

LEG Immobilien AG

Quarterly Report as of 30th June 2013



KEY FIGURES

HIGHLIGHTS						
	01.04.-30.06.2013	01.04.-30.06.2012	Change	01.01.-30.06.2013	01.01.-30.06.2012	Change
Results of operations						
Rental income	€88.9 m	€85.6 m	3.9 %	€178.1 m	€171.2 m	4.0 %
Net rental and lease income	€64.2 m	€58.7 m	9.4 %	€123.7 m	€117.0 m	5.7 %
EBITDA	€54.3 m	€49.9 m	8.8 %	€104.8 m	€102.5 m	2.2 %
EBITDA adjusted	€59.2 m	€52.1 m	13.6 %	€113.4 m	€108.1 m	4.9 %
EBT	€27.8 m	€28.2 m	-	€39.7 m	€12.3 m	-
Consolidated net profit	€23.4 m	€27.4 m	-	€34.7 m	€10.3 m	-
FFO I	€34.6 m	€26.2 m	32.1 %	€68.4 m	€61.7 m	10.9 %
FFO I per share	€0.65	€0.49	32.1 %	€1.29	€1.16	10.9 %
FFO II	€34.1 m	€26.3 m	29.7 %	€67.7 m	€61.2 m	10.6 %
FFO II per share	€0.64	€0.50	29.7 %	€1.28	€1.16	10.6 %
AFFO	€29.9 m	€16.6 m	80.1 %	€56.7 m	€42.8 m	32.5 %
AFFO per share	€0.56	€0.31	80.1 %	€1.07	€0.81	32.5 %
Portfolio						
Residential units	90,894	89,769	1.3 %	90,894	89,769	1.3 %
In-place rent	€4.92/ sqm	€4.83/ sqm	1.9 %	€4.92/ sqm	€4.83/ sqm	1.9 %
Vacancy rate	3.0 %	3.9 %	-	3.0 %	3.9 %	-
	30.06.2013	31.12.2012	Change	30.06.2013	31.12.2012	Change
Statement of financial position						
Investment property	€4,946.2 m	4,937.1 m	0.2 %	€4,946.2 m	€4,937.1 m	0.2 %
Cash and cash equivalents	€151.0 m	€133.7 m	12.9 %	€151.0 m	€133.7 m	12.9 %
Equity	€2,187.6 m	€2,085.5 m	4.9 %	€2,187.6 m	€2,085.5 m	4.9 %
Total financial liabilities	€2,504.4 m	€2,499.7 m	0.2 %	€2,504.4 m	€2,499.7 m	0.2 %
Current financial liabilities	€122.6 m	€396.8 m	-69.1 %	€122.6 m	€396.8 m	-69.1 %
LTV	47.50 %	47.90 %	-	47.50 %	47.90 %	-
Equity ratio	41.5 %	39.8 %	-	41.5 %	39.8 %	-
EPRA NAV	€2,446.4 m	€2,368.3 m	3.3 %	€2,446.4 m	€2,368.3 m	3.3 %
EPRA NAV per share	€46.19	€44.72	3.3 %	€46.19	€44.72	3.3 %

Last year's results per share on a pro forma basis

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Dear shareholders and Readers,

The second quarter of the current financial year was overall positive for LEG and in line with our own planning. Business performance ultimately confirmed both the targets for organic growth and for acquisitions as key additional growth driver.

Rental income increased by 4.0 per cent in the first half of the year. Growth of 2.8 per cent was generated on a pro forma basis. This was also aided by a further reduction in the vacancy rate. Starting from an already low level, vacancies declined from 3.9 per cent in the previous year to 3.0 per cent. Over the same period, in-place rents per square metre rose by 1.9 per cent to €4.92. This development highlights the positive fundamental conditions in our local markets, the quality of the property portfolio and LEG's management expertise. Thanks to the gratifying letting successes in the first half of the year, we are confident that we can expect a further positive development in the occupancy rate as the year progresses. With comparable in-place rents per square metre, we forecast further acceleration in growth. The anticipated positive effects from new rent indexes are key drivers for this.

The key performance indicator FFO I (funds from operations not including sales) increased by 10.9 per cent in the first half of the year to €68.4 million despite increased investment in maintenance. Increased maintenance measures were also related to successful new letting activities. Based on the more significant modernisation projects already initiated, we forecast a further slight increase in total investment in the portfolio over the rest of the year. Planning assumes a significant increase in the capitalisation rate, which should give support to continuing earnings performance overall.

The net asset value as of the end of the first six months was €2,446.4 million or €46.19 per share, and therefore around 3.3 per cent above the value as of 31st December 2012. The equity ratio of 41.5 per cent and a low loan-to-value

(LTV) ratio of 47.5 per cent are further clear evidence of LEG's strong financial position. This safeguards the company's defensive risk profile while leaving us room to grow.

In addition to organic growth, LEG's value-driven strategy also focuses heavily on acquisitions to enhance value. Our acquisitions to date show that we can also successfully execute the communicated external growth strategy. In total, we have already completed three portfolio transactions in our core markets since our IPO, adding around 3,500 units overall. The portfolios will be transferred in August and October 2013. The planned initial FFO yield for all transactions is already over eight per cent and therefore meets the target we set for ourselves. We also believe that there is further potential for future value enhancement in these portfolios. There are currently other portfolios in an active due diligence phase. In light of this, we are optimistic of achieving our acquisition target of 10,000 residential units by the end of 2014. LEG's financial flexibility and a broad presence on local markets with a leading management platform in NRW are significant strategic success factors.

On the basis of this business performance, LEG can also reiterate its overall outlook for 2013 with a guidance FFO I in the range of between €137 and €140 million. The acquisitions carried out this year should mean an additional earnings contribution of approximately €1.5 million in 2013. The positive prospects for organic growth and the additional positive effects of the acquisitions already made mean a growth in FFO I of around ten per cent is expected for 2014. This outlook does not yet include earnings contributions from planned future acquisitions.

We would like to expressly thank our shareholders, tenants and business partners for the confidence they have placed in us.

Düsseldorf, August 2013

Thomas Hegel
(CEO)

Eckhard Schultz
(CFO)

Holger Hentschel
(COO)

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LEG SHARES

Share price performance

The German stock market performed positively overall in the second quarter of 2013 as well. The German blue chip index, the DAX®, climbed from 7,795.31 to 7,959.22 points as of the end of the quarter, an increase of 2.3 per cent.

However, there was also a greater range of volatility in the stock market. The DAX reached a new all-time high on 22nd May at 8,530.89 points, which was followed by a market correction in the second half of the quarter. A positive performance in economic indicators in the US, the start of an ultra-loose monetary policy in Japan and a cut in interest rates by the ECB boosted the stock markets, while statements by the Fed in particular, indicating a tighter monetary policy in the US, and distur-

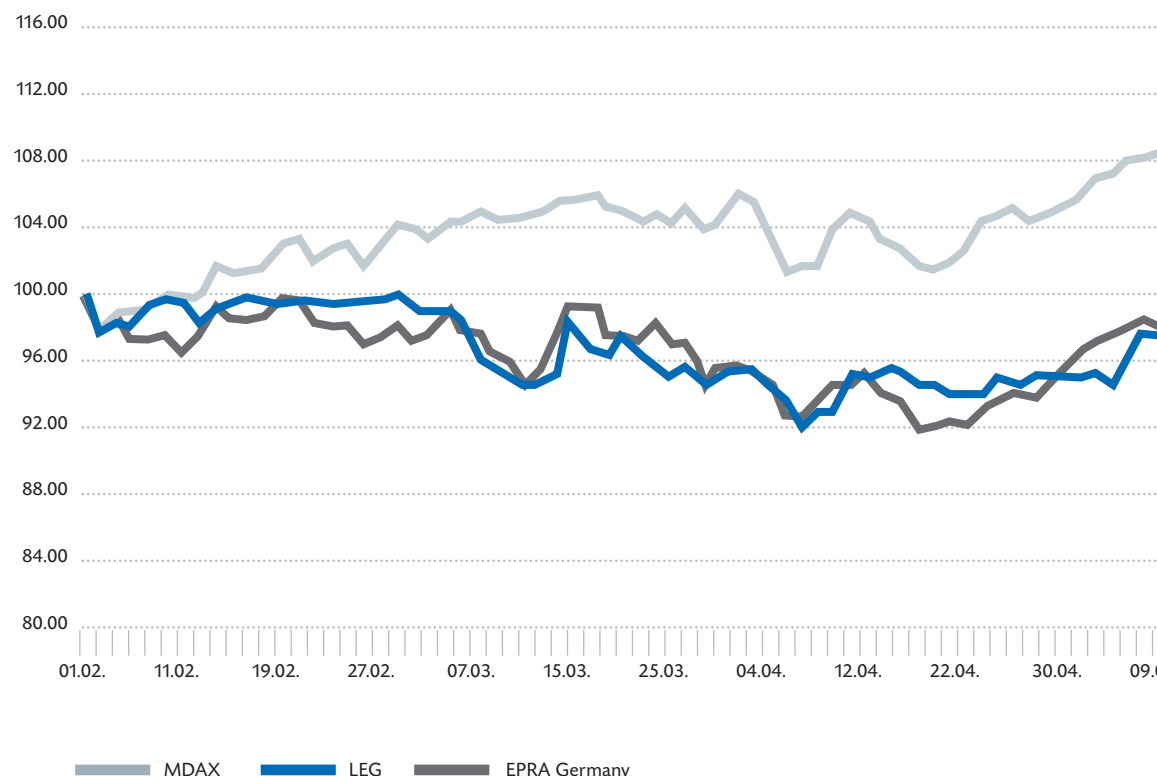
bances on the Chinese interbank market triggered consolidation.

Under the influence of heightened concern over an imminent turnaround in interest rates induced by the US, German property shares turned in a negative performance in the second quarter. This negative quarterly trend did not spare LEG's shares. After an interim high of €46.27 in May, the shares ultimately closed at €40.00 at the end of the quarter. This development was also experienced by peer group companies.

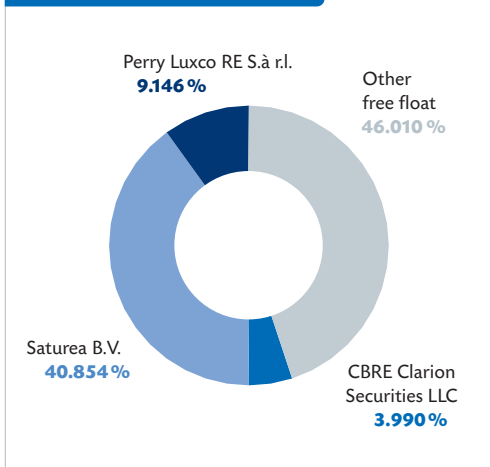
Just a few months after the IPO, LEG's shares met the market capitalisation and trading volume criteria for the MDAX®, with the result that they were added to this index under the fast entry procedure on 24th June.

SHARE PRICE ON 30.06.2013

index-linked; 01.02.2013 = 100



SHAREHOLDER STRUCTURE

**Shareholder structure**

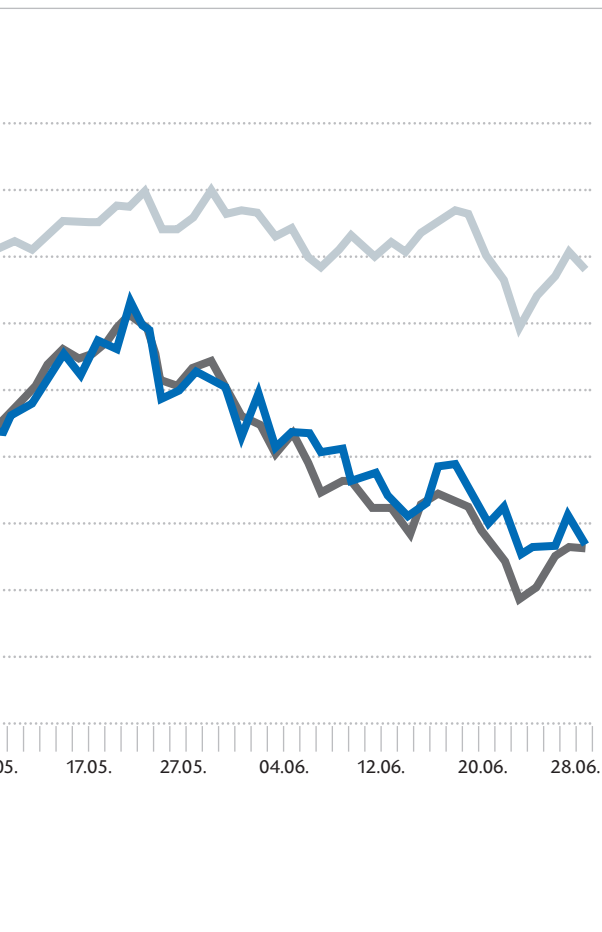
The free float as defined by Deutsche Börse is 50 per cent plus one share.

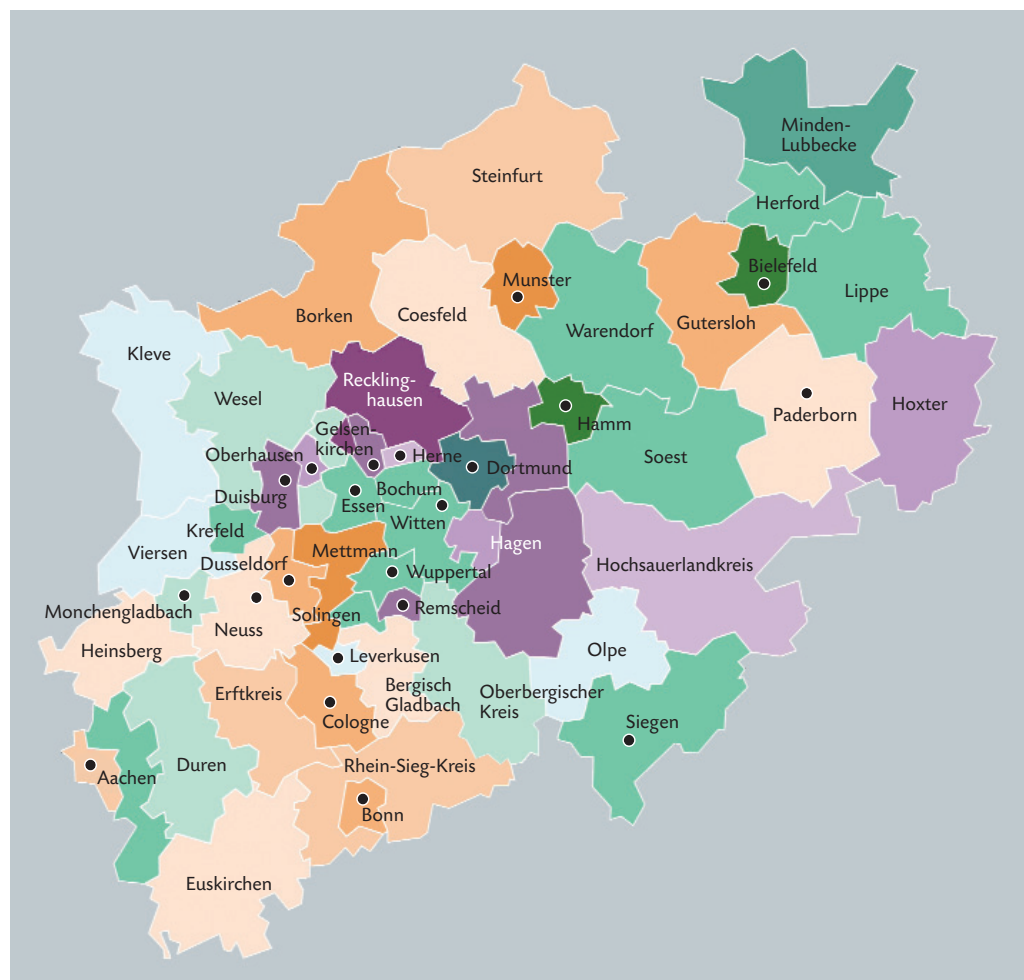
SHARE PERFORMANCE INDICATORS

Ticker symbol	LEG
WKN	LEG111
ISIN	DE000LEG1110
Number of shares	52,963,444
Initial listing	1 st February 2013
Market segment	Prime Standard
Indexes	MDAX, FTSE EPRA/NAREIT, GPR indexes
Share price as of 28 th June 2013	€40.00
Market capitalisation (28 th June 2013)	€2,118.6 m
Free float	50% plus one share
Average single-day trading volume	227,457 shares
High	€46.27
Low	€39.70

Analyst coverage

Analyst coverage increased further in recent months, an indication of the ongoing positive trend of investors' interest in LEG's shares. The shares are currently being actively covered by fifteen analysts. Positive investment recommendations are clearly in the majority. There are eleven recommendations with a positive rating, three with a neutral opinion and one with a sell recommendation. Currently, the average upside target price is €47.50.





■ Growth markets
 ■ Stable markets
 ■ Higher yielding markets

PORTFOLIO SEGMENTATION TOP THREE LOCATIONS

by number of apartments per cluster

30.06.2013

	Number of LEG apartments	Share of LEG portfolio in %	Living space in sqm	In-place rent €/sqm	Vacancy rate in %
High growth markets	31,478	34.6	2,079,049	5.48	1.4
District of Mettmann	8,096	8.9	561,254	5.49	1.8
Münster	6,105	6.7	405,199	5.80	0.5
Cologne	3,506	3.9	237,195	5.71	0.5
Other locations	13,771	15.2	875,401	5.25	1.9
Stable markets with attractive yields	32,023	35.2	2,064,636	4.63	3.7
Dortmund	11,542	12.7	765,729	4.55	2.5
Hamm	3,976	4.4	239,995	4.42	3.3
Bielefeld	2,327	2.6	142,210	5.23	2.4
Other locations	14,178	15.6	916,702	4.66	4.9
Higher yielding markets	26,004	28.6	1,607,986	4.54	4.2
District of Recklinghausen	6,407	7.0	401,168	4.56	5.7
Duisburg	4,727	5.2	289,845	4.68	3.7
Maerkisch District	4,412	4.9	269,730	4.45	2.6
Other locations	10,458	11.5	647,243	4.51	4.2
Outside NRW	1,389	1.5	92,084	5.00	1.3
Total	90,894	100.0	5,843,755	4.92	3.0

PORTFOLIO

Overview

As of 30th June 2013, the LEG Immobilien AG portfolio comprised 90,894 residential units, 1,008 commercial units and 21,770 garages and parking spaces. The assets are essentially distributed across approximately 160 locations in North Rhine-Westphalia. On average, the residential units measure 64 square metres and have three rooms. Buildings comprise an average of 6.5 residential units and three stories.

Portfolio segmentation

Growth markets (Orange) are characterised by a positive population trend, positive household projections and consistently high demand for residential units. **Stable markets (Green)** are more heterogeneous than growth markets in terms of their demographic and socio-economic development; their housing industry appeal is, on average, solid to high.

Higher yielding markets (Purple) are subject to a higher risk of population decline due to ageing and migration. However, with a strong local presence and good market access, there is

still potential for these submarkets and opportunities for attractive risk-adjusted returns.

The underlying indicators in the scoring system are regularly reviewed and are based on the following demographic, socio-economic and property market data, such as population trends, household forecasts, purchasing power, rent levels and rent multipliers. Our analysis of the various local markets in NRW was unchanged in comparison to the end of 2012.

Under this system, Bonn and Munster are the highest ranking markets, followed by Rhein-Sieg District, Cologne and Dusseldorf. A further 15 growth markets are distributed across the Rhineland area, parts of Munsterland and the District of Paderborn. The stable markets are headed by Aachen and Bielefeld. There are 20 further submarkets spread across the entire state. The District of Unna heads the higher yielding market segment, followed by ten further districts predominantly in the Ruhr area and Sauerland.

30.06.2012					Change	
Number of LEG apartments	Share of LEG portfolio in %	Living space in sqm	In-place rent €/sqm	Vacancy rate in %	In-place rent in %	Vacancy rate in basis points
30,291	33.7	2,012,263	5.32	1.8	2.9	-40
8,100	9.0	561,610	5.25	2.5	4.5	-70
6,115	6.8	406,275	5.66	0.4	2.4	10
3,518	3.9	237,868	5.47	1.4	4.4	-90
12,558	14.0	806,510	5.15	2.1	1.9	-20
32,048	35.7	2,066,091	4.59	5.0	0.8	-130
11,556	12.9	766,406	4.56	3.7	-0.3	-120
3,976	4.4	239,995	4.34	3.4	1.8	-10
2,329	2.6	142,355	5.16	3.5	1.4	-110
14,187	15.8	917,334	4.60	6.8	1.3	-190
26,041	29.0	1,609,678	4.50	5.2	0.9	-100
6,423	7.2	402,153	4.51	6.9	1.1	-120
4,739	5.3	290,596	4.60	4.7	1.7	-100
4,412	4.9	269,730	4.43	2.8	0.3	-20
10,467	11.7	647,199	4.48	5.4	0.7	-120
1,389	1.5	92,084	4.85	0.9	3.0	40
89,769	100.0	5,780,116	4.83	3.9	1.9	-90

■ Performance of the LEG portfolio

Operational development (rents, vacancies, fluctuation)

The residential portfolio changed only slightly in the second quarter of 2013 compared to the first quarter. Thus, in the second quarter, 27 residential units at various locations were sold for the purposes of portfolio streamlining.

Rent development remained positive in line with planning across all submarkets compared to the second quarter of 2012. The average net basic rent climbed from €4.82 per square metre to €4.90 per square metre (like-for-like) and from

€4.83 per square metre to €4.92 per square metre in absolute terms. In the free financed portfolio, rents increased 2.8 per cent to €5.20 per square metre (like-for-like) and to €5.21 per square metre in absolute terms. The next rent adjustment for rent controlled apartments is scheduled for January 2014.

In our growth markets, rents per square metre rose significantly by 3.0 per cent in comparison to the previous year. Growth on our stable markets and higher yielding markets was at 0.9 per cent. Rents were reduced on stable markets in connection with the advantageous refinancing of subsidised loans in the final quarter of 2012.

DEVELOPMENT OF THE LEG-PORTFOLIO

Residential units	30.06.2013	31.03.2013	30.06.2012	30.06.2013	31.03.2013	30.06.2012
	High growth markets			Stable markets with attractive yields		
Rent-controlled apartments						
Number	11,481	11,501	11,499	14,502	14,546	15,007
Area (in sqm)	795,632	796,801	795,191	992,005	994,599	1,031,712
In-place rent (in €/sqm)	4.89	4.89	4.84	4.34	4.35	4.39
Vacancy rate (in %)	1.4	1.5	1.8	3.6	4.2	5.1
Privately financed apartments						
Number	19,997	19,987	18,792	17,521	17,493	17,041
Area (in sqm)	1,283,417	1,276,976	1,217,072	1,072,632	1,015,639	1,034,852
In-place rent (in €/sqm)	5.84	5.82	5.64	4.90	4.88	4.79
Vacancy rate (in %)	1.5	1.5	1.7	3.7	3.9	4.9
Total apartments						
Number	31,478	31,488	30,291	32,023	32,039	32,048
Area (in sqm)	2,079,049	2,079,511	2,012,263	2,064,636	2,065,588	2,066,564
In-place rent (in €/sqm)	5.48	5.46	5.32	4.63	4.62	4.59
Vacancy rate (in %)	1.4	1.5	1.8	3.7	4.0	5.0
Total commercial						
Number						
Area (in sqm)						
Total parking						

This effect has distorted the development in rent levels in this segment, which is actually significantly stronger.

Compared to the previous quarter, the vacancy rate declined once again and was at 3.0 per cent after the first half of the year. Compared to the same quarter of the previous year, vacancies were therefore reduced significantly by 90 basis points.

This positive development was reflected in all market segments. Already high occupancy in the growth markets rose through demand in this segment. Occupancy rates in excess of 98.5 per cent were achieved in the privately financed and

rent-controlled portfolios. This corresponds to an improvement of around 40 basis points compared to the previous year. In particular, there was high letting acceleration on the stable markets and the higher yielding markets. Vacancies here were reduced by 130 and 100 basis points to 3.7 per cent and 4.2 per cent, respectively.

An important indicator of tenant satisfaction is the fluctuation rate. Compared to the same period of the previous year, this rate was again reduced and is now at 10.8 per cent (Q2 2012: 11.2 per cent).

	30.06.2013	31.03.2013	30.06.2012	30.06.2013	31.03.2013	30.06.2012	30.06.2013	31.03.2013	30.06.2012
	Higher yielding markets			Non-NRW			Total		
	8,898	9,125	9,384	220	220	220	35,101	35,392	36,110
	590,950	604,165	620,628	17,192	17,192	17,192	2,395,779	2,412,757	2,464,722
	4.19	4.22	4.20	4.20	4.19	4.19	4.49	4.50	4.49
	4.5	4.9	6.0	0.5	0.0	1.0	3.1	3.5	4.3
	17,106	16,880	16,657	1,169	1,169	1,169	55,793	55,529	53,659
	1,017,036	993,402	989,051	74,892	74,892	74,892	3,447,976	3,360,908	3,315,867
	4.74	4.73	4.69	5.17	5.11	4.99	5.21	5.20	5.08
	4.0	4.3	4.7	1.4	0.6	0.8	3.0	3.1	3.7
	26,004	26,005	26,041	1,389	1,389	1,389	90,894	90,921	89,769
	1,607,986	1,608,064	1,609,678	92,084	92,084	92,084	5,843,755	5,845,246	5,780,589
	4.54	4.54	4.50	5.00	4.94	4.85	4.92	4.91	4.83
	4.2	4.5	5.2	1.3	0.5	0.9	3.0	3.2	3.9
						1,008	996	988	
						195,709	194,113	193,386	
						21,770	21,579	21,198	

Value development

The following table shows the distribution of assets by market segment. The market valuation of the portfolio was not updated in the first half of the year. The rental yield on the portfolio based on in-place rents is at 7.2 per cent (rent multiplier: 13.9x).

VALUE DEVELOPMENT

Market segments	Residential units	Residential assets (€m)	Share residential assets in %	Value €/sqm	In-place rent multiplier	Commercial/ other assets (€m)	Total assets (€m)
High growth markets	31,478	2,137	46	1,030	15.9 x	180	2,316
Stable markets with attractive yields	32,023	1,421	31	686	12.8 x	82	1,503
Higher yielding markets	26,004	1,002	22	623	11.9 x	43	1,045
Subtotal NRW	89,505	4,559	98	792	13.8 x	305	4,864
Non-NRW	1,389	79	2	853	14.3 x	15	94
Total Portfolio	90,894	4,638	100	793	13.9 x	319	4,958
Leasehold and land values							25
Inventories (IAS 2)							16
Total balance sheet							4,999

Investment activities

Maintenance spending and value-enhancing investments eligible for capitalisation amounted to €33.6 million in the first half of 2013. Investment in the first half of the year was therefore slightly below the €35.0 million spent in the same period of the previous year. Of these total expenses, €11.7 million (34.8 per cent) related to capital expenditure, while maintenance recognised as an expense amounted to €21.9 million.

These expenses were defined by maintenance measures that related in part to successful new letting activities (turn costs). Following the start-up period for project analysis and invitations to tender for activities, a large number of value-adding modernisation projects will be initiated in the third quarter of 2013 that are expected to raise the capitalisation rate significantly before the end of this year, bringing it to a normalised level of around 50 per cent. Increased overall spending has been budgeted for the second half of the year. After average maintenance and modernisation expenses of €5.60 per square

metre in the first six months, total investments of around €14 per square metre are planned for the entire year.

The planned increase is mainly due to the start of modernisation projects. However, there have already been advance payments for maintenance expenses in the first six months. This applies in part to the preparation of apartments for new letting. A slight absolute decline in maintenance expenses is therefore anticipated in the second half of the year.

INTERIM MANAGEMENT REPORT

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ANALYSIS OF NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Please see the glossary in the annual report for a definition of individual ratios and terms.

Results of operations

The condensed income statement for the reporting period (1st January to 30th June 2013) and the comparative period (1st January to 30th June 2012) is as follows:

CONDENSED INCOME STATEMENT				
€ million	Q2 2013	Q2 2012	01.01.- 30.06.2013	01.01.- 30.06.2012
Net rent and lease income	64.2	58.7	123.7	117.0
Net income from the disposal of investment property	-0.5	0.1	-0.7	-0.5
Net income from the remeasurement of investment property	0.0	0.0	0.0	0.0
Net income from the disposal of real estate inventory	-0.8	0.0	-1.7	-1.0
Net income from other services	0.7	0.5	1.5	1.2
Administrative and other expenses	-11.1	-12.0	-22.5	-19.7
Other income and expenses	0.3	0.5	0.3	1.2
Operating earnings	52.2	47.8	100.6	98.2
Interest income	0.4	0.5	0.6	0.9
Interest expense	-30.3	-76.3	-65.4	-112.4
Net income from other financial assets	1.3	0.2	1.4	1.6
Net income from the fair value measurement of derivatives	4.2	-0.4	2.5	-0.6
Net finance costs	-24.4	-76.0	-60.9	-110.5
Earnings before income taxes	27.8	-28.2	39.7	-12.3
Income taxes	-4.4	0.8	-5.0	2.0
Net profit or loss for the period	23.4	-27.4	34.7	-10.3

The slight decline in operating earnings in the first quarter compared to the same period of the previous year was reversed in the second quarter. Operating earnings in the second quarter of 2013 amounted to €52.2 million and were up €3.8 million from the first quarter. Thus, earnings generated in the first six months were €2.4 million higher than in the same period of the previous year.

Net finance costs improved significantly by €49.6 million year-on-year, resulting in a net profit of €34.7 million for the reporting period.

The condensed income statement for segment reporting in the H1 reporting period is as follows:

CONDENSED INCOME STATEMENT FOR SEGMENT REPORTING 01.01.-30.06.2013				
€ million	Residential	Other	Reconciliation	Group
Rental and lease income	257.0	3.7	-0.4	260.3
Cost of sales of rental and lease	-136.0	-0.1	-0.5	-136.6
Net rental and lease income	121.0	3.6	-0.9	123.7
Net income from the disposal of investment property	-0.5	-0.2	0.0	-0.7
Net income from the measurement of investment property	0.0	0.0	0.0	0.0
Net income from the disposal of real estate inventory	-0.2	-1.5	0.0	-1.7
Net income from other services	0.3	19.5	-18.3	1.5
Administrative and other expenses	-19.8	-21.8	19.1	-22.5
Other income	0.3	0.0	0.0	0.3
Segment earnings	101.1	-0.4	-0.1	100.6

The Housing segment generated operating segment earnings of €101.1 million in the reporting period. The Other segment generated operating segment earnings of €-0.4 million.

The condensed income statement for the H1 2012 comparative period by segment is as follows:

CONDENSED INCOME STATEMENT FOR SEGMENT REPORTING 01.01.-30.06.2012				
€ million	Residential	Other	Reconciliation	Group
Rental and lease income	244.1	3.3	-1.0	246.4
Cost of sales of rental and lease	-130.2	0.0	0.8	-129.4
Net rental and lease income	113.9	3.3	-0.2	117.0
Net income from the disposal of investment property	-0.4	-0.1	0.0	-0.5
Net income from the measurement of investment property	0.0	0.0	0.0	0.0
Net income from the disposal of real estate inventory	0.1	-1.1	0.0	-1.0
Net income from other services	0.4	20.3	-19.5	1.2
Administrative and other expenses	-17.5	-19.1	16.9	-19.7
Other income	1.1	0.1	0.0	1.2
Segment earnings	97.6	3.4	-2.8	98.2

The Housing segment generated operating segment earnings of €97.6 million in the same period of the previous year. The Other segment generated operating segment earnings of €3.4 million.

The largest share of income in the Other segment is accounted for by income from service agreements between LEG Management GmbH and property companies in the Housing segment. The resulting income in the Other segment and the corresponding expenses in the Housing segment are internal to the Group and are eliminated in the "Reconciliation" column.

Intragroup transactions between the segments are conducted at arm's length conditions.

Net rental and letting income

NET RENTAL AND LEASE INCOME				
€ million	Q2 2013	Q2 2012	01.01.- 30.06.2013	01.01.- 30.06.2012
Gross rental income	101.9	85.8	191.3	171.6
of which: net cold rent	88.9	85.6	178.1	171.2
Other income	26.9	35.3	69.0	74.8
Rental and lease income (gross)	128.8	121.1	260.3	246.4
Purchased services	-52.2	-48.9	-110.9	-100.7
Staff costs	-7.7	-7.9	-17.5	-15.6
of which IPO costs	0.0	0.0	-2.1	0.0
Depreciation and amortisation expenses	-0.9	-1.0	-2.0	-2.1
Other operating expenses	-3.8	-4.6	-8.3	-11.0
IPO cost reimbursement	0.0	0.0	2.1	0.0
Cost of sales of in connection with rental and letting income	-64.6	-62.4	-136.6	-129.4
Net rental and lease income	64.2	58.7	123.7	117.0

Rent increases, a significant reduction in vacancies and the acquisition of the Bocholt portfolio contributed to a rise in rental income of 4.0 per cent from €171.2 million in the same period of the previous year to €178.1 million in the reporting period. The positive trend in the first quarter continued in the second quarter.

Some utility bills were already issued in the second quarter of 2013. Compared to the same period of the previous year, this resulted in a shift in reporting in favour of income from cost allocations (reported in gross rental income) and at the expense of the reduction of work in progress (reported in Other income).

The LEG Group invested selectively in its assets in the reporting period. At €33.6 million, total investment is €1.4 million lower to date than in the same period a year ago.

**MAINTENANCE AND MODERNISATION
OF INVESTMENT PROPERTY**

€ million	Q2 2013	Q2 2012	01.01.- 30.06.2013	01.01.- 30.06.2012
Maintenance expenses of investment property	9.7	9.0	21.9	16.1
Capital expenditure	4.7	9.6	11.7	18.9
Total investment	14.4	18.6	33.6	35.0
Area of investment property in million sqm	6.04	5.97	6.04	5.97
Average investment (€ per sqm)	2.4	3.1	5.6	5.9

In particular, there were fewer major projects in the second quarter of the reporting period. This contributed largely to the decline in capitalised modernisation work from €18.9 million in the same period of the previous year to €11.7 million in the reporting period.

An unusually large amount of maintenance work was performed in the first half of 2013. Compared to the same period of the previous year, maintenance expenses climbed from €16.1 million in the same period of the previous year to €21.9 million in the reporting period. One key area of maintenance work was in connection with renovations done for successful new lease signings.

Maintenance and modernisation work in particular will rise slightly as the financial year continues. This will entail a planned increase in value-enhancing measures eligible for capitalisation. Compliance with the requirements of the social charter is assured.

**Net income from the disposal of
investment property**
**NET INCOME FROM THE DISPOSAL
OF INVESTMENT PROPERTY**

€ million	Q2 2013	Q2 2012	01.01.- 30.06.2013	01.01.- 30.06.2012
Income from the disposal of investment property	2.7	2.7	4.5	5.3
Carrying amount of investment property disposed of	-2.9	-2.4	-4.6	-5.4
Cost of sales of investment property disposed of	-0.3	-0.2	-0.6	-0.4
Net income from the disposal of investment property	-0.5	0.1	-0.7	-0.5

As a result of selective portfolio streamlining, less investment property was sold in the reporting period. The LEG Group sold these properties at slightly above their book value. With the exception of one property that was sold at a loss of €0.5 million, this trend was confirmed in both quarters of the reporting period.

Staff and non-staff operating costs for investment property were virtually unchanged compared to the same period of the previous year in both quarters of the reporting period.

Net income from the disposal of real estate inventory

NET INCOME FROM THE DISPOSAL OF REAL ESTATE INVENTORY				
€ million	Q2 2013	Q2 2012	01.01.- 30.06.2013	01.01.- 30.06.2012
Income from the disposal of real estate inventory	0.4	3.6	0.8	5.1
Carrying amount from the disposal of real estate inventory	-0.2	-3.0	-0.5	-4.2
Cost of sales in connection with the disposal of real estate inventory	-1.0	-0.6	-2.0	-1.9
Net income from the disposal of real estate inventory	-0.8	0.0	-1.7	-1.0

The sale of the remaining properties of the former Development Division continued in the reporting period. A large development project in Neuss was transferred to the buyer in the second quarter of 2012. This disposal resulted in income of €2.5 million in the second quarter of last year and a carrying amount disposal of €2.1 million in income from the disposal of inventory properties.

The remaining inventory properties as of 30th June 2013 amounted to €15.9 million, €11.5 million of which related to properties under development.

Minor savings in staff costs were offset by slight increases in project costs for properties already sold in the second quarter of 2013. The cost of sales of inventory properties sold therefore matched the level in the same period of the previous year.

Net income from other services

OTHER SERVICES				
€ million	Q2 2013	Q2 2012	01.01.- 30.06.2013	01.01.- 30.06.2012
Income from other services	2.4	2.6	4.9	5.5
Expenses in connection with other services	-1.7	-2.1	-3.4	-4.3
Net income from other services	0.7	0.5	1.5	1.2

Net income from Other services essentially includes income from electricity and heat fed to the grid.

A decline in income from electricity and heat generation resulted in a lower coverage of fixed costs. This was offset by a reduction in costs of materials and lower pro rata allocation of occupancy costs in connection with Other services. Net income from Other services was therefore virtually unchanged compared to the same period of the previous year. The effects were at a similar level in both quarters of 2013.

Administrative and other expenses

ADMINISTRATIVE AND OTHER EXPENSES				
€ million	Q2 2013	Q2 2012	01.01.- 30.06.2013	01.01.- 30.06.2012
IPO cost reimbursement	1.1	0.0	9.3	0.0
Staff costs	-4.9	-4.0	-13.3	-8.5
Purchased services	-0.3	-0.3	-0.6	-0.6
Depreciation and amortisation	-0.7	-0.5	-1.2	-1.0
Other operating expenses	-6.4	-7.1	-16.8	-9.4
Other taxes	0.1	-0.1	0.1	-0.2
Administrative and other expenses	-11.1	-12.0	-22.5	-19.7

The rise in expenses in the reporting period is overall due to non-recurring effects. The costs in connection with the IPO were key factors for the increase in the expense components of staff costs and other operating expenses. However, these expenses were passed on to the shareholders Saturea B.V. and Perry Luxco RE S.à r.l. The cost reimbursement of €9.3 million was offset by staff costs of €2.5 million and other operating expenses of €6.8 million and therefore there was no net impact on results. The staff

costs item also includes €1.8 million for a long-term, performance-based remuneration plan (long-term incentive programme), which are a non-cash and pass-through item. The result of the previous year benefited from the non-recurring reversal of a provision. Generally, recurring administrative costs were down slightly in the reporting period.

Net finance costs

NET FINANCE COSTS				
€ million	Q2 2013	Q2 2012	01.01.- 30.06.2013	01.01.- 30.06.2012
Interest income	0.4	0.5	0.6	0.9
Interest expense	-30.3	-76.3	-65.4	-112.4
Net interest income	-29.9	-75.8	-64.8	-111.5
Net income from other financial assets	1.3	0.2	1.4	1.6
Net income from the fair value measurement of derivatives	4.2	-0.4	2.5	-0.6
Net finance costs	-24.4	-76.0	-60.9	-110.5

The refinancing amounts drawn in the reporting period resulted from agreements concluded in 2012. Prepayment penalties on refinancing activity in 2013 were therefore already reflected in provisions as of 31st December 2012. In contrast to the same period of the previous year (prepayment penalties: €25.8 million), there were therefore only insignificant expenses for prepayment penalties in the reporting period. In the reporting period, the historically low interest rate was also used for the valued refinancing of current loans. On June 30th, the average interest rate was 3.3 per cent p.a. (30.06.2012: 3.6 per cent p.a.). A large part of the contractually agreed refinancing was finalised during or after the same period of the previous year. A reduction in the cash interest expenses was therefore palpably noticed in the third quarter of 2012. After adjustment for prepayment penalties and Other items, cash interest expenses were thus reduced to from €48.1 million in the compared period to €45.2 million in the reporting period.

Reconciliation to FFO

A key performance indicator in the LEG Group is FFO. The LEG Group distinguishes between FFO I (not including net income from the disposal of investment property), FFO II (including net income from the disposal of investment property) and AFFO (FFO I adjusted for capex). Details of the calculation system for each indicator can be found in the glossary.

FFO I, FFO II and AFFO were calculated as follows in the reporting period and the same period of the previous year:

CALCULATION OF FFO I, FFO II AND AFFO				
€ million	Q2 2013	Q2 2012	01.01.- 30.06.2013	01.01.- 30.06.2012
Net profit or loss for the period (IFRS)	23.4	-27.4	34.7	-10.3
Interest income	-0.4	-0.5	-0.6	-0.9
Interest expenses	30.3	76.3	65.4	112.4
Net interest income	29.9	75.8	64.8	111.5
Other financial expenses	-5.5	0.2	-3.9	-1.0
Income taxes	4.4	-0.8	5.0	-2.0
EBIT	52.2	47.8	100.6	98.2
Depreciation, amortisation and write-downs	2.1	2.1	4.2	4.3
EBITDA	54.3	49.9	104.8	102.5
Measurement at fair value of investment property	0.0	0.0	0.0	0.0
LTIP (long-term incentive programme)	0.8	0.0	1.8	0.0
Non-recurring project costs	2.9	2.5	4.7	4.5
Extraordinary and prior-period expenses and income	-0.1	-0.2	-0.3	-0.4
Net income from the disposal of investment property	0.5	-0.1	0.7	0.5
Net income from the disposal of real estate inventory	0.8	0.0	1.7	1.0
Adjusted EBITDA	59.2	52.1	113.4	108.1
Cash interest expenses and income	-24.6	-26.1	-45.2	-48.1
Cash income taxes	0.0	0.2	0.2	1.7
FFO I (not including disposal of investment property)	34.6	26.2	68.4	61.7
Net income from the disposal of investment property	-0.5	0.1	-0.7	-0.5
FFO II (including disposal of investment property)	34.1	26.3	67.7	61.2
Capex expenditure	-4.7	-9.6	-11.7	-18.9
Adjusted FFO I (AFFO)	29.9	16.6	56.7	42.8

At €68.4 million in the reporting period, FFO I (not including net income from the disposal of investment property) was 10.9 per cent higher than in the same period of the previous year (€61.7 million). In particular, the increase reflects the effects of the rise in net cold rents, as well as lower cash expenses.

These effects more than compensate the rise in maintenance expenses and resulted in a rise in FFO I of €6.7 million compared to the same period of the previous year.

Compared to the first quarter of 2013, the decline in maintenance expenses had a positive effect during the April-June 2013 period, resulting in FFO I of €34.6 million in the second quarter of 2013 (Q1: €33.8 million).

Net asset situation (Condensed statement of financial position)

CONDENSED BALANCE SHEET		
€ million	30.06.2013	31.12.2012
Investment property	4,946.2	4,937.1
Prepayments for investment properties	5.7	0.0
Other non-current assets	105.5	114.1
Non-current assets	5,057.4	5,051.2
Receivables and other assets	61.5	50.7
Cash and cash equivalents	151.0	133.7
Current assets	212.5	184.4
Assets held for disposal	2.6	2.2
Total assets	5,272.5	5,237.8
Equity	2,187.6	2,085.5
Non-current financial liabilities	2,381.8	2,102.9
Other current liabilities	455.3	480.2
Non-current borrowed capital	2,837.1	2,583.1
Current financial liabilities	122.6	396.8
Other current liabilities	125.2	172.4
Current borrowed capital	247.8	569.2
Total equity and liabilities	5,272.5	5,237.8

Total assets amounted to €5,272.5 million as of the end of the reporting period (31st December 2012: €5,237.8 million).

The largest item on the assets side is non-current assets at €5,057.4 million. The main asset of the LEG Group is investment property and advanced payments for investment property of €4,951.9 million as of 30th June 2013 (31st December 2012: €4,937.1 million), accounting for 93.9 per cent of total assets (31st December 2012: 94.3 per cent).

As of the end of the interim reporting period, €5.7 million in advance payments for investment property were reported for the acquisition of further property portfolios. Around 3,500 units will be transferred in the third and fourth quarter of 2013, documenting the growth course embarked on by LEG.

The main equity and liability items are the reported equity of €2,187.6 million (31st December 2012: €2,085.5 million) and the financial liabilities of €2,504.4 million (31st December 2012: €2,499.7 million).

By 30th June 2013, incoming payments of €17.8 million were posted for the claims accruing from IPO cost reimbursement (€11.5 million for the reporting period; €7.4 million for the 2012 financial year, amounting to total receivables of €18.9 million). The remaining €1.1 million in receivables is expected to be received in the third quarter of 2013.

In the first quarter of the reporting period, the amount of €40.5 million was paid by the shareholders Perry Luxco S.à. r.l. and Restio B.V. in to the capital reserves by way of transfer of a shareholder loan to LEG Immobilien AG. The transaction resulted in the conversion of debt under other current liabilities into equity.

Net Asset Value (NAV)

Another key performance indicator in the LEG Group is the NAV. Details of the calculation for each indicator can be found in the glossary of the 2012 annual report.

As of 30th June 2013, the LEG Group reported EPRA NAV of €2,446.4 million.

EPRA-NAV		
€ million	30.06.2013	31.12.2012
Equity	2,187.6	2,085.5
Note: shareholder loans were converted to equity in 2003		40.5
Fair value measurement of derivative financial instruments	0.0	0.0
NAV	2,187.6	2,085.5
Fair value measurement of derivative financial instruments	52.6	89.7
Deferred taxes	206.2	193.1
EPRA-NAV	2,446.4	2,368.3
Number of share	52,963,444	
EPRA-NAV per share in €	46.19	

Loan to value ratio (LTV)

Compared to 31st December 2012, net debt in relation to property assets slightly declined. The loan-to-value ratio (LTV) therefore amounts to 47.50 per cent (31st December 2012: 47.90 per cent).

LOAN TO VALUE RATIO		
€ million	30.06.2013	31.12.2012
Financial liabilities	2,504.4	2,499.7
Less cash and cash equivalents	151.0	133.7
Net financial liabilities	2,353.4	2,366.0
Investment property	4,946.2	4,937.1
Assets held for sale	2.6	2.2
Prepayments for investment properties	5.7	0.0
Real estate assets	4,954.5	4,939.3
Loan to Value Ratio (LTV) in %	47.50	47.90

Financial position

A net profit of €34.7 million was generated (previous year: net loss of €10.3 million) in the reporting period. Equity amounted to €2,187.6 million as of the end of the reporting period (31st December 2012: €2,085.5 million). This corresponds to an equity ratio of 41.5 per cent (31st December 2012: 39.8 per cent).

As part of the refinancing, new loans in the amount of €270.9 million were drawn in 2013 as of 30th June 2013. The newly concluded loans were primarily used for the repayment of existing loans.

Equity was boosted by an additional €40.5 million by the transfer of a shareholder loan by Restio B.V. and Perry Luxco S.à r.l. to LEG Immobilien AG (as a contribution to capital reserves) in the first quarter of the reporting period.

The condensed statement of the LEG Group's cash flows for the reporting period is as follows:

STATEMENT OF CASH FLOWS		
€ million	01.01.- 30.06.2013	01.01.- 30.06.2012
Cash flows from/used operating activities	40.3	53.0
Cash flows from/used investing activities	-15.7	-15.1
Cash flows from/used financing activities	-7.3	44.0
Changes in cash and cash equivalents	17.3	81.9

In a year-to-date comparison, the particularly high utilisation of provisions has had a negative impact on cash flow from operating activities. Acquisitions of property portfolios contributed to the cash flow from investing activities with payments of €5.7 million. Furthermore, payments for the modernisation of the property portfolio resulted in total net cash used in investing activities of €15.7 million.

The refinancing of the properties of Gemeinnützige Wohnungsgesellschaft Nordwestdeutschland mbH resulted in a sharp rise in cash flow from financing activities for Gesellschaft für Wohnungs- und Städtebau mbH and LEG NRW GmbH in the second quarter of 2012. As of the end of the 2012 financial year, prepayment penalties of €11.9 million were accrued for new loans. These were paid in the reporting period and were a key factor in the higher cash outflow from financing activities compared to the same period of the previous year.

SUPPLEMENTARY
REPORT

Loans extended in the second quarter of 2013 resulted in a rise in cash flow from financing activities from €-20.3 million in the first quarter to €-7.3 million for the entire reporting period. The LEG Group was solvent at all times during the reporting period.

Acquisition

The acquisition of a property portfolio of 829 residential units for around €34 million was notarised on 11th July 2013. This was the third portfolio acquisition since the IPO. The portfolio generates annual net cold rent of €2.6 million and is situated in attractive micro locations in the town of Solingen, which is around 20 kilometres from Düsseldorf. Average in-place rents amount to €4.92 per square metre and the initial vacancy rate is approximately six per cent. The portfolio generates an initial FFO return of 10 per cent and is therefore higher than LEG's target returns for acquisitions. Closing for the transaction is expected on 1st October 2013. The approximately 2,700 residential units from two portfolio acquisitions notarised by 30th June 2013 were transferred on 1st August 2013.

Annual General Meeting

The first Annual General Meeting of LEG was held in Düsseldorf on 19th July 2013. A pro rata dividend of €0.41 per share was decided. The remaining profit of €40,135,804 will be carried forward to new account.

REPORT ON RISKS AND OPPORTUNITIES

The risks and opportunities to which LEG is exposed in its operating activities were described in detail in the 2012 annual report. In the 2013 financial year to date, no further risks have arisen or become identifiable that would lead to a different assessment.

FORECAST

We believe that the operational performance in the first half of 2013 shows that we are on course to achieve our business forecast for 2013. In its base scenario – i.e. not including already completed as well as additional acquisitions – LEG is forecasting FFO I (not including income from disposals) ranging from €137 million to €140 million. This forecast is based on rental income growth of above two per cent on a like-for-like basis. The highly gratifying vacancy development in the first half of the year also gives rise to expectations of a further reduction in the vacancy rate by the end of the year.

In light of this highly positive development in letting performance, we are adjusting our investment planning for the year as a whole slightly upwards to around €14 per square metre on account of the standard turn costs. This corresponds to a planned total volume of slightly more than €80 million for the current portfolio. The already initiated value-adding modernisation projects indicate a capitalisation rate for the year as a whole of around 50 per cent.

Additional growth is to be generated through acquisitions. Overall, around 5,000 units are set to be bought in 2013, of which around 3,500 have already been acquired in two portfolios as of 1st August 2013 and one further portfolio as of 1st October 2013. The recent acquisitions are expected to increase FFO I by some €1.5 million in 2013. Further portfolios are currently in the due diligence phase. On the basis of the positive prospects for organic growth and the anticipated positive earnings contributions from the acquisitions already secured, we are forecasting growth in FFO I of around 10 per cent in the 2014 financial year. This does not yet include positive effects from further acquisitions.

The company is planning to distribute a dividend of 65 per cent of the FFO I generated as a dividend.

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LEG IMMOBILIEN AG

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30TH JUNE 2013

ASSETS		
€ million	30.06.2013	31.12.2012
Non-current assets	5,057.4	5,051.2
Investment property	4,946.2	4,937.1
Prepayments for investment properties	5.7	-
Property, plant and equipment	69.4	72.3
Intangible assets	5.0	5.9
Investments in associates	8.3	8.3
Other financial assets	4.7	4.9
Receivables and other assets	2.0	1.9
Deferred tax assets	16.1	20.8
Current assets	212.5	184.4
Inventory properties and other inventories	16.2	17.4
Receivables and other assets	42.7	31.3
Income tax receivables	2.6	2.0
Cash and cash equivalents	151.0	133.7
Assets held for sale	2.6	2.2
Total assets	5,272.5	5,237.8

EQUITY AND LIABILITIES		
€ million	30.06.2013	31.12.2012
Equity	2,187.6	2,085.5
Share capital	53.0	53.0
Capital reserves	478.4	436.1
Cumulative other reserves	1,630.3	1,571.5
Equity attributable to shareholders of the parent company	2,161.7	2,060.6
Non-controlling interests	25.9	24.9
Non-current liabilities	2,837.1	2,583.1
Provisions for pensions	124.2	121.5
Other provisions	12.1	12.2
Financial liabilities	2,381.8	2,102.9
Other liabilities	64.5	101.2
Tax liabilities	32.2	31.4
Deferred tax liabilities	222.3	213.9
Current liabilities	247.8	569.2
Provisions for pensions	2.8	5.8
Other provisions	14.3	20.1
Provisions for taxes	0.0	0.1
Financial liabilities	122.6	396.8
Other liabilities	88.2	125.5
Tax liabilities	19.9	20.9
Total equity and liabilities	5,272.5	5,237.8

LEG IMMOBILIEN AG

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS OF 30TH JUNE 2013

€ million	Q2 2013	Q2 2012	01.01.- 30.06.2013	01.01.- 30.06.2012
Net rental and lease income	64.2	58.7	123.7	117.0
Rental and lease income	128.8	121.1	260.3	246.4
Cost of sales in connection with rental and lease income	-64.6	-62.4	-136.6	-129.4
Net income from the disposal of investment property	-0.5	0.1	-0.7	-0.5
Income from the disposal of investment property	2.7	2.7	4.5	5.3
Carrying amount of investment property disposed of	-2.9	-2.4	-4.6	-5.4
Cost of sales in connection with investment property disposed of	-0.3	-0.2	-0.6	-0.4
Net income from the disposal of inventory properties	-0.8	0.0	-1.7	-1.0
Income from the real estate inventory disposed of	0.4	3.6	0.8	5.1
Carrying amount of real estate inventory disposed of	-0.2	-3.0	-0.5	-4.2
Cost of sales in connection with real estate inventory disposed of	-1.0	-0.6	-2.0	-1.9
Net income from other services	0.7	0.5	1.5	1.2
Income from other services	2.4	2.6	4.9	5.5
Expenses in connection with other services	-1.7	-2.1	-3.4	-4.3
Administrative and other expenses	-11.1	-12.0	-22.5	-19.7
Other income and expenses	-0.3	0.5	0.3	1.2
Operating earnings	52.2	47.8	100.6	98.2
Interest income	0.4	0.5	0.6	0.9
Interest expenses	-30.3	-76.3	-65.4	-112.4
Net income from investment securities and other equity investments	1.3	0.2	1.4	1.6
Net income from the fair value measurement of derivatives	4.2	-0.4	2.5	-0.6
Earnings before income taxes	27.8	-28.2	39.7	-12.3
Income taxes	-4.4	0.8	-5.0	2.0
Net profit or loss for the period	23.4	-27.4	34.7	-10.3
Change in amounts recognised directly in equity				
Thereof recycling				
Fair value adjustment of interest rate derivatives in hedges	16.2	-12.3	24.8	-19.6
Change in unrealised gains/losses	21.6	-16.4	32.7	-26.2
Income taxes on amounts recognised directly in equity	-5.4	4.1	-7.9	6.6
Thereof non-recycling				
Actuarial gains and losses from the measurement of pension obligations	0.0	0.0	0.0	0.0
Total comprehensive income	39.6	-39.7	59.5	-29.9
Net profit loss for the period attributable to:				
Non-controlling interests	0.2	-4.2	0.5	-1.9
Parent shareholders	23.2	-23.2	34.2	-8.4
Total comprehensive income attributable to:				
Non-controlling interests	0.4	-6.3	0.7	-5.2
Parent shareholders	39.2	-33.4	58.8	-24.7
Earnings per share (basic and undiluted) in €	0.4	-1.6	0.6	-0.6

LEG IMMOBILIEN AG

CONSOLIDATED STATEMENT OF CASH FLOWS

AS OF 30TH JUNE 2013

€ million	01.01.- 30.06.2013	01.01.- 30.06.2012
Earnings before interest and taxes	100.6	98.2
Depreciation on property, plant and equipment and amortisation on intangible assets	4.3	4.3
(Gains)/losses on the disposal of assets held for sale and investment property	0.1	0.1
(Gains)/losses on the disposal of intangible assets and property, plant and equipment	0.0	0.0
(Reduction)/increase in pension provisions and other non-current provisions	-0.4	-0.2
Other non-cash income and expenses	3.8	4.3
(Reduction)/increase in receivables, inventories and other assets	-4.6	2.4
Reduction/(increase) in liabilities (not including financial liabilities) and provisions	-19.4	-9.6
Interest paid	-45.8	-49.0
Interest received	0.6	0.9
Received income from investments	1.4	1.6
Taxes received	0.3	0.2
Taxes paid	-0.6	-0.2
Net cash from/(used in) operating activities	40.3	53.0
Cash flow from investing activities		
Investments in investment property	-20.5	-18.2
Proceeds from disposals of non-current assets held for sale and investment property	4.5	5.3
Investments in intangible assets and property, plant and equipment	-0.3	-2.1
Proceeds from disposals of intangible assets and property, plant and equipment	0.0	0.0
Investments in financial assets and other assets	0.6	0.0
Proceeds from disposals of associates	-	0.0
Acquisition of shares in consolidated companies	-	-0.2
Proceeds from disposals of shares in consolidated companies	-	0.1
Net cash from/(used in) investing activities	-15.7	-15.1
Cash flow from financing activities		
Borrowing of bank loans	332.8	271.8
Repayment of bank loans	-338.6	-226.1
Repayment of lease liabilities	-1.5	-1.7
Net cash from/(used in) financing activities	-7.3	44.0
Change in cash and cash equivalents	17.3	81.9
Cash and cash equivalents at beginning of period	133.7	81.8
Cash and cash equivalents at end of period	151.0	163.7
Composition of cash and cash equivalents		
Cash on hand, bank balances	151.0	163.7
Cash and cash equivalents at end of period	151.0	163.7

SELECTED NOTES ON THE IFRS CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30TH JUNE 2013

1. Basic information on the Group

LEG Immobilien AG, Dusseldorf (hereinafter: "LEG Immo"; formerly LEG Immobilien GmbH, formerly Lancaster GmbH & Co. KG), its subsidiary LEG NRW GmbH, Dusseldorf (formerly: LEG Landesentwicklungsgesellschaft Nordrhein-Westfalen GmbH, Dusseldorf, hereinafter: "LEG") and the subsidiaries of the latter company (hereinafter referred to collectively as the "LEG Group") are among the largest housing companies in the state of North Rhine-Westphalia. As of 30th June 2013, the LEG Group had a portfolio of 91,902 units (residential and commercial).

LEG Immo, Hans-Boeckler-Strasse 38, 40476 Dusseldorf, Germany, was formed on 9th May 2008 and is entered in the commercial register of the Dusseldorf Local Court under HRB 69386. LEG NRW, the main subsidiary of LEG Immo, was formed in 1970. The company is also domiciled at Hans-Boeckler-Strasse 38, 40476 Dusseldorf, Germany, and is entered in the commercial register of the Dusseldorf Local Court under HRB 12200.

LEG Immo and its subsidiaries engage in two core activities as an integrated property company: the value-adding long-term management of its residential property portfolio and the strategic acquisition of residential portfolios in order to generate long-term value enhancement.

By way of entry in the commercial register on 11th January 2013, LEG Immobilien GmbH underwent a change in legal form and was renamed LEG Immobilien AG.

LEG Immo went public on 1st February 2013 with the initial listing of its shares in the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange.

The consolidated interim financial statements have been prepared in euro. Unless otherwise indicated, all figures are rounded to millions of euro (€ million). For technical reasons, tables and references may contain rounded figures that differ from the exact mathematical values.

2. The consolidated interim financial statements

LEG Immo has prepared its consolidated interim financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) for interim reporting, as endorsed in the EU, and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). The notes have been presented in condensed form in accordance with the option under IAS 34.10. The condensed consolidated interim financial statements have neither been audited nor reviewed by an auditor.

The LEG Group primarily generates income from the rental and letting of investment property. Rental and letting is largely unaffected by seasonal and economic influences.

3. Accounting policies

The accounting policies applied in the consolidated interim financial statements of the LEG Group are the same as those presented in the IFRS consolidated financial statements of LEG Immo as of 31st December 2012. These consolidated interim financial statements as of 30th June 2013 should therefore be read in conjunction with the consolidated financial statements as of 31st December 2012.

The LEG Group applied the new standards and interpretations effective from 1st January 2013 in full. The fair values of investment property and derivative financial instruments were calculated in line with

the definition of IFRS 13. IFRS 13.9 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement of investment property is assigned to level 3 of the measurement hierarchy of IFRS 13.86 (measurement based on unobservable input factors). Please see the comments in the consolidated financial statements for information on the measurement of investment property. Please see section 9 for details of the effects of the first-time adoption of IFRS 13 for derivative financial instruments.

The fair value hierarchy can be summarised as follows:

FAIR VALUE HIERARCHY			
	Level 1	Level 2	Level 3
Investment properties			X
Financial liabilities		X	
Other liabilities (particular derivatives)		X	

4. Changes in the Group

LEG Erste Grundstücksverwaltungs GmbH and LEG Zweite Grundstücksverwaltungs GmbH were included in consolidation for the first time as of 30th June 2013. The companies were formed in connection with the acquisition of a property portfolio. Further details can be found in section 6.

5. Judgements and estimates

The preparation of IFRS interim consolidated financial statements requires assumptions and estimates affecting the carrying amounts of the assets and liabilities recognised, income and expenses and the disclosure of contingent liabilities. In particular, these assumptions and estimates relate to the measurement of investment property, the recognition and measurement of provisions for pensions, the recognition and measurement of other provisions, the measurement of financial liabilities and the recognition of deferred tax assets.

Although the management believes the assumptions and estimates to be appropriate, unforeseeable changes to these assumptions can influence the Group's net assets, financial position and results from operations.

For further information, please see the consolidated financial statements as of 31st December 2012.

6. Selected notes on the consolidated statement of financial position

As of 30th June 2013, the LEG Group had a portfolio of 90,894 residential units and 1,008 commercial units.

Investment property developed as follows in the 2012 financial year and in 2013 up to the date of the consolidated interim financial statements:

INVESTMENT PROPERTIES		
€ million	30.06.2013	31.12.2012
Carrying amount as of 1st January	4,937.1	4,736.1
Acquisitions	3.1	52.5
Other additions	11.7	41.5
Reclassification of assets held for sale	-5.5	-13.1
Reclassification of property, plant and equipment	-0.2	-0.3
Reclassification from property, plant and equipment	0.0	0.1
Fair value adjustment	0.0	120.3
Carrying amount as of 31st March/31st December	4,946.2	4,937.1

The reclassification of assets held for sale essentially relates to a block sale in Bergheim and individual sales from the residential portfolio.

The acquisition of a property portfolio of around 2,200 residential units was notarised on 15th May 2013. The portfolio generates annual net basic rent of €6.1 million. The average in-place rent is €4.74 per square metre; the initial vacancy rate is eight per cent. Closing for the transaction was concluded on 1st August 2013. The acquisition price is subject to a non-disclosure agreement with the seller.

A further property portfolio of around 538 residential units was acquired by way of a purchase agreement dated 4th June 2013. The portfolio generates annual net cold rent of €2.0 million. The average net in-place rent is €4.92 per square metre; the vacancy rate is 8.7 per cent. The transfer of rights and obligations was on 1st August 2013. The purchase price was €23 million not including incidental costs.

As the investment property valuation was not updated in the interim reporting period, no fair-value adjustment has been carried out. Please see the consolidated financial statements as of 31st December 2012 for details of the measurement methods and parameters.

The LEG Group's portfolio also includes land and buildings accounted for in accordance with IAS 16. The **cash and cash equivalents** essentially include bank balances.

The changes in the components of consolidated equity can be seen in the statement of changes in consolidated equity.

Financial liabilities are composed as follows:

FINANCIAL LIABILITIES		
€ million	30.06.2013	31.12.2012
Financial liabilities from real estate financing	2,479.6	2,473.7
Financial liabilities from letting financing	24.8	26.0
Financial liabilities	2,504.4	2,499.7

Financial liabilities from property financing result from the financing of investment property.

In the first six months of 2013, there was new refinancing with a total volume of €270.9 million at LEG NRW GmbH, LEG Wohnen GmbH and GeWo Gesellschaft für Wohnungs- und Städtebau mbH. This led to a reduction in the number of loans.

Other loans extended in the amount of €61.8 million and non-cash measurement effects resulted in increased loan liabilities. This was offset by scheduled and unscheduled repayments.

MATURITY OF FINANCIAL LIABILITIES FROM REAL ESTATE FINANCING				
€ million	Remaining term of less than 1 year	Remaining term between 1 and 5 years	Remaining term more than 5 years	Total
30.06.2013	119.0	1,006.8	1,353.8	2,479.6
31.12.2012	393.2	784.6	1,295.9	2,473.7

The main changes in financial liabilities with a remaining term of less than one year compared to the financial statements as of 31st December 2012 result from the repayment of loan liabilities due to refinancing. These were already classified as current liabilities as of 31st December 2012. The change in the capital structure as a result of refinancing led to an increase in the long-term financial liabilities.

The LEG Group uses derivative financial instruments to hedge interest rate risks from property financing. Freestanding derivative financial instruments are recognised at fair value through profit or loss. Derivatives used in hedge accounting are recognised pro rata for the designated portion of the hedge in other comprehensive income and in profit or loss for the undesignated portion including accrued interest.

7. Selected notes on the consolidated statement of comprehensive income

Rental and lease income are broken down as follows:

RENTAL AND LEASE INCOME		
€ million	30.06.2013	30.06.2012
Gross rental income	259.9	246.2
Other income	0.4	0.2
Rental and lease income	260.3	246.4

COST OF SALES IN CONNECTION WITH RENTAL AND LEASE INCOME		
€ million	30.06.2013	30.06.2012
Purchased services	-89.0	-84.7
Ongoing maintenance	-21.9	-16.1
Staff costs	-17.5	-15.6
Depreciation and amortisation	-2.0	-2.1
Other operating expenses	-8.4	-10.9
Reimbursement of IPO costs by shareholders	2.1	0.0
Cost of sales of rental and lease income	-136.6	-129.4
Net rental and lease income	123.7	117.0

The rise in rental income in the first half of 2013 compared to the first half of 2012 results in part from an increase in net basic rent and a decline in the vacancy rate.

Following the company's successful IPO, performance bonuses of €4.7 million were granted to employees. The share of these staff costs allocated to the cost of sales of rental and letting was €2.1 million and was charged in full to the shareholders Saturea B.V. and Perry Luxco RE.

Net income from the disposal of investment property is composed as follows:

NET INCOME FROM THE DISPOSAL OF INVESTMENT PROPERTY		
€ million	30.06.2013	30.06.2012
Income from the disposal of investment property	4.5	5.3
Carrying amount of investment property sold	-4.6	-5.4
Gain (+)/loss (-) on the disposal of investment property	-0.1	-0.1
€ million	30.06.2013	30.06.2012
Staff cost	-0.4	-0.3
Other operating expenses	-0.2	-0.1
Purchased services	-	0.0
Cost of sales in connection with investment property sold	-0.6	-0.4
Net income from the disposal of investment property	-0.7	-0.5

Administrative and other expenses are composed as follows:

ADMINISTRATIVE AND OTHER EXPENSES		
€ million	30.06.2013	30.06.2012
Other operating expenses	-16.7	-9.6
Staff cost	-13.3	-8.5
Purchased services	-0.6	-0.6
Depreciation and amortisation	-1.2	-1.0
Reimbursement of IPO costs by shareholders	9.3	0.0
Administrative and other expenses	-22.5	-19.7

The increase in Other operating expenses primarily results from the conclusion of IPO liability insurance. Following the successful IPO, performance bonuses of €4.7 million were granted to employees, €2.5 million of which were for administrative employees. The share of consulting and non-staff operating costs caused directly by the IPO amounting to €6.8 million and the employee performance bonuses of €4.7 million were fully passed on to the shareholders Saturea B.V. and Perry Luxco RE.

Net interest income is broken down as follows:

INTEREST INCOME		
€ million	30.06.2013	30.06.2012
Interest income from bank balances	0.6	0.7
Other interest income	0.0	0.2
Interest income	0.6	0.9

INTEREST EXPENSES		
€ million	30.06.2013	30.06.2012
Interest expenses from financing of real estate	-35.4	-43.5
Interest expenses from loan amortisation	-13.8	-33.9
Prepayment penalties	0.0	-25.8
Interest expense from interest rate derivatives for real estate financing	-12.4	-5.3
Interest expenses from changes in pension provisions	-1.9	-2.2
Interest expenses from compounding of other assets and liabilities	-1.0	-0.1
Interest expenses from lease financing	-0.8	-0.7
Other interest expenses	-0.1	-0.9
Interest expense	-65.4	-112.4

The decline in interest expenses from property financing is due to the refinancing transactions in the interim reporting period. The drop in interest expenses from loan amortisation and prepayment penalties was due in particular to the refinancing of Ruhr-Lippe Wohnungsgesellschaft mbH as of 30th June 2012. The prepayment penalties for refinancing in the first half of 2013 were already taken into account in the 2012 annual financial statements. The increase in interest expenses from interest rate derivatives result from the conclusion of new interest rate derivatives in 2013.

Income taxes

INCOME TAXES		
€ million	30.06.2013	30.06.2012
Current income taxes	0.2	1.8
Deferred taxes	-5.2	0.2
Income taxes	-5.0	2.0

The change in deferred taxes in the first half of 2013 compared to the first half of 2012 essentially results from the application of different effective Group tax rates. As of 30th June 2013, an effective Group tax rate of 21.3 per cent (previous year: 2.1 per cent) was assumed for the Group's 2013 tax planning.

The deferred taxes for the first half of 2013 of €3.3 million also include changes in profit or loss on deferred tax assets on tax loss carryforwards compared to 31st December 2012 (Q1 2013: €1.6 million). As of 30th June 2013, deferred tax assets of €20.3 million were recognised in equity due to the measurement outside profit and loss of derivative financial instruments and pension provisions (31st December 2012: €28.2 million).

8. Notes on Group segment reporting

Group segment reporting for the period of 1st January to 30th June 2013 is as follows:

SEGMENT REPORTING 01.01.-30.06.2013				
€ million	Housing	Other	Reconciliation	Group
Rental and lease income	257.0	3.7	-0.4	260.3
Cost of sales of rental and lease income	-136.0	-0.1	-0.5	-136.6
Net rental and lease income	121.0	3.6	-0.9	123.7
Net income from the disposal of investment property	-0.5	-0.2	0.0	-0.7
Net income from the measurement of investment property	0.0	0.0	0.0	0.0
Net income from the disposal of inventory properties	-0.2	-1.5	0.0	-1.7
Net income from other services	0.3	19.5	-18.3	1.5
Administrative and other expenses	-19.8	-21.8	19.1	-22.5
Other income	0.3	0.0	0.0	0.3
Segment earnings	101.1	-0.4	-0.1	100.6
Statement of financial position item				
Segment assets (IAS 40)	4,870.3	75.9	0.0	4,946.2
Key figures				
Rentable area in sqm	5,840,127	3,627		5,843,755
Monthly target rents as of end of reporting period	28.7	0.0		28.7
Vacancy rate by residential units in %	3.0	3.3		3.0

Group segment reporting for the period of 1st January to 30th June 2012 is as follows:

SEGMENT REPORTING 01.01.-30.06.2012				
€ million	Housing	Other	Reconciliation	Group
Rental and lease income	244.1	3.3	-1.0	246.4
Cost of sales of rental and lease income	-130.2	0.0	0.8	-129.4
Net rental and lease income	113.9	3.3	-0.2	117.0
Net income from the disposal of investment property	-0.4	-0.1	0.0	-0.5
Net income from the measurement of investment property	0.0	0.0	0.0	0.0
Net income from the disposal of inventory properties	0.1	-1.1	0.0	-1.0
Net income from other services	0.4	20.3	-19.5	1.2
Administrative and other expenses	-17.5	-19.1	16.9	-19.7
Other income	1.1	0.1	0.0	1.2
Segment earnings	97.6	3.4	-2.8	98.2
Statement of financial position item				
Segment assets (IAS 40)	4,669.3	76.8	0.0	4,746.1
Key figures				
Rentable area in sqm	5,776,691	3,898		5,780,589
Monthly target rents as of end of reporting period	27.9	0.0		27.9
Vacancy rate by residential units in %	3.9	6.3		3.9

9. Financial instruments

The following table shows the financial assets and liabilities broken down by measurement category and classes. Receivables and liabilities from finance leases and derivatives used as hedging instruments are included even though they are not assigned to an IAS 39 measurement category. With respect to reconciliation, non-financial assets and non-financial liabilities are also included although they are not covered by IFRS 7.

The fair values of financial instruments are determined on the basis of corresponding market values or measurement methods. For cash and cash equivalents and other short-term primary financial instruments, the fair value is approximately the same as the carrying amount at the end of the respective reporting period.

For non-current receivables, other assets and liabilities, the fair value is calculated on the basis of the forecast cash flows, applying the reference interest rates as of the end of the reporting period. The fair values of derivative financial instruments are calculated using the reference interest rates as of the end of the reporting period.

For financial instruments carried at fair value, the discounted cash flow method is generally used to determine fair value using corresponding quoted market prices, with individual credit ratings and other market conditions being taken into account in the form of standard credit and liquidity spreads when calculating present value. If no quoted market prices are available, the fair value is calculated using standard measurement methods applying instrument-specific market parameters.

When calculating the fair value of derivative financial instruments, the input parameters for the valuation models are the relevant market prices and interest rates observed as of the end of the reporting period, which are obtained from recognised external sources. Accordingly, derivatives are

assigned to level 2 of the fair value hierarchy set out in IFRS 7.27A (measurement on the basis of observable input data).

Both the Group's own risk and the counterparty risk were taken into account in the calculation of the fair value of derivatives in accordance with IFRS 13.

CLASSES OF FINANCIAL INSTRUMENTS FOR FINANCIAL ASSETS AND LIABILITIES 30.06.2013				
€ million		Measurement (IAS 39)	Measurement (IAS 17)	
	Carrying amount as per statement of financial position 30.06.2013	Amortised cost	Fair value through profit or loss	Fair value 30.06.2013
Assets				
Other financial instruments	4.7			4.7
LaR	0.1	0.1	0.0	0.1
AfS	4.5	4.5		4.5
Receivables and other assets	44.7			44.7
LaR	30.6	30.5		30.6
Other non-financial assets	14.1			14.1
Cash and cash equivalents	151.0			151.0
LaR	151.0	151.0		151.0
Total	200.4	186.1	0.0	200.4
Of which IAS 39 measurement categories				
LaR	181.7	181.7		181.7
AfS	4.5	4.5		4.5
Equity and liabilities				
Financial liabilities	-2,504.4			-2,696.8
FLAC	-2,479.6	-2,479.6		-2,671.8
Liabilities from lease financing	-24.8		-24.8	-25.0
Other liabilities	-152.6			-152.7
FLAC	-24.1	-24.1		-24.1
Derivatives HFT	-2.1		-2.0	-2.1
Hedge accounting derivatives	-50.5	0.0	0.0	-50.5
Other non-financial liabilities	-75.9			-75.9
Total	-2,657.0	-2,503.7	-2.0	-2,849.5
Of which IAS 39 measurement categories				
FLAC	-2,503.6	-2,503.6		-2,695.9
Derivatives HFT	-2.1		-2.0	-2.1

LaR = Loans and Receivables
HFT = Held for Trading
AfS = Available for Sale

FLAC = Financial Liabilities at Cost
FAHT = Financial Assets Held for Trading
FLHFT = Financial Liabilities Held for Trading

**CLASSES OF FINANCIAL INSTRUMENTS FOR
FINANCIAL ASSETS AND LIABILITIES 31.12.2012**

€ million		Measurement (IAS 39)	Measurement (IAS 17)	
	Carrying amount as per statement of financial position 31.12.2012	Amortised cost	Fair Value through profit or loss	Fair value 31.12.2012
Assets				
Other financial instruments	4.9			4.9
LaR	0.1	0.1	0.0	0.1
AfS	4.8	4.8		4.8
Receivables and other assets	33.2			33.2
LaR	31.7	31.7		31.7
Other non-financial assets	1.5			1.5
Cash and cash equivalents	133.7			133.7
LaR	133.7	133.7		133.7
Total	171.8	170.3	0.0	171.8
Of which IAS 39 measurement categories				
LaR	165.5	165.5		165.5
AfS	4.8	4.8		4.8
Equity and liabilities				
Financial liabilities	-2,499.7			-2,678.8
FLAC	-2,473.7	-2,473.7		-2,653.5
Liabilities from lease financing	-26.0		-26.0	-25.3
Other liabilities	-226.7			-226.7
FLAC	-76.8	-76.8		-76.8
Derivatives HFT	-5.6		-5.6	-5.6
Hedge accounting derivatives	-84.1	0.0	0.0	-84.1
Other non-financial liabilities	-60.2			-60.2
Total	-2,726.4	-2,550.5	-5.6	-2,905.5
Of which IAS 39 measurement categories				
FLAC	-2,550.5	-2,550.5		-2,730.3
Derivatives HFT	-5.6		-5.6	-5.6

LaR = Loans and Receivables

HFT = Held for Trading

AfS = Available for Sale

FLAC = Financial Liabilities at Cost

FAHT = Financial Assets Held for Trading

FLHFT = Financial Liabilities Held for Trading

10. Related party disclosures

By way of agreement dated 17th January 2013, the shareholders Restio B.V. and Perry Luxco RE S.à r.l. contributed loan receivables totalling €40.5 million to the capital reserves of LEG Immobilien AG. Some members of the Management Board of LEG Immo have concluded bilateral agreements with the former shareholders of Saturea B.V. and Perry Luxco RE (see note I.7 in the IFRS consolidated financial statements as of 31st December 2012 for details of these agreements).

As part of LEG Immo's IPO, the previous long-term incentive agreements for members of management were dissolved and replaced by new agreements for the Management Board. Such an agreement was also concluded with a new member of the Management Board who was not a beneficiary of the old agreements.

The new agreements provide for shares in the holding company to be granted by the former shareholders to the members of the Management Board if the IPO results in a certain level of proceeds (less certain costs). The number of shares granted is determined with the aid of an established formula (partly dependent on the IPO price, IPO costs and an individual factor). Under this arrangement, the members of the Management Board are granted a third of their shares 12, 24 and 36 months after a successful IPO. In the event of the early departure of the beneficiary, the outstanding shares lapse by between 20 and 100 per cent depending on the reason for departure. The replacement of the old agreements by the new agreements is accounted for as a modification of existing agreements in accordance with IFRS 2.28 f. This requires that the old commitment is accounted for as before, and any incremental fair value arising from the new commitment is also recognised as an expense from the modification date.

The incremental fair value is defined as the difference between the fair value of the original programme and the fair value of the new programme, each calculated as of the date of modification. Owing to the design of the old and new programmes, there was a positive difference as of the date of modification, with the result that the modification of the old agreements resulted in the distribution of an additional expense of €1.1 million in total over the vesting period. The benefit granted for the new member of the Management Board was determined as of the grant date in line with the regulations of IFRS 2.10 et seq., and amounted to €0.2 million.

As a result of the successful IPO of LEG Immo, overall claims arose from the new agreements between the former shareholders and the Management Board as of 30th June 2013, subject to the early departure of members of the Management Board. The costs of these agreements do not reduce liquidity at LEG Immo. Similarly, the regulations of IFRS 2 result in the different recognition of expenses at LEG Immo, in terms of both timing and amount.

According to the regulations of IFRS 2, €0.3 million of this was recognised as an expense at LEG as of 30th June 2013.

In January 2013, the former shareholders also entered into settlement agreements for consultancy agreements, or, as the case may be, incentive agreements with selected members of the Supervisory Board, or, as the case may be, with a company whose majority shareholder is a member of the Supervisory Board. These consultant agreements, or, as the case may be, incentive agreements provided for payments or the granting of shares by the former shareholders in case of a successful IPO. The agreements were recognised in accordance with the regulations on equity-settled share-based payment (see IFRS 2.43A et seq.). The benefit granted amounted to €3.4 million as of the grant date. In one case the agreements provide for immediate vesting in the event of an IPO, in another case for graded vesting of claims by 1st December 2013 or 1st December 2014. As of 30th June 2013, the agreements result in total staff costs of €1.5 million at LEG Immo.

The new employment agreements for members of the Management Board also provide for a long-term incentive programme to be offered for each financial year. The programme is designed for a four-year period and divided into three performance periods (until the end of the first, second and third financial year following the relevant financial year). The amount of LTI remuneration is dependent on the achievement of certain performance targets. The performance targets in question are total shareholder return and the development of LEG's share price compared to the relevant EPRA Germany Index. If a Management Board member's appointment ends under certain conditions, tranches pending as of the date of the legal end of the appointment (tranches for which the performance period has not yet ended) expire without substitution. The programme is treated as cash-settled share-based remuneration in accordance with IFRS 2. On the basis of an assessment of the Management Board on the attainment of performance hurdles, staff costs of €131 thousand were recognised as of 30th June 2013.

Furthermore, a performance bonus was agreed between individual LEG companies and their managing directors for the successful IPO. Staff costs of €0.9 million were recognised for this as of 30th June 2013. The additional staff costs were passed on as part of the cost reimbursement by the former shareholders. There will be no reductions in liquidity or earnings at the level of LEG Immo.

Beyond this, there were no significant changes in related parties compared to 31st December 2012.

11. Other

There were no changes in contingent liabilities compared to 31st December 2012.

12. Management and the Supervisory Board

The composition of the Management Board and the Supervisory Board as of 30th June 2013 did not change compared to the information provided as of 31st December 2012.

13. Events after the end of the reporting period

The acquisition of a property portfolio of around 829 residential units was notarised on 11th July 2013. The portfolio generates annual net cold rent of €2.0 million. The average in-place rent is €4.92 per square metre; the initial vacancy rate is around six per cent. The purchase price including incidental costs of acquisition is €34.0 million. Closing for the transaction is expected on 1st October 2013.

Dusseldorf, 30th August 2013

LEG Immobilien AG

Legal representatives of the company

Thomas Hegel, Erftstadt
(CEO)

Holger Hentschel, Erkrath
(COO)

Eckhard Schultz, Neuss
(CFO)

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY
AS OF 30TH JUNE 2013

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

€ million

	Share Capital	Capital reserves	Revenue reserves
As of 1st January 2012	0.0	544.3	1,246.1
Net profit for the period	-	-	-8.4
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-8.4
Change in consolidated companies	-	-	-
Capital increase	-	-	-
Withdrawals from reserves	-	-	-
Distributions	-	-	-
As of 30th June 2012	0.0	544.3	1,237.7
As of 1st January 2013	53.0	436.1	1,653.4
Net profit for the period	-	-	34.2
Other comprehensive income	-	-	-
Total comprehensive income	-	-	34.2
Change in consolidated companies	-	-	-
Capital increase	-	42.3	-
Withdrawals from reserves	-	-	-
Distributions	-	-	-
As of 30th June 2013	53.0	478.4	1,687.6

Cumulative Other reserves				
Actuarial gains and losses from the measurement of pension obligations	Fair value adjustment of interest derivatives in hedges	Equity attributable to shareholders of the Group	Non-controlling interests	Consolidated equity
-4.2	-15.3	1,770.9	375.0	2,145.9
-	-	-8.4	-1.9	-10.3
-0.1	-16.2	-16.3	-3.3	-19.6
-0.1	-16.2	-24.7	-5.2	-29.9
-	-	-	0.0	0.0
-	-	-	0.3	0.3
-	-	-	-0.1	-0.1
-	-	-	-	-
-4.3	-31.5	1,746.2	370.0	2,116.2
-22.3	-59.6	2,060.6	24.9	2,085.5
-	-	34.2	0.5	34.7
-	24.6	24.6	0.2	24.8
-	24.6	58.8	0.7	59.5
-	-	-	-	-
-	-	42.3	0.4	42.7
-	-	-	-0.1	-0.1
-	-	-	-	-
-22.3	-35.0	2,161.7	25.9	2,187.6

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements as of 30th June 2013 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Dusseldorf, 30th August 2013

LEG Immobilien AG
The Management Board

Thomas Hegel
(CEO)

Eckhard Schultz
(CFO)

Holger Hentschel
(COO)

FINANCIAL CALENDAR

FISCAL YEAR 2013	
Publication of the interim report as of 30 th June 2013	30 th August 2013
Publication of the interim report as of 30 th September 2013	29 th November 2013

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The quarterly report as of 30th June 2013
is also available in German.

In case of doubt, the German version
takes precedence.

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