) Majority of loans received from related parties was repaid in the first half of 2015 (note 10).
- (2) Due to the acquisition of Hospitality Group, the Group acquired loans provided by third parties in the amount of CZK 134 million.
- (3) The value of bank loans increased mainly due to the major refinancing in 2015:
 - The Group has obtained financing for its major project in the Czech Republic, QUADRIO shopping centre. Following the successful completion of QUADRIO project, the Group agreed with the current club of financing banks, Helaba and UniCredit, on a major increase of the financing from EUR 73 million (app. CZK 1,989 million) up to EUR 135 million (app. CZK 3,678 million);
 - Obtained aggregate amount of EUR 117.7 million (app. CZK 3,207 million) will be used to refinance
 and increase the existing investment loans of three shopping centres in Czech Republic and also to
 finance construction of a new shopping centre in the Czech Republic;
 - 5-year refinancing for Group's boutique hotels portfolio was obtained in July 2015, by which the Group achieved the long-term EUR 58 million (app. CZK 1,580 million) refinancing with Erste bank.

6.14 Other non-current liabilities

	30 June 2015	31 December 2014
Advances received	36,464	15,932
Non-financial trade and other payables	36,464	15,932
Trade payables due to third parties	1,276	4,556
Tenant deposits (1)	239,452	229,718
Payables from retentions (2)	201,833	115,900
Other payables due to related parties (3)	832,966	
Other payables due to third parties	14	1,923
Financial trade and other payables	1,275,541	352,097
Total other non-current liabilities	1,312,005	368,029

- (1) Deposits from tenants represent payables of the Group from received rental related deposits. Its classification corresponds to terms in rental contracts with respect of the termination options of the tenants.
- (2) Increase in payables from retentions represent restraint in the amount CZK 148 million related to project "QUADRIO" (CPI Národní, a.s.).
- (3) Increase of other payables due to related parties relates to Hospitality Group equity loans assignment. For more details refer to note 3.2.

6.15 Trade payables

	30 June 2015	31 December 2014
Trade payables due to related parties	306,667	63,666
Trade payables due to third parties	536,577	692,687
Total trade payables	843,244	756,353

6.16 Advance payments

	30 June 2015	31 December 2014
Advances received from related parties	120,053	40,220
Advances received from third parties (1)	358,898	476,718
Tenant deposits (1)	462,595	315,629
Total advance payments	941,546	832,567

(1) Advances received from tenants in 2015 and 2014 represented payments received from tenants for utilities that will be settled against trade receivables when final amount of utilities consumption is known and final respective invoicing is performed.

6.17 Other financial current liabilities

	30 June 2015	31 December 2014
Payables from retentions	2,773	
Deferred income/ revenue	299,475	235,218
Payables from unpaid capital contributions		182
Other payables due to related parties	13,696	73,939
Other payables due to third parties (1)	496,235	245,401
Other items of trade and other payables	5,392	
Total other financial current liabilities	817,570	554,740

(1) Other payables due to third parties in the amount of CZK 328.4 million represents the fair value of the contingent liability. For more details refer to note 5.12.

6.18 Other non-financial current liabilities

	30 June 2015	31 December 2014
Current income tax liabilities		62,374
Value added tax payables	68,117	29,180
Other tax payables (excl. CIT and VAT)	20,771	929
Payables due to employees, SHI, employees income tax	66,306	45,187
Provisions	23,848	24,489
Total other non-financial current liabilities	179,042	162,159

7 Financial instruments and fair values

7.1 Fair value measurement

7.1.1 Fair value of financial instruments

Fair value measurements of financial instruments reported at fair value are classified by level of the following measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading securities and financial assets at fair value through profit or loss) is based on quoted market prices at the reporting date. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group is using a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Valuations are performed regularly on the basis of the management best estimates of the credit risk of the Group or of the specific entity concerned in the light of existing, available and observable market data:

- For the derivatives (interest rate swaps, options and forwards) the valuation is provided by the Group's banks;
- For the available-for-sale financial assets and for the bonds, the fair values as of 30 June 2015 have been
 determined in accordance with generally accepted pricing models based on the discounted cash flow
 analysis, with the most significant inputs being the discount rate that reflects the credit risk of
 counterparties.

The fair value of financial instruments reflects, inter alia, current market conditions (interest rates, volatility and share price). Changes in fair values are recorded in the consolidated income statement under the "other net financial results" line.

Accounting classification and fair values

The following tables show the carrying amounts at fair value of financial assets and liabilities, including their level in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying	amount		Fair value	
	Financial	Financial	Level 1	Level 2	Level 3
	assets &	assets &			
30 June 2015	liabilities	liabilities not			
	measured at	measured at			
	fair value	fair value (*)			
FINANCIAL ASSETS					
Call option		22,270		22,270	
Financial assets at fair value through profit or loss (**)		22,270			
Long-term Equity investments		11,768			
Debentures issued by third parties		37,462			39,001
Financial assets available-for-sale		49,230			
Advances paid		4,799			
Loans provided		1,322,895			1,322,895
Other non-current receivables		19			
Non-current loans and receivables		1,327,713			
Trade and other receivables		1,364,608			
Loans provided		172,017			172,017
Bills of exchange		132,733			132,733
Other current financial assets		7,645,233			
Cash and cash equivalent		3,923,553			
Current financial assets		13,238,144			
FINANCIAL LIABILITIES					
Bonds		13,242,760	8,867,740		5,058,207
Financial debt (floating rate bank debts)		27,308,300			27,308,300
Financial debt (fixed rate bank debts)		94,000			99,250
Financial debt (other borrowings)		1,222,880			1,213,033
Derivative instruments	269,570			269,570	
Non-current financial liabilities	269,570	41,867,940			
Bonds		1,768,004	1,530,000		
Financial debt (floating rate bank debts)		5,486,334			5,486,334
Financial debt (fixed rate bank debts)		825,026			834,912
Financial debt (other borrowings)		994,909			1,046,749
Derivative instruments	24,627			24,627	
Advanced payments		941,546			
Trade payables		843,244			
Contingent liability		328,404			328,404
Other financial current liabilities		489,166			
Current financial liabilities	24,627	11,676,633			

^(*) It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

^(**) Designated at fair value.

	Carrying	amount		Fair value	
31 December 2014	Financial assets & liabilities measured at fair value	Financial assets & liabilities not measured at fair value (*)	Level 1	Level 2	Level 3
FINANCIAL ASSETS					
Call option		12,053		12,053	
Financial assets at fair value through profit or loss (**)		12,053			
Long-term Equity investments		11,768			
Debentures issued by third parties		38,122			41,043
Financial assets available-for-sale		49,890			
Advances paid		5,041			
Receivable related to assignment of receivables					
Loans provided		614,896			614,896
Other non-current receivables		670			
Non-current loans and receivables		620,607			
Trade and other receivables		950,910			
Loans provided		7,553,019			7,553,019
Bills of exchange		42,595			42,483
Other current financial assets		1,279,246			
Cash and cash equivalent		2,550,657			
Current financial assets		12,376,427			
FINANCIAL LIABILITIES					
Bonds		14,963,255	10,572,721		5,087,473
Financial debt (floating rate bank debts)		24,811,430			24,811,430
Financial debt (fixed rate bank debts)		94,000			99,250
Financial debt (other borrowings)		837,135			833,370
Derivative instruments	359,082			359,082	
Non-current financial liabilities	359,082	40,705,820			
Bonds		909,768	715,875		
Financial debt (floating rate bank debts)		4,816,529			4,816,529
Financial debt (fixed rate bank debts)		846,244			855,953
Financial debt (other borrowings)		1,074,771			1,134,071
Derivative instruments	32,171			32,171	
Advanced payments		832,567			
Trade payables		756,353			
Other financial current liabilities		554,740			
Current financial liabilities	32,171	9,790,972			

^(*) It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

Valuation technique used for measurement of fair value of derivatives

Liabilities from derivative are measured by discounted cash flow method. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

7.1.2 Fair value measurement of investment property

The Group's investment properties were valued at 31 December 2014 in accordance to the Group's accounting policies. The Group utilizes independent professionally qualified valuers, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes.

The independent valuer provides appraisal of the Group's investment property at least once a year.

^(**) Designated at fair value.

At 1 January 2015 the fair value measurement for investment property of CZK 73,359.9 million has been categorized as Level 3 recurring fair value based on the inputs to the valuation technique used in accordance with IFRS 13. There were no transfers between Levels during the year.

31 December 2014	Asset type	Valuation technique	Fair value hierarchy	Significant unobservable inputs	We	ighted average	
Czech Republic -	Industry and	Income		Estimated rental	1,237	1,354	(1,311
Central Bohemia	logistics	capitalisation	Level 3	value per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
				Net current income	1,281	1,805	(1,613
				per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
		<u> </u>		Equivalent yield	8.46% -	12.00%	(8.80%)
				Vacancy rate	0.00% -	4.39%	(1.61%)
Czech Republic -	Industry and	Income		Estimated rental			
West Bohemia	logistics	capitalisation	Level 3	value per sqm Net current income		-	733 CZK/sqm
		<u></u>		per sqm		į	563 CZK/sqm
		<u> </u>		Equivalent yield			12.00%
				Vacancy rate			38.20%
	Industry and	Income		Estimated rental			
Slovakia	logistics	capitalisation	Level 3	value per sqm		1,4	112 CZK/sqm
				Net current income		1 /	191 C7K/cam
	_			per sqm		1,4	481 CZK/sqm
	-	<u> </u>		Equivalent yield			8.25%
				Vacancy rate			2.02%
	Industry and	Income		Estimated rental	1,593	1,598	(1,596
Hungary	logistics	capitalisation	Level 3	value per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
				Net current income	1,485	1,525	(1,513
		· · · · · · · · · · · · · · · · · · ·		per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
				Equivalent yield	8.75% -	9.00%	(8.92%)
				Vacancy rate	5.91% -	8.54%	(7.75%)
Czech Republic -		Income		Estimated rental	4,427	9,809	(9,287
Prague Center	Retail	capitalisation	Level 3	value per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
				Net current income	3,994	4,685	(4,618
				per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
		· -		Equivalent yield	5.00% -	5.25%	(5.23%)
				Vacancy rate	4.93% -	19.18%	(17.80%)
Czech Republic -		Income		Estimated rental	1,879	2,419	(1,982
Prague Other	Retail	capitalisation	Level 3	value per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
				Net current income	1,749	2,206	(1,836
		· -		per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
		<u> </u>		Equivalent yield	8.78% -	9.00%	(8.82%)
				Vacancy rate	17.20% -	19.69%	(17.67%)
Czech Republic -				Estimated rental			
Prague Other	Retail	DCF method	Level 3	value per sqm		5,2	220 CZK/sqm
		· -		Vacancy rate			2.20%
		<u> </u>		Exit yield			6.87%
				Discount rate			8.00%
Czech Republic -		Income		Estimated rental	1,328	5,465	(1,486
Other	Retail	capitalisation	Level 3	value per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
				Net current income	1,217	5,664	(3,383
		· -		per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
				Equivalent yield	6.77% -	9.00%	(7.63%)
				Vacancy rate	0.00% -	16.90%	(4.06%)
Czech Republic -				Estimated rental			
Other	Retail	DCF method	Level 3	value per sqm		5,0	084 CZK/sqm
				Vacancy rate			36.89%

31 December 2014	Asset type	Valuation technique	Fair value hierarchy	Significant unobservable inputs	We	ighted average	
				Exit yield			7.96%
				Discount rate			8.93%
Hungary - Budapest Center	Retail	Income capitalisation	Level 3	Estimated rental value per sqm		7.0	958 CZK/sqm
budapest Center	Retail	capitalisation	Level 3	Net current income			793 CZK/sqm
				per sqm Equivalent yield		0,.	8.50%
				Vacancy rate			7.60%
		Income		Estimated rental	1,555	1,798	(1,638
Hungary - Other	Retail	capitalisation	Level 3	value per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
				Net current income per sqm	655 CZK/sqm -	1,160 CZK/sqm	(987 (CZK/sqm
				Equivalent yield	9.31% -	10.63%	(9.76%)
				Vacancy rate	0.00% -	23.91%	(18.55%)
		Income		Estimated rental	2,476	3,467	(2,983
Slovakia	Retail	capitalisation	Level 3	value per sqm Net current income	CZK/sqm - 2,434	CZK/sqm 3,872	CZK/sqm) (3,102
				per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
		<u> </u>		Equivalent yield	7.50% -	8.50%	(7.93%)
				Vacancy rate	0.00% -	1.04%	(0.12%)
		Income		Estimated rental			
Poland	Retail	capitalisation	Level 3	value per sqm		5,4	197 CZK/sqm
				Net current income per sqm		4,6	533 CZK/sqm
				Equivalent yield			7.80%
				Vacancy rate			3.58%
Czech Republic -		Income		Estimated rental	2,403	9,809	(5,008
Prague	Office	capitalisation	Level 3	value per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
				Net current income	1,856	9,350	(4,312
				per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
				Equivalent yield	5.25% -	9.27%	(6.86%)
				Vacancy rate	0.00% -	25.00%	(10.11%)
Czech Republic - Other	Office	Income capitalisation	Level 3	Estimated rental value per sqm		2.5	342 CZK/sqm
Other	Office	capitalisation	LEVELS	Net current income		2,0	342 CZI(/34III
				per sqm		2,4	152 CZK/sqm
				Equivalent yield			7.75%
Czech Republic -				Estimated rental	2,401	3,690	(2,598
Other	Office	DCF method	Level 3	value per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
		<u> </u>		Vacancy rate	39.20% -	51.22%	(49.39%)
				Exit yield	7.50% -	7.96%	(7.89%)
				Discount rate	8.93% -	9.50%	(9.02%)
Poland	Office	Income capitalisation	Level 3	Estimated rental value per sqm		5.4	587 CZK/sqm
Tolana	Office	capitalisation	Levers	Net current income			
	-			per sqm		4,6	546 CZK/sqm
				Equivalent yield			8.69%
		Income		Vacancy rate Estimated rental	1,412	4,206	15.04% (3,618
Hungary	Office	capitalisation	Level 3	value per sqm	CZK/sqm -	4,206 CZK/sqm	(3,618 (ZK/sqm)
<u> </u>				Net current income	- 330	3,816	(2,620
				per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
		·		Equivalent yield	8.00% -	13.05%	(9.10%)
				Vacancy rate	4.70% -	100.00%	(21.70%)
Hungani	Office	DCE mathad	Level 2	Estimated rental		2.0	107 C7K /2~
Hungary	Office	DCF method	Level 3	value per sqm		3,5	997 CZK/sqm

31 December 2014	Asset type	Valuation technique	Fair value hierarchy	Significant unobservable inputs	We	ighted average	
				Net current income per sqm		3,	560 CZK/sqm
				Vacancy rate			23.68%
				Exit yield			8.00%
				Discount rate			8.25%
Slovakia	Office	DCF method	Level 3	Estimated rental value per sqm Net current income		4,3	348 CZK/sqm
				per sqm		4,2	203 CZK/sqm
	-		-	Vacancy rate			38.71%
	-		-	Exit yield			8.80%
				Discount rate			9.25%
Czech	Residential	DCF method	Level 3	Estimated rental value per sqm	787 CZK/sqm -	1,658 CZK/sqm	(795 CZK/sqm)
				Exit yield	4.75% -	7.78%	(7.75%)
_				<u> </u>			
				Vacancy rate	25.5770	25.39%	(25.37%)
F	Danisha askind	Sales	Laural 2	Discount rate	5.75% -	8.82%	(8.79%)
France	Residential	comparision	Level 3	Price/sqm	4.520		69 TCZK/sqm
Czech Republic - Prague	Hotel	Comparable method	Level 3	Rate per key	1,530 TCZK/key -	4,182 TCZK/key	(2,573 TCZK/key)
Czech Republic - Prague	Hostel	Comparable method	Level 3	Rate per key	269 TCZK/key -	1,106 TCZK/key	(686 TCZK/key)
Czech Republic -	Hoster	Comparable	Levers	nate per key	742	1,603	(1,313
Other Czech Republic -	Hotel	method Income	Level 3	Rate per key Net current income	TCZK/key -	TCZK/key	TCZK/key)
Other	Hotel	capitalisation_	Level 3	per sqm		6,9	989 CZK/sqm
_		·		Estimated rental value per sqm		7 (598 CZK/sqm
_				Equivalent yield			7.32%
Land Bank - Czech				Equivalent yield			7.5270
Republic - Prague Center	Land bank	Comparable method	Level 3	Sales price per sqm	80,000 CZK/sqm -	81,899 CZK/sqm	(80,673 CZK/sqm)
Land Bank - Czech	Land bank	Comparable		6.1	299	30,461	(8,960
Republic - Prague Land Bank - Czech		method Comparable	Level 3	Sales price per sqm	CZK/sqm - 100	CZK/sqm 25,880	CZK/sqm) (1,641
Republic - Other	Land bank	method	Level 3	Sales price per sqm	CZK/sqm -	CZK/sqm	CZK/sqm)
Hungary	Land bank	Comparable method	Level 3	Sales price per sqm	1,425 CZK/sqm -	232,768 CZK/sqm	(18,895 CZK/sqm)
Land Bank -	Landbank	Camananahla					
Romania - Bucharest	Land bank	Comparable method	Level 3	Sales price per sqm		22,	731 CZK/sqm
Romania - Other	Land bank	Comparable method	Level 3	Sales price per sqm	847 CZK/sqm -	4,011 CZK/sqm	(2,165 CZK/sqm)
Poland	Land bank	Comparable			CZR/3qIII -		
Tolullu	Investment	method	Level 3	Sales price per sqm		4,3	342 CZK/sqm
Czech Republic - Prague - Project 1	property under development	Income capitalisation	Level 3	Estimated rental value		4,3	330 CZK/sqm
				Equivalent yield			(6.51%)
Czech Republic -	Investment property under	Income		Estimated rental			
Prague - Project 2	development	capitalisation	Level 3	value_		5,:	(6.25%)
Czech Republic -	Investment			Equivalent yield			(6.25%)
Other - Project 1	property under development	Development Appraisal	Level 3	Gross development value		55	2 MCZK/sqm
				Residual value		35	9 MCZK/sqm
Hungary	Hospitality	DCF method	Level 3	Exit yield			(7.50%)
				Discount rate			

8 Contingencies and Litigations

The Group does not have in evidence any contingent liabilities. No legal proceeding is active the result of which would influence consolidated financial statements and the Group is not aware about any potential enter upon the law-suit.

9 Capital and other commitments

Capital commitments

The Group has capital commitments of CZK 152.9 million in respect of capital expenditures contracted for at the date of the statement of financial statements (CZK 138.5 million in 2014). There are no other commitments except as disclosed above.

10 Related party transactions

The Group has a related party relationship with its members of Board of Directors (current and former) and executive management (key management personnel), shareholder and companies in which these parties held controlling or significant influence or are joint ventures.

Key management personnel and members of Board of Directors

The remuneration of key management personnel and members of Board of Directors are summarized in following table.

	30 June 2015	31 December 2014
Remuneration paid to key management personnel and members of Board of Directors	8,866	10,387
Total remuneration	8,866	10,387

Breakdown of balances and transactions between key management personnel and members of Board of Directors and the Group is as follows:

Balance at	30 June 2015	31 December 2014
Loans provided	3,394	4,655
Trade receivables	26	46
Other receivables	159	143
Advances received	20,603	13,760
Transactions for the six month period ended	30 June 2015	30 June 2014
Interest income and other revenues	78	158

Other related parties		
Entities over which the sole shareholder has control		
Balance at	30 June 2015	31 December 2014
Trade receivables	7	61
Loans received	(2)	52,445
Transactions for the six month period ended	30 June 2015	30 June 2014
Interest expense	181	2,580
interest expense on bonds issued		43,124

Entities over which the sole shareholder has significant influence		
Balance at	30 June 2015	31 December 2014
Trade receivables	15,215	6,199
Trade payables	58,408	334
Advances received		81
Transactions for the six month period ended	30 June 2015	30 June 2014
Service charge income		2,659
Rental Income		1,357
Other finance cost		1,658
Advisory and accounting services	990	
Audit, tax and advisory services		1,281
Lease and rental expenses	248	
Other services	711	
Service charge expense		59
Close family members/entities controlled by close family members		
Balance at	30 June 2015	31 December 2014
Trade receivables	7	14
Loans provided		7,335,346
Other payables		60,001
Loans received		31,185
Transactions for the six month period ended	30 June 2015	30 June 2014
Interest income	97,357	51,283
Loss on asigment of receivables		5,030,985
Interest expense	335	
Entities controlled by members of Board of Directors	333	
Balance at	30 June 2015	31 December 2014
Trade receivables	86,706	111,781
Advances received	14,454	26,379
Trade payables	34,885	63,559
Loans received	6,619	6,652
Tenant deposits		300
CPI PROPERTY GROUP		300
Balance at	30 June 2015	31 December 2014
Loans provided	843,011	159,159
Loans received		58
Other receivables	7,543,970	1,215,476
Bonds issued	1,704,287	1,003,666
Trade receivables	207,447	1,003,000
Trade payables Other payables	213,364	
Other payables	832,966	30 June 201 <i>0</i>
Other payables Transactions for the six month period ended	832,966 30 June 2015	30 June 2014
Other payables Transactions for the six month period ended Interest income	832,966 30 June 2015 9,329	30 June 2014
Other payables Transactions for the six month period ended Interest income Interest expense	832,966 30 June 2015 9,329 8,966	
Other payables Transactions for the six month period ended Interest income Interest expense Interest expense on bonds issued	832,966 30 June 2015 9,329 8,966 43,659	
Other payables Transactions for the six month period ended Interest income Interest expense Interest expense on bonds issued Advisory and accounting services	832,966 30 June 2015 9,329 8,966 43,659 220,294	
Other payables Transactions for the six month period ended Interest income Interest expense Interest expense on bonds issued Advisory and accounting services Acounting and other services	832,966 30 June 2015 9,329 8,966 43,659	
Other payables Transactions for the six month period ended Interest income Interest expense Interest expense on bonds issued Advisory and accounting services Acounting and other services Major shareholder of CPI PG	832,966 30 June 2015 9,329 8,966 43,659 220,294 180,343	
Other payables Transactions for the six month period ended Interest income Interest expense Interest expense on bonds issued Advisory and accounting services Acounting and other services Major shareholder of CPI PG Balance at	832,966 30 June 2015 9,329 8,966 43,659 220,294 180,343	31 December 2014
Other payables Transactions for the six month period ended Interest income Interest expense Interest expense on bonds issued Advisory and accounting services Acounting and other services Major shareholder of CPI PG Balance at Loans provided	832,966 30 June 2015 9,329 8,966 43,659 220,294 180,343	31 December 2014
Other payables Transactions for the six month period ended Interest income Interest expense Interest expense on bonds issued Advisory and accounting services Acounting and other services Major shareholder of CPI PG Balance at Loans provided Loans received	832,966 30 June 2015 9,329 8,966 43,659 220,294 180,343 30 June 2015 180,352	31 December 2014 173,677 24,330
Other payables Transactions for the six month period ended Interest income Interest expense Interest expense on bonds issued Advisory and accounting services Acounting and other services Major shareholder of CPI PG Balance at Loans provided Loans received Trade payables	832,966 30 June 2015 9,329 8,966 43,659 220,294 180,343 30 June 2015 180,352 10	31 December 2014 173,677 24,330
Other payables Transactions for the six month period ended Interest income Interest expense Interest expense on bonds issued Advisory and accounting services Acounting and other services Major shareholder of CPI PG Balance at Loans provided Loans received Trade payables Other payables	832,966 30 June 2015 9,329 8,966 43,659 220,294 180,343 30 June 2015 180,352 10 13,696	31 December 2014 173,677 24,330
Other payables Transactions for the six month period ended Interest income Interest expense Interest expense on bonds issued Advisory and accounting services Acounting and other services Major shareholder of CPI PG Balance at Loans provided Loans received Trade payables	832,966 30 June 2015 9,329 8,966 43,659 220,294 180,343 30 June 2015 180,352 10	30 June 2014 31 December 2014 173,677 24,330 10 13,938 30 June 2014

Main selected transactions with other related parties

Transactions with ORCO PROPERTY GROUP ("OPG")

The Group (CPI Property, s.r.o.) provided property management services to certain assets of OPG in the Czech Republic. The value of such services amounted to CZK 0.2 million in the first half of 2015 (for 2014: CZK 3.7 million).

From 1 July 2014, the Group began providing outsourcing services in the field of general administration, tax, accounting, reporting, human resources and IT to certain assets of OPG the Czech Republic. The value of such services amounted to CZK 16.5 million in the first half of 2015 (CZK 8.6 million for 2014).

Transactions with Scampia, a.s.

In June 2014, the Group had performed financial assets restructuring and consolidation of a number of receivables of related parties. Such receivables of the third parties were assigned to Scampia, a.s., an entity closely associated with Mr. Vítek, in order to simplify related parties transaction structure. Following this operation, the aggregate amount of loans provided by the Group to Scampia, a.s. amounts to CZK 7,335.4 million as at 31 December 2014 and bears average interest rate of 6.5 % p.a. In March 2015, loans provided by the Group to Scampia, a.s. were assigned to CPI PG. This process resulted into other receivable due to related party (CPI PG) as described in note 6.5 and 6.9.

Transactions with Materali, a.s.

In June 2014, Materali, a.s., an entity closely associated with Mr. Vítek, provided interest bearing loan to the Group. As at 31 December 2014 the nominal value of the loan amounts to CZK 31 million and accrued interest represented CZK 21.4 million. The loan, denominated in EUR, was repaid in January 2015.

11 Events after the reporting period

11.1 Change of registred office

The Company's registered office address changed from Václavské náměstí 1601/47, 110 00 Praha 1, Czech Republic to Vladislavova 1390/17, Nové město, 110 00 Praha 1. The change in Commercial register was made on 1 July 2015.

11.2 New bonds issued

On 24 August 2015, the Company issued new bonds CPI 4,75/19. The bonds mature on 24 August 2019. The nominal value of each bond is CZK 10,000. The Company issued bonds in total nominal value of CZK 1,335 million. CPI 4,75/19 bonds bear the fixed interest rate of 4.75 % p.a. Interests are due quarterly, on 24 February, 24 May, 24 August and 24 November.

Bonds were issued as bearer notes in listed form (registred in the Central Securities Depository, the abbreviation is CPI 4,75/19, ISIN CZ0003512782). The prospectus for the bonds was approved by the Czech National Bank on 1 July 2015, reference number 2015/074029/CNB/570. Bonds were accepted for trading at the Prague Stock Exchange.

Prague, 31 August 2015

Zdeněk Havelka

Chairman of the Board of Directors

Kristína Magdolenová

Member of the Board of Directors

APPENDIX I – LIST OF GROUP ENTITIES

Subsidiaries fully consolidated

Company	Country	30 June 2015	31 December 2014
ABLON s.r.o.	Czech Republic	100.00%	100.00%
ABLON sp. z o.o.	Poland	100.00%	100.00%
ACGATE Kft. (1)	Hungary	100.00%	100.00%
Airport City Kft.	Hungary	100.00%	100.00%
Airport City Phase B Kft. (2)	Hungary	100.00%	100.00%
Airport City s.r.o.	Czech Republic	100.00%	100.00%
ALAMONDO LIMITED	Cyprus	100.00%	100.00%
Arkáda Prostějov, s.r.o.	Czech Republic	100.00%	100.00%
Avacero Ltd.	Cyprus	100.00%	100.00%
AVIDANO LIMITED	Cyprus	100.00%	100.00%
Balvinder, a.s.	Czech Republic	100.00%	100.00%
Baudry Alfa, a.s.	Czech Republic	100.00%	100.00%
Baudry Beta, a.s.	Czech Republic	100.00%	100.00%
Baudry, a.s.	Czech Republic	100.00%	100.00%
BAYTON Alfa, a.s.	Czech Republic	100.00%	100.00%
BAYTON Delta, a.s.	Czech Republic	100.00%	100.00%
BAYTON Gama, a.s.	Czech Republic	86.54%	86.54%
BC 30 Property Kft. (3)	Hungary	100.00%	100.00%
BC 91 Real Estate Kft. (4)	Hungary	100.00%	100.00%
BC 99 Office Park Kft. (5)	Hungary	100.00%	100.00%
Beroun Property Alfa, a.s.	Czech Republic	100.00%	100.00%
Beroun Property Development, a.s.	Czech Republic	100.00%	100.00%
Best Properties South, a.s.	Czech Republic	100.00%	100.00%
BPT Development, a.s.	Czech Republic	100.00%	100.00%
Brandýs Logistic, a.s.	Czech Republic	100.00%	100.00%
BREGOVA LIMITED	Cyprus	100.00%	100.00%
Bright Site Kft.	Hungary	100.00%	100.00%
Březiněves, a.s.	Czech Republic	100.00%	100.00%
Budaörs Office Park Kft. (6)	Hungary	100.00%	100.00%
Buy-Way Dunakeszi Kft. (7)	Hungary	100.00%	100.00%
Buy-Way Soroksár Kft. (8)	Hungary	100.00%	100.00%
Camuzzi, a.s.	Czech Republic	100.00%	100.00%
Carpenter Invest, a.s.	Czech Republic	100.00%	100.00%
CB Property Development, a.s.	Czech Republic	100.00%	100.00%
CD Property s.r.o.	Czech Republic	100.00%	100.00%
CENTRAL TOWER 81 Sp. z o.o.	Poland		100.00%
Codiazella Ltd	Cyprus	100.00%	100.00%
Conradian, a.s.	Czech Republic	100.00%	100.00%
CPI - Bor, a.s.	Czech Republic	100.00%	100.00%
CPI - Facility, a.s.	Czech Republic		100.00%
CPI - Krásné Březno, a.s.	Czech Republic	100.00%	99.96%
CPI - Land Development, a.s.	Czech Republic	99.96%	100.00%
CPI - Orlová, a.s.		100.00%	100.00%
·	Czech Republic	100.00%	
CPI - Real Estate, a.s.	Czech Republic	100.00%	100.00%
CPI - Stupartská, a.s.	Czech Republic	100.00%	100.00%
CPI - Zbraslav, a.s.	Czech Republic	100.00%	100.00%
CPI Alfa, a.s.	Czech Republic	100.00%	100.00%
CPI Beta, a.s.	Czech Republic	100.00%	100.00%
CPI BYTY, a.s.	Czech Republic	100.00%	100.00%
CPI City Center UL, a.s.	Czech Republic	100.00%	100.00%
CPI CYPRUS LIMITED	Cyprus	100.00%	100.00%
CPI Delta, a.s.	Czech Republic	100.00%	100.00%
CPI East,s.r.o.	Czech Republic	100.00%	100.00%

Company	Country	30 June 2015	31 December 2014
CPI Epsilon, a.s.	Czech Republic	100.00%	100.00%
CPI Facility Slovakia, a.s.	Slovak Republic	100.00%	100.00%
CPI FINANCE (BVI) LIMITED	British Virgin Islands	100.00%	100.00%
CPI Finance Ireland Limited	Ireland	100.00%	100.00%
CPI Finance Netherlands B.V.	Netherland	100.00%	100.00%
CPI Finance Slovakia, a.s.	Slovak Republic	88.00%	
CPI Flats, a.s.	Czech Republic	100.00%	100.00%
CPI France, a SASU	France	100.00%	100.00%
CPI Group, a.s.	Czech Republic	100.00%	100.00%
CPI Heli, s.r.o.	Czech Republic	100.00%	100.00%
CPI Hotels Properties, a.s.	Czech Republic	100.00%	100.00%
CPI Hungary Kft.	Hungary	100.00%	100.00%
CPI IMMO, S.a.r.I	France	100.00%	100.00%
CPI Jihlava Shopping, a.s.	Czech Republic	100.00%	100.00%
CPI Lambda, a.s.	Czech Republic	100.00%	100.00%
CPI Management, s.r.o.	Czech Republic	100.00%	100.00%
CPI Meteor Centre, s.r.o.	Czech Republic	100.00%	100.00%
CPI Národní, s.r.o.	Czech Republic	100.00%	100.00%
CPI North, s.r.o.	Czech Republic		100.00%
CPI Palmovka Office, s.r.o.	Czech Republic	100.00%	100.00%
CPI Park Mlýnec, a.s.	Czech Republic	100.00%	100.00%
CPI Park Žďárek, a.s.	Czech Republic	99.96%	99.96%
CPI PG Management, S.á r.l	Luxembourg	_	100.00%
CPI Poland Sp. Z o.o.	Poland	100.00%	100.00%
CPI Property, s.r.o.	Czech Republic	100.00%	100.00%
CPI Reality, a.s.	Czech Republic	100.00%	100.00%
CPI Retail MB s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio I, a.s.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio II, a.s.	Czech Republic	100.00%	100.00%
	-	100.00%	-
CPI Retail Portfolio III, s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio IV, s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio V, s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio VI, s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio VII, s.r.o.	Czech Republic	100.00%	100.00%
CPI Retail Portfolio VIII s.r.o.	Czech Republic	100.00%	100.00%
CPI Retails FIVE, a.s.	Slovak Republic	100.00%	100.00%
CPI Retails FOUR, a. s.	Slovak Republic	100.00%	100.00%
CPI Retails ONE, a.s.	Czech Republic	100.00%	100.00%
CPI Retails THREE, a.s.	Slovak Republic	100.00%	100.00%
CPI Retails TWO, a.s.	Czech Republic	100.00%	100.00%
CPI Romania S.R.L. (9)	Romania	100.00%	100.00%
CPI Services, a.s.	Czech Republic	100.00%	100.00%
CPI Shopping MB, a.s.	Czech Republic	100.00%	100.00%
CPI Shopping Teplice, a.s.	Czech Republic	100.00%	100.00%
CPI South, s.r.o.	Czech Republic	100.00%	100.00%
CPI West, s.r.o.	Czech Republic	100.00%	100.00%
CURITIBA a.s.	Czech Republic	100.00%	100.00%
Čadca Property Development, s.r.o.	Slovak Republic	100.00%	100.00%
Čáslav Investments, a.s.	Czech Republic	100.00%	100.00%
Český Těšín Property Development, a.s.	Czech Republic	100.00%	100.00%
DERISA LIMITED	Cyprus	100.00%	100.00%
Diana Development Sp. Z o.o.	Poland	94.00%	
Dienzenhoferovy sady 5, s.r.o.	Czech Republic	94.00%	
DORESTO LIMITED	Cyprus	100.00%	100.00%
Družstvo Land	Czech Republic	99.96%	99.96%
ELAMOR, a.s.	Slovak Republic	100.00%	100.00%
EMH North, s.r.o.	Czech Republic	100.00%	100.00%

Company	Country	30 June 2015	31 December 2014
EMH South, s.r.o.	Czech Republic	100.00%	100.00%
EMH West, s.r.o.	Czech Republic	100.00%	100.00%
Endurance Hospitality Asset S.á r.l.	Luxembourg	88.00%	
Endurance Hospitality Finance S.á r.l.	Luxembourg	88.00%	
ES Bucharest Development S.R.L.	Romania	100.00%	100.00%
ES Bucharest Properties S.R.L.	Romania	100.00%	100.00%
ES Hospitality S.R.L.	Romania	100.00%	100.00%
Europeum Kft. (10)	Hungary	100.00%	100.00%
Farhan, a.s.	Czech Republic	100.00%	100.00%
First Site Kft.	Hungary	100.00%	100.00%
FL Property Development, a.s.	Czech Republic	100.00%	100.00%
Fogarasi 3 BC Kft. (11)	Hungary	100.00%	100.00%
GADWALL, Sp. z o.o.	Poland	100.00%	100.00%
GARET Investment Sp. z.o.o.	Poland	100.00%	100.00%
GATEWAY Office Park Kft. (12)	Hungary	100.00%	100.00%
GLOBAL INVESTMENT Kft.	Hungary	100.00%	100.00%
GOMENDO LIMITED	Cyprus	100.00%	100.00%
GORANDA LIMITED	Cyprus	100.00%	100.00%
HD Investment s.r.o.	Czech Republic	100.00%	100.00%
Hightech Park Kft. (13)	Hungary	100.00%	100.00%
Hospitality Invest Sàrl	Luxembourg	94.00%	
Hotel Pokrovka , org. Unit	Russia	94.00%	
Hotel Rosslyn Kft.	Hungary	100.00%	100.00%
Hraničář, a.s.	Czech Republic	100.00%	100.00%
IGY2 CB, a.s.	Czech Republic	100.00%	100.00%
Insite Kft.	Hungary	100.00%	100.00%
ISTAFIA LIMITED	Cyprus		100.00%
Janáčkovo nábřeží 15, s.r.o.	Czech Republic	100.00% 94.00%	100.0070
Jeseník Investments, a.s.	Czech Republic	100.00%	100.00%
JONVERO LIMITED	Cyprus		100.00%
Karviná Property Development, a.s.	Czech Republic	100.00%	100.0070
Kerina, a.s.	Czech Republic	100.00%	100.00%
Komárno Property Development, a.s.	Slovak Republic		100.00%
LD Praha, a.s.	Czech Republic	100.00%	100.00%
		100.00%	100.00%
LERIEGOS LIMITED	Hungary	100.00%	100.00%
Liptovský Mikuláš Property Development, a.s.	Cyprus Slovak Republic	100.00%	
		100.00%	100.00%
LN Est-Europe Development SRL	Romania Czech Republic	100.00%	100.00%
Lockhart, a.s.	·	100.00%	100.00%
M3 BC Kft. (14)	Hungary	100.00%	100.00%
Malerba, a.s.	Czech Republic	100.00%	100.00%
MaMaison Bratislava, s.r.o.	Slovak Republic	94.00%	
Mamaison management s.r.o.	Czech Republic	94.00%	400.000/
Marissa Delta, a.s.	Czech Republic	100.00%	100.00%
Marissa East, a.s.	Czech Republic	100.00%	100.00%
Marissa Epsilon, a.s.	Czech Republic	100.00%	100.00%
Marissa Gama, a.s.	Czech Republic	100.00%	100.00%
Marissa Ióta, a.s.	Czech Republic	100.00%	100.00%
Marissa Kappa, a.s.	Czech Republic	100.00%	100.00%
Marissa Lambda, a.s.	Czech Republic	100.00%	100.00%
Marissa North, a.s.	Czech Republic	100.00%	100.00%
Marissa Omega, a.s.	Czech Republic	100.00%	100.00%
Marissa Omikrón, a.s.	Czech Republic	100.00%	100.00%
Marissa Sigma, a.s.	Czech Republic	100.00%	100.00%
Marissa South, a.s.	Czech Republic	100.00%	100.00%
Marissa Tau, a.s.	Czech Republic	100.00%	100.00%
Marissa Théta, a.s.	Czech Republic	100.00%	100.00%

Company	Country	30 June 2015	31 December 2014
Marissa West, a.s.	Czech Republic	100.00%	100.00%
Marissa Yellow, a.s.	Czech Republic	100.00%	100.00%
Marissa Ypsilon, a.s.	Czech Republic	100.00%	100.00%
Marissa, a.s.	Czech Republic	100.00%	100.00%
MB Property Development, a.s.	Czech Republic	100.00%	100.00%
MESARGOSA LIMITED	Cyprus	100.00%	100.00%
MH Bucharest Properties S.R.L	Romania	88.00%	88.00%
Michalovce Property Development, a.s.	Slovak Republic	100.00%	100.00%
MMR Russia S.à r.l	Russia	94.00%	
Modřanská Property, a.s.	Czech Republic	100.00%	100.00%
MUXUM, a.s.	Czech Republic	100.00%	100.00%
NERONTA, a. s.	Slovak Republic	100.00%	100.00%
New Age Kft. (15)	Hungary	100.00%	100.00%
New Field Kft.	Hungary	100.00%	100.00%
Nymburk Property Development, a.s.	Czech Republic	100.00%	100.00%
OC Futurum Kolín, a.s.	Czech Republic	100.00%	
OC Nová Zdaboř a.s.	Czech Republic	100.00%	100.00%
OC Spektrum, s.r.o.	Czech Republic	100.00%	100.00%
Office Center Poštová, s.r.o.	Slovak Republic	100.00%	100.00%
Olomouc City Center, a.s.	Czech Republic	100.00%	100.00%
Olomouc Office, a.s.	Czech Republic	100.00%	100.00%
Orco Hotel Development Sp. z o.o.	Poland	94.00%	
ORCO Hotel Management Kft.	Hungary	94.00%	
Orco Hotel Ostrava, a.s.	Czech Republic	94.00%	
Orco Hotel Project Sp. z o.o.	Poland	94.00%	
Orco Hotel Riverside, s.r.o.	Czech Republic	94.00%	
Orco Hotel, Zrt.	Hungary		
Orco Pokrovka Management o.o.o.	Russia	94.00%	
ORCO PROPERTY START, a.s.	Czech Republic	94.00%	
Orco Warsaw Sp. z o.o.	Poland	94.00%	
OSMANIA LIMITED	Cyprus	100.00%	100.00%
Ozrics, Kft.	Hungary		100.0070
Pelhřimov Property Development, a.s.	Czech Republic	94.00%	100.00%
Platnéřská 10 s.r.o.	Czech Republic	100.00%	100.00%
Polma 1 S.á r.l		100.00%	100.00%
Považská Bystrica Property Development, a.s.	Luxembourg Slovak Republic	100.00%	100.00%
Prague Property Development, s.r.o.	Czech Republic	100.00%	100.00%
Prievidza Property Development, a.s.	· — ·	100.00%	
PRINGIPO LIMITED	Slovak Republic	100.00%	100.00%
	Cyprus	100.00%	100.00%
Pro Tower Development S.R.L. (16)	Romania	100.00%	100.00%
Prosta 69 Sp. Z o.o.	Poland Crash Banublia	100.00%	100.00%
Příbor Property Development, s.r.o.	Czech Republic	100.00%	100.00%
Příkopy Property Development, a.s.	Czech Republic	100.00%	100.00%
Quadrio Residence, s.r.o.	Czech Republic	100.00%	100.00%
R40 Real Estate Kft. (17)	Hungary	100.00%	100.00%
Residence Belgická, s.r.o.	Czech Republic	94.00%	
Residence Izabella, Zrt.	Hungary	94.00%	
RSL Est-Europe Properties SRL	Romania	100.00%	100.00%
RSL Real Estate Development S.R.L.	Romania	100.00%	100.00%
Ružomberok Property Development, a.s.	Slovak Republic	100.00%	100.00%
SASHKA LIMITED	Cyprus	100.00%	100.00%
SCTO, Kft.	Hungary		100.00%
SHAHEDA LIMITED	Cyprus	100.00%	100.00%
ST Project Limited	Guernsey	100.00%	100.00%
Statenice Property Development, a.s.	Czech Republic	100.00%	100.00%
Strakonice Property Development, a.s.	Czech Republic	100.00%	100.00%
Svitavy Property Alfa, a.s.	Czech Republic	100.00%	100.00%

Company	Country	30 June 2015	31 December 2014
Svitavy Property Development, a.s.	Czech Republic	100.00%	100.00%
Szolgáltatóház Kft.	Hungary	100.00%	100.00%
Telč Property Development, a.s.	Czech Republic	100.00%	100.00%
Trebišov Property Development, s. r. o.	Slovak Republic	100.00%	100.00%
Trutnov Property Development, a.s.	Czech Republic	100.00%	100.00%
Třinec Investments, s.r.o.	Czech Republic	100.00%	100.00%
Třinec Property Development, a.s.	Czech Republic	100.00%	100.00%
TUNELIA LIMITED	Cyprus	100.00%	100.00%
Týniště Property Development, s.r.o.	Czech Republic	100.00%	100.00%
Tyršova 6, a.s.	Czech Republic	94.00%	
U Svatého Michala, a.s.	Czech Republic	100.00%	100.00%
Valanto Consulting a.s.	Czech Republic	94.00%	
VERETIX, a.s.	Czech Republic	100.00%	100.00%
Vigano, a.s.	Czech Republic	100.00%	100.00%
VM Property Development, a.s.	Czech Republic	100.00%	100.00%
Volanti Ltd.	Cyprus	100.00%	100.00%
Vyškov Property Development, a.s.	Czech Republic	100.00%	100.00%
ZLATICO LIMITED	Cyprus	100.00%	100.00%
ZPS Kft.	Hungary		100.00%
Zvolen Property Development, a.s.	Slovak Republic	100.00%	100.00%
Žďár Property Development, a.s.	Czech Republic	100.00%	100.00%
Ždírec Property Development, a.s.	Czech Republic	100.00%	100.00%

- 1) Arena Corner Ingatlanfejlesztő Kft. has merged with ACGATE Kft. (the "successor company") with the effective date of 30 April 2015. All assets and liabilities of Arena Corner Ingatlanfejlesztő Kft. passed to the successor company.
- 2) New Sites Ingatlanforgalmazó changed its name to Airport City Phase B Kft. with the effective date of 1 April 2015.
- 3) B.C.P. Ingatlanfejlesztő changed its name to BC 30 Property Kft. with the effective date of 1 April 2015.
- 4) Global Development Ingatlanbefektetési changed its name to BC 91 Real Estate Kft. with the effective date of 1 April 2015.
- 5) ICL Budapest Ingatlankezelő és Építési Tanácsadó changed its name to BC 99 Office Park Kft. with the effective date of 1 April 2015.
- 6) HUNGATE 2013 Kft. changed its name to Budaörs Office Park Kft. with the effective date of 1 April 2015.
- 7) Century City Ingatlanbefektetési changed its name to Buy-Way Dunakeszi Kft. with the effective date of 1 April 2015.
- 8) Stripmall Management Ingatlanbefektetési changed its name to Buy-Way Soroksár Kft. with the effective date of 1 April 2015.
- 9) DH Est Europe Real Estate S.R.L. changed its name to CPI Romania S.R.L. with the effective date of 18 May 2015.
- 10) Duna office Center Ingatlankezelő changed its name to Europeum Kft. with the effective date of 1 April 2015.
- 11) Global Properties Ingatlanbefektetési changed its name to Fogarasi 3 BC Kft. with the effective date of 1 April 2015.
- 12) Global Immo Ingatlanbefektetési changed its name to GATEWAY Office Park Kft. with the effective date of 1 April 2015.
- 13) Global Center Ingatlanbefektetési changed its name to Hightech Park Kft. with the effective date of 1 April 2015.
- 14) Global Estates Ingatlanbefektetési changed its name to M3 BC Kft. with the effective date of 1 April 2015.
- 15) Global Management Ingatlanbefektetési changed its to name New Age Kft. with the effective date of 1 April 2015.
- 16) Ablon Bucharest Real Estates Development S.R.L. changed its name to Pro Tower Development S.R.L. with the effective date of 21 April 2015.
- 17) First Chance Ingatlanbefektetési changed its name to R40 Real Estate Kft. with the effective date of 1 April 2015.