



Information Document

**prepared for the introduction to trading on alternative trading system
operated by BondSpot of up to 235,000 Bonds issued by
HB Reavis Finance PL
Spółka z ograniczoną odpowiedzialnością,
a company with its registered office in Warsaw**

This Information Document has been prepared in relation to seeking introduction of financial instruments referred to herein to trading in the alternative trading system operated by BondSpot S.A.

Introduction of financial instruments to trading in the alternative trading system shall not be tantamount to admission or introduction of such instruments to trading on the regulated market operated by BondSpot S.A.

Investors should be aware of risks involved in investments in financial instruments listed in the alternative trading system and their investment decisions should be preceded by an appropriate analysis and, if necessary, consultations with an investment adviser.

The contents of this information document have not been approved by the BondSpot S.A. for compliance of information provided therein with the facts or legal regulations.

Offering Agent:
NWAI Dom Maklerski SA

Legal Adviser:
Allen & Overy, A. Pędzich sp. k.



ALLEN & OVERY

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Introduction

Information Document has been prepared for the introduction to ATS of up to 235,000 bearer series A Bonds of HB Reavis Finance PL Spółka z ograniczoną odpowiedzialnością, a company with its registered office in Warsaw.

1.1 Name and registered office of the Issuer

Legal name: **HB Reavis Finance PL Sp. z o.o.**
Legal form: Spółka z ograniczoną odpowiedzialnością [Ltd.]
Country of incorporation: Republic of Poland
Address: ul. Konstruktorska 13, 02-73 Warsaw
Address for correspondence: ul. Konstruktorska 13, 02-73 Warsaw

Phone: +48 22 203 44 20,
Fax: +48 22 203 44 21,
e-mail: pl.finance@hbreavis.com
www: <http://www.hbreavis.com/hbrfinancepl>

Statistical classification (REGON): 146340010
Tax identification number (NIP): 5213638769

1.2 Name and registered office of the Issuer's advisors

Offering agent:

Legal name: **NWAI Dom Maklerski Spółka Akcyjna**
Legal form: Spółka akcyjna [PLC]
Country of incorporation: Republic of Poland
Address: Nowy Świat 64, 00-357 Warszawa
Address for correspondence: Nowy Świat 64, 00-357 Warszawa

Phone: +48 22 201 97 50
Fax: +48 22 201 97 51
e-mail: company@nwai.pl
www: www.nwai.pl

Statistical classification (REGON): 141338474
Tax identification number (NIP): 5252423576

Legal adviser:

Legal name: Allen & Overy, A. Pędzich spółka komandytowa
Legal form: Spółka komandytowa [LP]
Country of incorporation: Republic of Poland
Address: Rondo ONZ 1, 00-124 Warszawa
Address for correspondence: Rondo ONZ 1, 00-124 Warszawa

Phone: +48 22 820 61 00
Fax: +48 22 820 61 99
e-mail: infobank.warsaw@allenovery.com
www: <http://www.allenovery.com/locations/europe/poland>

Statistical classification (REGON): 017182516,
Tax identification number (NIP): 5272326793

1.3 Number, type, unit nominal value of debt financial instruments covered by the Information Document

This document is covering up to 235,000 (two hundred thirty five thousand) bearer series A Bonds, with a nominal value of PLN 1,000.00 (one thousand zloty) each, with a total nominal value of up to PLN 235,000,000 (two hundred thirty five million zloty).

The Bonds will be offered under Art. 9.3 of the Act on Bonds, by making an individually directed offer to up to no more than 149 (one hundred and forty-nine) designated recipients in a manner that does not constitute a public offer of the Bonds within the meaning of Art. 3 of the Offering Act. Bond offering does not require preparation of a prospectus or information memorandum referred to in the Offering Act.

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2 Risk Factors

The Issuer is the company organized under the laws of Poland and acting under control of HB Reavis Group. The Issuer is a special purpose vehicle, established for the purpose of issuing bonds. Its activities will be limited to providing intra-Group financing. Repayment of bond debt service will be secured via repayment of financing provided to HB Reavis Group entities or additional funding provided from the HB Reavis Group entities.

Due to nature of its activities, the Issuer's operations itself should not generate significant risks. Occurrence of any risk factors associated with business activities of HB Reavis Group may adversely affect the price of the Bonds, due to the fact that the Bonds are guaranteed by HB Reavis Holding S.à r.l., which is the holding company of HB Reavis Group.

Investing in the Issuer's bonds involves inherent risks. Investors should consider, among other things, the risk factors set out herein before making an investment decision. If any of the following risks occur, the Issuer's or Guarantor's business, financial position and operating results could be materially and adversely affected. An Investor should consider carefully the risk factors presented below, and elsewhere in this document, and should consult his or her own advisors before making an investment decision.

The risks described in the Information Document are not the only ones, which could occur. Additional risk not presently known to the Issuer, or that the Company currently deems immaterial, may also impair the Issuer's or Guarantor's business operations and adversely affect the price of Bonds.

An investment in the Company's Bonds is suitable only for investors, who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.

2.1 Risk factors associated with the Issuer's and Group's business activity and market environment

2.1.1 Currency risk

As the HB Reavis Group conducts its business in various currencies it is exposed to certain currency risks.

The Group's revenues are predominantly denominated in EUR. However, some expenses, assets and liabilities are recorded in a number of different currencies other than EUR, especially PLN, CZK, and to a lesser extent HUF. A change in foreign currency exchange rate may adversely impact the Group's investments and cash-flow generated by the Group companies. Even if the rental income is EUR denominated, a change in relevant exchange rate might adversely impact the Group's future cash-flow, as rent might become relatively more expensive to the tenants, leading to renegotiation of rental terms or default of a tenant.

In order to manage currency risk, HB Reavis Group has defined and implemented a clear policy related to currency risk management, including among others:

- clear guidelines for the preferred contracting currency in each country for rental, construction and land acquisition contracts,
- setting the budgeting exchange rate for internal evaluation of profitability and its key drivers,
- matching of projected investment cash flows in different currencies with financial instruments for protection against the exchange-rate (FX) volatility.

Given the significant investment commitments in Poland and the preference of local partners to deal in local currency, the Group from time to time enters into various FX derivatives to protect its planned cash flows. Due to the fact, that Bond issue is denominated in PLN and further expansion on non-euro markets, the Group will continue to reduce its exposure to currency risk by appropriate FX hedging.

HB Reavis Group reviews currency risk on a regular basis and adjusts its hedging policy when required to reduce exposures.

2.1.2 Interest rate risk

HB Reavis Group uses external financing to finance its development activities. The external financing, provided usually in a form of bank loans, is denominated in EUR. The Group generally opts for floating-rate loans.

Market related fluctuations in interest rate can affect both the financing costs and the fair value of interest hedging transactions, which may adversely influence Group's earnings and equity. Additionally, especially when new loans are agreed or existing loans are extended, there is a danger that credit margins may rise.

As the Group believes that in general interest rate evolution is correlated to inflation evolution, and as the vast majority of Group's rental contracts have inflation-linked indexation clauses, the Group is partially naturally hedged against the risk of adverse interest-rate fluctuation. Additionally, the Group has entered into interest rate cap instruments, covering about 25% of its loan portfolio. Furthermore, HB Reavis entered into negotiations with several counterparties regarding hedging instruments, aiming at mitigating increased interest rate risk.

The interest rate risk for the Issuer stems from the fluctuation of the reference rate related to the Bonds. However, to reduce the exposure at this risk the Issuer will provide financing only to other entities from HB Reavis Group with a higher margin comparing to margin related to the Bonds.

HB Reavis Group continuously monitors developments in the financial markets. If the interest rate risk increases significantly due to changes in the economic environment, the Group has immediate access to hedging instruments provided by partner banks to cover the open positions on its loan portfolio.

2.1.3 Liquidity and financing risk

Liquidity risk occurs when negative market trends and other unforeseen development prevent or delay the Group's ability to meet its obligations in full and on time.

In line with common practice in the real estate sector, the Group uses external debt, with maturities shorter than economic life of financed real estates (reflecting maturity of rental agreements), for financing of its assets in investment phase (post construction completion phase). Such investment loans typically end with balloon repayments at maturity of up to 90% of original loan amount. Adverse change in financial sector may cause that the Group may find it difficult to secure sufficient funding, in particular from banks, at cost comparable to their existing facilities.

As markets where the Group operates are gradually maturing, tenants tend to wait with signing pre-lease to the later stages of project development. Because banks ask for certain level of pre-leases and equity spent up-front, the Group often starts project development without agreed bank financing. Negotiations with banks are nevertheless started in parallel, in order to have bank financing granted as soon as the agreed conditions for disbursement are fulfilled. Following the recent changes in Europe's banking sector the Group witnessed banks' subdued willingness to finance development phase of a project, rather shifting towards financing of investment phase. If this trend continues further or if the Group is not able to fulfil conditions which the banks might require, the Group will have to rely on its own sources or seek non-project based financing structures for completion of some of its projects. This might have implication on the liquidity position of the Group and could potentially lead to the postponement of completion of certain projects (planned or under construction) or even inability to meet its obligation in full and on time.

The Group structures its debt financing with a focus on keeping vast majority of financing on non-recourse ring-fenced basis. Eventual problem with financing on the project company level should not have any immediate impact on the remaining part of the Group other than potential suspension of transfer of cash from the project company to the Group. Nevertheless, such situation might severely impact the reputation of the Group on financial markets and might adversely impact ability of the Group to raise debt financing or adversely impact terms and conditions of new debt financing.

The Group's financial management team is highly skilled at planning and managing the liquidity in order to mitigate liquidity risk and ensure the Group can meet unexpected cash outflows as well as its financial

commitments on projects and investments as needed. Loans are invariably agreed on a mid to long-term basis in accordance with the investment horizon for real estate. Most of the loans maturing in 2013 were successfully extended with existing financing partners or refinanced by new banks. In this regard, the Group is managing and maintaining a liquidity cushion to cover unexpected developments. Financing risk and risk of a breach of contractual obligations are monitored continuously.

2.1.4 Risk related to macro environment

At present HB Reavis Group operates in CEE Region. The general economic situation of the countries in which the Group runs its projects influences the development and growth prospects of the Group's business. The financial results of the Group may be directly and indirectly influenced by, among others, GDP growth, national income, inflation, monetary and tax policy, interest rates and overall level of investment in countries where the Group runs its operations. Temporary market turmoil may also adversely affect the demand for the HB Reavis' services, having a negative impact on the financial standing, asset value of the Group and further expansion.

2.1.5 Risks related to legal, regulatory and tax matters

The Group is subject to a wide range of EU, national and local laws and regulations. In general each project is operated in a jurisdiction, which is applicable to it based on the location of project, with all relations secured by contracts closed between a special project company and other parties. Legislation and administrative environment in CEE countries is still developing and might not provide adequate legal remedies for breaches of contracts. There is a risk that the Group might not be able to fully and in proper time frame secure enforcement of its rights under the contracts concluded with third parties.

Laws and regulations in each country, which are applicable to the Group and activities of its subsidiaries, differ and can change quickly and unpredictably. This might have an adverse effect on executed contracts and the Group operations.

The assets (or their part) held by the Group might be subject to expropriation, nationalization and confiscation with no compensation or for value less than its fair market value, which may have a negative impact on the financial situation of the HB Reavis Group.

Any change in tax rules and regulations, in the countries where the Group runs its operations, may have an adverse effect on the financial standing or tax position of the Group.

Risks related to legal, regulatory and tax matters are monitored on an on-going basis and when and where necessary or appropriate, the Group uses external advisors during contract negotiations or for advisory on regulatory or tax matters.

2.1.6 Overall market risk

In its capacity as a developer and an investor, the Group is exposed to external market-specific risks, such as sector cyclicity, fluctuations in macroeconomics trends in multiple geographies, tenant segment dynamics, market rent dynamics, activities of its competitors, and fluctuations in real-estate yields across the market segments. As the Group generates cash to repay its liabilities primarily through rental income generated by special project companies or through sale of special project companies, external factors might have adverse impact on the Group's ability to repay its liabilities.

For this reason HB Reavis conducts its own comprehensive market analysis prior to taking any investment decision and also maintains an on-going dialog with leading experts in the industry. As a result, early indicators of market risks are systematically applied to evaluations of investment and project plans.

Additionally, despite expanding within CEE Region, the Group also believes that each country has its own market risk profile. The international expansion of HB Reavis Group enabled partially diversification of market risks as the Slovak share of the Group's development pipeline declined from 85% in 2009 to no more than 35%, while the Polish share increased to 40% followed by the Czech Republic that jumped to 21% at the end of 2012.

2.1.7 Real estate property valuation risk

Real estate prices are subject to considerable fluctuations due to changing economic conditions (volatility of interest rates, GDP growth/decline, imbalance between the supply of and demand for real estate assets, and other factors). In line with the practice of relevant companies in the industry, HB Reavis Group opted for the market value method in determining value of its long-term assets (real-estate projects) when converted its accounting to IFRS. As a consequence, changes in market value of underlying asset can lead to major variations in pro-forma results. To reflect up to date fair values of the Group's assets, each year, the Group arranges that its properties are valued externally by licensed MRICS valuers from Cushman & Wakefield, Jones Lang LaSalle, Savills and CB Richard Ellis, Knight Frank, Colliers. When evaluating business plans and the sustainability of the Group's results, the management makes separate reviews of the results driven by market fluctuations and the fundamental, underlying results driven by the Group's own actions. When assessing capital allocation and refinancing proposals, stress tests using different market scenarios are systematically performed and reviewed by the management.

2.1.8 Risk related to the nature of Group' business

As the Group's business integrates acquisition, development, asset management, disposal and investment management of real estate it is subject to operating risks, some of which are outside of the Group's control. The HB Reavis Group's financial performance depends chiefly, but not exclusively, on its ability to identify and develop a portfolio of real estate projects that can be commercialized under economically viable conditions.

2.1.9 Concentration (cluster) risk

The Group's real estate portfolio consists of land for development, office and retail properties, both completed and under development. Due to the fact that Slovakia is the original home market of HB Reavis Group some overrepresentation of investment made in this market could be observed in the Group's portfolio.

The HB Reavis Group is aware of the still disproportionally high share of Bratislava office properties in its portfolio. However, this position has enabled the Group to gain a leading market share in this segment. Since 2006 the Group has progressed in restructuring and diversifying its portfolio more in favour of other real estate assets in other countries of CEE Region. In addition to Slovakia, HB Reavis has commenced projects in Czech Republic, Poland and Hungary – the development pipeline outside Slovakia grew to 64% of Gross development value at the end of 2012.

2.1.10 Risk related to the Group's development activities

The HB Reavis Group may be exposed to several risks related to the development activities. Development process includes all activities connected with each individual project starting from land acquisition through building permit process and construction phase until eventual sale of project.

Each individual land acquisition involves certain risks, including the risk that acquisition will not materialize after certain transaction costs were spent on the acquisition's preparation. Despite the fact that the Group runs due diligence process before the acquisition, some risks related to the assets, which the Group is willing to purchase, might not be identified during this process. After the acquisition, it might prove to be difficult or impossible to claim damages and get compensation from the seller.

There are significant differences in building permit processes in various countries. In general these lengthy administrative procedures involve wide variety of stakeholders with various interests that might influence timing of permits issuance and parameters of project concept and design. Significant delays in issuance of permits and significant change in approved project parameters might severely impact overall feasibility of the project as well as its profitability.

Proper design and planning are important to create product with parameters that are required by the market and respect requirements stipulated by various construction regulations. In case project is not properly designed and the problem was identified at a later stage of development, additional costs might arise. Some changes in design, which are performed during construction period, might involve necessary additional permit process.

Technological and economic aspects of construction might make it impossible to stop construction until proper permits are issued. As a result, the Group is subject to risk that proper permit will not be obtained, and that the project company could be in violation of legal or administrative regulation, that could have material adverse effect on project feasibility or even project completion.

The Group is dividing the construction of every project into several smaller subcontracts for various stages or professions of construction. Despite that this structure is limiting risks related to dependence on a single turnkey supplier for each project, some additional risks might arise. Although the Group is trying to contract as much works as possible prior to start of construction, it might not always be possible. Due to this, the Group might be exposed to risks related to potential increase in prices of construction works. Additional risks might be related to coordination of numerous various subcontractors on construction site. Both of these factors might potentially lead to cost overruns or delays in project completion that might have adverse impact on project profitability. To limit construction risks, the Group employs number of construction specialists in many specific construction fields and professions, and professional site managers emulating organizational structures of typical general constructors.

In order to mitigate risks related to project development, there are several internal controls available within the Group, i.e. specific cost control functions as well as project management resources, which monitor the project on a regular basis. Furthermore, the Group minimizes development risk by phasing projects to reflect the current situation in the market.

2.1.11 Risk related to the ability to generates stable rental income

The value of rental property and capability to service project company liabilities depends, to a large extent, on the rental income and remaining term of the related rental agreements. Rental agreements are typically signed for the mid-term period (3-7 years), in which tenants are not able to step-out from the contracts. In various jurisdictions, tenants might have certain rights defined in relevant legal regulations, under which they are entitled to step-out from rental contract, or under which the rental contract is automatically terminated. Apart from that, certain lease agreements include various options to reduce space or cancel the contract in specific timeframe for the tenants (with or without contractual penalty).

The ability of the Group to extend the expired leases or re-let the vacant space to different tenants could differ in each project and generally depends on the asset quality (location, design, furnishing, technical state) and market conditions at the time of re-letting (competition, rental levels, vacancy on market). If a property becomes vacant or is re-let significantly below original rental levels, repayment capability of a project company might be adversely impacted as well as its capability to generate excess cash-flow that could be used by the Group can be limited even significantly.

2.1.12 Profit fluctuation risk

HB Reavis' profit may fluctuate due to valuation risk and vacancy risk (where floor space is not let, income is forfeited, vacancy costs arise and the value of property falls). In addition, the Group cannot rule out the possibility that the present economic climate will further adversely affect the rental market, which may have a negative impact on the Group's financial position.

To keep vacancy and rent losses at a minimum, the HB Reavis Group focuses on markets with appropriate vacancy, positive macroeconomic outlook and consistently screens and assesses the creditworthiness and reputation of potential tenants. The budgeted and actual revenues generated by all properties are continually monitored. The Group also works with reputable real-estate agents when seeking new tenants.

2.1.13 Property maintenance and insurance risk

In order to remain attractive and to generate a revenue stream over the longer term, a property's condition must be maintained or, in some cases, improved to meet the changing needs of the market. Over time maintenance costs and capital improvements contributions might increase. At present the Group operates an internal facility and asset management team in order to ensure that properties are kept in good condition.

All properties are insured against the usual risks associated with the type of property and its geographical location usually accompanied by rental loss insurance for a period of at least 12 months. Properties under construction are insured using special construction insurance products. Due to unavailability (e.g. state of war) or economical infeasibility some very specific risks are not covered by insurance policies or coverage is limited to the certain extent. In addition to this, technical regulations, environmental requirements and market factors may cause that insurance proceeds will be insufficient to repair or replace property to market level standard. Such circumstances might cause the Group to record loss on such property, adversely impacting overall Group's financial situation.

2.1.14 Property management risk

The quality of a property has a considerable influence on the costs of its management. Property that does not comply with modern standards can generate higher investment costs in connection with reconstruction and improvement measures, or fail to attract tenants, which may have a negative impact on the Group's financial position.

HB Reavis strives to be a technical innovator and leader in this area and provides clients with sustainable and low operating-cost solutions. Moreover, in 2010, the Group launched a BREEAM initiative to ensure the leadership and acquire "green" building certifications for all its development projects.

2.1.15 Environmental risk

To an ever-greater degree, increasingly stringent environmental regulations are fast becoming a determining factor in property valuation. Aside from an impact on the property value, its adverse impact on the environment can lead to a property being vacated or abandoned. Therefore, the Group incorporates this consideration into its comprehensive assessments prior to every purchase. Appropriate guarantees are also required from sellers. In its capacity as a project developer the Group makes use of environmentally-sustainable materials and energy-saving technologies wherever possible as a part of the BREEAM initiative.

2.1.16 Counterparty risk

The Group's financial performance is dependent on counterparties' creditworthiness and performance.

Inability of tenants to pay rent, service charges fully and on time, might adversely impact the Group's financial situation. The Group applies a strict credit policy by which all future tenants are screened for their creditworthiness prior to the conclusion of a lease agreement. In addition to this, rents are in general paid in advance and the Group uses standard market instruments (cash deposits, bank guarantees, parent company guarantees in case of creditworthy corporate groups) in order to secure receivables of its tenants. The Group's policy in dealing with the tenants should provide the asset management team enough time to solve problems with tenants and look for replacement if necessary. Rental collection discipline is constantly monitored and appropriate actions are taken if any issue arises on tenant side in the area of rent payment.

For the construction of its projects, the Group uses variety of suppliers that act in the role of subcontractors for the Group's general contractor. Due to specificity of the construction business (e.g. weather influencing construction works, dependency of construction processes incl. logistics of various construction deliveries etc.), non-performance of subcontractor with respect to agreed timing, might adversely impact overall delivery of the project. In case there are any rental agreements closed with the tenants for the unfinished project, the project company might be required to pay penalty for the late delivery and lease agreement might even be cancelled, leaving particular space in the property unoccupied. The Group procurement and tendering for construction deliveries are focused on minimizing mentioned risks, in particular by checking creditworthiness of suppliers, cooperation with trusted partners and by using performance guarantees of various forms.

With respect to recent events in financial sector, additional counterparties where eventual default or change of creditworthiness might adversely influence the Group include banks and insurance companies. Individual default or major change in regulations may make cash deposits in banks temporarily unavailable for the free transfer or even lead to loss on such cash deposits. With respect to loans, change in banks' creditworthiness might lead to shift in lending willingness or eventually even result in loan sales (through syndications or even full change of the

lender), effectively changing counterparty of the lender. Event of default on bank side during drawdown phase might make undrawn part unavailable to the Group. In some jurisdictions, if bankruptcy proceedings against bank start, all loans might become automatically payable. Insurance companies could face financial difficulties that will result in inability to pay financial claims, despite the fact that all insurance premiums were paid by the Group and all obligations with respect to insurance policies were fulfilled. The Group is trying to limit risks related to financial counterparties by limiting concentration or dependence on certain financial / banking groups, carefully monitoring their risk profiles and overall situation in the sector.

2.1.17 Risks related to international expansion

In 2007 the Group embarked on international expansion from its home market in Slovakia and up to date acquired and started projects in Poland, Czech Republic and Hungary. Following a number of realized land plot acquisitions in these countries, the Group continues to seek for further land acquisition opportunities in this region. In addition to CEE Region, the Group actively prospects and intends to consider development opportunities outside of CEE Region, in particular in London, United Kingdom and Istanbul, Turkey. There can be no assurance that existing model and organizational structure of the Group and its internal systems will support such growth in an effective manner. Start of operations in new markets is often accompanied with entry costs that might adversely impact financial results in the first years of operations.

2.1.18 Risks related to employees

In relation to international expansion, the Group significantly expanded its internal teams based in local offices of the Group on one hand and strengthened the Group support functions on the other hand. As a result of further expansion, it might be necessary to attract additional professionals to support further growth. There is a risk that the Group will not be able to attract qualified professionals in necessary time frame, increasing its operational risks. Intensive increase in number of new employees is highly demanding on managing processes and workflow necessary for efficient handling of various business tasks. This risk is mitigated to a certain extent by hiring professionals with relevant experience and dedicated management effort put into human resources area.

2.2 Risks related to Bonds, listing and trading

2.2.1 Risk associated with interest payments and redemption of the Bonds

The Issuer will only be obliged to make payments under the Bonds to Bondholders, on the dates specified in the Terms and Conditions of the Bonds, in an amount equivalent to sums of principal, interest and additional amounts, if any. The financing for coupon payments and redemption of the Bonds will come from intra-Group financing provided by the Issuer to other HB Reavis Group's entities. Consequently, if an entity, subsidiary of the Group, were to fail in meeting its obligations fully, the Bondholders could receive less than the full amount of principal, interest and/or additional amounts (if any) on the specified in the Terms and Conditions of the Bonds date. As bonds are guaranteed by the holding company, in case HB Reavis Group's entities are not in position to repay the financing provided by the Issuer, the holding company shall arrange for funds from the Group to meet the Issuer's bond obligations.

2.2.2 Risk related to price fluctuations and a limited liquidity of Bonds

Prices of securities and the trading volume may fluctuate significantly within a short period. Investors should be aware of the risk connected with the liquidity of securities traded in the alternative system, which may be of considerable importance if they want to buy or sell a significant block of Bonds. Also, the risk of a loss following unfavourable movements in prices of securities and sales of Bonds at a lower price than their purchase price may not be excluded. Furthermore, a reverse situation may occur where fluctuations lead a considerable increase in the prices of securities bought by investors. Then, the sale may bring profits to the sellers.

Moreover, consideration should be given to the fact that the market value of the Company Bonds may differ significantly from the expected offer price. This is possible, in particular, as a result of periodic changes in the Company's or Guarantor's financial results.

2.2.3 Risk related to Bond trading suspension or withdrawal from trading

Art. 78 points 2, 3, and 4, respectively, of the Trading Act stipulate that:

- in the case that it is deemed necessary for the safe functioning of the ATS or in investors' interests, the KNF may require the ATS Organizer to suspend the trading of Issuer's bonds for a period no longer than 10 days;
- in the case that the Issuer's bonds are traded under circumstances that may endanger the safe and lawful functioning of the ATS or the interests of investors, the KNF may require the ATS Organizer to suspend the trading of the Issuer's bonds for a period not longer than one month;
- at the order of the KNF, the ATS Organizer may be required to terminate the trading of Issuer's bonds if continued trading would in a material way harm the lawful and safe function of the ATS or would harm investors' interests.

Pursuant to §13 of the ATS BondSpot Rules, BondSpot may suspend trading in the Issuer's bonds for a period not longer than three months (subject to the provisions of §14.3 and §20b.5):

- at the request of the Issuer;
- if the ATS Organizer considers it necessary to protect the interests and safety of trading participants.

Moreover, the ATS Organizer shall, in cases set out by law, suspend trading in financial instruments for not more than a month.

§14.1 of the ATS BondSpot Rules stipulate that the BondSpot may withdraw instruments from trading:

- at the request of the Issuer, however, such decision may be dependent on meeting additional requirements by the Issuer;
- if the ATS Organizer considers it necessary to protect the interests and safety of trading participants;
- in the case that the Issuer's bankruptcy is declared or the application for bankruptcy is dismissed by the court due to the Issuer not possessing sufficient funds to cover the court proceeding costs;
- in the case that the Issuer is placed in liquidation.

Furthermore, pursuant to §14.2 of the ATS BondSpot Rules, the BondSpot shall delist instruments from the ATS:

- in cases set out in law;
- if their transferability has become restricted;
- if they are no longer dematerialized;
- 6 months of the validity date of a decision on declaration of bankruptcy of the Issuer including liquidation of its assets or court decision to dismiss a petition for declaration of bankruptcy because the Issuer's assets are insufficient to cover the costs of proceedings.

§14.3 of the ATS BondSpot Rules further stipulates that before making a decision to delist financial instruments, the BondSpot may suspend trading in those financial instruments. In that case, the three-month-long suspension period shall not apply.

According to §20b of the ATS BondSpot Rules, if the Issuer fails to comply with the rules and regulations applicable in the alternative trading system or fail to perform or inappropriately performs the obligations set out in chapter V of ATS BondSpot Rules, in particular the obligations set out in § 18 – 20a of the ATS BondSpot Rules, the BondSpot may, depending on the degree and scope of the occurring violation or irregularity

- reprimand the Issuer;
- impose a fine up to PLN 50,000 on the Issuer;
- suspend trading in the Issuer's financial instruments in the alternative system;
- delist the Issuer's financial instruments from the alternative system;

BondSpot may decide to impose a fine together with the penalty of suspension of trading or the penalty of delisting.

The occurrence of any of the above mentioned risks may lead to restrictions on the sale of the Bonds.

2.2.4 Risk related to changes in tax regulations

The Polish tax system and its interpretation changes frequently. Investors should be aware that any changes in tax regulations may adversely affect the price of the Bonds and have a negative impact on the return on capital invested in Bonds.

2.2.5 Interest rate risk

The fair value of the Bonds could be defined as the present value of future cash flows. The fair value of the Bonds may fluctuate due to changes in market interest rate, which could be reflected in the price of the Bonds.

2.2.6 Risk associated with the suretyship

In order to secure the Bondholders' pecuniary claims under the Bonds the Guarantor has decided to provide a suretyship statement. The suretyship agreement, to be governed and construed in accordance with Polish law, will be concluded with each person validly acquiring Bonds (either on primary or secondary market) at the moment of the purchase of the Bonds. No further actions will be required from the Bondholder in order for the Guarantor to be bound by the suretyship agreement.

However, if the suretyship agreement proves invalid or ineffective in a case of default of the Issuer, the Bondholders could receive less than the full amount of principal, interest and/or additional amounts (if any) on a later date than specified in the Terms and Conditions of the Bonds.

2.2.7 Risk associated with the mortgage

In order to secure the Bondholders' pecuniary claims the Bonds will be secured with the first ranking mortgage over the Property, established in favour of the Mortgage Administrator, up to the maximum security amount of PLN 282,000,000.00 (two hundred eighty two million zloty). The valuation of the Property as of date of preparation of this document is lower than the total nominal value of the offered Bonds. Although, the current market value of the Property is below the total nominal value of the offered Bonds, the HB Reavis Group is expecting a significant rise of its value due to e.g. issue of decision on development conditions (*warunki zabudowy*), building permit and the Group's development activities plans connected with this Property.

However, if the mortgage proves invalid or ineffective, or the sale of the Property will be insufficient to pay all the claims under the Bonds, the Bondholders could receive less than the full amount of principal, interest and/or additional amounts (if any) on a later date than specified in the Terms and Conditions of the Bonds.

2.2.8 Risk associated with the transaction structure

The Issuer is a special purpose vehicle, established for the purpose of issuing bonds. Its activities will be limited to providing intra-Group financing. Repayment of bond debt service will be secured via repayment of financing provided to HB Reavis Group entities or additional funding provided from the HB Reavis Group entities.

Due to the fact that the Bonds will be issued by the entity, which is not the parent entity of the Group, some additional risks might arise (e.g. time delays connected with enforcements of claims under the bonds from the third party, lack of cooperation with Guarantor etc.). If any of the risks associated with the transaction structure occurs the Bondholders could receive less than the full amount of principal, interest and/or additional amounts (if any) on a later date than specified in the Terms and Conditions of the Bonds.

3 Declarations of persons responsible for information contained in the Information Document

3.1 Issuer

Legal name:	HB Reavis Finance PL Sp. z o.o.
Legal form:	Spółka z ograniczoną odpowiedzialnością [Ltd.]
Country of incorporation:	Republic of Poland
Address:	ul. Konstruktorska 13, 02-73 Warsaw
Address for correspondence:	ul. Konstruktorska 13, 02-73 Warsaw
Phone:	+48 22 203 44 20,
Fax:	+48 22 203 44 21,
e-Mail:	pl.finance@hbreavis.com
www:	http://www.hbreavis.com/hbrfinancepl
Statistical classification (REGON):	146340010
Tax identification number (NIP):	5213638769

Person(s) acting on behalf of the Issuer:


Stansilav Frnka – President of the Management Board


Rene Popik – Member of the Management Board

The Issuer is responsible for all information contained in this Information Document

3.2 Declaration

Hereby we declare that according to our best knowledge and with due care exercised, to ensure information contained in this Information Document is true, fair, and reflects the facts and Information Document does not omit anything that could affect its significance and valuation of financial instruments introduced to trading, and the document provides a reliable description of risks factors related to participation in trading in given instruments.



Stanislav Frnka – President of the Management Board

Rene Popik – Member of the Management Board

4 Information about financial instruments covered by this Information Document

4.1 Purposes of the Issue

The purpose of the Issue, within the meaning of Art. 5 section 1 point 3 of Act on Bonds, has not been determined.

4.2 Size of the Issue

The Issuer is offering up to 235,000 (two hundred thirty five thousand) Series A Bonds with a nominal value of PLN 1,000 (one thousand zloty) each and a total nominal value of up to PLN 235,000,000 (two hundred thirty five million zloty).

4.3 Nominal value and issue price

Nominal value of one Bond:	PLN 1,000 (one thousand zloty)
Total nominal value of offered Bonds:	PLN 235,000,000 (two hundred thirty five million zloty)
Issue price of one Bond:	PLN 1,000 (one thousand zloty)
Total issue price of offered Bonds:	PLN 235,000,000 (two hundred thirty five million zloty)

4.4 Terms of redemption

Bonds shall be redeemed on the Maturity Date through the payment to Bondholders of the amount equalling the face value of the Bonds, which is PLN 1,000 for each Bond.

The payment shall be calculated and accomplished on the basis of the number of Bonds kept on the Bondholder's securities account as at Record Date (17 November 2017), falling 6 (six) working days before the Maturity Date (27 November 2017).

The Bonds shall be redeemed by means of crediting the cash account used for servicing the Bondholder's securities account with the amount which equals the product of the number of Bonds and the face value of one Bond.

4.4.1 Early redemption option for the Bondholders

Subject to Clause 12.2 of Terms and Conditions of the Bonds, each Bondholder may demand the early redemption of the Bonds. A detailed description of the early redemption option for the Bondholders can be found in the section 4.10.1.

4.4.2 Call option

The Issuer may redeem part or all of the Bonds on an early redemption date.

The Issuer shall notify the Bondholders about the execution of the call opinion at least 15 Business Days before the early redemption date. The first early redemption date may fall not earlier than on the Interest Payment Date falling three years after the Issue Date. The notification on the early redemption of the Bonds should indicate the Record Date, the early redemption date and the number of Bonds eligible for early redemption.

On the early redemption date the Issuer shall pay to the Bondholder the amount being the total of:

- (1) the nominal value of the redeemed Bonds; and
- (2) the amount of interest accrued between the beginning of the Interest Period (and including) and the early redemption date (and excluding).

The call option shall be exercised in accordance with the rules of the NDS.

4.5 Conditions of interest payment

The Bonds will bear interest. Interest on each Bond shall accrue for each day for the given Interest Period and will be payable on each Interest Payment Date.

On a quarterly, a floating rate interest payment shall be paid to the Bondholders, unchangeable within the Interest Period. The Base Rate for the interest payments shall be the WIBOR 3M, fixed for each Interest Period 7 Business Days before the commencement of such Period. Margin shall be added to the reference rate. The final amount of the Margin equals to 3.95 per cent. per annum. The value of the coupon shall be calculated on the basis of the factual number of days in the Interest Period, assuming that there are 365 days in a year.

Interest payments shall be paid by means of crediting the cash account used for servicing the Bondholder's securities account.

4.6 Amount and form of security and designation of the entity providing the security

The Bondholders' claims toward the Issuer under the Bonds will be secured by two types of security interests governed by Polish law: a mortgage and a suretyship.

4.6.1 Mortgage

According to Clause 7 of the Act on Bonds, the Issuer has entered into a mortgage administrator appointment agreement with the Mortgage Administrator. The Mortgage Administrator will act as the mortgage administrator within the meaning given to this term by the Act on Bonds, in its own name but for the account of the Bondholders.

The mortgage is established by Polcom Investment VI Sp. z o.o. a company with its registered office in Warsaw (KRS No. 0000393791) over its perpetual usufruct right to the Property. The mortgage will have first ranking and will be established to the maximum security amount of PLN 282,000,000.

According to the valuation prepared by Savills Advisory Services Ltd, 33 Margaret Street, London W1G 0JD, United Kingdom for the Issuer, the value of the Property as of 21 October 2013 is 50,000,000 EUR.

4.6.2 Suretyship

On 7 November 2013 the Guarantor made a statement on the provision of suretyship (*poręczenie*) for all pecuniary liabilities of the Issuer under the Bonds. The statement will contain an irrevocable offer addressed to all Bondholders to enter into a suretyship agreement. It will be deemed that the acquisition of the Bonds by the Bondholder demonstrates its will to enter into the suretyship agreement.

The original of the statement on the provision of suretyship will be kept by the Mortgage Administrator.

4.7 Valuation of the object under mortgage

The valuation of the Property, over which the mortgage has been established in order to secure Bondholders' claims under the Bonds, is presented in the section 9.6 of the Information Document.

4.8 Estimated data of the value of assumed liabilities as at the last day of the quarter preceding the publication of the sale proposal and the outlook of the Issuer's liabilities until the final redemption of the debt financial instruments

As of 30 September 2013, Issuer has liabilities in total amount PLN 7,950 (seven thousand nine hundred fifty zloty), of which PLN 1,800 (one thousand eight hundred zloty) are short-term accruals.

4.9 General information about the rating assigned to the Issuer or debt financial instruments issued by the Issuer and name of the rating institution, and reference to the specific terms of the rating referred to in the additional information

There are no credit ratings assigned to the Issuer or its debt financial instruments. There are no credit ratings assigned to the Guarantor or its debt financial instruments. The Issuer or Guarantor do not intend to apply for assignment of any credit rating.

4.10 Indication and detailed description of additional rights of holders of the debt financial instruments

4.10.1 Early redemption option for the Bondholders

Subject to Clause 12.2 of Terms and Conditions of the Bonds, each Bondholder may demand the early redemption of the Bonds if any of the following has occurred:

- (a) any Financial Indebtedness of the Issuer or any member of the Group (together or separately) in a given moment in the total amount exceeding 10 % of the Suretyship Provider's Consolidated Assets:
 - (i) is not paid when due (*brak płatności w terminie wymagalności*), including the expiration of the relevant grace period, and is not remedied within 15 Business Days; or
 - (ii) is declared due and payable before the original maturity date (*postawienie w stan wymagalności przed terminem*) of such Financial Indebtedness as a result of a demand to accelerate such Financial Indebtedness by reason of an event of default (howsoever described) and is not remedied within 15 Business Days;
- (b) the Issuer defaults on its obligations set out in Clause 16 of Terms and Conditions of the Bonds and such default is not remedied in 15 Business Days;
- (c) The Financial Indebtedness to Consolidated Assets ratio calculated on the basis of the consolidated financial statements of the Suretyship Provider exceeds 55% and such situation is not remedied within 15 Business Days from the date of reporting it in accordance with Clause 16(c) of Terms and Conditions of the Bonds; the Issuer has to evidence the remedy to the Bondholders by delivering a statement to that effect prepared by an independent auditor;
- (d) The statement of the Suretyship Provider on the provision of the Suretyship or the Mortgage established under the Deed of Mortgage proves invalid or ineffective (*nieważność lub bezskuteczność*) and such default is not remedied in 15 Business Days;
- (e) The agreement for establishment of the Mortgage Administrator:
 - (i) proves invalid or ineffective (*nieważność lub bezskuteczność*) and a new agreement is not executed within 30 days of the date when such default occurred;
 - (ii) is terminated (*rozwiązanie*) and new agreement is not executed within 30 days of the date of such termination, or
 - (iii) is amended (*zmiana*) in such a way which is detrimental to the executing of the rights of the Bondholders.
- (f) The Issuer or any other member of the Group grants a loan (*udzielenie pożyczki*) to any non-Group member or subscribes for bonds issued by any non-Group member in the total amount exceeding 10 % of the Suretyship Provider's Consolidated Assets and the amount exceeding 10 % of the Suretyship Provider's Consolidated Assets has not been repaid within 15 Business Days;
- (g) The Issuer or any member of the Group sells, transfers or otherwise disposes (*sprzedaż, przekazanie, inna forma rozporządzenia*) a real property or properties the total value of which exceeds 10 % of the Suretyship Provider's Consolidated Assets, unless such sale, transfer or disposal is on arm's length terms or is made to the Group member;
- (h) The Issuer or the Suretyship Provider sells, transfers or otherwise disposes (*sprzedaż, przekazanie, inna forma rozporządzenia*) the shares in any member of the Group to any entity other than the

- Group member the total value of which exceeds 10 % of the Suretyship Provider's Consolidated Assets, in a single or series of transactions during the period of one calendar year, unless such sale, transfer or disposal is on arm's length terms;
- (i) The Group ceases to carry on all or a material part of its core business and development or operation of real properties on the commercial terms ceases (*budowa lub wynajem nieruchomości na warunkach rynkowych*) to be the main subject of the business of the Group; or
- (j)
- (i) any creditor files a petition to declare the Issuer or the Suretyship Provider bankrupt, unless such petition is discharged or dismissed (*zwrócenie, odrzucenie, oddalenie*) in 120 days of the date when the Issuer or, as applicable, the Suretyship Provider becomes aware of such petition;
- (ii) the Issuer or the Suretyship Provider files a petition to declare the Issuer or, as applicable, the Suretyship Provider bankrupt (*wniosek o ogłoszenie upadłości*);
- (iii) the Issuer or the Suretyship Provider declares that the reorganisation proceedings or any other insolvency related proceedings (*postępowanie naprawcze lub inne równorzędne postępowanie*) were opened in respect of the Issuer or, as applicable, the Suretyship Provider;
- (iv) the Issuer or the Suretyship Provider admits in writing it is insolvent or by reason of financial difficulties (*kłopoty finansowe*) commences negotiations with all or any class of its creditors with a view to rescheduling any of its indebtedness (*zmiana zasad spłaty zadłużenia*).

In most cases the demand to redeem the Bonds early requires a prior resolution of the Bondholders' Meeting. Capitalised terms are defined in the Terms and Conditions of the Bonds. A detailed description of consequences of the occurrence of Event of Default and the option for Bondholders connected with it could be found in Terms and Conditions of the Bonds – the legally valid and binding document.

4.11 General information about taxation rules concerning income related to holding of and trading in debt financial instruments referred to in the Information Document

The following is a general summary of the Issuers' understanding of current law and practice in Poland as in effect on the date of this Information Document in relation to certain current relevant aspects to Polish withholding tax on interest derived from the Bonds and is subject to changes in such law or its interpretations, including changes in interpretation that could have a retroactive effect. The following summary is intended as a general guidance only and is not exhaustive and cannot cover all the circumstances as may apply to a particular investor. It is not intended to be, nor should it be considered to be, legal or tax advice. It does not take into account or discuss the tax laws of any country other than Poland. Prospective investors are advised to consult their own tax advisers as to the Polish or other tax consequences resulting from the purchase, ownership and disposition of the Bonds, including the effect of any state or local taxes, under the tax laws of Poland and each country where they are, or are deemed to be, residents.

The reference to "interest", "other investment income" and "capital gains" as well as to any other terms in the paragraphs below means "interest", "other investment income" and "capital gains" or any other term as understood in Polish tax law. The statements below do not take any account of any different definitions of "interest", "other investment income" or "capital gains" which may prevail under any other law or any documentation related to the Bonds.

Given that the Issuer is a Polish resident company, interest on the Bonds are considered interest derived from Poland.

TAXATION OF INTEREST

(a) Withholding tax on interest paid to a Polish tax resident individual

According to article 30a of the PIT Act, interest income derived by a Polish tax resident individual (a person who has his/her centre of personal or business interests located in Poland or who stays in Poland for longer than 183 days in a year) does not cumulate with general income subject to the progressive tax rate but is subject to 19 per cent. flat rate tax.

Under Article 41 section 4 of the PIT Act, the interest payer, other than an individual not acting within the scope of his/her business activity, should withhold the Polish 19% tax upon interest payment. Such interest payer is obliged to provide the interest recipient and relevant tax office with the information about the amount of interest paid and tax withheld. In practice, the obligation to withhold tax applies only to Polish interest payers and not foreign. Moreover, given that the term "interest payer" is not precisely defined in the law, Polish banks or Polish brokerage houses maintaining securities accounts may refuse to withhold the tax based on the fact that they are acting only as an intermediary and therefore should not be obliged under the Polish law to collect and remit due tax. Under some interpretations also issuers can be exempt from the obligation to collect and remit the tax. According to Article 45 section 3b of the PIT Act, if the tax is not withheld, the individual is obliged to settle the tax himself/herself by the end of April of the following year.

If an individual holds the Bonds as a business asset, in principle, interest shall not be subject to withholding tax but taxed on the same way as other business income. The tax should be settled by the individual himself/herself.

(b) Withholding tax on interest paid to a Polish tax resident corporate income taxpayer

There is no Polish withholding tax on interest from the Bonds payable to a Polish tax resident corporate income taxpayer, i.e. a corporate income taxpayer having its registered office or place of management in Poland. The tax should be settled by the taxpayer itself. The appropriate tax rate will be the same as the tax rate applicable to business activity, i.e. 19 per cent.

(c) Withholding tax on interest paid to a non-Polish tax resident individual

Under Article 30a of the PIT Act, interest income derived from Poland by an individual who is not a Polish tax resident (a person who does not have his/her centre of personal or business interests located in Poland or who does not stay in Poland for longer than 183 days in a year) does not cumulate with general income subject to the progressive tax rate but is subject to 19 per cent. flat rate tax.

Under Article 41 section 4 of the PIT Act, the interest payer, other than an individual not acting within the scope of his/her business activity, should withhold the Polish tax upon interest payment. Such interest payer is obliged to provide the interest recipient and relevant tax office with the information about the amount of interest paid and tax withheld. In practice, the obligation to withhold tax applies only to Polish interest payers and not foreign. Moreover, given that the term "interest payer" is not precisely defined in the law, Polish banks or Polish brokerage houses maintaining securities accounts may refuse to withhold the tax based on the fact that they are acting only as an intermediary and therefore should not be obliged under the Polish law to collect and remit due tax. Under some interpretations also issuers can be exempt from the obligation to collect and remit the tax. According to Article 45 section 3b of the PIT Act, if the tax is not withheld, the individual is obliged to settle the tax himself/herself by the end of April of the following year.

The above described domestic regulations can be overridden by a relevant double tax treaty, which may reduce the tax rate or provide for a tax exemption. Application of a double tax treaty requires the interest recipient to provide the interest payer with a certificate confirming tax residency of interest recipient, issued by the relevant tax authorities of the country, in which the interest recipient is a tax resident.

(d) Withholding tax on interest paid to a non-resident corporate income taxpayer

Under Article 21 of the CIT Act, interest income derived from Poland by a non-resident corporate income taxpayer (ie not having its registered office or place of management in Poland) as a rule is subject to 20% withholding tax. Interest payer is obliged to provide the interest recipient and relevant tax office with the information about the amount of interest paid and tax withheld.

If a non-resident corporate income taxpayer holds the Bonds through a Polish branch, then interest income is taxed on the same principles as with respect to resident taxpayers (i.e. classified as business activity subject to 19% corporate income tax), provided that the interest recipient confirms its tax residency by the relevant certificate of tax residency issued by the tax authorities of the country, in which the interest recipient is a tax resident, and makes a statement that the interest income is attributed to business activity of the Polish branch.

The above described domestic regulations can be overridden by a relevant double tax treaty, which may reduce the tax rate or provide a tax exemption. Application of a double tax treaty requires the interest recipient to provide

the interest payer with a certificate confirming tax residency of interest recipient, issued by the relevant tax authorities of the country, in which the interest recipient is a tax resident.

There is also a number of entities exempt from Polish income tax, including withholding tax on interest, on basis of domestic regulations or international agreements (eg certain Polish and foreign investment funds).

TAXATION OF CAPITAL GAINS

(a) Taxation of income from disposal of the Bonds, earned by a Polish tax resident individual

Pursuant to Art. 30b section 1 of the PIT Act, income earned in Poland from the disposal of securities (including shares) in exchange for consideration is taxed at a flat rate of 19% and combined with other income generated from this source. Taxable income from the disposal of securities in exchange for consideration is calculated as the difference between the proceeds from the disposal of securities (in principle, the value of the securities at the price set forth in the contract for sale) and the tax-deductible costs (expenditure related to the acquisition of these securities or their subscription). In cases where the price of securities expressed in a contract is, without sound reason, significantly different from the market value thereof, revenue from the disposal of securities in exchange for consideration will be determined by the tax authority as the market value thereof. This income is not aggregated with the individual's other income generated from other sources and is taxed separately (but is combined with other income generated from this source). Tax (or tax prepayment) on the abovementioned transaction is not collected by tax remitters. After the end of a given tax year, which in the case of natural persons is the same as the calendar year, taxpayers earning income from the disposal of securities in exchange for consideration are required to disclose this income in their annual tax return, calculate the due amount of tax, and pay it to the account of the appropriate tax office.

In the case of a tax loss generated on the disposal of securities in a given tax year, this loss may decrease the income generated from that source (that is, from the disposal of securities) in the next five consecutive tax years; however, the amount of decrease in a particular year cannot exceed 50% of the loss. The tax loss generated on the disposal of securities is not combined with the tax losses generated by the taxpayer from other titles (sources of revenue).

Annual tax returns are prepared by tax payers by the end of April of the year immediately following the tax year in which the disposal of securities in exchange for consideration was made.

The above regulations do not apply if the securities are sold as a result of the performance of any business activities, as in such case the revenues from the sale of securities should be qualified as originating from the performance of such activities and should be settled according to general terms.

(b) Taxation of income from disposal of the Bonds by a non-Polish tax resident individual

Individuals subject to limited tax liability (ie non-Polish tax resident individuals) who earn income from the disposal of the Bonds in exchange for consideration in Poland should follow the same taxation rules governing the disposal of securities as specified above, save as otherwise stated in the double tax treaties.

In light of Art. 30b section 3 of the PIT Act, the application of a tax exemption or a lower tax rate resulting from the appropriate double tax treaty is possible, provided that the taxpayer proves his place of residence for tax purposes with a relevant certificate of residence.

Under most tax treaties concluded by Poland, capital gains from the disposal of shares are taxed exclusively in the seller's country of tax residency.

(c) Taxation of income from disposal of the Bonds, earned by a Polish tax resident corporate income taxpayer

Revenue earned on the disposal of the Bonds, as well as the associated tax deductible cost, shall be amalgamated with other taxable revenues and tax deductible costs of the given tax period to produce income, that will be subject to 19% general income tax rate. The expenses related to acquisition of the Bonds should be considered as tax deductible at the time the revenue from the disposal of the Bonds is settled for the tax purposes.

(d) Taxation of income from disposal of the Bonds, earned by a non-Polish tax resident corporate income taxpayer

The persons subject to corporate income tax, subject to limited tax liability (ie non-Polish tax residents), who earn income in Poland from the disposal of securities in exchange for consideration should follow the same taxation rules governing the disposal of securities as specified above, save as otherwise stated in the double tax treaties. Under most tax treaties concluded by Poland, capital gains from the disposal of shares are taxed exclusively in the seller's country of tax residency.

TAX ON CIVIL LAW TRANSACTIONS

Pursuant to Art. 1 section 1 item 1 letter a), in conjunction with Art. 1 section 4 of the Tax on Civil Law Transactions Act, transfer tax applies to agreements for the sale or exchange of property and property rights, provided that they cover property located in Poland or property rights exercised in Poland, including securities. In principle, the Bonds, being issued by a Polish entity are considered as rights exercisable in Poland, so, as a rule, sale of the Bonds will be subject to tax on civil law transactions. Tax liability arises when the civil law transaction (the transfer) is concluded and it is the sole responsibility of the buyer, in the case of a sale agreement, to pay the due tax. The taxable base is the market value of the property or property right (the Bonds being the subject of the sale in this case). The market value of the subject of the civil law transaction is assessed based on the average prices applied in the trade in property of the same kind and sort, allowing for its location, condition and wear and tear, and in the trade in property rights of the same kind, applicable on the day of such transaction, without deducting debts or charges. As a rule, when selling property rights (including securities) the rate of the tax is set at 1% of the taxable base. Taxpayers are required, without being summoned to do so by the tax office, to file a tax return on tax on civil law transactions, and calculate and pay the due amount of tax within 14 days of the tax liability arising, unless the tax is collected by a tax remitter who is a notary public in the case of civil law transactions concluded in the form of a notarial deed.

A tax exemption applies under Art. 9 item 9 of the Tax on Civil Law Transactions Act. According to this provision, a sale of property rights which are financial instruments: (i) to investment companies or foreign investment companies, or (ii) through the intermediation of investment companies or foreign investment companies, or (iii) through organised trading, or (iv) outside organised trading by investment companies or foreign investment companies if such financial instruments were acquired by such companies as a part of organised trading, within the meaning of the Act on Trading in Financial Instruments, is exempt from tax on civil law transactions. Moreover, according to Art. 2 item 4 of Tax on Civil Law Transactions Act, acts being subject to VAT (VAT taxation or VAT exemption), apart from some particular exceptions (not relevant in the case at hand) are not subject to tax on civil law transactions. Hence, in the case the entity disposing the Bonds is a VAT taxpayer upon such transaction (runs business activity in this regard), sale/ exchange of the Bonds will not be subject to Tax on Civil Law Transactions.

5 Information about the Issuer

5.1 Name, legal form, state where the registered office is located, registered office and address of the Issuer together with telecommunications data

Legal name:	HB Reavis Finance PL Sp. z o.o.
Legal form:	Spółka z ograniczoną odpowiedzialnością [Ltd.]
Country of incorporation:	Republic of Poland
Address:	ul. Konstruktorska 13, 02-73 Warsaw
Address for correspondence:	ul. Konstruktorska 13, 02-73 Warsaw
Phone:	+48 22 203 44 20,
Fax:	+48 22 203 44 21,
e-Mail:	pl.finance@hbreavis.com
www:	http://www.hbreavis.com/hbrfinancepl

5.2 Code according to the appropriate statistical classification and number according to the appropriate tax identification

Statistical classification (REGON):	146340010
Tax identification number (NIP):	5213638769

5.3 Term of the Issuer

The term of the Issuer is indefinite.

5.4 Legal regulations under which the Issuer was formed

The Issuer was established under the provisions of Polish law, in particular the Code of Commercial Companies.

5.5 Court that decided to enter the Issuer into the appropriate register

The decision to enter into the Register of Business Entities under the number KRS 0000435933 was issued by the District Court of the City of Warsaw in Warsaw, 13th Economic Division of the National Court Register.

5.6 Short background information on the Issuer

The Issuer, which is a subsidiary of the Guarantor and part of HB Reavis Group, is a special purpose vehicle company established for the purpose of issuing bonds. The principal activity of the Issuer is raising funds for the investment activity of HB Reavis Group.

Due to the fact, that Issuer is a special purpose vehicle company established for the purpose of issuing bonds and Bonds series A will be the first bond issue done by the Issuer there is no relevant background information to be included in this Information Document.

5.7 Types and values of the Issuer's equity and rules of their formation

Issuer's share Capital, as of the date of this document, equals to PLN 500,000 (five hundred thousand zloty) and consists of 10,000 (ten thousand) equal in rights shares with a nominal value of PLN 50 (fifty zloty) per share.

Share capital meets the requirements of the Commercial Companies Code, which specify the minimum amount of capital for at least PLN 5,000 (five thousand zloty). Detailed description of the Issuer's share capital can be found in § 6 of the Issuer's Articles of Associations.

5.8 Information about any unpaid portion of the share capital

The share capital was fully paid.

5.9 Information about projected changes to the share Capital due to bondholders' exercising their rights attached to convertible bonds or subscription warrants (priority rights) attached to bonds

The Issuer did not issue convertible bonds or bonds with subscription warrants (priority) attached to. The Issuer does not anticipate any changes in the share capital as a result of the bondholders' exercising their rights.

5.10 Financial instrument markets on which the Issuer's financial instruments or related depositary notes are or were listed

Issuer's financial instruments or related depositary notes are not and have not been listed on any financial instrument market.

5.11 Basic information about capital relations of the Issuer having a significant impact on its business, including essential units of its group

The Issuer, which is a subsidiary of the Guarantor and part of HB Reavis Group, is a special purpose vehicle company established for the purpose of issuing bonds. The Issuer does not have any other capital relations than being a subsidiary of the Guarantor. The structure of HB Reavis Group is presented in the section 6.10.

5.12 Personal property and organisational relations between

a) the Issuer and persons on the Issuer's managing and supervising authorities,

There are no relations between the Issuer and persons on the Issuer's managing and supervising authorities.

b) the Issuer or persons on the Issuer's managing and supervising authorities or the Issuer's significant shareholders or partners,

There are no relations between the Issuer or persons on the Issuer's managing and supervising authorities or the Issuer's significant shareholders or partners. Managing persons of the Issuer are acting as managing authorities on behalf of the Group's project companies operating predominantly in Poland.

c) the Issuer or persons on the Issuer's managing and supervising authorities or the Issuer's significant shareholders or partners and the Authorised Adviser (or persons on the Authorised Adviser's managing and supervising authorities),

The Issuer has not entered into an agreement with the Authorised Adviser – lack of relations.

5.13 Basic information about the main products, goods or services, together with their value and quantity and share of each group of products, goods and services, or, if essential, individual products, goods and services in total sales of the group and the issuer, broken down to business segments

The Issuer, which is a subsidiary of the Guarantor and part of HB Reavis Group, is a special purpose vehicle company established for the purpose of issuing bonds. The principal activity of the Issuer is raising funds for the investment activity of HB Reavis Group.

The funds raised by the Issuer will be transferred directly to Project SPVs (special purpose companies dedicated to single projects of HB Reavis Group) in a form of intra-Group financing. Intra-Group financing will be structured

in a way to cover the payments related to the Bonds – repayment and interest payments related to the bond debt service will be secured via repayment and interest payments connected with financing provided to HB Reavis Group entities.

Due to nature of its activities Issuer is not expected to generate significant profits.

5.14 Description of major domestic and foreign investment projects of the Issuer, including Capital investments, for the period covered by the financial statements or consolidated financial statements included in the Information Document

There were no major domestic and foreign investment projects, including Capital investments, done by the Issuer in the period covered by the financial statements included in the Information Document

5.15 Information about bankruptcy, composition or liquidation proceedings instituted with respect to the Issuer

There are no bankruptcy, composition or liquidation proceedings instituted with respect to the Issuer.

5.16 Information about settlement, arbitration or enforcement proceedings instituted with respect to the Issuer, if the outcome of such proceedings is or may be of significance for the Issuer's business

There are no settlements, arbitration or enforcement proceedings instituted with respect to the Issuer.

5.17 Information about any other proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceeding that are threatened according to the Issuer's knowledge, which might have had or have recently had or may have a significant impact on the Issuer's financial situation, or information about lack of such proceedings

According to the Issuer's best knowledge, there are no proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceedings that are threatened according to the issuer's knowledge, which might have had or have recently had or may have a significant impact on the Issuer's financial situation.

5.18 The Issuer's obligations relevant to the performance of obligations towards holders of financial instruments, which are specifically related to its economic and financial situation

There are no Issuer's obligations relevant to the performance of obligations towards holders of financial instruments, which are specifically related to its economic and financial situation.

5.19 The Issuer's off-balance-sheet liabilities and their structure by maturity and category

The Issuer has no off-balance-sheet liabilities.

5.20 Information about non-standard circumstances or events affecting business profit/loss for the period covered by financial statements contained in the Information Document

No non-standard circumstances or events affecting business profit/loss occurred during the period, which is covered by financial statements contained in the Information Document.

5.21 Any significant changes to the economic, property and financial situation of the Issuer and its group and other information relevant to the assessment of such changes, which occurred after financial data contained in this Information Document were prepared

On 11 September 2013 the Issuer's partners meeting has adopted a resolution no. 1 to change the name of company form "SCD Spółka z ograniczoną odpowiedzialnością" to "HB Reavis Finance PL Spółka z ograniczoną odpowiedzialnością". The change was entered into the register of entrepreneurs of the National Court Register on 3 October 2013.

On 11 September 2013 the Issuer's partners meeting has adopted a resolution no. 2 to raise the amount of the share capital of the Company from PLN 5,000 (five thousand zloty) to PLN 500,000 (five hundred thousand zloty). The share capital raise was entered into the register of entrepreneurs of the National Court Register on 3 October 2013.

5.22 Issuer's managing persons and supervisory persons

5.22.1 Management Board

The Issuer's Management Board consists of following persons:

Name	Position	Term of office expiry date
Stanislav Frnka	President of the Management Board	30 May 2015
René Popik	Member of the Management Board	30 May 2015

Stanislav Frnka - President of the Management Board

Stanislav Frnka is Country CEO of HB Reavis Group for Poland. Stanislav joined HB Reavis in 2006 as an acquisition manager responsible for CEE countries, especially Hungary, Romania, Bulgaria, Croatia, Ukraine and Poland. Since 2010, when HB Reavis acquired its first project in Poland – Konstruktorska Business Center – Stanislav was promoted to Country CEO for Poland and since then created team of professionals and specialists, which is responsible for performing and expanding HB Reavis activities at Polish market. Before joining HB Reavis, Stanislav worked as financial analyst at Slovak consulting company Benefit Finance, which focused on mergers and takeovers and was personally responsible for project of assignment of claims at Slovak Consolidation Agency (1 billion EUR) and at the National Property Fund (360 million EUR). Stanislav graduated City University of Seattle with management specialization.

René Popik – Member of the Management Board

René Popik is Head of development of HB Reavis Poland from January 2012 and is responsible for realization of the Group's project pipeline on Polish market. He joined HB Reavis Group in 2007 as development manager of Aupark Košice shopping center and Aupark Tower Kosice business center. Previously he worked in Saller group and as property manager of Shopping center Galeria Košice. René graduated University of Economy in Bratislava with management specialization.

5.22.2 Supervisory Board

The Issuer is not required by the Polish law to create a Supervisory Board. No supervisory board was established by the Issuer.

5.23 Issuer's shareholding structure including specification of partners holding at least 5% of votes at partners meeting

Shareholder structure, as of the date of this Information Document, is as follows:

Shareholder	No. of shares	Shareholding
HB Reavis Holding S.à r.l.	10 000	100%
Total	10 000	100%

6 Information about the Guarantor

6.1 Name, legal form, state where the registered office is located, registered office and address of the Guarantor together with telecommunications data

Legal name:	HB Reavis Holding S.à r.l.
Legal form:	Société à responsabilité limitée [Ltd.]
Country of incorporation:	Grand Duchy of Luxembourg
Address:	46A, Avenue J.F. Kennedy, L-1855, Luxembourg
Address for correspondence:	Karadžičova 12, 821 08 Bratislava, Slovak Republic
Phone:	+352 42 71 71-1,
Fax:	+352 42 19 61,
e-mail:	hbreavis@hbreavis.com
www:	www.hbreavis.com

6.2 Term of the Guarantor

The term of the Guarantor is indefinite.

6.3 Legal regulations under which the Guarantor was formed

The Guarantor was established under the provisions of laws of Grand Duchy of Luxembourg.

6.4 Court that decided to enter the Guarantor into the appropriate register

The decision was issued by Registre de Commerce et des Sociétés (the Luxembourg Register of Commerce and Companies).

6.5 Short background information on the Guarantor and HB Reavis Group

The Guarantor was incorporated and is domiciled in Luxembourg. The company was set up in accordance with the Luxembourg regulations on 20 October 2010. Since 2010 the Guarantor is a parent company of the HB Reavis Group.

History of HB Reavis Group

HB Reavis Group was established in 1993 in Slovakia, originally as real estate agency. While operating as real estate agency, founders identified the lack of modern office stock in the Slovak capital Bratislava and pioneered this field by building first modern office business center in the city in 1996 - Bratislava Business Center I-II (BBC I-II). In 1999, the Group was behind the first institutional real estate transaction in Slovakia selling BBC I-II to Austrian-based real estate company CA Immobilien Anlagen AG. BBC I-II was also launchpad to establish Bratislava's CBD on the former industrial zone. To date, HB Reavis completed 7 office projects within the CBD, totalling more than 240 thsd. sqm of GLA and becoming leading office developer in Bratislava providing 30-35% of the city's A-class commercial office stock. Since then the Group has provided investment opportunities for institutional investors such as Unibail-Rodamco, Hannover Leasing, Heitman, Generali or New Europe Property Investments.

The Group is also behind the successful Aupark shopping and entertainment concept. Since the first Aupark shopping center was completed in Bratislava in 2001, the concept has been rolled out with completion of another three schemes in Slovak regional cities (Piestany, Zilina, Kosice) and an additional five Aupark centers are under preparation across Czech and Slovak Republics. Aupark became a leading retail brand in Slovakia attracting entry of many international brands including Peek&Cloppenburg, C&A or Zara.

In 2006, the Group recognized that on-going sustainable growth required greater scope than that offered by its original home market, Slovakia. International expansion was then embedded into its strategy and since that time, the Group has established a strong presence in a new market almost every year - Czech Republic (2007), Hungary (2007), Poland (2008) and Croatia (2010). Since 2010 the Group is headquartered in Luxembourg.

Key milestones in HB Reavis Group's history:

1993	<ul style="list-style-type: none"> Foundation of HB Reavis as a real estate agency
1996	<ul style="list-style-type: none"> Completion of the Group's first commercial development – Bratislava Business Center I-II, the first modern office building in Bratislava
1999	<ul style="list-style-type: none"> Selling Bratislava Business Center I-II to CA Immobilien Anlagen AG became the first institutional real estate transaction in Slovakia
2001	<ul style="list-style-type: none"> Opening of the largest Group's project to date (by value) – Aupark Shopping Center Bratislava, the best performing shopping center in Slovakia
2005	<ul style="list-style-type: none"> Recognized as the “Best CEE developer” by Euromoney
2007	<ul style="list-style-type: none"> NAV surpassing EUR 500 million Launch of international expansion – opening of offices in Prague and Budapest Maarten J. Hulshoff, former CEO of Rodamco, joined the Group as non-executive director
2008	<ul style="list-style-type: none"> Opened office in Warsaw
2009	<ul style="list-style-type: none"> Completion of the project Apollo Business Center III-V which together with the Apollo Business Center I-II constituted the largest office complex in Central Europe
2010	<ul style="list-style-type: none"> Introduced BREEAM certification as corporate standard for all the building in development pipeline Completed the first project in the Czech Republic (Logistics Center Lovosice) Acquired the first project in Warsaw
2011	<ul style="list-style-type: none"> Launched the first real estate fund HBR CE REIF with five seed assets Recognized as the “Investor of the year 2011” in Poland by Warsaw Business Journal Sold two assets worth EUR 240 million
2012	<ul style="list-style-type: none"> Completed the first office project in Prague (River Garden I.) Launched the first project in Hungary (Váci Corner Offices) Committed pipeline in Poland surpassing 330,000 GLA (including landmark development Chmielna)
2013	<ul style="list-style-type: none"> Completed the first project in Poland (Konstruktorska Business Center) Sold two assets worth EUR 167 million

Source: HB Reavis Group

6.6 Types and values of the Guarantor's equity

The share capital of the Guarantor's equals to EUR 12,500 (twelve thousand five hundred euro) and consists of 12,500 (twelve thousand five hundred) ordinary shares with a par value of EUR 1 (one euro) per share. Each ordinary share carries one vote.

The table below presents the Group's equity as of 30 June 2013:

Table. Group's equity as of 30 June 2013

<i>In mio EUR</i>	Value
Share capital	-
Share premium	652.0
Retained earnings	140.9
Translation reserve	-4.3
Equity attributable to the Company's equity holders	788.6
Minority interest	18.0
Total equity	806.6

Source: HB Reavis Group

6.7 Information about any unpaid portion of the share capital

The share capital was fully paid.

6.8 Information about projected changes to the share Capital due to bondholders' exercising their rights attached to convertible bonds or subscription warrants (priority rights) attached to bonds

The Guarantor did not issue convertible bonds or bonds with subscription warrants (priority) attached to. The Guarantor does not anticipate any changes in the share capital as a result of the bondholders' exercising their rights.

6.9 Financial instrument markets on which the Guarantor's financial instruments or related depositary notes are or were listed

Guarantor's financial instruments or related depositary notes are not and have not been listed on any financial instrument market.

6.10 Basic information about the main products, goods or services, together with their value and quantity and share of each group of products, goods and services, or, if essential, individual products, goods and services in total sales of the group and the Guarantor, broken down to business segments

About HB Reavis Group

Founded as privately-run business in 1993, HB Reavis Group is now one of the largest and most successful commercial real-estate developers in Central and Eastern Europe (CEE). Over the last 20 years, the Group has successfully delivered 20 mid- and large-scale projects in office, retail and logistics segments totalling more than

660,000 sqm of leasable area. The Group is headquartered in Luxembourg and currently actively operating in 4 countries including Slovakia, Czech Republic, Poland and Hungary. Office in Croatia will be closed until end of 2013.

HB Reavis Group is one of the few fully integrated real-estate players in CEE Region. Integrated business model allows Group to cover all phases of development process - from plot selection and acquisition, through planning and permitting process, project completion and commercialization via its own general contractor and leasing team up to standing asset management and final divestment of the project.

The Group is regularly praised for its approach to sustainable development and for the cost effective way it integrates tenant's needs into its properties. HB Reavis Group was one of the first developers in the region to adopt BREEAM standards for its projects and starting 2010 BREEAM certification has become corporate standard for all the Group's building in development pipeline.

Based on the report on completed projects in the period 2010-2012 published by EU Property in March 2013, HB Reavis Group was ranked 17th among all European real estate developers (up from 26th in 2011).

Integrated business model

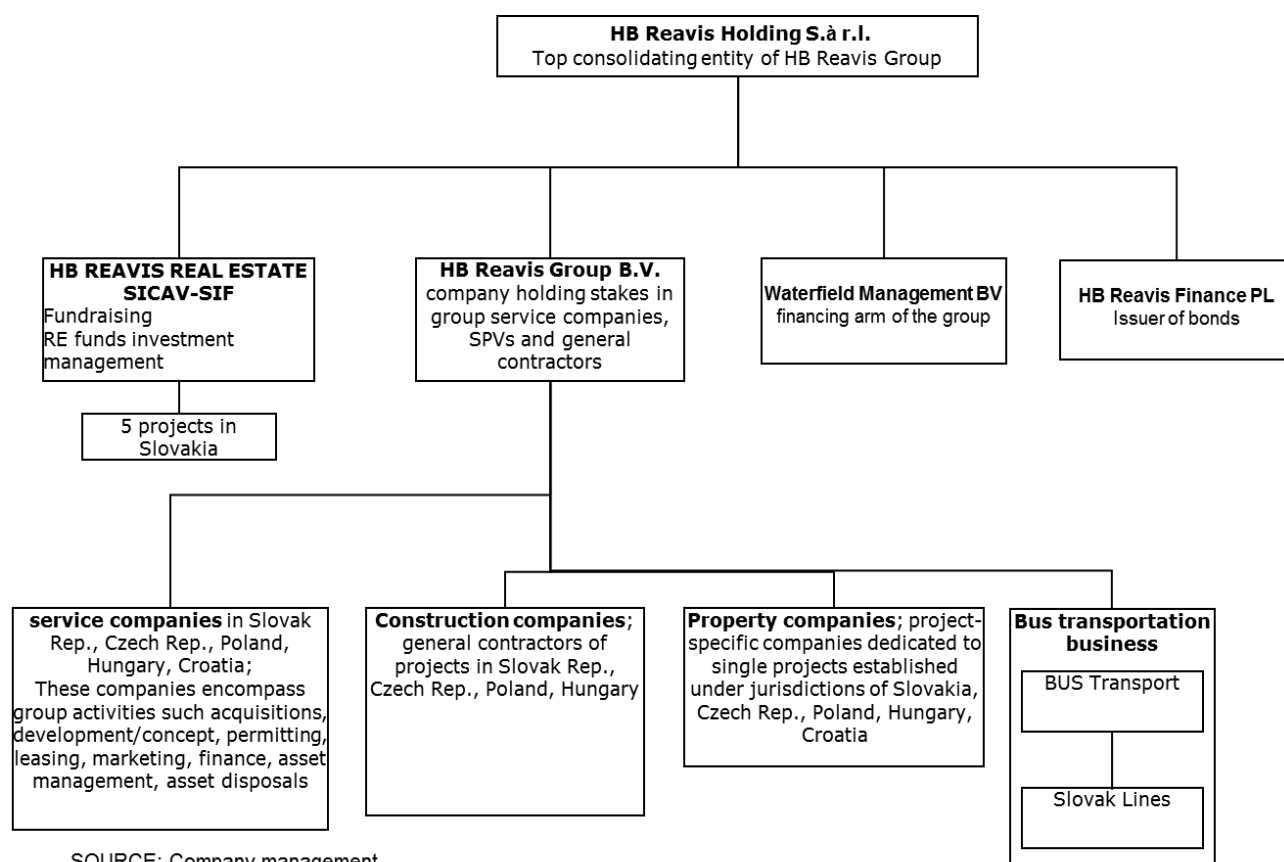
One of the big advantages of the Group is integrated business model which company operates and successfully rolled-out to all new markets where it is active. Integrated model allows Group to apply its professional expertise and know-how at each stage of the development process - from identifying the investment opportunity to management of the standing asset and final divestment of the projects.

Table. Structure of the business model

Business Lines	Real Estate Development	<ul style="list-style-type: none"> • Site acquisition • Project management • Concept design • Permitting • Leasing
	Real Estate Asset Management	<ul style="list-style-type: none"> • Property and center management • Facility management
	Real Estate Fund Investment Management	<ul style="list-style-type: none"> • Asset disposals • Fundraising • RE funds investment management
Business Support	General Contractor for Construction	<ul style="list-style-type: none"> • Project technical documentation • Construction procurement • Construction site management
	Shared Services	<ul style="list-style-type: none"> • Finance • Marketing • IT • Legal • Human Resources

Source: HB Reavis Group

Group's Structure



HB Reavis asset management

As of 30 September 2013, HB Reavis Group managed 18¹ income producing properties totalling more than 516 thsd. sqm of GLA. Of that total, 11 projects with 339.8 thsd. sqm of GLA and with net rental income contracted for the period of next 12 months (4Q2013 – 3Q2014) of EUR 33.8 mio are owned by the Group and 5 projects with 100.3 thsd. sqm of GLA and with net rental income contracted for the period of next 12 months (4Q2013 – 3Q2014) of EUR 11.9 mio are owned by the HBR CE REIF real-estate fund that is consolidated in the Group's financial statements. In addition, Apollo Business Center I (44.1 thsd. sqm of GLA) is under HB Reavis Group management for Hannover Leasing and Apollo Business Center IV (32.1 thsd. sqm of GLA) is under HB Reavis Group management for Ceska Pojistovna (Generali Group).

Table. Properties managed by HB Reavis Group

Asset Management of the Group	Segment	No. of projects	Developed GLA (in thsd. sqm)	Market value (06/2013)
Group owned income-producing assets	Office	7	179.5	414.6
	Retail	1	33.7	128.0

¹ Including two office assets which are owned and managed but were not developed by HB Reavis Group

	Logistics	3	126.6	71.6
	Total	11	339.8	614.2
Assets managed for HBR CE REIF		5	100.3	165.6
Asset managed for 3rd parties		2	76.2	n/a

*/Figures do not include data for Aupark Zilina Shopping Center which was sold to New Europe Property Investments in 07/2013

**/Apollo Business Centers III and V are counted as one asset

Source: HB Reavis Group

Tenant portfolio represents a strong mix of international as well as leading local companies. Average occupancy rate in assets owned by HB Reavis Group (incl. assets owned by HBR CE REIF real-estate fund) is above 81%. The top 5 largest tenants in office and retail segments are shown below:

Table. Tenants in the office segment

Tenant	Share of Office GLA
SLOVAK TELECOM	13.1%
SWISS RE	7.7%
PROCTER & GAMBLE	5.1%
ADP	4.8%
AT&T	4.8%

Table. Tenants in the retail segment*

Tenant	Share of Aupark Retail GLA
BILLA	6.0%
H&M	5.8%
NEW YORKER	5.5%
DATART	5.5%
EXISPORT	4.7%

*/ excluding Aupark Zilina Shopping Center

Source: HB Reavis Group

Several of the top tenants (Slovak Telekom, Swiss Re, AT&T) have repeatedly increased their leased space, reinforcing the partnership with HB Reavis Group and demonstrating their satisfaction with leased premises.

HB Reavis Investment Management

In line with Group's strategic objective of growing and expanding its integrated business chain, the Group created a new business line in 2010 by establishing the HB Reavis Investment Management unit (IM unit). IM unit is responsible for:

1. raising and managing third-party equity capital and investing it in real estate asset while leveraging the long-term presence, track record and know-how of HB Reavis Group in the sector and in the region (RE funds investment management)
2. equity release from completed and mature projects developed by the HB Reavis Group by divesting these assets to international institutional investors (divestment)

In 2011, IM unit launched its first real estate fund – HB Reavis Central Europe Real Estate Investment Fund (HBR CE REIF) with an initial portfolio of five fully leased commercial assets seeded by HB Reavis Group worth a combined total of EUR 167.4 million in asset value. As the fund's sponsor, the Group will always maintain a minimum 20% stake in the fund. HBR CE REIF is regulated by the Luxembourg financial regulator, Commission de Surveillance du Secteur Financier (CSSF) and since the first seed assets acquisition it achieved a 11.0% annualized return for investors. HBR CE REIF is fully consolidated in the financial statements of HB Reavis Group. Launch of the next fund (CEE Office Fund I) with focus on office segment in V4 countries is under preparation.

Financing of HB Reavis Group's activities

Financing is always a major factor in any property growth strategy and HB Reavis Group is managing optimal balance between deployment of shareholders' capital and externally raised debt financing while maintaining its strong liquidity position. Real-estate projects are financed exclusively on a stand-alone basis by mix of shareholders' capital and reasonable amount of external bank loans.

As banks ask for certain level of pre-leases and equity spent up-front, the Group starts project development without pre-agreed bank financing. Negotiations with banks are nevertheless started in parallel, in order to have bank financing ready as soon as the agreed conditions for disbursement are fulfilled. Denomination of loans is usually in EUR and the Group generally opts for floating-rate loans while using appropriate interest rate hedging instruments (mainly interest rate cap instruments).

HB Reavis Group has introduced and aims to observe several rules to secure stable and sustainable financial position, namely:

- balanced cash flow management (cash flow from underlying project sufficient to serve operating expenses and respective debt)
- bank financing on non-recourse ring-fenced basis
- no leverage on the landbank²
- conservative net debt leverage ratio (at 27.2% as of end June 2013, reduced to ca. 25% after disposal of Aupark Zilina Shopping Center, target up to 35%)
- when appropriate and needed active FX and IR hedging.

Table. Key financial indicators of the HB Reavis Group

<i>Figures in mio EUR</i>	2010	2011	2012	06/2013
Net profit	84.2	86.7	53.2	23.2
Total assets	1,254.6	1,253.3	1,440.4	1,443.5
Net Asset Value	761.3	795.1	843.6	847.0
Net debt leverage ratio	31.2	16.6%	28.8%	27.2%

Source: HB Reavis Group

HB Reavis Human resources management

Continuous growth together with international expansion was also reflected in the staff increase, both at headquarters and internationally. The Group has more than doubled its staff since 2009. Currently HB Reavis Group employs 379 real estate professionals. Staff breakdown according to countries is presented in the following table:

Table. Staff breakdown

Country	Slovakia	Poland	Czech Rep.	Hungary	Croatia	UK	Total
No. of employees	264	56	41	12	4*	2	379

Source: HB Reavis Group

**will be closed until end of 2013*

Non-core business – bus transportation

² The only exception was acquisition of Gdanski BC land plot in Warsaw which was acquired as distressed asset together with bank loan

Since 2005 HB Reavis Group owns the shareholding in Slovak Lines a.s., regional bus transportation company, following a winning bid in an international tender called by the National Property Fund of the Slovak Republic. The transaction was part of the country-wide privatization process during which state ownership of regional bus transportation companies was transferred to private investors. Since 2007, the Group's shareholding in Slovak Lines represents 56%, while the remaining 44% is owned by the National Property Fund of the Slovak Republic.

Together with the shareholding in bus transportation company, the Group acquired the main bus station in Bratislava located at Mlynské Nivy (location bordering the edge of the city center) and surrounding land plots, which shall be part of the Group's Twin City project.

Slovak Lines a.s. is a major provider of passenger road transportation services in Slovakia. Company operates regular passenger transportation services on regional, domestic and international routes, as well as contractual transportation services for corporations and private individuals and other special transfers. Regular regional passenger transportation service is operated on 42 regional routes, 4 domestic long-distance routes and 7 international routes. For the first six months of 2013, Slovak Lines a.s. carried more than 6.84 million passengers, employed 484 people and operated 244 buses and coaches. Slovak Lines a.s. income stems mainly from sales of bus tickets and from regional government subsidies, which relate to profit compensation based on the contracts with the Bratislava Regional Government.

Table. Key financial highlights of Slovak Lines a.s.

<i>in mio EUR</i>	2011	2012	06/2013
Total assets	18.8	15.1	14.7
Total revenue	20.6	20.8	10.6
Operating profit	1.2	0.9	0.8

Source: HB Reavis Group

6.11 Description of major domestic and foreign investment projects of the Guarantor, including Capital investments, for the period covered by the financial statements or consolidated financial statements included in the Information Document

HB Reavis Group track record

Focusing on commercial real-estate development projects, up to date the Group has completed 11 large-scale office projects, 4 leading shopping and entertainment centers and 5 logistic centers in three countries. All projects completed by HB Reavis Group over the period 1995 – 06/2013 are summarized in following table:

Table. HB Reavis Group track record

Project	Segment	Country	Completion	GLA (in thsd. sqm)	Key Tenants	Divestment
Bratislava Business Center I-II	office	Slovakia	1996	13.5	Oracle, Reuters, Microsoft, Alcatel	CA Immobilien (1999)
Bratislava Business Center III-IV	office	Slovakia	1999	19.9	Orange, KPMG, Cisco, Air Liquide	B.S.R. Group (2000)
Aupark Bratislava	retail	Slovakia	2001, extension 2007	57.8	Peek&Cloppenburg, H&M, Zara, C&A, NAY, Cinema City	Unibail-Rodamco (50% in 2006, 50% in 2011)
Apollo Business Center I-II	office	Slovakia	2004	44.1	Citibank, Accenture, BASF, Sony, Shell, Deloitte, Ericson	Hannover Leasing (2006)
Logistics Center Bratislava-Raca I-III	logistics	Slovakia	2005-2007	68.7	DHL Express, Lyreco, dm drogerie markt, FAST PLUS	
City Business Center I-II	office	Slovakia	2006-2007	38.8	Deutsche Telekom, Swiss Re, AT&T, Abbott Laboratories, SONY, BMW	HB Reavis Central Europe Real Estate Investment Fund (HBR CE REIF)(2011)
Logistics Center Svaty Jur	logistics	Slovakia	2007	31.3	Martinrea, Den Braven, CEVA Logistics, Phillip Morris	HBR CE REIF (2011)
Aupark Tower Bratislava	office	Slovakia	2008	32.7	Telefónica O2, AT&T, Procter&Gamble, Eset, Sanofi-Aventis	Heitman Central Europe Property Partners IV (2011)
Apollo Business Center III-V	office	Slovakia	2009	81.6	IBM, Enel, Microsoft, Alcatel-Lucent, Emerson, Heineken, Henkel	Apollo Business Center IV. (32,4 thsd. sqm) sold to Ceska Pojistovna (Generali Group) in 06/2013
Logistics Center Maly Saris	logistics	Slovakia	2009	16.3	FTE Automotive, Linak, CS Cargo	HBR CE REIF (2011)
Aupark Piestany	retail	Slovakia	2010	10.1	New Yorker, Mango, Billa, Datart, Panta Rhei, Orsay, DATART	HBR CE REIF (2011)

Logistics Center Lovosice	logistics	Czech Republic	2010	43.5	CD Cargo (subsidiary of Czech Railways)	
Aupark Zilina	retail	Slovakia	2010	25.5	H&M, C&A, New Yorker, DATART, Billa, Humanic, Deichman, Mango	<i>New Europe Property Investments (07/2013)</i>
Air Cargo Ostrava-Mosnov	logistics	Czech Republic	2011	14.3	DHL Express, Plakor, SmartCargo	
Aupark Kosice	retail	Slovakia	2011	33.7	H&M, C&A, New Yorker, DATART, Billa, Humanic, Deichman, Mango	
City Business Center III-V	office	Slovakia	2011	26.3	Swiss Re, Zepter, Aon, Johnson & Johnson, Schneider Electric	
River Garden I.	office	Czech Republic	2012	20.2	ADP, Monster, Unilever, Alpiq Energy	
Aupark Tower Kosice	office	Slovakia	2012	11.8	PwC, Eset, GTS Nextra	
Konstruktorska Business Center	office	Poland	2013	48.2	Procter&Gamble, Żywiec, IMS Health, United Technologies	
Forum Business Center	office	Slovakia	2013	19.6	Slovak Telekom	
TOTAL				658.0		

Source: HB Reavis Group

Key Completed Projects of the Group



Apollo Business Center I-II

Location: Bratislava, Slovakia

Completion: 2004

GLA: 44,140 sqm

Sold to Hannover Leasing in 2006



Aupark Bratislava Shopping Center

Location: Bratislava, Slovakia

Completion: 2001, extension 2007

GLA: 57,780 sqm

Sold to Unibail-Rodamco in 2006 (50%) and 2011 (50%)

City Business Center I-II

Location: Bratislava, Slovakia

Completion: 2006/2007

GLA: 38,775 sqm

Sold to HB Reavis RE CEIF in 2011



Aupark Tower Bratislava

Location: Bratislava, Slovakia

Completion: 2008

GLA: 32,720 sqm

Sold to Heitman Central Europe Property Partners IV in 2011



Apollo Business Center III-V

Location: Bratislava, Slovakia

Completion: 2009

GLA: 81,576 sqm

Apollo Business Center IV (32.1 thsd. sqm) was sold to Generali Group in 2013



Aupark Zilina Shopping Center

Location: Zilina, Slovakia

Completion: 2010

GLA: 25,532 sqm

Sold to New Europe Property Investments in 2013



Aupark Kosice Shopping Center

Location: Kosice, Slovakia

Completion: 2011

GLA: 33,718 sqm



River Garden I

Location: Prague, Czech Republic

Completion: 2012

GLA: 20,215 sqm

Konstruktorska Business Center

Location: Warsaw, Poland

Completion: 2013

GLA: 48,222 sqm



Forum Business Center

Location: Bratislava, Slovakia

Completion: 2013

GLA: 19,636 sqm

HB Reavis Group development pipeline

HB Reavis has created an extensive development pipeline of 20 large-scale projects across the region totalling almost 1.2 million sqm of GLA at various stages of planning, permitting or construction.

From the planned pipeline, five office schemes in three countries with total GLA of more than 159 thsd. sqm are currently under construction and are planned to be delivered to the market in 2014-2015.

Table. Projects under construction

Project	Segment	Location	Planned Completion	GLA (in thsd. sqm)	Current stage
Gdanski Business Center I.	office	Warsaw, Poland	2014	46.3	Project under construction
River Garden II-III	office	Prague, Czech Republic	2014	24.7	Project under construction
Váci Corners Offices	office	Budapest, Hungary	2014	20.7	Project under construction
Postępu 14 Business Center	office	Warsaw, Poland	2015	34.0	Project under construction
Metronom Business Center	office	Prague, Czech Republic	2015	33.5	Project under construction
Total				159.2	

Source: HB Reavis Group

Key projects in the development pipeline (besides projects currently under construction) are shown in the following table:

Table. Key projects in the development pipeline

Project	Segment	Location	Planned Delivery	GLA (in thsd. sqm)
POLAND				
Gdanski Business Center II	office	Poland - Warsaw	2016	46.8
West Station I-II (JV with PKP)	office	Poland - Warsaw	2016-2018	66.2
Chmielna Business Center I-II	office	Poland - Warsaw	2017-2019	101.3
SLOVAKIA				
Twin City shopping center	retail	Slovakia - Bratislava	2018	67.7

Twin City South	office	Slovakia - Bratislava	2015-2023	186.4
CZECH REPUBLIC				
Apollo Business Center Brno I-II	office	Czech Republic - Brno	2016-2018	51.8
Aupark Hradec Kralove	retail	Czech Republic – Hradec Kralove	2015	25.5
Aupark Brno I-II	retail	Czech Republic - Brno	2016-2020	72.5
Multimodal Logistics Center Ostrava-Mošnov	logistics	Czech Republic – Ostrava Mošnov	2016-2020	154.9

Source: HB Reavis Group

Projects under construction



Gdansk Business Center I

Location: Warsaw, Poland

Planned completion: 2014

GLA: 46,348 sqm

River Garden II-III

Location: Prague, Czech Republic

Planned completion: 2014

GLA: 24,661 sqm



Váci Corners Offices

Location: Budapest, Hungary

Planned completion: 2014

GLA: 20,740 sqm

Postepu 14 Business Center

Location: Warsaw, Poland

Planned completion: 2015

GLA: 34,032 sqm



Metronom Business Center

Location: Prague, Czech Republic

Planned completion: 2015

GLA: 33,470 sqm



Development pipeline in Poland (excluding projects currently under construction)



Gdanski Business Center II

Location: Warsaw, Poland

Planned completion: 2016

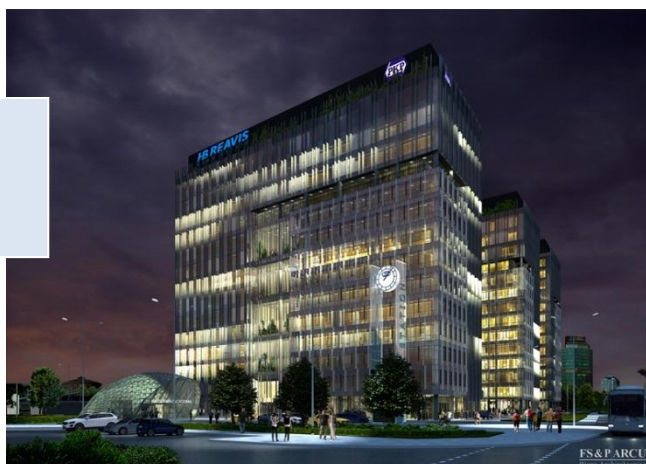
GLA: 46,823 sqm

West Station Business Center

Location: Warsaw, Poland

Planned completion: 2016/2018

GLA: 66,199 sqm



Chmielna Business Center I-III

Location: Warsaw, Poland

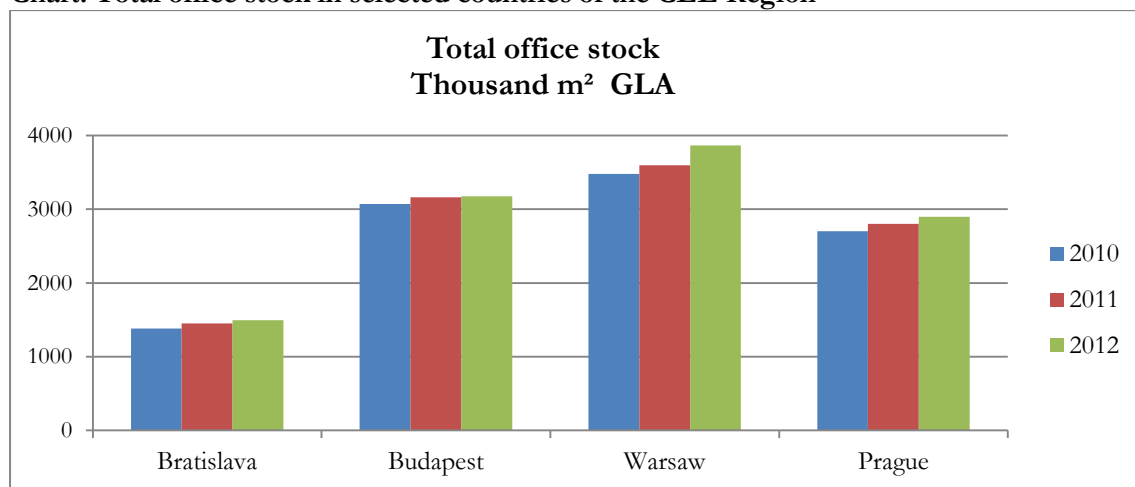
Planned completion: 2017/2019

GLA: 101,322 sqm

6.12 Real estate market overview

Office property market - CEE Region

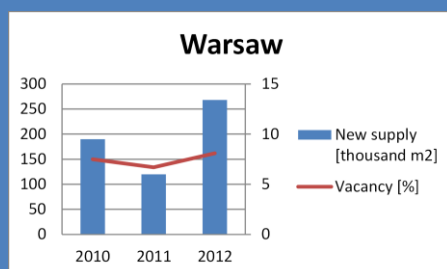
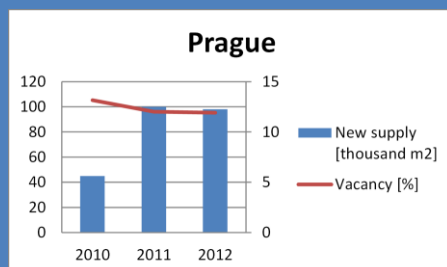
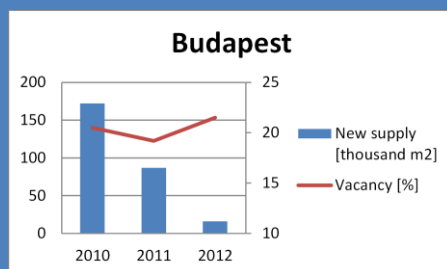
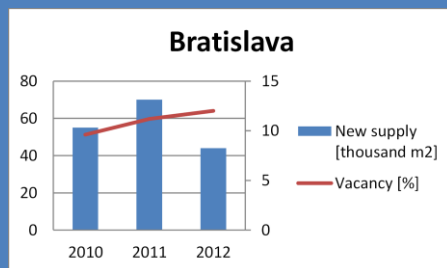
Chart. Total office stock in selected countries of the CEE Region



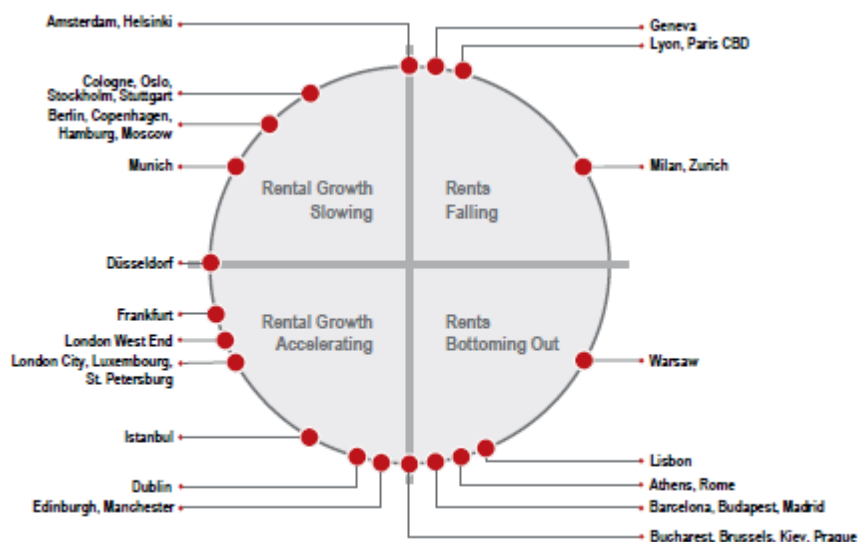
Source: CB Richard Ellis

After a promising year in 2011 when a temporary growth in rents due to lower new supply delivery could have been observed, the year 2012 confirmed cautious market expectations for the coming years. The office market in Warsaw increased its total stock by about 7.5%. Bratislava and Prague added a moderate 3.0% and 3.5%, respectively while Budapest stagnated at a 0.5% growth in stock. In all cities except Prague (modest year-on-year decrease), an increase in vacancy was observed. In spite of a comparable demand from tenants, the clear driver in rental negotiations is cost efficiency driven by on-going unpredictability of the global economic environment rather than vacancy rate or new supply trends. This is reflected in a strong pressure on rental levels, particularly in Warsaw.

Chart. New supply in selected CEE Region



Source: CB Richard Ellis, JLL



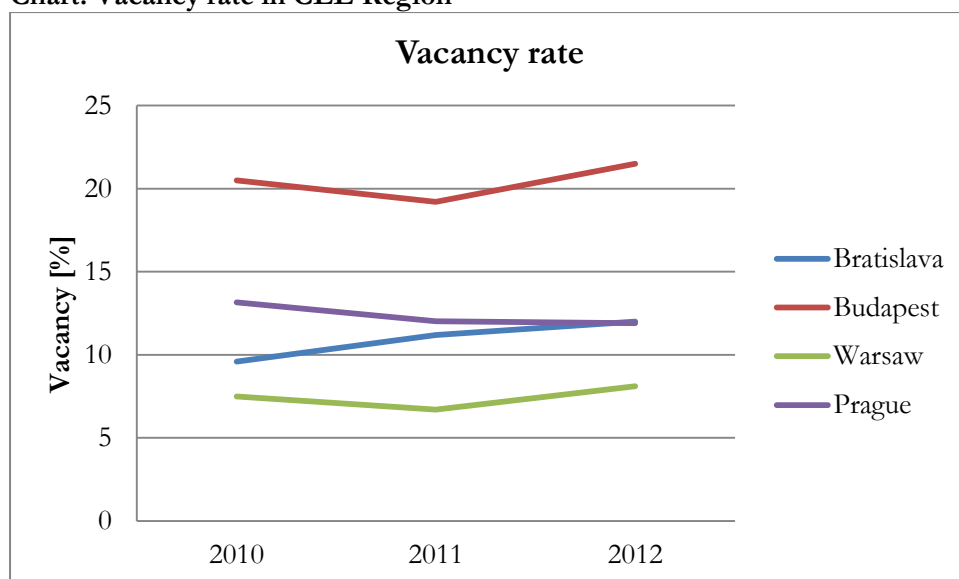
Source: Jones Lang LaSalle IP, July 2013

Source: Jones Lang LaSalle (JLL), 2013

A similar trend has continued in the first half of 2013 and generally speaking there are no positive signs of changes in the key drivers of the office rental markets:

1. Speculative office developers are continuing their cautious, selective approach in most markets to utilize existing tenant demand. One of the main drivers of tenant dynamics is relocations from older, class-B office schemes to new, class-A premises as clients look to upgrade rather than expand due to the less than certain business environment.
2. Economic slowdown with GDP stagnation or decline is prevalent throughout the region with no positive changes expected in the remainder of 2013.
3. Bank financing of developments, either construction or investment, remains challenging in all markets, particularly in Budapest. Under these circumstances our ability to sufficiently pre-lease buildings in a timely manner will become an even more crucial factor.

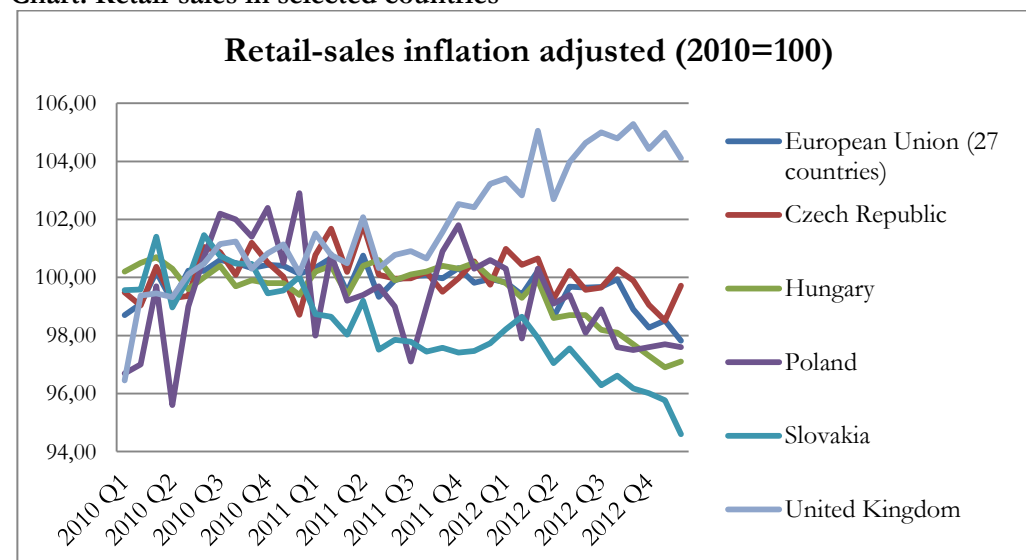
Looking ahead, the Group believes that the situation in the office market will remain unchanged throughout the whole year 2013. Warsaw continues to be the most dynamic market, both in terms of tenant breadth and construction activity, thus securing reasonably continuous opportunities for institutional investors. Bratislava, Prague and Budapest are still seeing very modest speculative development pipeline compared to past averages.

Chart. Vacancy rate in CEE Region

Source: CB Richard Ellis, JLL

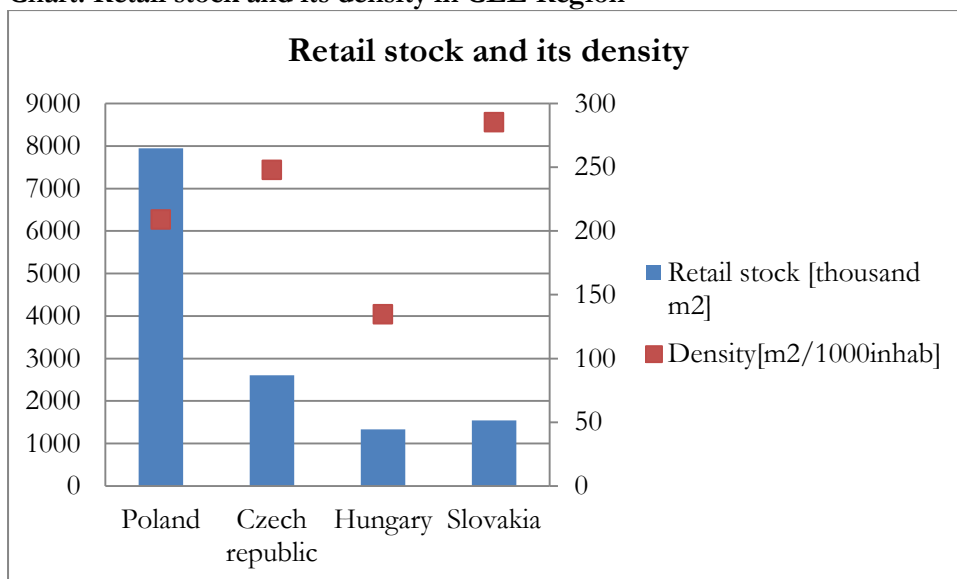
Retail property market – CEE Region

Retail sales trends in 2012 have confirmed the negative trend observed in the office market. Retail sales continued to decline in all selected countries with the exception of the Czech Republic, where sales fluctuated during the year, finally finishing 2012 at exactly the same levels as in the previous year. The Group remains conservative in its outlook for the year 2013. Although there are indications of a slight upturn HB Reavis Group does not expect retail sales in CEE Region to catch up on this trend until the end of 2013. However, well-located shopping centers are proving to be resilient to general trends, with sales and footfall increasing, as it was observed in the Aupark shopping centers, controlled by the Group.

Chart. Retail-sales in selected countries

Source: Eurostat

With the exception of Hungary, which grew only by 1%, modern retail stock in the Group's focus countries grew by between 6% and 11%. Most of the growth comes from regional shopping center schemes or extensions of existing schemes in the capital cities.

Chart. Retail stock and its density in CEE Region

Source: JLL

Property market trends in Poland

Compared to most of the European Union (EU) countries, Poland could be still perceived as an oasis of economic growth. The year 2012 ended with a 2% growth in GDP and even the expected 'downturn' in 2013 should end with an annual growth of 1.5% (even above 2% in the 4th quarter of this year). However, unemployment went up in 2012, from an already high 12.5% to 13.4% and a general uncertainty is reflected in lower household consumption. While Poland is not immune to the effects of the crisis, its solid economic growth is making it an attractive proposition for investors looking to set up in the CEE Region. Take-up rates in the office properties remain comparatively strong, recording a new all-time high in 2012 at more than 600,000 m² of GLA just in Warsaw. However, there is a significant office pipeline coming into operation during the next two years in the capital city. During the period 2013-2014, the total supply of office space in Warsaw is expected to increase by around 630,000 m² of GLA, i.e. representing a more than 15% increase in the total stock, with 550,000 m² currently under construction. This will certainly make the office market a lot more competitive, pushing up vacancy and putting pressure on rents. This trend was already becoming apparent in the second half of 2012. In line with the trend observed in other countries in the region, Warsaw is rapidly also becoming a tenant's market. Nowadays tenants do not only require cheaper rates on higher quality offices but also flexibility in the amount of space to which they commit due to the prevalent uncertainty in most business sectors.

After the market for developing sites slowed down and investment volumes decreased considerably in 2008, since 2012-13, the amount of deals in the land property market is gradually increasing. This trend caused that the price discrepancy between very good and medium-quality parcels of land has increased significantly when compared to the respective period before the crisis (before 2008). The best sites in the centres of large cities managed to maintain their value, while discounts on less attractive parcels reach even a several dozen per cent.

Table. Land prices in Poland

Parcel use	Centre of Warsaw	Warsaw out of centre	Major regional cities	Smaller cities
Offices (per sq m of possible lettable space)	EUR 700–1,500	EUR 150–400	EUR 100–300	<EUR 100
Retail (per sq m of possible lettable space)	> EUR 500	EUR 400-500	EUR 300-400	EUR 200-300* EUR 100 –50**
Warehouses (per sq m of possible lettable space)	-	< EUR 100	EUR 20-50***	<EUR 20
Residential (per sq m of possible lettable space)	> PLN 1,500****	PLN 600–1,500	PLN 400–1,000	< PLN 500

Source: CBRE, September 2013

* over 300,000 inhabitants

** other cities

*** also areas of large cities or near transport junctions

**** prime location in the centre and out of centre in best districts

6.13 Short financial review of the HB Reavis Group

Table. Financial performance in the period 2010 – 06/2013

<i>In million EUR</i>	2010	2011	1H2012	2012	1H2013
Total Assets	1,254.6	1,253.3	na	1,440.4	1,443.5
Non-current assets	1,138.9	1,052.0	na	1,266.7	1,243.3
Investment properties	1,081.1	996.2	na	1,206.8	1,174.0
<i>Value of the pledged properties</i>	710.8	696.0		781.2	700.8
Current assets	115.7	201.3	na	95.7	110.9
cash and cash equivalents	76.6	141.8	na	47.6	73.2
Non-current assets classified as held for sale	0.0	0.0	na	78.0	89.3
Total equity	682.5	736.8	na	796.2	806.8
Total liabilities	572.1	516.5	na	644.2	636.7
Debt ratio	45.6%	41.2%	na	44.7%	44.1%
Non-current liabilities	479.9	317.7	na	436.4	480.5
Borrowings	372.2	239.7	na	334.9	380.8
Other Indebtedness (fund investors)	0.0	5.3		14.7	21.0
Current liabilities	92.2	198.8	na	174.7	88.5
Borrowings	35.2	112.8	na	104.9	32.7
Debt leverage (1)	31.2%	27.9%	na	32.1%	32.4%
Net debt leverage (2)	25.1%	16.6%	na	28.8%	27.2%
Liabilities associated with assets held for sale	0.0	0.0	na	33.1	67.7
Rental revenue	64.5	74.2	34.4	69.3	37.5
NOI from investment property	48.0	54.3	24.0	48.5	26.5
NOI margin	74.4%	73.2%	69.8%	70.0%	70.7%
Revaluation gain/loss	113.5	55.3	43.9	45.5	28.1

Operating profit	150.5	111.9	49.5	64.9	49.5
Operating profit + depreciation	157.3	118.1	52.6	71.0	51.7
Interest expense - third parties	6.6	14.5	4.7	12.9	7.4
<i>Operating profit/Interest expense (third parties)</i>	22.8	7.7	10.5	5.0	6.7
FX gains/losses	-0.2	-5.6	1.7	6.9	-18.0
Net profit	84.2	86.7	45.5	53.2	23.2

Source: HB Reavis Group

(1) Interest bearing liabilities from third parties (excl. other indebtedness) to Group total assets

(2) Interest bearing liabilities from third parties (excl. other indebtedness) less cash to Group total assets

HB Reavis Group historically pursued conservative financing policy and with only one exception (Gdanski BC land plot in Warsaw was acquired as distressed asset together with bank loan) no leverage on the Group's landbank was incurred. Primarily project-related interest bearing borrowings from external financiers are structured in accordance with cash-flows generated by relevant projects. As a result of this approach to financing, overall level of the Group external debt remains at very safe levels. Number of income generating projects, good access to external debt financing and cash-releases from managed project disposals are contributing to strong cash position of the Group. Reinvesting of significant parts of cash profits into the Group activities is key to creation of strong equity base with Equity to Total Assets ratio above 55% (highest ratio in comparison with the relevant peers). Taking into consideration all of the above factors, in comparison with other CEE commercial developers, the financial position of HB Reavis Group should be perceived as very stable and secure.

6.14 Information about bankruptcy, composition or liquidation proceedings instituted with respect to the Guarantor

There are no bankruptcy, composition or liquidation proceedings instituted with respect to the Issuer.

6.15 Information about settlement, arbitration or enforcement proceedings instituted with respect to the Guarantor, if the outcome of such proceedings is or may be of significance for the Guarantor's business

Issuer represents, that to the best knowledge of the Guarantor, as at the date of this Information Document, the Guarantor is not involved in or party to any litigation, for the period of at least the last 12 months, which might have had or have recently had or may have a material adverse effect on the financial situation of the Guarantor.

6.16 Information about any other proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceeding that are threatened according to the Guarantor's knowledge, which might have had or have recently had or may have a significant impact on the Guarantor's financial situation, or information about lack of such proceedings

Issuer represents, that to the best knowledge of the Guarantor, there are no proceedings before governmental authorities, court or arbitration proceedings, including any pending proceedings, for the period of at least the last 12 months, or proceedings that are threatened according to the Guarantor's knowledge, which might have had or have recently had or may have a significant impact on the Guarantor's financial situation.

6.17 The Guarantor's off-balance-sheet liabilities and their structure by maturity and category

Other than guarantees for the liabilities of its subsidiaries (that are recorded as balance sheet liabilities in its consolidated financial statements), Guarantor has issued guarantees in favour of investors in HB REAVIS Central Europe Real Estate Investment Fund (HB REAVIS CE REIF). Guarantees can be exercised only in case of redemption of shares by the investors in the HB REAVIS CE REIF and only up to the amount of the (negative) difference between redemption price (NAV per share) and initial nominal value of shares (EUR 1,000 per share). Guarantees are valid until 31 May 2018. As of 31 August 2013, total amount of guarantees issued to parties outside of Guarantor's group is EUR 18,843,060. NAV per share as of 31 August 2013 is EUR 1,146.22.

6.18 Information about non-standard circumstances or events affecting business profit/loss for the period covered by financial statements contained in the Information Document

There were no non-standard circumstances or events affecting business profit/loss for the period covered by financial statements contained in the Information Document.

6.19 Any significant changes to the economic, property and financial situation of the Guarantor and its group and other information relevant to the assessment of such changes, which occurred after financial data contained in this Information Document were prepared

Post balance sheet events and significant changes to the economic, property and financial situation of the Guarantor's group were disclosed in the Notes to the Condensed Consolidated Interim Financial Statements of Guarantor for the period ending 30 June 2013 released as of 21 October 2013. There were no further significant changes between this date and the Date of preparation of this Information Document.

6.20 Guarantor's and Group's managing persons and supervisory persons

6.20.1 Group's managing and supervisory persons

HB Reavis Group is managed and supervised via its Board of Directors, which consists of 3 Non-executive Directors and 5 Executive members:

Non-Executive Directors

Ivan CHRENKO, Chairman of the Board – Co-founder of HB Reavis Group and Chairman of the Board of Directors of HB Reavis Holding S.á.r.l. Ivan is a self-made entrepreneur driving the strategic development of the Group since its establishment. Further to his chairmanship at the Board of Directors, Ivan serves as a senior advisor to the executive team with regards to projects' concept design and new project acquisitions.

Maarten J. HULSHOFF, Member of the Board – Maarten began his career in 1973 at Océ N.V. He joined Citibank NA in 1976, holding various general management positions in Europe and Asia from 1982 to 1995. Since 1995, Maarten held the position of the Chairman of the Managing Board of NCM Holding (renamed Atradius), one of the three largest Credit Insurers worldwide. He served as the Chief Executive Officer and chairman of the management board of Rabobank International since 1999. Maarten served as the Chief Executive Officer of Rodamco Europe NV since June 2001 and served as its Acting Chief Financial Officer. He served as a Member of management board of Rodamco Europe NV until July 2007. In addition to Maarten's involvement in HB Reavis since 2007, he currently serves as Member of the Board of Directors of Brit Insurance Holdings N.V., Damen Shipyards Group and Wilhelmina Aleida Foundation. He is also the Member of the Supervisory Board of Goedland and Member Advisory Board Westplan Investments. He holds a master's in economics from Erasmus University.

Viliam PANČÍK, Member of the Board – Co-founder of the HB Reavis Group. Since the foundation of the Group in 1993, Viliam managed permitting activities in Slovakia and supervised legal services and operational risk of the Group. Since 2010, when he stepped down from his executive role, he serves as a senior advisor and Non-executive Director in HB Reavis' Board.

Executive Board

Pavel TRENKA, CEO – Pavel joined HB Reavis in 2007 and has been leading transition of the company to focus on international markets. Formerly an Associate Partner at McKinsey & Company, Pavel was advising his clients predominantly from financial and fast-moving consumer goods sectors. In addition to his role of CEO at HB Reavis, he is responsible for the Group's strategy, human resources management and concept design team.

Marcel SEDLÁK, Member of the Board – Marcel is a long-standing executive of HB Reavis, having joined the Group in 2001 as senior lawyer, later on took responsibility as General Counsel of the Group. He was promoted to the Executive Board in 2010. Marcel currently oversees development activities in Poland and Slovakia and is in charge of the Group's entry into new markets, with primary responsibility for Turkey. Prior to joining HB Reavis, Marcel worked as senior lawyer in a leading Slovak law firm.

Jiří HRBÁČEK, CFO - Jiří joined HB Reavis as Chief Financial Officer of the Group in 2011. Jiří has more than 20 years of experience in various financial positions, including CFO at Czech Airlines, Co-Head of Investment Banking at Ceska Sporitelna (Erste Bank Group) and Head of Corporate Finance at ABN Amro CR. Prior to that, Jiří served as the managing director of investment fund of Zivnostenska banka („ZB“) and member of the Board of Directors of investment company of ZB in 1991 – 1996. Besides being responsible for the Group's finances, he also leads the Investment management unit, divestment activities and overseer internal legal department of the Group.

Róbert KÁNTOR, Member of the Board – Róbert joined HB Reavis in 2000 and became responsible for leasing and property management of our shopping centers (operated under “Aupark” brand). He was appointed to the Executive Board of the Group in 2013 and currently oversees the Group's Asset Management and Construction Management activities. Prior to joining HB Reavis, Robert helped to develop family business in mechanical engineering industry.

Radim ŘÍMÁNEK, Member of the Board – Radim joined HB Reavis in early 2012 from McKinsey & Company, where he was an Associate Partner. During his 8 years in McKinsey's New York and Prague offices, Radim focused on serving financial services, energy and telecom clients, most recently in the CEE countries, Middle East and Africa. At HB Reavis, Radim assumed responsibility for office leasing across all international markets, as well as marketing and IT. From 2013, Radim was promoted to the Executive Board, enhancing his responsibilities to cover development activities in the Czech Republic, Hungary and establishment of HB Reavis activities in the UK market.

6.20.2 Guarantor's managing and supervisory persons

The Board of Directors of HB Reavis Holding S.á.r.l, the Guarantor, is a statutory body of the Guarantor and consists of the following members:

Name	Position	Position held since
Ivan Chrenko	Chairman of the Board, Director B	December 2010
Jean-Jacques Josset	Director A	May 2013
Jack Mudde	Director A	July 2013
Marcel Sedlák	Director B	October 2010

Maarten J. Hulshoff

Director C

October 2010

Jean-Jacques Josset - Director A

Jean-Jacques Josset is currently Client Services Director within Real Estate Services/Legal Department, TMF Luxembourg S.A. Prior to joining TMF Luxembourg S.A. in 2007, Jean-Jacques served as Senior Corporate Officer (Sub-Chief of Service) with Société Européenne de Banque S.A. (Group Intesa-Sanpaolo). Jean-Jacques holds Master's degree in Commercial Law (*Maîtrise en Droit des Affaires*) from the University of Picardie Jules Verne, Amiens, France.

Jack Mudde - Director A

Jack currently serves as Deputy Managing Director, TMF Luxembourg S.A. prior to this, Jack held various positions (most recently Director Client Services) with Equity Trust Co. (Luxembourg) S.A. Prior to joining Equity Trust Co., he held position of senior account manager with Amaco, in Curaçao and Rotterdam. Jack holds Master of Laws (LL.M.) from the Law School of the Erasmus University of Rotterdam, Netherlands and European Master in Law & Economics (LL.M.) from International School of Law and Economics (Hamburg, Ghent and Manchester).

The Guarantor is not required by the governing law to create a Supervisory Board. No supervisory board was established by the Guarantor.

6.21 Guarantor's shareholding structure including specification of partners holding at least 5% of votes at partners meeting

Guarantor's shareholder structure, as of the date of this Information Document, is as follows:

Shareholder	Shareholding
Kennesville Holdings Limited	99.992%
Other	0.008%
Total	100%

7 Financial statements

7.1 The Issuer's audited financial statement for the financial year ended 31 December 2012

SCD sp. z o.o.

**Sprawozdanie finansowe za rok zakończony dnia
31 grudnia 2012 roku wraz z opinią i raportem niezależnego
biegłego rewidenta**



Opinia niezależnego biegłego rewidenta

Dla Zgromadzenia Wspólników SCD sp. z o.o.

1. Przeprowadziliśmy badanie sprawozdania finansowego SCD spółka z ograniczoną odpowiedzialnością (zwanej dalej „Spółką”) z siedzibą w Warszawie przy ul. Konstruktorskiej 13, obejmującego:
 - a) wprowadzenie do sprawozdania finansowego;
 - b) bilans sporządzony na dzień 31 grudnia 2012 roku, który po stronie aktywów i pasywów zamyka się sumą 5.000,00 złotych;
 - c) rachunek zysków i strat za okres od dnia 31 maja 2012 roku do dnia 31 grudnia 2012 roku niewykazujący wyniku finansowego;
 - d) dodatkowe informacje i objaśnienia.
2. Za sporządzenie zgodnego z obowiązującymi przepisami sprawozdania finansowego oraz sprawozdania z działalności, jak również za prawidłowość ksiąg rachunkowych odpowiedzialny jest Zarząd Spółki. Zarząd Spółki jest zobowiązany do zapewnienia, aby sprawozdanie finansowe oraz sprawozdanie z działalności spełniały wymagania przewidziane w ustawie z dnia 29 września 1994 r. o rachunkowości (Dz. U. z 2013 r. , poz. 330, z późn. zm.), zwanej dalej „ustawą o rachunkowości”. Naszym zadaniem było zbadanie i wyrażenie opinii o zgodności z przyjętą polityką rachunkowości, rzetelności, prawidłowości i jasności tego sprawozdania finansowego oraz prawidłowości ksiąg rachunkowych stanowiących podstawę jego sporządzenia.
3. Badanie sprawozdania finansowego przeprowadziliśmy stosownie do:
 - a) przepisów rozdziału 7 ustawy z dnia 29 września 1994 r. o rachunkowości („Ustawa o rachunkowości” - Dz. U. z 2013 r. , poz. 330, z późniejszymi zmianami),
 - b) postanowień Krajowych Standardów Rewizji Finansowej (Uchwała nr 1608/38/2010 Krajowej Rady Biegłych Rewidentów z dnia 16 lutego 2010 r).
4. Badanie zostało zaplanowane i przeprowadzone w taki sposób, aby uzyskać wystarczającą pewność, że sprawozdanie finansowe nie zawiera istotnych nieprawidłowości. Badanie obejmowało w szczególności sprawdzenie – w przeważającej mierze w sposób wyrywkowy – dowodów potwierdzających kwoty i informacje zawarte w sprawozdaniu finansowym. Badanie obejmowało również ocenę poprawności przyjętych i stosowanych przez Zarząd Spółki zasad rachunkowości i znaczących szacunków dokonanych przez Zarząd Spółki, jak i ogólnej prezentacji załączonego sprawozdania finansowego. Uważamy, że badanie dostarczyło wystarczającej podstawy do wyrażenia miarodajnej opinii.



5. Naszym zdaniem załączone sprawozdanie finansowe, we wszystkich istotnych aspektach:
- a) przedstawia rzetelnie i jasno wszystkie informacje istotne dla oceny sytuacji majątkowej i finansowej Spółki na dzień 31 grudnia 2012 roku, jak też jej wyniku finansowego za okres od dnia 31 maja 2013 roku do dnia 31 grudnia 2012 roku,
 - b) sporządzone zostało, we wszystkich istotnych aspektach, zgodnie z określonymi w powołanej wyżej ustawie zasadami (polityką) rachunkowości oraz na podstawie prawidłowo prowadzonych ksiąg rachunkowych,
 - c) jest zgodne z wpływającymi na treść sprawozdania finansowego przepisami prawa i postanowieniami umowy spółki.
6. Informacje zawarte w sprawozdaniu z działalności Spółki za okres od dnia 31 maja 2012 roku do dnia 31 grudnia 2012 roku uwzględniają postanowienia art. 49 ust. 2 ustawy o rachunkowości i są zgodne z informacjami zawartymi w załączonym sprawozdaniu finansowym.
7. Przeprowadzający badanie w imieniu Advantim Sp. z o.o. z siedzibą w Warszawie, spółki wpisanej na listę podmiotów uprawnionych do badania sprawozdań finansowych pod numerem 3508:

Paweł Kurus

Kluczowy Biegły Rewident
Numer ewidencyjny 11469

ADVANTIM

Sp. z o.o.

ul. Żnanińskiego 16/15 03-980 Warszawa
NIP 113-277-27-40 REGON 141958509

Warszawa, 3 września 2013 r.

SCD
Spółka z ograniczoną odpowiedzialnością
z siedzibą
w Warszawie, ul. Konstruktorska 13

Sprawozdanie finansowe za rok obrotowy
zakończony 31 grudnia 2012 roku

SCD Spółka z ograniczoną odpowiedzialnością

SPIS TREŚCI

**Do sprawozdania finansowego za rok obrotowy
zakończony 31 grudnia 2012 roku**

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SCD Spółka z ograniczoną odpowiedzialnością

SPRAWOZDANIE FINANSOWE

Sporządzenie sprawozdania finansowego

Zgodnie z przepisami Ustawy z dnia 29 września 1994 roku o rachunkowości (tekst jednolity Dz.U. z 11.03.2013 r. poz. 330) Zarząd jest zobowiązany zapewnić sporządzenie rocznego sprawozdania finansowego dającego rzetelny i jasny obraz sytuacji majątkowej i finansowej Spółki na koniec roku obrotowego oraz wyniku finansowego za ten rok.

Przy sporządzaniu sprawozdania finansowego przyjęte zostały odpowiednie do działalności jednostki zasady rachunkowości, które stosowane były w sposób ciągły.

Przy wycenie aktywów i pasywów oraz ustalaniu wyniku finansowego przyjęto, że w dającej się przewidzieć przyszłości Spółka będzie kontynuować działalność w niezmnieszonej istotnie zakresie, bez postawienia jej w stan likwidacji lub upadłości.

Załączone sprawozdanie finansowe obejmuje:

- 1) wprowadzenie do sprawozdania finansowego;
- 2) bilans sporządzony na dzień 31 grudnia 2012 r., który po stronie aktywów i pasywów wykazuje sumę 5 000,00 PLN;
- 3) rachunek zysków i strat za okres od 31 maja 2012 r. do 31 grudnia 2012 r. niewykazujący wyniku finansowego;
- 4) dodatkowe informacje i objaśnienia.


Stanisław Frnka
Prezes Zarządu


Rene Popik
Członek Zarządu


Ewa Gąsiorowska
Osoba odpowiedzialna za
prowadzenie ksiąg
rachunkowych

Warszawa, 3 września 2013 r.

SCD Spółka z o.o.
Sprawozdanie finansowe za rok zakończony dnia 31 grudnia 2012 roku

A. WPROWADZENIE DO SPRAWOZDANIA FINANSOWEGO

1. INFORMACJE OGÓLNE

SCD Spółka z o.o. jest wpisana do rejestru przedsiębiorców Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla M. St. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego, pod numerem KRS 0000435933 zgodnie z wpisem z dnia 12 października 2012 roku.

Siedziba Spółki mieści się w Warszawie, ul. Konstruktorska 13. Spółce nadano numer statystyczny REGON 1463340010 Spółka posługuje się numerem NIP: 5213638769

Sprawozdanie finansowe zostało sporządzone za okres od 31 maja 2012 r. do 31 grudnia 2012 r.

Czas trwania Spółki jest nieoznaczony.

Przedmiotem działania Spółki jest m.in.:

1. Roboty budowlane związane ze wznoszeniem budynków mieszkalnych i niemieszkalnych 41,20 Z
2. Roboty związane z budową dróg i autostrad 42,11 Z
3. Roboty związane z budową pozostałych obiektów inżynierii lądowej i wodnej , gdzie indziej niesklasyfikowane 42,99 Z
4. Roboty budowlane specjalistyczne 43,
5. Handel hurtowy, z wyłączeniem handlu pojazdami samochodowymi 46,
6. Działalność holdingów finansowych 64,20 Z
7. Leasing finansowy 64,91 Z
8. Pozostałe formy udzielania kredytów 64,92 Z
9. Pozostała finansowa działalność usługowa, gdzie indziej niesklasyfikowana, z wyłączeniem ubezpieczeń i funduszów emerytalnych 64,99 Z
10. Kupno i sprzedaż nieruchomości na własny rachunek 68,10 Z
11. Wynajem i zarządzanie nieruchomościami własnymi lub dzierżawionymi 68, 20, Z
12. Pośrednictwo w obrocie nieruchomościami 68, 31, Z
13. Zarządzanie nieruchomościami wykonywanymi na zlecenie 68, 32, Z
14. Pozostałe doradztwo w zakresie prowadzenia działalności gospodarczej i zarządzania 70,22 Z
15. Działalność w zakresie architektury 71,11, Z
16. Działalność w zakresie inżynierii i związane z nią doradztwo techniczne 71, 12, Z
17. Badania naukowe i prace rozwojowe w dziedzinie pozostałych nauk przyrodniczych i technicznych 72,19 Z
18. Pozostałe badania i analizy techniczne 71,20 B
19. Działalność w zakresie specjalistycznego projektowania 74,10 Z
20. Pozostała działalność profesjonalna, naukowa i techniczna, gdzie indziej niesklasyfikowana 74,90 Z

Działalność podstawowa

Realizacja projektów budowlanych związanych ze wznoszeniem budynków 41, 10 Z

Wprowadzenie oraz dodatkowe informacje i objaśnienia stanowią integralną część sprawozdania finansowego

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2. ZAŁOŻENIE KONTYNUACJI DZIAŁALNOŚCI GOSPODARCZEJ

Sprawozdanie finansowe Spółki zostało sporządzone przy założeniu kontynuowania działalności gospodarczej przez Spółkę w okresie 12 miesięcy po dniu bilansowym, czyli do 31 grudnia 2013 roku.

Zarząd poinformuje Udziałowca podczas Zwyczajnego Zgromadzenia Wspólników, że Spółka powinna dalej istnieć i kontynuować swą działalność.

3. POŁĄCZENIE SPÓŁEK HANDLOWYCH

Nie wystąpiło.

4. PRZYJĘTE ZASADY (POLITYKA) RACHUNKOWOŚCI

4.1. Format oraz podstawa sporządzenia sprawozdania finansowego

Sprawozdanie finansowe zostało przygotowane zgodnie z przepisami ustawy z dnia 29 września 1994 roku o rachunkowości (tekst jednolity Dz. U. z 11.03.2013 r. poz. 330) [„Ustawa”].

Aktywa i pasywa wycenia się przy zastosowaniu zasad ciągłości w sposób określony w ustawie z tym, że:

4.2. Środki trwałe

Środki trwałe o wartości powyżej wartości granicznej powyżej 3.500,00 PLN, podlegają amortyzacji począwszy od pierwszego miesiąca następującego po miesiącu przekazania ich do użytkowania do końca miesiąca, w którym następuje zrównanie sumy odpisów amortyzacyjnych z ich wartością początkową, lub w którym postawiono je w stan likwidacji, zbyto lub stwierdzono ich niedobór.

Kwoty rocznych odpisów amortyzacyjnych (umorzeniowych) ustala się metodą liniową drogą systematycznego rozłożenia wartości początkowej danego środka trwałego lub wartości niematerialnej i prawnej na przewidywane lata jego użytkowania, proporcjonalnie do upływu czasu w równych ratach.

Środki trwałe o wartości poniżej wartości 3.500,00 PLN, umarzane są w 100% w miesiącu przekazania do użytkowania zgodnie z art 16f poz.3 ustawy o podatku dochodowym od osób prawnych.

4.3. Udziały w innych jednostkach

Udziały w innych jednostkach są wyceniane wg ceny nabycia, pomniejszonej o odpisy z tytułu trwałej utraty wartości.

4.4. Należności krótko- i długoterminowe.

Wprowadzenie oraz dodatkowe informacje i objaśnienia stanowią integralną część sprawozdania finansowego

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Należności są wykazywane w kwocie wymagalnej zapłaty pomniejszonej o odpisy aktualizujące.

Wartość należności aktualizuje się uwzględniając stopień prawdopodobieństwa ich zapłaty poprzez dokonanie odpisu aktualizującego. Odpis aktualizujący należności zalicza się odpowiednio do pozostałych kosztów operacyjnych lub do kosztów finansowych – zależnie od rodzaju należności, której dotyczy odpis aktualizujący.

Należności umorzone, przedawnione lub nieściągalne zmniejszają dokonane uprzednio odpisy aktualizujące ich wartość.

Jednostka urealnia wartość należności tworząc odpisy aktualizujące na należności wątpliwe od dłużników postawionych w stan likwidacji lub upadłości, kwestionujących należności oraz zalegających na dzień bilansowy z zapłatą dłużej niż przez 6 miesięcy w wysokości 50%, a zalegających na dzień bilansowy dłużej niż 1 rok w wysokości 100%, jeżeli ocena ich sytuacji gospodarczej i finansowej wskazywała, że spłata należności w najbliższym roku nie jest prawdopodobna

Należności umorzone, przedawnione lub nieściągalne, od których nie dokonano odpisów aktualizujących ich wartość lub dokonano odpisów w niepełnej wysokości, zalicza się odpowiednio do pozostałych kosztów operacyjnych lub kosztów finansowych.

W roku 2012 jednostka nie dokonywała odpisów aktualizujących należności.

4.5. *Transakcje w walucie obcej*

Transakcje wyrażone w walutach innych niż polski złoty są przeliczane na złote polskie przy zastosowaniu kursu obowiązującego na dzień przed zawarciem transakcji.

Na dzień bilansowy aktywa i pasywa wyrażone w walutach innych niż polski złoty są przeliczane na złote polskie przy zastosowaniu odpowiednio kursu ustalonego dla danej waluty przez Narodowy Bank Polski. Powstałe z przeliczenia różnice kursowe ujmowane są odpowiednio w pozycji przychodów (kosztów) finansowych, za wyjątkiem tych różnic, które stanowią koszty finansowanie zewnętrznego i ujmowane są w wartości zapasów.

Dla potrzeb wyceny zostały przyjęte następujące kursy:

	31 grudnia 2012 roku
EUR	4,0882

4.6. *Środki pieniężne i ekwiwalenty środków pieniężnych*

Środki pieniężne w banku i w kasie wyceniane są według wartości nominalnej.

4.7. *Rozliczenia międzyokresowe*

Spółka dokonuje czynnych rozliczeń międzyokresowych kosztów, jeżeli dotyczą one przyszłych okresów sprawozdawczych. Biernie rozliczenia międzyokresowe kosztów dokonywane są w wysokości prawdopodobnych zobowiązań przypadających na bieżący okres sprawozdawczy.

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4.8. *Kapitał zakładowy*

Kapitał zakładowy jest ujmowany do wysokości określonej w umowie spółki i wpisanej w rejestrze sądowym.

4.9. *Rezerwy*

Rezerwy ujmowane są wówczas, gdy na Spółce ciąży istniejący obowiązek (prawny lub zwyczajowy) wynikający ze zdarzeń przeszłych i gdy jest pewne lub wysoce prawdopodobne, że wypełnienie tego obowiązku spowoduje konieczność wypływu środków uosabiających korzyści ekonomiczne, oraz gdy można dokonać wiarygodnego oszacowania kwoty tego zobowiązania.

4.10. *Otrzymane kredyty bankowe i pożyczki*

W momencie początkowego ujęcia, kredyty bankowe i pożyczki są ujmowane w wartości godziwej, stanowiącej wartość otrzymanych środków pieniężnych i pomniejszonych o koszty uzyskania kredytu/pożyczki. Następnie kredyty bankowe i pożyczki są wyceniane według zamortyzowanego kosztu.

4.11. *Koszty finansowania zewnętrznego*

Koszty finansowania zewnętrznego obejmujące odsetki, dodatnie i ujemne różnice kursowe od kredytów bankowych i pożyczek dotyczące budowy, przystosowania, montażu lub ulepszenia inwestycji w nieruchomości przez okres budowy, przystawiania, montażu lub ulepszenia są ujmowane w wartości tych składników aktywów, jeśli zobowiązania te zostały zaciągnięte w tym celu. Aktywowanie kosztów finansowania zewnętrznego zawiesza się w przypadku przerwania na dłuższy okres czasu aktywnego prowadzenia działalności inwestycyjnej (budowlanej).

Pozostałe koszty finansowania zewnętrznego ujmowane są w rachunku zysków i strat.

4.12. *Odroczony podatek dochodowy*

W związku z przejściowymi różnicami między wykazaną w księgach rachunkowych wartością aktywów i pasywów, a ich wartością podatkową oraz stratą podatkową możliwą do odliczenia w przyszłości, tworzona jest rezerwa i ustalane aktywa z tytułu odroczonego podatku dochodowego.

Aktywa z tytułu odroczonego podatku dochodowego ustala się w wysokości kwoty przewidzianej w przyszłości do odliczenia od podatku dochodowego, w związku z ujemnymi różnicami przejściowymi, które spowodują w przyszłości zmniejszenie podstawy obliczenia podatku dochodowego oraz straty podatkowej możliwej do odliczenia, ustalonej przy uwzględnieniu zasady ostrożności.

Rezerwę z tytułu podatku odroczonego podatku dochodowego tworzy się w wysokości kwoty podatku dochodowego, wymagającej w przyszłości zapłaty, w związku z występowaniem dodatnich różnic przejściowych, to jest różnic, które spowodują zwiększenie podstawy obliczenia podatku dochodowego w przyszłości.

7

Wprowadzenie oraz dodatkowe informacje i objaśnienia stanowią integralną część sprawozdania finansowego

SCD Spółka z o.o.
Sprawozdanie finansowe za rok zakończony dnia 31 grudnia 2012 roku

4.13. *Uznawanie przychodów*

Przychody uznawane są w takiej wysokości, w jakiej jest prawdopodobne, że Spółka uzyska korzyści ekonomiczne, które można wiarygodnie wycenić.

4.14. *Odsetki*

Przychody z tytułu odsetek są rozpoznawane w momencie ich naliczenia.

4.15. *Przyjęty wariant rachunku zysków i strat*

Spółka sporządza rachunek zysków i strat w wariantcie porównawczym.

SCD Spółka z o.o.
Sprawozdanie finansowe za rok zakończony dnia 31 grudnia 2012 roku

BILANS – AKTYWA

OPIS		31-12-2012
A. Aktywa trwałe		
I. Wartości niematerialne i prawne		
1. Koszty zakończonych prac rozwojowych		
2. Wartość firmy		
3. Inne wartości niematerialne i prawne		
4. Zaliczki na wartości niematerialne i prawne		
II. Rzeczowe aktywa trwałe		
1. Środki trwałe		
a. Grunty		
b. Budynki, lokale i obiekty inżynierii lądowej i wodnej		
c. Urządzenie techniczne i maszyny		
e. Inne środki trwałe		
2. Środki trwałe w budowie		
3. Zaliczki na środki trwałe		
III. Należności długoterminowe		
1. Od jednostek powiązanych		
2. Od pozostałych jednostek		
IV. Inwestycje długoterminowe		
1. Nieruchomości		
2. Wartości niematerialne i prawne		
3. Długoterminowe aktywa finansowe		
a. w jednostkach powiązanych		
- udziały		
- pożyczki udzielone		
- pozostałe długoterminowe aktywa finansowe		
b. w pozostałych jednostkach		
4. Inne inwestycje długoterminowe		
V. Długoterminowe rozliczenia międzyokresowe		
1. Aktywa z tytułu podatku odroczonego		
2. Inne		
B. Aktywa obrotowe		5 000,00
I. Zapasy		
1. Materiały		
2. Półprodukty i produkty w toku		
3. Produkcja zakończona		
4. Towary		
5. Zaliczki na dostawy		
II. Należności krótkoterminowe		
1. Należności od jednostek powiązanych		
a. Z tytułu dostaw i usług o okresie wymagalności:		
1. do 12 miesięcy		
2. powyżej 12 miesięcy		
b. Inne należności od jednostek powiązanych		
2. Należności od pozostałych jednostek		
a. Z tytułu dostaw i usług o okresie wymagalności:		
1. do 12 miesięcy		
2. powyżej 12 miesięcy		
b. Z tytułu podatków, dotacji, cel, ubezpieczeń społecznych i zdrowotnych oraz innych świadczeń		
c. Inne		
d. Dochodzone na drodze sądowej		

Wprowadzenie oraz dodatkowe informacje i objaśnienia stanowią integralną część sprawozdania finansowego

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III.	Inwestycje krótkoterminowe	5 000,00
1.	Krótkoterminowe aktywa finansowe:	
a.	w jednostkach powiązanych	
-	akcje lub udziały	
-	inne papiery wartościowe	
-	udzielone pożyczki	
-	inne	
b.	W pozostałych jednostkach	
-	akcje lub udziały	
-	inne papiery wartościowe	
-	udzielone pożyczki	
-	inne	
c.	Środki pieniężne i inne aktywa pieniężne:	5 000,00
-	środki pieniężne w kasie i na rachunku	5 000,00
-	inne środki pieniężne	
-	inne aktywa pieniężne	
2.	Inne inwestycje krótkoterminowe	
IV.	Krótkoterminowe rozliczenia okresowe	
	Suma aktywów	5 000,00

Wprowadzenie oraz dodatkowe informacje i objaśnienia stanowią integralną część sprawozdania finansowego

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BILANS – PASYWA

OPIS	31-12-2012
Kapitał (fundusz) własny	5 000,00
Kapitał (fundusz) podstawowy	5 000,00
Należne wpłaty na kapitał podstawowy	
Udziały (akcje) własne	
Kapitał (fundusz) zapasowy	
Kapitał (fundusz) z aktualizacji wyceny	
Pozostałe kapitały (fundusze) rezerwowe	
Zysk (strata) z lat ubiegłych	
zysk	
Strata	
Zysk (strata) netto	
Zysk	
Strata	
Odpisy z zysku netto w ciągu roku obrotowego	
 Zobowiązania i rezerwy na zobowiązania	
Rezerwy na zobowiązania	
1. Rezerwa z tytułu odroczonego podatku dochodowego	
2. Rezerwa na świadczenia emerytalne i podobne	
- długoterminowe	
- krótkoterminowe	
3. Pozostałe rezerwy	
- długoterminowe	
- krótkoterminowe	
 Zobowiązania długoterminowe	
1. Wobec jednostek powiązanych	
2. Wobec pozostałych jednostek	
a. Kredyty i pożyczki	
b. Z tytułu emisji papierów dłużnych	
c. Inne zobowiązania finansowe	
d. Inne	
 Zobowiązania krótkoterminowe	
1. Wobec jednostek powiązanych	
a. Z tytułu dostaw i usług o okresie wymagalności:	
1. do 12 miesięcy	
2. powyżej 12 miesięcy	
b. Inne zobowiązania od jednostek powiązanych	
2. Wobec pozostałych jednostek	
a. Kredyty i pożyczki	
b. Z tytułu emisji papierów dłużnych	
c. Inne zobowiązania finansowe	
d. Z tytułu dostaw i usług, o okresie wymagalności	
- do 12 miesięcy	
- powyżej 12 miesięcy	
e. Z tytułu podatków, dotacji, cel, ubezpieczeń społecznych i zdrowotnych oraz innych świadczeń	
f. Z tytułu wynagrodzeń	
g. Inne	
h. Podatki i ubezpieczenia społeczne	
i. Wynagrodzenia	
3. Fundusze specjalne	
 Rozliczenia międzyokresowe	
1. Ujemna wartość firmy	
2. Inne rozliczenia międzyokresowe	
- długoterminowe	
- krótkoterminowe	
 Suma pasywów:	5 000,00

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Wprowadzenie oraz dodatkowe informacje i objaśnienia stanowią integralną część sprawozdania finansowego

SCD Spółka z o.o.
Sprawozdanie finansowe za rok zakończony dnia 31 grudnia 2012 roku

RACHUNEK ZYSKÓW I STRAT (WARIANT PORÓWNAWCZY)

	OPIS	31-12-2012
A.	Przychody netto ze sprzedaży i zrównane z nimi - w tym od jednostek powiązanych	
I.	Przychody netto ze sprzedaży produktów	
II.	Zmiana stanu produktów	
IV.	Koszt wytworzenia produktów na własne potrzeby jednostki	
III.	Przychody netto ze sprzedaży towarów i materiałów	
B.	Koszty działalności operacyjnej	0,00
I.	Amortyzacja	
II.	Zużycie materiałów i energii	
III.	Usługi obce	
IV.	Podatki i opłaty - w tym podatek akcyzowy	
V.	Wynagrodzenia	
VI.	Ubezpieczenia społeczne i inne świadczenia	
VII.	Pozostałe koszty rodzajowe	
VIII.	Wartość sprzedanych towarów i materiałów	
C.	Zysk/(Strata) ze sprzedaży	0,00
D.	Pozostałe przychody operacyjne	
I.	Zysk ze zbycia niefinansowych aktywów trwałych	
II.	Dotacje	
III.	Inne przychody operacyjne	
E.	Pozostałe koszty operacyjne	0,00
I.	Strata ze zbycia niefinansowych aktywów trwałych	
II.	Aktualizacja wartości aktywów niefinansowych	
III.	Inne koszty operacyjne	
F.	Zysk/(Strata) z działalności operacyjnej	0,00
G.	Przychody finansowe	
I.	Dywidendy i udziały w zyskach: - w tym od jednostek powiązanych - pozostałe	
II.	Odsetki: - w tym od jednostek powiązanych	
IV.	Aktualizacja wartości inwestycji	
V.	Inne	
H.	Koszty finansowe	0,00
I.	Odsetki - od podmiotów powiązanych	
II.	Strata na sprzedaży	
III.	Aktualizacja wartości inwestycji	
IV.	Różnice kursowe	
V.	Inne	
I.	Zysk/(Strata) z działalności gospodarczej	0,00
J.	Wynik zdarzeń nadzwyczajnych	
I.	Zyski nadzwyczajne	
II.	Straty nadzwyczajne	
K.	Zysk/(Strata) brutto	0,00
L.	Podatek dochodowy	
M.	Pozostałe obowiązkowe zmniejszenia zysku/zwiększenia straty	
N.	Zysk/(Strata) netto	0,00

Stanisław Frnka
Prezes Zarządu

Rene Popik
Członek Zarządu

Ewa Gąsiorowska
Osoba odpowiedzialna za
prowadzenie ksiąg
rachunkowych

Wprowadzenie oraz dodatkowe informacje i objaśnienia stanowią integralną część sprawozdania finansowego

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B. DODATKOWE INFORMACJE I OBJAŚNIENIA

1. INFORMACJE O ZNACZĄCYCH ZDARZENIACH DOTYCZĄCYCH LAT UBIEGŁYCH UJĘTYCH W SPRAWOZDANIU FINANSOWYM ROKU OBROTOWEGO

Nie wystąpiły.

2. INFORMACJE O ZNACZĄCYCH ZDARZENIACH, JAKIE NASTĄPIŁY PO DNIU BILANSOWYM, A NIEUWZGLĘDNIONYCH W SPRAWOZDANIU FINANSOWYM

Po dniu bilansowym, do dnia sporządzenia sprawozdania finansowego za rok obrotowy nie wystąpiły zdarzenia, które nie zostały, a powinny być ujęte w sprawozdaniu finansowym roku obrotowego.

3. ZMIANY ZASAD (POLITYKI) RACHUNKOWOŚCI W ROKU OBROTOWYM

Nie nastąpiły

4. PORÓWNYWALNOŚĆ DANYCH FINANSOWYCH ZA ROK POPRZEDZAJĄCY ZE SPRAWOZDANIEM FINANSOWYM ZA ROK OBROTOWY

Dane nie są porównywane z danymi za poprzedni rok obrotowy, ponieważ jest pierwszy rok obrotowy spółki.

5. RZECZOWE AKTYWA TRWAŁE

Brak.

6. INWESTYCJE DŁUGOTERMINOWE

Brak.

7. ŚRODKI TRWAŁE W BUDOWIE

Brak.

8. ROZLICZENIA MIĘDZYOKRESOWE

Nie wystąpiły.

9. NALEŻNOŚCI DŁUGOTERMINOWE

Nie wystąpiły

10. NALEŻNOŚCI KRÓTKOTERMINOWE

Brak.

Wprowadzenie oraz dodatkowe informacje i objaśnienia stanowią integralną część sprawozdania finansowego

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11. INWESTYCJE KRÓTKOTERMNIOWE
Środki pieniężne i inne aktywa pieniężne

L.p.	Rodzaj instrumentu finansowego	Sposób wyceny	Wartość wg ceny nabycia	Wartość wg ceny bilansowej	Zmiana wyceny w trakcie roku obrotowego odniesiona RZIS	Kwota odniesiona w bieżącym roku na kapitał aktualizacji wyceny
1	Pożyczki udzielone i należności własne	Kwota wymagająca zapłaty	0,00	0,00	0,00	0,00
a	Pożyczki udzielone		0,00	0,00	0,00	0,00
b	Należności handlowe		0,00	0,00	0,00	0,00
2	Środki pieniężne	Wartość godziwa	0,00	0,00	0,00	0,00
a	Środki pieniężne w walucie krajowej		5 000,00	5 000,00	0,00	0,00
b	Środki pieniężne w walucie obcej		0,00	0,00	0,00	0,00
	Ogółem		5 000,00	5 000,00	0,00	0,00

12. KAPITAŁY

Kapitał podstawowy

Na dzień 31 grudnia 2012 roku kapitał podstawowy Spółki wynosił 5.000,00 złotych i był podzielony na 100 udziałów o wartości nominalnej 50,00 złotych każdy.

Struktura własności kapitału zakładowego Spółki przedstawiała się następująco:

KAPITAŁ ZAKŁADOWY							
Serialemisja	Rodzaj udziałów	Rodzaj uprzywilejowania	Liczba udziałów	Wartość nominalna udziałów	Sposób pokrycia kapitału	Data rejestracji	Prawo do dywidendy (od daty)
Udziały			100	5 000,00		31.05.2012	31.05.2012
Liczba akcji (udziałów) razem			100				
Kapitał razem				5 000,00			

W ciągu 2012 roku nie uległa zmianie struktura kapitału podstawowego oraz liczba udziałów i ich wartość.

Struktura własnościowa kapitału i procent posiadanych akcji (udziałów)

Akcjonariusz/Udziałowiec	Wartość udziałów	Udział % w kapitale zakładowym	Udział % w liczbie głosów
HB REAVIS GROUP B.V.	5 000,00	100 %	100 %
Razem			

W ciągu 2012 nie uległa zmianie struktura własnościowa kapitału.

13. POKRYCIE STRATY

Spółka w 2012 roku nie rozpoczęła działalności operacyjnej i w związku z tym nie osiągnęła wyniku finansowego.

14. REZERWY NA ZOBOWIĄZANIA

L.p.	Tytuł	Stan na 31.12.2012
1	Bierne rozliczenia międzyokresowe	0,00
-	Użytkowanie Axapta	0,00
	RAZEM	0,00

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15. ZOBOWIĄZANIA DŁUGOTERMINOWE

Brak

16. ZOBOWIĄZANIA KRÓTKOTERMINOWE**Jednostki powiązane**

Z tytułu dostaw i usług o okresie wymagalności do 12 miesięcy	0,00 PLN
Razem:	0,00 PLN

Jednostki pozostałe

Rozrachunki z dostawy towarów i usług, jednostki pozostałe krajowe	0,00 PLN
Razem:	0,00 PLN

17. ZYSKI I STRATY NADZWYCZAJNE

W bieżącym roku obrotowym nie wystąpiły zyski i straty nadzwyczajne.

18. INFORMACJE O PRZYCHODACH, KOSZTACH I WYNIKACH DZIAŁALNOŚCI ZANIECHANIEJ W ROKU OBROTOWYM LUB PRZEWIDZIANEJ DO ZANIECHANIA W ROKU NASTĘPNYM

W roku obrotowym Spółka nie zaniechała i w kolejnym roku nie planuje zaniechania żadnego rodzaju działalności.

19. PODATEK DOCHODOWY OD OSÓB PRAWNYCH.

Uzgodnienie zysku (straty) brutto do podstawy opodatkowania przedstawia się następująco:

	okres zakończony 31 grudnia 2012 roku
Zysk/(Strata) brutto	(0,00)
Wydatki nie stanowiące kosztu uzyskania przychodu	
Koszty operacyjne	0,00
Różnica pomiędzy amortyzacją bilansową a podatkową	0,00
Rezerwy na koszty	0,00
Koszty finansowe	0,00
Pozostałe koszty	0,00
Naliczone, a niezapłacone odsetki	0,00
Ujemne różnice kursowe	0,00
Razem	0,00

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Wprowadzenie oraz dodatkowe informacje i objaśnienia stanowią integralną część sprawozdania finansowego

SCD Spółka z o.o.
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Kwoty, które zmniejszają podstawę opodatkowania	0,00
Koszty operacyjne	0,00
Ujemne różnice kursowe	0,00
Rozwiązanie rezerwy z lat poprzednich	0,00
Przychody nie będące przychodami podatkowymi	0,00
Różnice kursowe	0,00
Razem	0,00
Strata z lat ubiegłych	0,00
Przychody będące przychodami podatkowymi	0,00
Odsetki	0,00
Zrealizowane różnice kursowe	0,00
Razem	0,00
Podstawa opodatkowania podatkiem dochodowym (strata)	(0,00)
	-
Stawka podatkowa	19%
Podatek dochodowy razem	(0,00)

20. INFORMACJE O ZATRUDNIENIU

Na dzień 31.12.2012 r. Spółka nie zatrudniała żadnej osoby na umowę o pracę.

21. TRANSAKCJE Z PODMIOTAMI POWIĄZANYMI

W 2012 roku Spółka nie dokonała transakcji z podmiotami powiązanymi:

22. WYKAZ SPÓŁEK POWIĄZANYCH KAPITAŁOWO.

Spółka nadrzędna (spółka matka)

Nazwa podmiotu i forma prawna	Siedziba podmiotu	Przedmiot działalności
HB Reavis Group B.V.	Amsterdam	działalność holdingów

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Spółki grupy HB Reavis Group zarejestrowane w Polsce

Nazwa podmiotu i forma prawna	Siedziba podmiotu	Przedmiot działalności
HB Reavis Poland Sp. z o.o.	Polska, Warszawa	nieruchomości
Polcom Investment Sp. z o.o.	Polska, Warszawa	nieruchomości
Polcom Investment II Sp. z o.o.	Polska, Warszawa	nieruchomości
HB Reavis Construction PL Sp. z o.o.	Polska, Warszawa	nieruchomości
Polcom Investment V Sp. z o.o.	Polska, Warszawa	nieruchomości
Polcom Investment VI Sp. z o.o.	Polska, Warszawa	nieruchomości
Polcom Investment VII Sp. z o.o.	Polska, Warszawa	nieruchomości
Polcom Investment VIII Sp. z o.o.	Polska, Warszawa	nieruchomości
Polcom Investment IX Sp. z o.o.	Polska, Warszawa	nieruchomości
PSD Sp. z o.o.	Polska, Warszawa	nieruchomości
Polcom Investment III Sp. z o.o.	Polska, Warszawa	nieruchomości
West Station Investment Sp. z o.o.	Polska, Warszawa	nieruchomości

23. ZOBOWIĄZANIA ZABEZPIECZONE NA MAJĄTKU JEDNOSTKI

Nie wystąpiły

24. DZIAŁALNOŚĆ ZANIECHANA

W roku obrotowym Spółka nie zaniechała i w kolejnych latach nie planuje zaniechania żadnego rodzaju działalności.

25. INFORMACJE O WYNAGRODZENIU, POŻYCZKACH I ŚWIADCZENIACH O PODOBNYM CHARAKTERZE UDZIELONYCH OSOBOM WCHODZĄCYM W SKŁAD ORGANÓW ZARZĄDZAJĄCYCH I NADZORUJĄCYCH

W 2012 roku Spółka nie wypłacała wynagrodzeń, nie udzielała pożyczek ani nie dokonywała świadczeń o podobnym charakterze osobom wchodzącym w skład organów zarządzających lub nadzorujących.

26. WYNAGRODZENIA, ŁĄCZNIE Z WYNAGRODZENIEM Z ZYSKU, WYPŁACONE LUB NALEŻNE OSOBOM WCHODZĄCYM W SKŁAD ORGANÓW ZARZĄDZAJĄCYCH

Nie wystąpiły.

27. INFORMACJE O WSPÓLNYCH PRZEDSIĘWZIĘCIACH, KTÓRE NIE PODLEGAJĄ KONSOLIDACJI

Spółka nie podejmowała wspólnych przedsięwzięć, które podlegają konsolidacji.

28. WYKAZ PODMIOTÓW, W KTÓRYCH SPÓŁKA POSIADA CO NAJMNIEJ 20% UDZIAŁÓW W KAPITALE LUB OGÓLNEJ LICZBIE GŁOSÓW W ORGANIE STANOWIĄCYM PODMIOTU

Brak.

SCD Spółka z o.o.
Sprawozdanie finansowe za rok zakończony dnia 31 grudnia 2012 roku

29. Odstąpienie od sporządzenia skonsolidowanego sprawozdania finansowego

Zgodnie z art. 56 ust. 1 Ustawy o rachunkowości z dn. 29 września 1994 (tekst jednolity Dz.U. z 2002 r. Nr 76 poz. 694) Spółka nie miała obowiązku sporządzić skonsolidowanego sprawozdania finansowego.

30. Informacja o wynagrodzeniu biegłego rewidenta lub podmiotu uprawnionego do badania sprawozdań finansowych, wypłaconych lub należnych z roku obrotowy

Nie wystąpiło.

31. Połączenia spółek handlowych

Nie wystąpiło.

32. Charakter i cel gospodarczy nieodzwierciedlonych w bilansie umów, w zakresie niezbędnym do oceny ich wpływu na sytuację majątkową, finansową i wynik finansowy jednostki (np. jednostki celowościowe, leasing operacyjny, outsourcing).

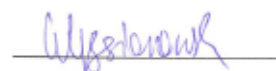
Nie wystąpiły.



Stanisław Fmka
Prezes Zarządu



René Popik
Członek Zarządu



Ewa Gąsiorowska
Osoba odpowiedzialna za
prowadzenie ksiąg
rachunkowych

Warszawa, 3 września 2013 r.



SCD Sp. z o.o.

**RAPORT UZUPEŁNIAJĄCY
OPINIĘ NIEZALEŻNEGO BIEGŁEGO REWIDENTA
Z BADANIA SPRAWOZDANIA FINANSOWEGO
ZA ROK ZAKOŃCZONY
DNIA 31 GRUDNIA 2012 ROKU**

Warszawa, 3 września 2013 roku

SCD Sp. z o.o.

Raport uzupełniający opinię niezależnego biegłego rewidenta z badania sprawozdania finansowego
za rok zakończony dnia 31 grudnia 2012 roku
(w złotych)



I. CZĘŚĆ OGÓLNA

1. Informacje ogólne

Siedziba SCD spółka z ograniczoną odpowiedzialnością („Spółka”) mieści się w Warszawie (02-673), przy ul. Konstruktorskiej 13.

Zarejestrowanym przedmiotem działalności Spółki jest:

Lp.	PKD	Przedmiot działalności
1.	68, 10, Z	KUPNO I SPRZEDAŻ NIERUCHOMOŚCI NA WŁASNY RACHUNEK
2.	68, 20, Z	WYNAJEM I ZARZĄDZANIE NIERUCHOMOŚCIAMI WŁASNYMI LUB DZIERŻAWIONYMI
3.	68, 31, Z	POŚREDNICTWO W OBROcie NIERUCHOMOŚCIAMI
4.	68, 32, Z	ZARZĄDZANIE NIERUCHOMOŚCIAMI WYKONYWANE NA ZLECENIE
5.	41, , ,	ROBOTY BUDOWLANE ZWIĄZANE ZE WZNOSZENIEM BUDYNKÓW
6.	42, , ,	ROBOTY ZWIĄZANE Z BUDOWĄ OBIEKTÓW INŻYNIERII LĄDOWEJ I WODNEJ
7.	43, , ,	ROBOTY BUDOWLANE SPECJALISTYCZNE
8.	82, , ,	DZIAŁALNOŚĆ ZWIĄZANA Z ADMINISTRACYJNĄ OBSŁUGĄ BIURA I POZOSTAŁA DZIAŁALNOŚĆ WSPOMAGAJĄCA PROWADZENIE DZIAŁALNOŚCI GOSPODARCZEJ
9.	63, , ,	DZIAŁALNOŚĆ USŁUGOWA W ZAKRESIE INFORMACJI
10.	64, 20, Z	DZIAŁALNOŚĆ HOLDINGÓW FINANSOWYCH
11.	64, 99, Z	POZOSTAŁA FINANSOWA DZIAŁALNOŚĆ USŁUGOWA, GDZIE INDZIEJ NIESKLASYFIKOWANA, Z WYŁĄCZENIEM UBEZPIECZEŃ I FUNDUSZÓW EMERYTALNYCH
12.	66, 19, Z	POZOSTAŁA DZIAŁALNOŚĆ WSPOMAGAJĄCA USŁUGI FINANSOWE, Z WYŁĄCZENIEM UBEZPIECZEŃ I FUNDUSZÓW EMERYTALNYCH
13.	70, , ,	DZIAŁALNOŚĆ FIRM CENTRALNYCH (HEAD OFFICES); DORADZTWO ZWIĄZANE Z ZARZĄDZANIEM
14.	71, , ,	DZIAŁALNOŚĆ W ZAKRESIE ARCHITEKTURY I INŻYNIERII; BADANIA I ANALIZY TECHNICZNE
15.	73, , ,	REKLAMA, BADANIE RYNKU I OPINII PUBLICZNEJ
16.	55, , ,	ZAKWATEROWANIE
17.	56, , ,	DZIAŁALNOŚĆ USŁUGOWA ZWIĄZANA Z WYŻYWIENIEM

Do dnia 31 grudnia 2012 roku oraz do dnia niniejszego raportu Spółka nie rozpoczęła działalności operacyjnej.

Spółka została wpisana do Krajowego Rejestru Sądowego w dniu 17 czerwca 2013 roku pod numerem 0000435933 przez Sąd Rejonowy dla m. st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego. Spółka została powołana na czas nieokreślony.

Spółce nadano numery REGON: 146340010 oraz NIP 5213638769.

SCD Sp. z o.o.

Raport uzupełniający opinię niezależnego biegłego rewidenta z badania sprawozdania finansowego za rok zakończony dnia 31 grudnia 2012 roku (w złotych)



Kapitał podstawowy

Na dzień 31 grudnia 2012 roku kapitał podstawowy Spółki wynosił 5.000,00 złotych i dzielił się na 100 udziałów. Kapitał własny Spółki na ten dzień wynosił 5.000,00 złotych.

Zgodnie z informacją odpowiadającą odpisowi aktualnemu z Krajowego Rejestru Sądowego na dzień 3 września 2013 roku oraz księgą udziałów struktura własności kapitału podstawowego Spółki była następująca:

Dane Wspólnika	Ilość udziałów	Wartość nominalna udziałów w złotych	Udział w kapitale podstawowym
HB REAVIS GROUP B.V.	100	5 000,00	100%
Razem	100	5 000,00	100%

W okresie sprawozdawczym kapitał podstawowy Spółki nie zmienił się.

Zarząd Spółki

W okresie od 31 maja 2012 roku do dnia niniejszego raportu nie miały miejsca zmiany w składzie Zarządu Spółki.

Na dzień bilansowy oraz na dzień niniejszego raportu w skład Zarządu Spółki wchodził:

- 1) Stanislav Frnka - Prezes Zarządu
- 2) Rene Popik - Członek Zarządu

Jednostki powiązane

Jednostka dominująca HB Reavis Group B.V. z siedzibą w Amsterdamie oraz inne jednostki należące do grupy kapitałowej HB Reavis Group.

Spółki grupy HB Reavis Group zarejestrowane w Polsce:

HB Reavis Poland Sp. z o.o., Polcom Investment Sp. z o.o., Polcom Investment II Sp. z o.o., Polcom Investment III Sp. z o.o., HB Reavis Construction PL Sp. z o.o., Polcom Investment V Sp. z o.o., Polcom Investment VI Sp. z o.o., Polcom Investment VII Sp. z o.o., Polcom Investment VIII Sp. z o.o., Polcom Investment IX Sp. z o.o., PSD Sp. z o.o., SCD Sp. z o.o., West Station Investment Sp. z o.o.

2. Informacje o sprawozdaniu finansowym za rok poprzedzający

Sprawozdanie finansowe Spółki za rok zakończony dnia 31 grudnia 2012 roku jest pierwszym sprawozdaniem finansowym SCD Sp. z o.o.

SCD Sp. z o.o.

Raport uzupełniający opinię niezależnego biegłego rewidenta z badania sprawozdania finansowego
za rok zakończony dnia 31 grudnia 2012 roku
(w złotych)



3. Dane identyfikujące podmiot uprawniony i biegłego rewidenta przeprowadzającego w jego imieniu badanie jednostki:

Advantim Sp. z o.o. z siedzibą w Warszawie przy ul. Floriana Znanińskiego 16/15 jest podmiotem uprawnionym do badania sprawozdań finansowych, wpisanym na listę pod numerem 3508.

Nadzwyczajne Zgromadzenie Wspólników w dniu 30 sierpnia 2013 roku wybrało Advantim Sp. z o.o. do badania sprawozdania finansowego za rok 2012.

Kluczowym biegłym rewidentem jest Paweł Kurus, numer ewidencyjny 11469.

Advantim Sp. z o.o. oraz Kluczowy Biegły Rewident spełniają, w rozumieniu art. 56 ust. 3 i 4 ustawy z dnia 7 maja 2009 roku o biegłych rewidentach i ich samorządzie, podmiotach uprawnionych do badania sprawozdań finansowych oraz o nadzorze publicznym (Dz.U. z 2009 roku, nr 77, poz. 649), warunki do wyrażenia bezstronnej i niezależnej opinii o sprawozdaniu finansowym.

Na podstawie umowy zawartej w dniu 30 sierpnia 2013 roku z Zarządem Spółki przeprowadziliśmy badanie sprawozdania finansowego za rok zakończony dnia 31 grudnia 2012 roku.

Naszym zadaniem było wyrażenie opinii o sprawozdaniu finansowym na podstawie przeprowadzonego przez nas badania. Przeprowadzone w trakcie badania sprawozdania finansowego procedury były zaprojektowane tak, aby umożliwić wydanie opinii o sprawozdaniu finansowym traktowanym jako całość. Nasze procedury nie obejmowały uzupełniających informacji, które nie mają wpływu na sprawozdanie finansowe traktowane jako całość.

Badanie sprawozdania finansowego Spółki przeprowadziliśmy w okresie od dnia 30 sierpnia 2013 roku do dnia 3 września 2013 roku.

SCD Sp. z o.o.

Raport uzupełniający opinię niezależnego biegłego rewidenta z badania sprawozdania finansowego
za rok zakończony dnia 31 grudnia 2012 roku
(w złotych)



4. Dostępność danych i otrzymane oświadczenia

W trakcie naszych prac nie nastąpiły ograniczenia zakresu badania.

Zarząd Spółki potwierdził swoją odpowiedzialność za rzetelność, prawidłowość i jasność sprawozdania finansowego oraz oświadczył, iż udostępnił nam wszystkie dane finansowe, księgi rachunkowe i inne wymagane dokumenty oraz udzielił niezbędnych wyjaśnień. Otrzymaliśmy również pisemne oświadczenie Zarządu Spółki z dnia 3 września 2013 roku o:

- 1) kompletnym ujęciu danych w księgach rachunkowych,
- 2) wykazaniu wszelkich zobowiązań warunkowych w sprawozdaniu finansowym, oraz
- 3) ujawnieniu w sprawozdaniu finansowym wszelkich istotnych zdarzeń, które nastąpiły po dacie bilansu do dnia złożenia oświadczenia.

W oświadczeniu potwierdzono, że przekazane nam informacje były rzetelne i prawdziwe zgodnie z przekonaniem i najlepszą wiedzą Zarządu Spółki i objęły wszelkie zdarzenia mogące mieć wpływ na sprawozdanie finansowe.

SCD Sp. z o.o.

Raport uzupełniający opinię niezależnego biegłego rewidenta z badania sprawozdania finansowego
za rok zakończony dnia 31 grudnia 2012 roku
(w złotych)



II. CZĘŚĆ ANALITYCZNA

1. Sytuacja majątkowa i finansowa Spółki

Poniżej przedstawiono wybrane wielkości i wskaźniki charakteryzujące sytuację finansową Spółki za okres od dnia 31 maja 2012 roku do dnia 31 grudnia 2012 roku.

	2012-12-31
Suma bilansowa	5 000,00
Środki pieniężne	5 000,00
Kapitał własny	5 000,00
Kapitał podstawowy	5 000,00
Zysk / (Strata) netto	0,00
Przychody netto ze sprzedaży	0,00
Koszty działalności operacyjnej	0,00

Z uwagi na fakt, iż Spółka nie rozpoczęła jeszcze działalności operacyjnej odstąpiono od kalkulacji i analizy wskaźników finansowych.

2. Kontynuacja działalności

Podczas naszego badania nic nie zwróciło naszej uwagi, co powodowałoby nasze przekonanie, że Spółka nie jest w stanie kontynuować działalności przez co najmniej 12 miesięcy licząc od dnia 31 grudnia 2012 roku na skutek zamierzonego lub przymusowego zaniechania bądź istotnego ograniczenia przez nią dotychczasowej działalności.

W punkcie 2 wprowadzenia do zbadanego sprawozdania finansowego Spółki za rok zakończony dnia 31 grudnia 2012 roku Zarząd wskazał, że sprawozdanie finansowe zostało sporządzone przy założeniu kontynuowania działalności przez Spółkę przez okres nie krótszy niż 12 miesięcy od dnia 31 grudnia 2012 roku i że nie występują okoliczności wskazujące na zagrożenie kontynuowania działalności przez Spółkę.

SCD Sp. z o.o.

Raport uzupełniający opinię niezależnego biegłego rewidenta z badania sprawozdania finansowego
za rok zakończony dnia 31 grudnia 2012 roku
(w złotych)



III. CZĘŚĆ SZCZEGÓŁOWA

1. Ocena prawidłowości stosowanego systemu księgowości

Spółka posiada dokumentację opisującą przyjęte przez nią zasady (politykę) rachunkowości.

Dokumentacja polityki rachunkowości została sporządzona zgodnie z wymogami ustawy o rachunkowości z dnia 29 września 1994 roku (tekst jednolity Dz.U. z 11 marca 2013 r., poz. 330).

W badanym okresie księgi prowadzone były z wykorzystaniem komputera w siedzibie Spółki z wykorzystaniem systemu Microsoft Dynamics AX 2009 wersja 5.

W trakcie naszego badania nie stwierdziliśmy istotnych nieprawidłowości ksiąg rachunkowych, które mogłyby mieć istotny wpływ na zbadane sprawozdanie finansowe, a które nie zostałyby usunięte, w tym dotyczących:

- 1) zasadności i ciągłości stosowanych zasad (polityki) rachunkowości,
- 2) rzetelności, bezbłędności i sprawdzalności ksiąg rachunkowych oraz powiązania zapisów z dowodami księgowymi i sprawozdaniem finansowym,
- 3) udokumentowania operacji gospodarczych,
- 4) prawidłowości otwarcia ksiąg rachunkowych na podstawie sald zatwierdzonego bilansu za okres poprzedni,
- 5) stosowanych metod zabezpieczenia dostępu do danych i systemu ich przetwarzania za pomocą komputera,
- 6) właściwej ochrony dokumentacji księgowej, ksiąg rachunkowych i sprawozdań finansowych.

2. Informacje o niektórych, istotnych pozycjach sprawozdania finansowego

W okresie sprawozdawczym Spółka nie wypracowała wyniku finansowego. Struktura aktywów i pasywów bilansu Spółki została przedstawiona w zbadanym sprawozdaniu finansowym za rok zakończony dnia 31 grudnia 2012 roku.

Inwentaryzacja aktywów i zobowiązań została przeprowadzona zgodnie z ustawą o rachunkowości. Różnice inwentaryzacyjne zostały rozliczone i ujęte w księgach rachunkowych 2012 roku.

Sprawozdanie finansowe Spółki za rok zakończony dnia 31 grudnia 2012 roku jest pierwszym sprawozdaniem finansowym SCD Sp. z o.o.

3. Wprowadzenie do sprawozdania finansowego oraz dodatkowe informacje i objaśnienia

Wprowadzenie oraz dodatkowe informacje i objaśnienia do sprawozdania finansowego za rok zakończony dnia 31 grudnia 2012 roku sporządzone zostały, we wszystkich istotnych aspektach zgodnie z wymogami ustawy o rachunkowości.

SCD Sp. z o.o.

Raport uzupełniający opinię niezależnego biegłego rewidenta z badania sprawozdania finansowego
za rok zakończony dnia 31 grudnia 2012 roku
(w złotych)



4. Sprawozdanie z działalności jednostki.

Zapoznaliśmy się ze sprawozdaniem z działalności Spółki w okresie od dnia 31 maja 2012 roku do dnia 31 grudnia 2012 roku („sprawozdanie z działalności”) i uznaliśmy, że informacje pochodzące z załączonego sprawozdania finansowego są z nim zgodne. Informacje zawarte w sprawozdaniu z działalności uwzględniają postanowienia art. 49 ustawy o rachunkowości.

5. Zgodność z prawem

Uzyskaliśmy pisemne potwierdzenie od Zarządu Spółki, że w roku sprawozdawczym nie zostały naruszone przepisy prawa wpływające na sprawozdanie finansowe, a także umowę Spółki.

SCD Sp. z o.o.

Raport uzupełniający opinię niezależnego biegłego rewidenta z badania sprawozdania finansowego
za rok zakończony dnia 31 grudnia 2012 roku
(w złotych)



IV. INFORMACJE I UWAGI KOŃCOWE

Niniejszy raport został sporządzony w związku z badaniem sprawozdania finansowego SCD spółka z ograniczoną odpowiedzialnością (zwanej dalej „Spółką”) z siedzibą w Warszawie przy ul. Konstruktorskiej 13, obejmującego:

- a) wprowadzenie do sprawozdania finansowego;
- b) bilans sporządzony na dzień 31 grudnia 2012 roku, który po stronie aktywów i pasywów zamyka się sumą 5.000,00 złotych;
- c) rachunek zysków i strat za okres od dnia 31 maja 2012 roku do dnia 31 grudnia 2012 roku niewykazujący wyniku finansowego;
- d) dodatkowe informacje i objaśnienia.

Sprawozdanie finansowe zostało podpisane w dniu 3 września 2013 roku przez Zarząd Spółki oraz osobę, której powierzono prowadzenie ksiąg rachunkowych. Raport powinien być odczytywany wraz z opinią niezależnego biegłego rewidenta dla Zgromadzenia SCD sp. z o.o. z dnia 3 września 2013 roku dotyczącą wyżej opisanego sprawozdania finansowego.

Opinia o sprawozdaniu finansowym wyraża ogólny wniosek wynikający z przeprowadzonego badania. Wniosek ten nie stanowi sumy ocen wyników badania poszczególnych pozycji sprawozdania bądź zagadnień, ale zakłada nadanie poszczególnym ustaleniom odpowiedniej wagi (istotności) uwzględniającej wpływ stwierdzonych faktów na rzetelność i prawidłowość sprawozdania finansowego.

Przeprowadzający badanie w imieniu Advantim Sp. z o.o. z siedzibą w Warszawie, spółki wpisanej na listę podmiotów uprawnionych do badania sprawozdań finansowych pod numerem 3508:

Paweł Kurus

Kluczowy Biegły Rewident
Numer ewidencyjny 11469

ADVANTIM

Sp. z o.o.

ul. Znanieckiego 16/15 03-980 Warszawa
NIP 113-277-27-40 REGON 141958509

Warszawa, 3 września 2013 roku

**SPRAWOZDANIE ZARZĄDU Z DZIAŁALNOŚCI SPÓŁKI
SCD SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
Z/S W WARSZAWIE ZA ROK 2012**

INFORMACJE OGÓLNE

SCD Sp. z o.o., z siedzibą w Warszawie, (dalej jako Spółka) została zawiązana w dniu 31 maja 2012 roku aktem notarialnym sporządzonym przez Sebastiana Kubań, notariusza w Warszawie, w Kancelarii Notarialnej w Warszawie, Repetytorium A nr 3130/2012, i zarejestrowana w Rejestrze Przedsiębiorców Krajowego Rejestru Sądowego przez Sąd Rejonowy dla m.st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego pod nr KRS 0000435933. Kapitał zakładowy Spółki wynosi 5.000 złotych i dzieli się na 100 udziałów o wartości nominalnej 500 złotych każdy udział.

STAN ORGANIZACYJNY

Rok obrotowy Spółki pokrywa się z rokiem kalendarzowym. W roku 2012 Spółka nie zatrudniała pracowników.

W roku 2012 Spółką kierował zarząd w składzie:

- Stanislav Frnka- Prezes Zarządu
- Rene Popik - Członek Zarządu

SYTUACJA FINANSOWA SPÓŁKI

W okresie sprawozdawczym Spółka nie wypracowała wyniku finansowego.

CHARAKTERYSTYKA DZIAŁALNOŚCI SPÓŁKI

W roku 2012 Spółka nie prowadziła aktywnej działalności.

PLANY NA KOLEJNY OKRES SPRAWOZDAWCZY

W roku 2013 Spółka planuje prowadzenie działalności w zakresie poszukiwania projektów budowlanych do realizacji oraz ich realizacji.

Warszawa, dnia 3 września 2013 roku

Zarząd SCD sp. z o.o.

Stanislav FRNKA _____

Rene POPIK _____

7.2 The Issuer's interim unaudited financial statement for the six months ended 30 June 2013

Wybrane dane finansowe zawierające podstawowe pozycje półrocznego sprawozdania finansowego

Kluczowe dane bilansowe	Dane w PLN		Dane w EUR	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
1 Aktywa ogółem	3,712.84	0.00	857.63	0.00
2 Kapitał własny	2,512.84	0.00	580.44	0.00

Kluczowe dane wynikowe	Dane w PLN		Dane w EUR	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
1 Strata netto	(2,487.16)	0.00	(595.21)	0.00

Kursy zastosowane do przeliczenia powyższych danych finansowych (PLN/EUR)

	2013	2012
Pozycje bilansowe	4.3292	0.0000
Pozycje wynikowe	4.1786	0.0000

Bilans**Aktywa**

w PLN		30.06.2013	30.06.2012
A	AKTYWA TRWAŁE	0.00	0.00
I	Wartości niematerialne i prawne		
II	Rzeczowe aktywa trwałe		
III	Należności długoterminowe		
IV	Inwestycje długoterminowe		
V	Długoterminowe rozliczenia międzyokresowe		
B	AKTYWA OBROTOWE	3,712.84	0.00
I	Zapasy		
II	Należności krótkoterminowe		
III	Inwestycje krótkoterminowe	3,712.84	
IV	Krótkoterminowe rozliczenia międzyokresowe		
AKTYWA RAZEM		3,712.84	0.00

Pasywa

w PLN		30.06.2013	30.06.2012
A	KAPITAŁ (FUNDUSZ) WŁASNY	2,512.84	0.00
I	Kapitał (fundusz) podstawowy	5,000.00	
II	Należne wpłaty na kapitału podstawowy (wielkość ujemna)		
III	Udziały (akcje) własne (wielkość ujemna)		
IV	Kapitał (fundusz) zapasowy		
V	Kapitał (fundusz) z aktualizacji wyceny		
VI	Pozostałe kapitały (fundusze) rezerwowe		
VII	Zysk (strata) z lat ubiegłych		
VIII	Zysk (strata) netto	(2,487.16)	
IX	Odpisy z zysku netto w ciągu roku obrotowego (wielkość ujemna)		
B	ZOBOWIĄZANIA I REZERWY NA ZOBOWIĄZANIA	1,200.00	0.00
I	Rezerwy na zobowiązania		
II	Zobowiązania długoterminowe		
III	Zobowiązania krótkoterminowe		
IV	Rozliczenia międzyokresowe	1,200.00	
PASYWA RAZEM		3,712.84	0.00

Rachunek zysków i strat - wersja porównawcza

w PLN		1.01.-30.06.2013	1.01.-30.06.2012
A	Przychody netto ze sprzedaży produktów, towarów i materiałów, w tym:	0.00	0.00
I	przychody netto ze sprzedaży produktów		
II	Zmiana stanu produktów (zwiększenie - wartość dodatnia)		
III	Koszt wytworzenia produktów na potrzeby własne jednostki		
IV	Przychody netto ze sprzedaży towarów i materiałów		
B	Koszty sprzedanych produktów, towarów i materiałów, w tym:	2,491.99	0.00
I	Amortyzacja		
II	Zużycie materiałów i energii	1,821.99	
III	Usługi obce	670.00	
IV	Podatki i opłaty, w tym:		
V	Wynagrodzenia		
VI	Ubezpieczenia społeczne i inne świadczenia		
VII	Pozostałe koszty rodzajowe		
VIII	Wartość sprzedanych towarów i materiałów		
C	Zysk (strata) ze sprzedaży (A-B)	(2,491.99)	0.00
D	Pozostałe przychody operacyjne	0.00	0.00
I	Zysk ze zbycia niefinansowych aktywów trwałych		
II	Dotacje		
III	Inne przychody operacyjne		
E	Pozostałe koszty operacyjne	0.00	0.00
I	Strata ze zbycia niefinansowych aktywów trwałych		
II	Aktualizacja wartości aktywów niefinansowych		
III	Inne koszty operacyjne		
F	Zysk (strata) z działalności operacyjnej (C+D-E)	(2,491.99)	0.00
G	Przychody finansowe	9.26	0.00
I	Dywidendy i udziały w zyskach, w tym:		
II	Odsetki, w tym:	9.26	
III	Zysk ze zbycia inwestycji		
IV	Aktualizacja wartości inwestycji		
V	Inne		
H	Koszty finansowe	4.43	0.00
I	Odsetki, w tym:	4.43	
II	Strata ze zbycia inwestycji		
III	Aktualizacja wartości inwestycji		
IV	Inne		
I	Zysk (strata) z działalności gospodarczej F+G-H)	(2,487.16)	0.00
J	Wynik zdarzeń nadzwyczajnych (J.I. -J.II.)	0.00	0.00
I	Zyski nadzwyczajne		
II	Straty nadzwyczajne		
K	Zysk (strata) brutto (I±J)	(2,487.16)	0.00
L	Podatek dochodowy		
M	Pozostałe obowiązkowe zmniejszenie zysku (zwiększenia straty)		
N	Zysk (strata) netto (K-L-M)	(2,487.16)	0.00

Zestawienie zmian w kapitale (funduszu) własnym

w PLN		1.01.-30.06.2013	1.01.-30.06.2012
I.	Kapitał (fundusz) własny na początek okresu (BO)	5,000.00	0.00
I.a.	Kapitał (fundusz) własny na początek okresu (BO), po korektach	5,000.00	0.00
II	Kapitał (fundusz) własny na koniec okresu (BZ)	2,512.84	0.00
III	Kapitał (fundusz) własny, po uwzględnieniu proponowanego podziału zysku (pokrycia straty)	2,512.84	0.00

Rachunek przepływów pieniężnych za okres od 1.01. do 30.06.2013 - metoda pośrednia

w PLN		1.01.-30.06.2013	1.01.-30.06.2012
A	Przepływy środków pieniężnych z działalności operacyjnej		
I	Zysk (starata) netto	(2,487.16)	
II	Korekty razem	6,200.00	
III	Przepływy pieniężne netto z działalności operacyjnej (I ± II)	3,712.84	0.00
B	Przepływy środków pieniężnych z działalności inwestycyjnej		
I	Wpływy		
II	Wydatki		
III	Przepływy pieniężne netto z działalności inwestycyjnej (I-II)	0.00	0.00
C	Przepływy środków pieniężnych z działalności finansowej		
I	Wpływy		
II	Wydatki		
III	Przepływy pieniężne netto z działalności finansowej (I-II)	0.00	0.00
D	Przepływy pieniężne netto, razem (A.III ± B.III ± C.III)	3,712.84	0.00
E	Bilansowa zmiana stanu środków pieniężnych, w tym:	3,712.84	0.00
F	Środki pieniężne na początek okresu	0.00	0.00
G	Środki pieniężne na koniec okresu (F±D), w tym:	3,712.84	0.00

7.3 The Guarantor's audited financial statement for the financial year ended 31 December 2012

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CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2012

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Audit report

To the Partners of
HB Reavis Holding S.à r.l.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of HB Reavis Holding S.à r.l. and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers, Société coopérative, 400 Route d'Esch, B.P. 1443, L-1014 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu

Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518



Basis for Qualified Opinion

Contrary to the requirements of IAS 24, Related Party Disclosures, the Board of Managers has not disclosed the name of HB Reavis Holding S.à r.l.'s ultimate controlling party in the accompanying consolidated financial statements. Furthermore, in accordance with ISA 705 paragraph 19 (c) we have not disclosed the identity of the ultimate controlling party in our report as we are prevented from doing so by the Slovak Law on Personal Data Protection.

Qualified Opinion

In our opinion, except for the omitted disclosure described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view of the financial position of HB Reavis Holding S.à r.l and its subsidiaries as of 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Managers, is consistent with the consolidated financial statements.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 30 April 2013

Isabelle Dauvergne

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HB Reavis Holding S.à.r.l.

Consolidated Balance Sheet at 31 December 2012

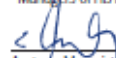
Prepared in accordance with International Financial Reporting Standards as adopted by the EU

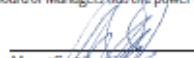
In millions of EUR	Note	31 December 2012	31 December 2011
ASSETS			
Non-current assets			
Property, plant and equipment	8	315	33.8
Investment property in use or vacant	9	691.2	697.6
Investment property under development	9	515.6	298.6
Intangible assets		2.1	2.5
Receivables and loans due from third parties	11	9.4	11.7
Receivables and loans due from related parties	7, 11	2.4	2.1
Deferred income tax asset	26	13.4	-
Other non-current assets	12	1.1	5.7
Total non-current assets		1,266.7	1,052.0
Current assets			
Inventories		3.9	3.8
Trade and other receivables due from third parties	13	30.4	40.0
Trade and other receivables due from related parties	7, 13	8.5	12.7
Derivatives and other financial assets		0.2	2.1
Current income tax prepayments		4.0	-
Other assets		1.1	0.9
Cash and cash equivalents	15	47.6	141.8
		95.7	201.3
Non-current assets classified as held-for-sale	14	78.0	-
Total current assets		173.7	201.3
TOTAL ASSETS		1,440.4	1,253.3
EQUITY			
Share capital (12,500 shares at 1EUR each)	16	-	-
Share premium	16	660.6	643.6
Retained earnings		117.6	78.4
Translation reserve		0.5	(2.5)
Equity attributable to the Company's owners		778.7	719.5
Non-controlling interest		17.5	17.3
TOTAL EQUITY		796.2	736.8
LIABILITIES			
Non-current liabilities			
Borrowings from third parties	17	349.0	242.0
Borrowings from related parties	7, 17	0.6	3.0
Deferred income tax liability	26	71.2	57.5
Other payables due to third parties	18	14.7	15.2
Other payables due to related party	7, 18	0.9	-
Total non-current liabilities		436.4	317.7
Current liabilities			
Borrowings from third parties	17	104.9	112.8
Trade and other payables due to third parties	18	39.1	31.2
Trade and other payables due to related parties	7, 18	5.1	28.3
Deferred income	18	13.2	14.1
Current income tax payable		12.4	12.4
		174.7	198.8
Liabilities directly associated with non-current assets classified as held for sale	14	33.1	-
Total current liabilities		207.8	198.8
TOTAL LIABILITIES		644.2	516.5
TOTAL LIABILITIES AND EQUITY		1,440.4	1,253.3

Memorandum note – investment property comprises the following types of properties:

	Investment property in use or vacant		Investment property under development	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Office	338.7	340.9	420.8	197.7
Retail	249.0	248.9	35.9	38.3
Industrial	103.5	107.8	9.0	8.3
Non-Core	-	-	49.9	54.3
Total	691.2	697.6	515.6	298.6

These consolidated financial statements have been approved for issue and signed on behalf of the HB Reavis Holding S.à.r.l. on 30 April 2013 by the members of the Board of Managers of HB Reavis Holding S.à.r.l. The Board of Managers has the power to amend these consolidated financial statements after issue.


Andrej Mangrich
Manager A


Marcel Sedlak
Manager B

The accompanying notes on pages 66 to 118 are integral part of these consolidated financial statements.

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HB Reavis Holding S.à r.l.

Consolidated Statement of Comprehensive Income for the year ended 31 December 2012

Prepared in accordance with International Financial Reporting Standards as adopted by the EU

In millions of EUR	Note	2012	2011
Rental and similar income from investment property	19	69.3	74.2
Direct operating expenses arising from investment property	20	(20.8)	(19.9)
Net operating income from investment property		48.5	54.3
Revaluation gain/ (loss) on investment property	9	45.5	55.3
Results on property disposals	24	-	33.7
Income from public transportation	21	20.8	20.6
Construction contracts with related parties	7, 23	4.4	3.5
Other operating income – third parties	23	6.9	9.2
Other operating income – related parties	7, 23	0.7	1.2
Employee benefits	7, 22	(14.6)	(18.1)
Fuel costs		(4.9)	(4.6)
Depreciation and amortisation		(6.1)	(6.2)
Other operating expenses	23	(36.3)	(37.0)
Operating profit		64.9	111.9
Interest income – third parties	25	0.5	0.4
Interest income – related parties	7, 25	0.2	1.0
Interest expense – third parties	25	(12.9)	(14.5)
Interest expense – related parties	7, 25	(0.1)	(1.0)
Foreign exchange gains / (losses), net		6.9	(5.6)
Other finance income		4.1	1.0
Other finance costs		(1.0)	(1.2)
Finance costs, net		(2.3)	(19.9)
Profit before income tax		62.6	92.0
Current income tax expense	26	(1.5)	(3.4)
Deferred income tax expense	26	(7.9)	(1.9)
Income tax expense		(9.4)	(5.3)
Net profit for the year		53.2	86.7
Other comprehensive income			
Difference between carrying value and fair value of own office at the moment of transfer to investment property, net of tax		-	2.3
Translation of foreign operations to the presentation currency		3.0	(2.5)
Total comprehensive income for the year		56.2	86.5
Net profit is attributable to:			
- Owners of the Company		53.0	85.1
- Non controlling interest		0.2	1.6
Profit for the year		53.2	86.7
Total comprehensive income is attributable to:			
- Owners of the Company		56.0	84.9
- Non-controlling interest		0.2	1.6
Total comprehensive income for the year		56.2	86.5

Memorandum note:

Net operating income (Rental and similar income after direct operating expenses) from investment properties and revaluation gain/ (loss) on investment properties are attributable to the following types of properties:

	Year ended 31 December 2012				Year ended 31 December 2011			
	Net operating income from investment properties	Revaluation gain/ (loss) – properties in use or vacant	Revaluation gain/ (loss) – properties completed during the year	Revaluation gain/ (loss) – properties under development	Net operating income from investment properties	Revaluation gain/ (loss) – properties in use or vacant	Revaluation gain/ (loss) – properties completed during the year	Revaluation gain/ (loss) – properties under development
Office	22.8	0.9	1.0	58.4	26.1	(3.0)	13.5	20.1
Retail	17.4	(5.3)	-	(3.4)	20.1	13.1	16.7	(0.5)
Industrial	8.3	(6.6)	-	0.2	8.1	(1.0)	2.2	(1.7)
Non-Core	-	-	-	0.3	-	-	-	(4.1)
Total	48.5	(11.0)	1.0	55.5	54.3	9.1	32.4	13.8

The accompanying notes on pages 66 to 118 are integral part of these consolidated financial statements.

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HUMAN RESOURCES MANAGEMENT

HB Reavis Holding S.à r.l.

Consolidated Statement of Changes in Equity for the year ended 31 December 2012

Prepared in accordance with International Financial Reporting Standards as adopted by the EU

In millions of EUR	Note	Attributable to owners of the Company				Non-controlling interest	Total equity
		Share capital (Note 16)	Share premium (Note 16)	Retained earnings	Translation reserve		
Balance at 1 January 2011		–	663.3	–	–	19.2	682.5
Profit for the year		–	–	85.1	–	1.6	86.7
Other comprehensive income/(loss)		–	–	2.3	(2.5)	–	(0.2)
Total comprehensive income for the year		–	–	87.4	(2.5)	1.6	86.5
Purchase of a non-controlling interest in a subsidiary from a related party ⁽¹⁾		–	–	(9.0)	–	(3.5)	(12.5)
Net cash paid to owners	16	–	(19.7)	–	–	–	(19.7)
Balance at 31 December 2011		–	643.6	78.4	(2.5)	17.3	736.8
Profit for the year		–	–	53.0	–	0.2	53.2
Other comprehensive income		–	–	–	3.0	–	3.0
Total comprehensive income for the year		–	–	53.0	3.0	0.2	56.2
Shareholder contribution	16	–	17.0	–	–	–	17.0
Dividends declared	16	–	–	(13.8)	–	–	(13.8)
Balance at 31 December 2012		–	660.6	117.6	0.5	17.5	796.2

(1) During 2011, a non-controlling interest in a subsidiary with carrying value of EUR 3.5 million was acquired for EUR 12.5 million from a related party resulting in EUR 9.0 million decrease in retained earnings and a decrease of EUR 3.5 million in non-controlling interest.

The accompanying notes on pages 66 to 118 are integral part of these consolidated financial statements.

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HB Reavis Holding S.à r.l.

Consolidated Statement of Cash Flows for the year ended 31 December 2012

Prepared in accordance with International Financial Reporting Standards as adopted by the EU

In millions of EUR	Note	2012	2011
Cash flows from operating activities			
Profit before income tax		62.6	92.0
Adjustments for:			
Depreciation and amortisation		6.1	6.2
Revaluation gains on investment property	9	(45.5)	(55.3)
Results on property disposals	24	-	(33.7)
Interest income	25	(0.7)	(1.4)
Interest expense	25	13.0	15.5
Other non-cash operating costs/(income)		-	0.3
Operating cash flows before working capital changes		35.5	23.6
Working capital changes:			
Decrease/(increase) in trade and other receivables		5.5	(18.2)
Decrease/(increase) in inventories		(0.1)	0.1
Increase/(decrease) in trade and other payables		(5.5)	13.7
Increase/(decrease) in derivative and other financial instruments		1.9	(0.7)
Cash generated from operations		37.3	18.5
Interest paid		(9.8)	(8.9)
Interest received		0.7	1.4
Income taxes paid		(5.5)	(3.4)
Net cash from operating activities		22.7	7.6
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	8	(3.6)	(3.3)
Purchases of investment properties		(143.0)	-
Construction costs related to investment properties		(86.5)	(101.7)
Proceeds from sales of investment property		5.2	3.0
Proceeds from sales of subsidiaries, net of cash disposed		10.7	138.8
Proceeds from sale of other investments		-	0.3
Repayment of borrowings to related parties		-	(13.9)
Proceeds from borrowings from related parties		0.4	-
Restricted cash		(15)	-
Net cash (used in)/from investing activities		(218.3)	23.2
Cash flows from financing activities			
Proceeds from borrowings		140.0	110.9
Repayment of borrowings		(29.8)	(67.1)
Purchase of non-controlling interest		(12.5)	-
Proceeds from sale of non-controlling interest		-	10.3
Contribution from shareholder		17.0	-
Dividends paid	16	(13.8)	(19.7)
Net cash from/(used in) financing activities		100.9	34.4
Net (decrease) / increase in cash and cash equivalents		(94.7)	65.2
Cash and cash equivalents at the beginning of the year	15	141.8	76.6
Cash and cash equivalents at the end of the year		47.1	141.8
Reconciliation of cash and cash equivalents:			
- Restricted cash		15	-
- Cash within non-current assets classified as held-for-sale		(1.0)	-
Cash and cash equivalents at the end of the year at the balance sheet	15	47.6	141.8

Certain comparative information in the Consolidated Statement of Cash Flows has been amended to reflect correction of certain classification and timing errors that have been identified during the preparation of the 2012 financial statements. The management reviewed the identified adjustments and considers them as immaterial but decided to amend the comparatives to achieve consistent presentation of the Consolidated Statement of Cash Flows.

The accompanying notes on pages 66 to 118 are integral part of these consolidated financial statements.

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HB Reavis Holding S.à r.l.

Notes to Consolidated Financial Statements for the year ended 31 December 2012

Prepared in accordance with International Financial Reporting Standards as adopted by the EU

1 The HB REAVIS Group and its Operations

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (the "EU") for the year ended 31 December 2012 for HB Reavis Holding S.à r.l. (the "Company") and its subsidiaries (together referred to as the "Group" or "HB REAVIS Group").

The Company was incorporated and is domiciled in Luxembourg. The Company is a private limited liability company (société à responsabilité limitée) and was set up in accordance with the Luxembourg regulations on 20 October 2010. The Company is registered at the Luxembourg Commercial Register under file R.C.S. Luxembourg no. B 156 287.

HB Reavis Holding S.à r.l. is ultimately privately owned. The Group's immediate parent as of the date of issuance of these consolidated financial statements is Kennesville Holdings Ltd based in Cyprus.

Principal activity. The HB REAVIS Group is a real estate group with major portfolio of investment properties in Slovakia, the Czech Republic, Poland and Hungary. It is principally involved in the development of properties for its own portfolio, in leasing out investment properties under operating leases, as well as in asset management and is also active in investment management. The Group develops and manages investment properties to earn rentals or for capital appreciation. The Group controlled jointly with another investor Aupark, a leading Bratislava shopping centre (sold during year 2011). The Group's current retail portfolio includes Shopping Centers Aupark in Kosice and Zilina, both in Slovakia. The Group's flagship rented and managed office properties include City Business Center I-II completed in 2007, Apollo Business Center II (completed in stages in 2008 and 2009) and City Business Center III-V (completed in 2011) located in Bratislava. In 2012, the Group opened River Garden Office I in Prague, the Czech Republic. During 2012, the Group made acquisitions allowing it to diversify its portfolio to other markets. Construction of the Forum Business Center in Bratislava, Slovakia, River Garden Office II-III project in Prague, the Czech Republic, Gdansk Business Center and Konstruktorska Business Center in Warsaw, Poland and Vaci Corner Offices in Budapest, Hungary are ongoing as of the date of preparation of these financial statements. The Group has also commenced development of Twin City, a major mixed development including retail, office and bus station properties located in Bratislava. The Group operates several logistical/industrial properties on the outskirts of Bratislava, in Eastern Slovakia, and two industrial properties in the Czech Republic – Lovosice (completed in 2010) and Mosnov (partially completed in 2011).

During year 2011, the Group established new sub-structure within its organisational structure. HB Reavis Real Estate SICAV – SIF (the "Fund") a fonds commun de placement – fonds d'investissement spécialisé, was established in Luxembourg on 25 May 2011 for an unlimited duration and is governed by the Luxembourg law dated 13 February 2007 relating to specialized investment funds. On the aforementioned date, the Management Company launched the Fund as well as its first Sub-Fund named HB Reavis CE REIF (hereafter "Sub-Fund A"). The Fund is managed for the account of and in the exclusive interest of its unitholders by HB Reavis Investment Management S.à r.l. (the "Management Company"), a limited liability company organised under the laws of Luxembourg (registration number B 161.176) having its registered office at 20, rue de la Poste, L-2346 Luxembourg. While there will be no specific country or real estate segment restrictions posed, the Fund will mainly invest in the Central European region as Slovakia, the Czech Republic, Poland and Hungary in commercial real estate assets. The initial Sub-Funds portfolio will provide investments in prime properties only located in Slovakia. The office segment investments are restricted to A-class properties located in central business districts of capital cities in Slovakia, the Czech Republic and Hungary. In Poland however, both, capital and regional cities are eligible for investments in the office segment. The retail segment investments will be made in both capital and regional cities in the entire Central European region. Investments in logistic properties will be restricted to attractive and strategic locations only. The Sub-Fund A seeks to maximize the value via investing in properties which in the past proved to bear characteristics of a prime-commercial real estate property which as such implies to have a top-tier tenants portfolio being located in prime or strategic locations and soundly built from both technical and architectural point of view. The Sub-Fund A seeks to enhance value of properties by contracting an excellent lease management in order to maximize property income.

The Group also operates a public transportation company and aims to redevelop the acquired bus station in Bratislava, Slovakia as part of the Twin City project.

Other principal activity of the Group is construction of real estate for third parties, including related parties.

The Group's strategy is reflected in its cash flow forecast that is regularly monitored by the Board of Managers, including their assessment of appropriateness of preparation of the financial statements on a going concern basis. The cash flow outlook is further described under the description of management of liquidity in Note 30. Valuation of properties of the Group in the less liquid markets necessarily involves greater element of judgement as there have been still relatively limited transactions in the market. The critical accounting judgments used in valuation of the Group's investment properties have been further described in Note 3.

Registered address and place of business. The Company's registered address and principal place of business is:

46A, Avenue J. F. Kennedy
L-1855 Luxembourg
Luxembourg

The Group has offices in Bratislava, Prague, Budapest, Warsaw and Zagreb.

HB Reavis Holding S.à r.l.

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2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are described below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of Preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The Group applies all IFRS standards and interpretations issued by International Accounting Standards Board (hereinafter "IASB"), which were in force as of 31 December 2012.

Income and cash flow statement

The Group has elected to present a single statement of comprehensive income and presents its expenses by nature.

The Group reports cash flows from operating activities using the indirect method. Interest received and interest paid are presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

Preparation of the consolidated financial statements

These consolidated financial statements are presented in millions of Euro („EUR“) rounded to one decimal place, unless otherwise stated.

The consolidated financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the measurement of investment property at fair value, financial assets classified as available for sale and derivative financial instruments that have been measured at fair value.

The preparation of these consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Valuation techniques such as discounted cash flows models or models based on recent arm's length transactions or consideration of financial data of the counterparties are used to fair value certain financial instruments for which external market pricing information is not available. Valuation techniques may require assumptions not supported by observable market data. Disclosures are made in these financial statements if changing any such assumptions to a reasonably possible alternative would result in significantly different revaluation gain or loss on investment properties, net profit or loss for the year, total assets or total liabilities.

2.2. Consolidated Financial Statements

Consolidated financial statements. In preparing the consolidated financial statements, the individual financial statements of the consolidated entities are aggregated on a line-by-line basis by adding together the like items of assets, liabilities, equity, income and expenses. Transactions, balances, income and expenses between the consolidated entities are eliminated.

Subsidiaries. Subsidiaries are those companies and other entities (including special purpose entities) in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies so as to obtain economic benefits. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc. Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered.

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2 Summary of Significant Accounting Policies (Continued)

2.2. Consolidated Financial Statements (Continued)

The entities included within these consolidated financial statements are as follows:

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				31 December 2012	31 December 2011
1	HB Reavis Holding S.à.r.l. (Parent Company)	EUR	Luxembourg	N/A	N/A
2	HB Reavis Real Estate SICAV-SIF	EUR	Luxembourg	100	100
3	HB REIF LUX 1 S.à.r.l.	EUR	Luxembourg	100	100
4	HB REIF LUX 2 S.à.r.l.	EUR	Luxembourg	100	100
5	HB Reavis Investment Management S.à.r.l.	EUR	Luxembourg	93	93
6	HB REAVIS GROUP B.V. (Predecessor Holding Company)	EUR	Netherlands	100	100
7	WATERFIELD Management B.V.	EUR	Netherlands	99.5	99.5
8	HB RG Invest B.V.	EUR	Netherlands	100	100
9	HB REAVIS Croatia B.V.	EUR	Netherlands	100	100
10	HB Reavis CEE B.V.	EUR	Netherlands	100	100
11	HB HOLDING LIMITED	EUR	Cyprus	100	100
12	FILWOOD HOLDINGS LIMITED	EUR	Cyprus	100	100
13	HB INVESTORS LTD	EUR	Cyprus	100	100
14	HB RM HOLDING LTD	EUR	Cyprus	93	93
15	HB REAVIS IM ADVISOR LIMITED	GBP	Jersey	93	93
16	HB REAVIS Croatia, d.o.o.	HRK	Croatia	100	100
17	COMPOS MENTIS GRADNA, d.o.o.	HRK	Croatia	100	100
18	COMPOS MENTIS DVA, d.o.o.	HRK	Croatia	100	100
19	HB Reavis Hungary Szolgáltató Kft.	HUF	Hungary	100	100
20	Váci Corner Offices Kft. (until 19.06.2012 HB Reavis Projekt Ingatlanfejlesztő Kft.)	HUF	Hungary	100	100
21	HB Reavis Poland Sp. z o.o.	PLN	Poland	100	100
22	POLCOM INVESTMENT Sp. z o.o.	PLN	Poland	100	100
23	POLCOM INVESTMENT II Sp. z o.o.	PLN	Poland	100	100
24	POLCOM INVESTMENT III Sp. z o.o.	PLN	Poland	100	100
25	HB REAVIS CONSTRUCTION PL Sp. z o.o. (until 18.4.2011 as POLCOM INVESTMENT IV Sp. z o.o.)	PLN	Poland	100	100
26	POLCOM INVESTMENT V Sp. z o.o.	PLN	Poland	100	100
27	POLCOM INVESTMENT VI Sp. z o.o.	PLN	Poland	100	100
28	POLCOM INVESTMENT VII Sp. z o.o.	PLN	Poland	100	100
29	POLCOM INVESTMENT VIII Sp. z o.o.	PLN	Poland	100	100
30	WEST STATION INVESTMENT Sp. z o.o.	PLN	Poland	100	100
31	ISTROCENTRUM a.s.	EUR	Slovakia	100	100
32	Eurovalley, a.s.	EUR	Slovakia	96.5	96.5
33	LUGO, s.r.o.	EUR	Slovakia	100	100
34	HB REAVIS Slovakia a.s.	EUR	Slovakia	100	100
35	HB REM, spol. s r.o.	EUR	Slovakia	100	100
36	HB RE, s.r.o.	EUR	Slovakia	100	100
37	HB REAVIS MANAGEMENT spol. s r.o.	EUR	Slovakia	90	90
38	BUS TRANSPORT s.r.o.	EUR	Slovakia	100	100
39	Apollo Property Management, s.r.o.	EUR	Slovakia	100	100
40	AUPARK Košice SC, s. r. o.	EUR	Slovakia	100	100
41	AUPARK KOŠICE, spol. s r.o.	EUR	Slovakia	100	100
42	AUPARK Piešťany SC, s. r. o.	EUR	Slovakia	100	100
43	AUPARK Piešťany, spol. s r.o.	EUR	Slovakia	100	100
44	AUPARK Property Management, s. r. o.	EUR	Slovakia	100	100
45	AUPARK Ružomberok, spol. s r.o.	EUR	Slovakia	100	100
46	AUPARK Tower Košice, s. r. o.	EUR	Slovakia	100	100
47	AUPARK Trenčín, spol. s r. o.	EUR	Slovakia	100	100
48	AUPARK Žilina SC a.s.	EUR	Slovakia	100	100
49	AUPARK Žilina, spol. s r.o.	EUR	Slovakia	100	100
50	CBC Development, s.r.o.	EUR	Slovakia	100	100
51	CBC II, s. r. o.	EUR	Slovakia	100	100
52	CBC IV, s. r. o.	EUR	Slovakia	100	100
53	BUXTON INVEST a.s.	EUR	Slovakia	100	100
54	Twin City a.s.	EUR	Slovakia	100	100
55	UNI - CC s. r. o. (until 18.8.2011 as UNI - CC, s.r.o.)	EUR	Slovakia	100	100

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2 Summary of Significant Accounting Policies (Continued)

2.2. Consolidated Financial Statements (Continued)

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				31 December 2012	31 December 2011
56	Apollo Business Center II, spol.s r.o.	EUR	Slovakia	100	100
57	Apollo Business Center IV, spol.s r.o.	EUR	Slovakia	100	100
58	Apollo Business Center V, spol.s r.o.	EUR	Slovakia	100	100
59	Logistické Centrum Rača a.s.	EUR	Slovakia	100	100
60	Logistické Centrum Svätý Jur s.r.o.	EUR	Slovakia	100	100
61	Logistické centrum Trnava s.r.o.	EUR	Slovakia	100	100
62	Logistické centrum Malý Šariš, spol.s r.o.	EUR	Slovakia	100	100
63	General Property Services, a.s.	EUR	Slovakia	100	100
64	KMJ T, s.r.o.***	EUR	Slovakia	-	100
65	PS 5, s.r.o.***	EUR	Slovakia	-	100
66	ALLPERTON Slovakia, spol.s r.o.	EUR	Slovakia	100	100
67	FORUM BC I s. r. o. (until 8.8.2011 as ILP Malacky, spol.s r.o.)	EUR	Slovakia	100	100
68	FORUM BC II s. r. o. (until 10.8.2011 as I.C. Malacky, spol.s r.o.)	EUR	Slovakia	100	100
69	INLOGIS I, spol.s r.o.	EUR	Slovakia	100	100
70	HB REAVIS IM Advisor Slovakia s. r. o. (until 14.4.2011 as INLOGIS II, spol.s r. o.)	EUR	Slovakia	93	93
71	INLOGIS IV s. r. o.	EUR	Slovakia	100	100
72	INLOGIS V s. r. o.	EUR	Slovakia	100	100
73	INLOGIS VI s. r. o.	EUR	Slovakia	100	100
74	INLOGIS LCR a.s.	EUR	Slovakia	100	100
75	HB Reavis Management ZB, s.r.o.	EUR	Slovakia	100	100
76	Pressburg Urban Projects a.s.	EUR	Slovakia	100	100
77	CBC I – II a.s. (until 30.6.2011 as AUPARK Žilina Holding a.s.)**	EUR	Slovakia	100	100
78	SPC Property I, spol.s r.o.	EUR	Slovakia	100	100
79	SPC Property III, s. r. o.	EUR	Slovakia	100	100
80	SPC Property Finance, s. r. o.	EUR	Slovakia	100	100
81	SPC Property V, s. r. o.	EUR	Slovakia	100	100
82	SPC Property Finance II, s. r. o. (until 8.12.2011 as SPC Property VI, s. r. o.)	EUR	Slovakia	100	100
83	SPC Property Finance III, s. r. o. (until 2.10.2012 as SPC Property VII, s. r. o.)	EUR	Slovakia	100	100
84	SPC Property VIII, s. r. o.	EUR	Slovakia	100	100
85	FORUM Business Center a.s.***	EUR	Slovakia	-	100
86	Slovak lines, a.s.	EUR	Slovakia	56	56
87	Slovak lines Express, a.s.	EUR	Slovakia	56	56
88	Slovak lines Opravy, a.s.	EUR	Slovakia	56	56
89	Slovak lines Služby, a.s.	EUR	Slovakia	56	56
90	ANDAREA s.r.o.	CZK	Czech Rep	100	100
91	AR Consulting, a.s.	CZK	Czech Rep	100	100
92	AUPARK Bmo, spol.s r.o.	CZK	Czech Rep	100	100
93	AUPARK Hradec Králové, a.s.	CZK	Czech Rep	100	100
94	AUPARK Hradec Králové – KOMUNIKACE, s.r.o.	CZK	Czech Rep	100	100
95	AUPARK Ostrava, spol.s r.o.	CZK	Czech Rep	100	100
96	AUPARK Karviná s.r.o. (until 10.5.2011 as Central European Properties, spol.s r.o.)	CZK	Czech Rep	100	100
97	FORSEA s.r.o.	CZK	Czech Rep	100	100
98	Future Development CZ s.r.o.	CZK	Czech Rep	100	100
99	HB Reavis CZ, a.s.	CZK	Czech Rep	100	100
100	HB REAVIS DEVELOPMENT CZ, a.s.	CZK	Czech Rep	100	100
101	HB REAVIS GROUP CZ, s.r.o.	CZK	Czech Rep	100	100
102	HB REAVIS MANAGEMENT CZ spol.s r.o.	CZK	Czech Rep	100	100
103	HYPARKOS, s.r.o.	CZK	Czech Rep	100	100
104	Letecké Cargo MOŠNOV s.r.o.	CZK	Czech Rep	100	100
105	Multimodální Cargo MOŠNOV s.r.o.	CZK	Czech Rep	100	100
106	HB REAVIS PROPERTY MANAGEMENT CZ, s.r.o.	CZK	Czech Rep	100	100
107	Železniční Cargo MOŠNOV s.r.o.	CZK	Czech Rep	100	100
108	TARASI Logistics, a.s.	CZK	Czech Rep	65	65
109	MOLDEFA, a.s.	CZK	Czech Rep	100	100
110	RiGa Office West a.s.	CZK	Czech Rep	100	100
111	ISTROCENTRUM CZ, a.s.	CZK	Czech Rep	100	100
112	Cargo MOŠNOV s.r.o.	CZK	Czech Rep	100	100

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2 Summary of Significant Accounting Policies (Continued)

2.2. Consolidated Financial Statements (Continued)

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				31 December 2012	31 December 2011
113	HB Reavis Construction Hungary Kft.*	HUF	Hungary	100	-
114	Pocom Investment IX Sp. z o.o.*	PLN	Poland	100	-
115	PSD Sp. z o.o.*	PLN	Poland	100	-
116	DII Czech s.r.o.*	CZK	Czech Rep	100	-
117	DNW Czech s.r.o.*	CZK	Czech Rep	100	-
118	Riga Office East s.r.o.*	CZK	Czech Rep	100	-
119	Real Estate Metronomis s.r.o.*	CZK	Czech Rep	100	-
120	Combar, s.r.o.*	CZK	Czech Rep	100	-
121	Phibell s.r.o.*	CZK	Czech Rep	100	-
122	Daestar, s.r.o.*	CZK	Czech Rep	100	-
123	Temster, s.r.o.*	CZK	Czech Rep	100	-
124	Twin City I s.r.o.*	EUR	Slovakia	100	-
125	Twin City II s.r.o.*	EUR	Slovakia	100	-
126	Twin City III s.r.o.*	EUR	Slovakia	100	-
127	Twin City IV s.r.o.*	EUR	Slovakia	100	-
128	Twin City V s.r.o.*	EUR	Slovakia	100	-
129	Twin City VI s.r.o.*	EUR	Slovakia	100	-
130	Twin City VII s.r.o.*	EUR	Slovakia	100	-
131	Twin City VIII s.r.o.*	EUR	Slovakia	100	-
Joint ventures					
132	PHVH SOLUTIONS, s.r.o.	EUR	Slovakia	50	50
133	PHVH SOLUTIONS II, s.r.o. (until 5.12.2011 as INLOGIS II, spol. s r.o.)	EUR	Slovakia	50	50
134	TANGERACO INVESTMENTS LIMITED	EUR	Cyprus	50	50
135	Hotel Šachtička, a.s.***	EUR	Slovakia	50	75
136	Šachtický, a.s.****	EUR	Slovakia	50	75

*Entities established/acquired by the Group during 2012

**Company was created by merger of 2 former companies - AUPARK Žilina Holding a.s. and CBC Invest a.s.

Entities number 2 to 4 and 42, 43, 55, 60, 62 and 77 are part of the Sub-Fund A structure established during the year 2011

*** Immaterial entities disposed of in 2012

**** Further information disclosed in Note 10 Jointly controlled entities

Business combinations. Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired from the party not under common control of the Group. The Group may invest in subsidiaries that hold properties but do not constitute a business. These transactions are therefore treated as asset acquisitions rather than business combinations.

For acquisitions from parties not under common control that meet the definition of a business combination, the acquisition method of accounting is used. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs in relation to business combinations are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the net assets of the subsidiary acquired, the difference is recognised in profit or loss. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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2 Summary of Significant Accounting Policies (Continued)

2.2. Consolidated Financial Statements (Continued)

For acquisitions of subsidiaries not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

All the Group companies have 31 December as their year end. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Purchases of subsidiaries from parties under common control. Purchases of subsidiaries from parties under common control are accounted for using the predecessor values method. Under this method, the consolidated financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented or, if later, the date when the combining entities were first brought under common control. The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying amounts. The predecessor entity is considered to be the highest reporting entity in which the subsidiary's IFRS financial information was consolidated. Related goodwill inherent in the predecessor entity's original acquisitions is also recorded in these consolidated financial statements. Any difference between the carrying amount of net assets, including the predecessor entity's goodwill, and the consideration for the acquisition is accounted for in these consolidated financial statements as an adjustment equity.

Associates. Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated impairment losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii) all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is premeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Purchases of Non Controlling Interests. The Group applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Group recognises the difference between sales consideration and carrying amount of non-controlling interests sold as capital transaction in the equity.

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2 Summary of Significant Accounting Policies (Continued)

2.2 Consolidated Financial Statements (Continued)

The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

2.3 Foreign Currency Transactions and Translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of all Group's entities is the local currency. The consolidated financial statements are presented in millions of euro (EUR), which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Translation differences on non-monetary assets and liabilities recorded at fair value through profit or loss are recognized in the consolidated statement of comprehensive income as part of the fair value gain or loss.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet date are translated at the closing rates at the date of that balance sheet;
- income and expenses and movements in equity are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

When control over a foreign operation is lost, the previously recognised exchange differences on translation to a different presentation currency are reclassified from other comprehensive income to profit or loss for the year as part of the gain or loss on disposal. On partial disposal of a subsidiary without loss of control, the related portion of accumulated currency translation differences is reclassified to non-controlling interest within equity.

2.4 Property, Plant and Equipment

All property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost. Cost includes expenditure that is directly attributable to the acquisition of the items of property plant and equipment. All borrowing costs are expensed except for the borrowing costs that are capitalised as part of the cost of that asset when they are directly attributable to the acquisition, construction or production of a qualifying asset. Cost includes the cost of replacing part of an existing item of PPE at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of PPE.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation. The depreciation of property, plant and equipment starts in the month when the property, plant and equipment is available for use. Property, plant and equipment is depreciated in line with the approved depreciation plan using the straight-line method. Monthly depreciation charge is determined as the difference between acquisition costs and residual value, divided by estimated useful life of the property, plant and equipment.

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2 Summary of Significant Accounting Policies (Continued)

2.4. Property, Plant and Equipment (Continued)

	Useful lives in years
Buildings	30 years
Machinery, equipment, fixtures and fittings	4 to 6 years
Vehicles and other assets	6 to 8 years

Buildings include mainly administrative offices and premises used by the Group management.

Equipment, fixtures and fittings include mainly hardware, servers, telephone exchanges, remote control equipment, office furniture and others.

Motor vehicles include mainly the bus fleet of the Group's public transportation business and the Group's passenger cars.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the assets were already of the age and in the conditions expected at the end of their useful life. The residual value of an asset is nil or its scrap value if the Group expects to use the asset until the end of its physical life.

Land and assets under construction are not depreciated.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The Group allocates the amount initially recognized in respect of an item of property, plant and equipment proportionally to its significant parts and depreciates separately each such part.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Items that are retired or otherwise disposed of are eliminated from the balance sheet, along with the corresponding accumulated depreciation. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

2.5. Investment Property

Investment property is property held by the Group to earn rental income or for capital appreciation, or both and which is not occupied by the Group. Investment property includes assets under construction for future use as investment property.

Investment property comprises freehold land, freehold commercial properties (retail, office and logistics) and land plots held under operating and finance leases. Land plots held under operating lease are classified and accounted for as investment property when the definition of investment property is met. In such cases the related operating leases are accounted for as if they were finance leases.

Investment property is initially valued at historical cost including related transaction costs. Costs include the works performed, the costs of staff directly related to technical supervision and project management on the basis of time spent up to the date of completion.

After initial recognition at cost the investment property, including property under construction or development for future use as investment property, is carried at fair value. Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction, without deduction of any transaction costs.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Valuation reports as of the balance sheet date are prepared by independent appraisers, who hold a recognized and relevant professional qualification and who have recent experience in valuation of property of similar location and category. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

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2 Summary of Significant Accounting Policies (Continued)

2.5. Investment Property (Continued)

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognized as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognized in the consolidated financial statements. Transaction costs, such as estimated agent's and legal and accounting fees and transfer taxes are not deducted for the purposes of valuation of investment property in these financial statements irrespective whether or not they form part of the described valuations.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the consolidated financial statements.

Subsequent expenditures are capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with these expenditures will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed to the consolidated income statement during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recorded in the consolidated income statement under "Revaluation gain/(loss) on investment properties". Investment properties are derecognised when they have been disposed.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any revaluation gain or loss resulting from a difference between the carrying amount and the fair value of this item at the date of transfer is recognized in other comprehensive income as a revaluation surplus or loss of property, plant and equipment under IAS 16.

Increases at the date of the transfer of the investment property to Property, plant and equipment are recognised directly in other comprehensive income, unless there was an impairment loss recognised for the same property in prior years and a portion of the increase is recognised in profit and loss to the extent of that impairment loss.

Decreases are recognised in the Comprehensive Income for any decrease in excess of the amount included in the revaluation surplus for that property recognised at the date of the transfer.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as investment property and stated at fair value.

Where an investment property undergoes a change in use evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

The Group classifies the investment property for the presentation purposes as investment properties in use or vacant and investment properties under development based on the stage of completion of the individual property construction and progress of leasing space to tenants. Consistently with classification for purposes of segmental analysis (see Note 6), the Group classifies a property as "in use or vacant" from the end of the accounting period in which the property has been commissioned for its intended use and a approbation has been carried out. The Group also presents the value of investment properties and related income and expenses by following types of properties – office, retail, and industrial – classified by the prevailing function of the property for its tenants.

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2 Summary of Significant Accounting Policies (Continued)

2.6. Intangible Assets

Goodwill. See Note 2.2 "Business combinations" for the accounting policy on goodwill.

Other intangible assets. All of the Group's other intangible assets have definite useful lives and primarily include (i) externally acquired computer software licences and (ii) public transportation licence acquired in a business combination.

Intangible assets are initially measured at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Group, and the asset can be measured reliably. After initial recognition, the intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized on the straight-line basis over their useful lives:

	Useful lives in years
Software and software licences	5 years
Licence to operate public transportation	10 years

The amortisation of an intangible asset starts in the month when the intangible asset is available for use. Intangible assets are depreciated in line with the approved depreciation plan using the straight-line method. Amortisation charge is determined as the difference between acquisition costs and residual value, divided by estimated useful life of the intangible assets. If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs to sell.

Residual value of intangible assets is assumed to be zero unless (a) there is a commitment by a third party to purchase the asset at the end of its useful life, or (b) there is an active market for the asset and residual value can be determined by the reference to that market and it is probable that such a market will exist at the end of the asset's useful life.

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

A licence to operate public transportation on the bus line Bratislava, Slovakia to Vienna, Austria has been recognized upon acquisition of SAD, a.s. (currently Slovak lines, a.s.).

2.7. Impairment of Non-Financial Assets

Assets that have an indefinite useful life and intangible assets not yet available for use are not subject to amortization and are tested for impairment annually.

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are individually identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that were impaired are reviewed for possible reversal of the impairment at each reporting date.

2.8. Financial Instruments

Key measurement terms. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition and includes transaction costs.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place.

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2 Summary of Significant Accounting Policies (Continued)

2.8. Financial Instruments (Continued)

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is the current bid price for financial assets and current asking price for financial liabilities which are quoted in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other institution and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the balance sheet.

The effective interest method is a method of allocating interest income or interest expense over the relevant period so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest reprising date except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Classification of financial assets. The Group classifies its financial assets in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" in the following categories: financial assets at fair value through profit or loss; available-for-sale financial assets and loans and receivables. The initial recognition classification depends on the purpose for which the investments were acquired, whether they are quoted in an active market and on management intentions.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the near term. Derivatives are also categorized as held for trading.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables exclude those assets for which the holder may not recover substantially all of its initial investment other than because of credit deterioration. Loans and receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Reconciliation of these categories of financial assets with the balance sheet classes is presented in Note 33.

Initial recognition of financial instruments. Trading securities, derivatives and other financial instruments at fair value through profit or loss are initially recorded at fair value. All other financial instruments are initially recorded at fair value plus transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date that the Group commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

Subsequent measurement of financial assets. Available-for-sale financial assets and financial assets at fair value next through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are included in profit or loss in the period in which they arise.

Gains or losses arising from changes in the fair value of the available-for-sale financial assets are recognised in other comprehensive income in the period in which they arise and are reclassified to profit or loss upon disposal or impairment.

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2 Summary of Significant Accounting Policies (Continued)

2.8. Financial Instruments (Continued)

Other financial liabilities (other than derivative financial instruments) are recognised initially at fair value net of transaction costs that are directly attributable to the origination of the financial liability. After initial recognition, the Group measures all financial liabilities (except for derivative financial instruments) at amortised cost using the effective interest method.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value determined by the market EUR yield curve for the related derivative financial instruments and related period as at the balance sheet date.

2.9. Leases

IAS 17 defines a lease as being an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use the asset for an agreed period of time.

Operating leases. When assets are leased out under an operating lease, the lease payments receivable are recognised as rental income on a straight-line basis over the lease term. The lease term is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Where rental contracts are indexed by a fixed percentage, the revenue is recognized on the straight line basis over the lease term together with impact of any other contractual arrangements such as stepped rent. The resulting receivable is recognised within non-current assets or trade and other receivables depending on expected collection pattern. In determining the fair value of the related investment property, the Group does not double-count assets; the fair value of such investment property excludes accrued operating lease income because it is recognised as a separate asset.

Where the Group is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Group, the total lease payments are charged to profit or loss on a straight-line basis over the lease term with the exception of the operating leases for land classified as investment property; such leases are accounted for as finance leases.

Finance leases and property interests held under operating leases. Where the Group is a lessee in a lease (a) which transferred substantially all the risks and rewards incidental to ownership to the Group or (b) the Group elected to classify a property interest held under an operating lease as investment property and therefore accounts for the lease as if it was a finance lease, the assets leased are capitalised in investment property at the commencement of the lease at the lower of the fair value of the property interest or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of future finance charges, are included in borrowings. The interest cost is charged to the consolidated profit and loss over the lease period using the effective interest method. The investment properties acquired under finance leases are carried at fair value.

2.10. Current and deferred income taxes

Income taxes have been provided for in the consolidated financial statements in accordance with applicable legislation enacted or substantively enacted by the balance sheet date and on entity by entity basis. The income tax charge comprises current tax and deferred tax and is recognised in the profit or loss unless it relates to transactions that are recognised in the same or a different period, directly in equity or in other comprehensive income.

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit or loss. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill and subsequently for goodwill which is not deductible for tax purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the balance sheet date which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred income tax is provided on post acquisition retained earnings and other post acquisition movements in reserves of subsidiaries to the extent that it is probable that the temporary differences will reverse in the foreseeable future through a taxable disposal or other taxable event.

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2 Summary of Significant Accounting Policies (Continued)

2.10. Current and deferred income taxes (Continued)

Deferred taxes are provided in full on revaluation differences arising on investment properties which are held by companies in taxable jurisdictions even if the Group may effect the sale of such properties in a tax free manner through disposals of the subsidiaries holding the property interests.

2.11. Inventories

Inventories represent land expected to be developed into residential property in line with the zoning and other regulatory requirements for the Group's projects and land held for disposal in the normal course of business. Inventories are presented as current because of the term of the operating cycle, but their carrying amount is expected to be recovered after 12 months. As of 31 December 2012, land that represented inventories expected to be realised after 12 months amounted to EUR 3.0 million (2011: EUR 3.0 million). Inventories are recorded at the lower of cost and net realisable value. Cost of land under development is determined using specific identification method; cost of other inventories which comprise of interchangeable items is determined using weighted average method. The cost of inventories comprises the cost of acquisition, and any construction and other development costs incurred. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

2.12. Construction contracts

The Group is involved on an ongoing basis in construction contracts. Contract costs are recognised when incurred.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that they have been agreed with the customer and are capable of being reliably measured.

The Group uses the percentage-of-completion method to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retentions are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.13. Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, net of provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the consolidated profit and loss. The primary factors that the Group considers whether a receivable is impaired is its overdue status. The following other principal criteria are also used to determine that there is objective evidence that an impairment loss has occurred:

- any portion of the receivable is overdue and the late payment cannot be attributed to a delay caused by the settlement systems;
- the counterparty experiences a significant financial difficulty as evidenced by its financial information that the Group obtains;
- the counterparty considers bankruptcy or a financial reorganisation; and
- there is adverse change in the payment status of the counterparty as a result of changes in the national or local economic conditions that impact the counterparty.

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2 Summary of Significant Accounting Policies (Continued)

2.13. Trade and Other Receivables (Continued)

Guarantees received are not recognised but are considered when assessing recoverability of related receivables.

2.14. Prepayments

Prepayments are recognised initially at fair value and subsequently are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. If there is an indication that the goods or services relating to a prepayment will not be received, a corresponding impairment is recognised in the profit or loss.

2.15. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost using the effective interest method. Restricted balances are excluded from cash and cash equivalents for the purposes of the cash flow statement. Balances restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date are included in non-current assets.

2.16. Share Capital and Share Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is presented in the notes as a share premium. Contributions made by shareholders to other consolidated entities without corresponding change in non-controlling interests are recorded directly in retained earnings.

Share premium represents the excess of contributions received and receivable over the nominal value of shares issued.

2.17. Dividends and other distributions to owners

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are declared after the balance sheet date but before the consolidated financial statements are authorised for issue.

2.18. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. After initial recognition, borrowings are carried at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement using the effective interest method. The Group does not capitalise interest related to qualifying assets that are carried at fair value, including investment properties. Accordingly, interest costs on borrowings are expensed as incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

2.19. Trade and Other Payables

Trade payables are accrued when the counterparty performed its obligations under the contract. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.20. Provisions for Liabilities and Charges

Provisions for liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

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2 Summary of Significant Accounting Policies (Continued)

2.20. Provisions for Liabilities and Charges (Continued)

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.21. Uncertain Tax Positions

The Group's uncertain tax positions are reassessed by management at every balance sheet date. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the balance sheet date and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the balance sheet date.

2.22. Financial Guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the guarantee. At each balance sheet date, the guarantees are measured at the higher of (i) the unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the obligation at the balance sheet date.

2.23. Revenue Recognition

Rental and similar income from investment property includes rental income, and service charges and management charges from properties.

Rental income is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income. This applies to discounted rent periods, indexation and stepped rents. The contingent payments under lease agreements depending on agreed level of sales turnover of tenants are recognized as income in the period when earned because the Group is unable to reliably estimate the future sales turnover of tenants in order to be able to recognise such expected contingent rents on a straight line basis over the lease term.

Sales of services and management charges are recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Sales are shown net of VAT and discounts. When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

Revenue from public transportation is recognised when service is provided. Local government subsidies towards the cost of public transportation are recognised as other operating income in the same period as the costs they are intended to compensate.

Interest income is recognised on a time-proportion basis using the effective interest method.

2.24. Employee Benefits

Wages, salaries, contributions to the state and private pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services and kindergarten services) are accrued in the year in which the associated services are rendered by the employees of the Group.

Employee benefits include the cost of share based payments made to employees in respect of their services. Cash settled share-based payment obligations to employees are measured at fair value of the liability at the balance sheet date and recognised in profit or loss to the extent that the services were rendered by the employees estimated by reference to the vesting period that passed by the balance sheet date.

Share based payments relate to compensation to certain key members of management of the Group. The benefits were vested as of 31 December 2007, the IFRS transition date, and they are cash-settled. The intrinsic value approximates carrying value of share based payments liabilities. Accordingly, the Group applies IFRS 2, Share Based Payments, to these liabilities. Refer to Note 18 for carrying value of liabilities and Note 22 for expense accrued in the period.

Beginning from 2010, the shareholders of the Group introduced a new scheme for selected senior members of the Group's management. Senior managers are entitled to obtain certain payments from the shareholders based on the net asset value of the Group. As the obligation was incurred by shareholders and not by the Group, the Group did not recognise these employee benefits as its expenses in profit or loss and is unrelated to the entity's share price.

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2 Summary of Significant Accounting Policies (Continued)

2.25. Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to employee benefits, bus fleet amortisation, spent fuel and other costs of operating public transportation are recognised as other operating income in the consolidated profit and loss in the same period as the costs that they are intended to compensate.

2.26. Derivative Financial Instruments

Derivative financial instruments represent interest rate swaps and are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year. The Group does not apply hedge accounting.

2.27. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Board of Directors of the Company.

2.28. Other operating expenses

Expenses include legal, accounting, auditing and other fees. They are recognised in profit or loss in the period in which they are incurred (on an accruals basis).

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Valuation of investment properties using income capitalisation method. The fair value estimates of 98% of investment properties (31 December 2011: 98%) were determined by the Group having received valuation advice from international valuation companies which have experience in valuing properties of similar location and characteristics. The remaining properties were valued on a basis of broker quotes or management estimates. Due to the nature of the properties and lack of comparable market data, the fair value of investment properties is estimated based on the income capitalisation method, where the value is estimated from the expected future benefits to be generated by the property in the form of rental income streams. The method considers net income generated by existing or comparable property, capitalised to determine the value for property which is subject to the valuation. The principal assumptions underlying the estimation of the fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; appropriate discount rates; and in case of properties under development, future constructions costs and market developers' profits. These valuations are regularly compared to actual market data, and actual transactions by the Group and those reported by the market.

From 2009 to 2012, there has been a marked reduction in comparable real estate transactions in Slovakia and the Czech Republic and therefore lack of observable market prices. Despite slight improvement to the end of year 2011 that continues in 2012, there is still increased inherent degree of uncertainty in their valuations and that the effects of the described events on the market were difficult to assess at the time of valuations. The Group management and the valuation experts have applied their judgment when assessing the fair values of the properties.

The principal assumptions made, and the impact on the aggregate valuations of reasonably possible changes in these assumptions, are as follows:

- Rental charges per square meter and month have been calculated for each property on a basis of actually contracted and prevailing market rates as estimated by the qualified valuers. Should the rental levels increase or decrease by 10% the carrying value of investment property would be higher or lower by EUR 69.1 million (2011: EUR 68.6 million).
- The income capitalisation rate (yield) across the portfolio was assumed to be from 6.29% to 9.50%, or 7.26% on average (2011: 7.00% to 9.25%, or 7.39% on average). Should this capitalisation rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 44.2 million lower/higher (2011: EUR 34.2 million lower/higher).

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3 Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

Income taxes The Group is subject to income taxes in different jurisdictions. Significant estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain, therefore tax liability is recognised for exposures deemed probable. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The calculation of deferred tax on investment properties is not based on the fact that they might be realised through a share deal but through an asset deal. As a result of the Group structure, the potential capital gain may be exempted from any tax in case of share deal if certain conditions are met and hence the accumulated deferred tax liabilities may be recognized as a gain depending on the outcome of negotiations with future buyers.

4 Adoption of New International Financial Reporting Standards and Interpretations

(a) Standards adopted during the year ended 31 December 2012. Unless otherwise stated below, the amendments and interpretations did not have any significant effect on the Group's consolidated financial statements.

"Disclosures—Transfers of Financial Assets" – Amendments to IFRS 7 (issued in October 2010 and effective for annual periods beginning on or after 1 July 2011). The amendment requires additional disclosures in respect of risk exposures arising from transferred financial assets. The amendment includes a requirement to disclose by class of asset the nature, carrying amount and a description of the risks and rewards of financial assets that have been transferred to another party, yet remain on the entity's balance sheet. Disclosures are also required to enable a user to understand the amount of any associated liabilities, and the relationship between the financial assets and associated liabilities. Where financial assets have been derecognised, but the entity is still exposed to certain risks and rewards associated with the transferred asset, additional disclosure is required to enable the effects of those risks to be understood. The standard requires these new disclosures to be presented in a separate note.

Other revised standards and interpretations: The amendments to IFRS 1 "First-time adoption of IFRS", relating to severe hyperinflation and eliminating references to fixed dates for certain exceptions and exemptions, did not have any impact on these financial statements. The amendment to IAS 12 "Income taxes", which introduced a rebuttable presumption that an investment property carried at fair value is recovered entirely through sale, did not have a material impact on these financial statements.

The Group has not applied any standard before its effective day.

5 New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2013 or later, and which the Group has not early adopted.

IFRS 9, "Financial Instruments Part 1: Classification and Measurement". IFRS 9, issued in November 2009, replaces those parts of IAS 39 relating to the classification and measurement of financial assets. IFRS 9 was further amended in October 2010 to address the classification and measurement of financial liabilities and in December 2011 to (i) change its effective date to annual periods beginning on or after 1 January 2015 and (ii) add transition disclosures. Key features of the standard are as follows:

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
- An instrument is subsequently measured at amortised cost only if it is a debt instrument and both (i) the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and (ii) the asset's contractual cash flows represent payments of principal and interest only (that is, it has only "basic loan features"). All other debt instruments are to be measured at fair value through profit or loss.
- All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.
- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.

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5 New Accounting Pronouncements (Continued)

While adoption of IFRS 9 is mandatory from 1 January 2015, earlier adoption is permitted. The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption by the Group.

IFRS 10 "Consolidated Financial Statements" (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013), replaces all of the guidance on control and consolidation in IAS 27 "Consolidated and separate financial statements" and SIC-12 "Consolidation – special purpose entities". IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. This definition is supported by extensive application guidance.

IFRS 11 "Joint Arrangements", (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013), replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". Changes in the definitions have reduced the number of types of joint arrangements to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated. Equity accounting is mandatory for participants in joint ventures. The Group is currently assessing the impact of the new standard on its consolidated financial statements.

IFRS 12, "Disclosure of Interests in Other Entities", (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013), applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. It replaces the disclosure requirements currently found in IAS 28 "Investments in associates". IFRS 12 requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. To meet these objectives, the new standard requires disclosures in a number of areas, including significant judgements and assumptions made in determining whether an entity controls, jointly controls, or significantly influences its interests in other entities, extended disclosures on share of non-controlling interests in Group activities and cash flows, summarised financial information of subsidiaries with material non-controlling interests, and detailed disclosures of interests in unconsolidated structured entities.

IFRS 13, "Fair Value Measurement", (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013), aims to improve consistency and reduce complexity by providing a revised definition of fair value, and a single source of fair value measurement and disclosure requirements for use across IFRSs.

IAS 27, "Separate Financial Statements", (revised in May 2011 and effective for annual periods beginning on or after 1 January 2013), was changed and its objective is now to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The guidance on control and financial statements was replaced by IFRS 10 Financial Statements.

IAS 28, "Investments in Associates and Joint Ventures", (revised in May 2011 and effective for annual periods beginning on or after 1 January 2013). The amendment of IAS 28 resulted from the Board's project on joint ventures. When discussing that project, the Board decided to incorporate the accounting for joint ventures using the equity method into IAS 28 because this method is applicable to both joint ventures and associates. With this exception, other guidance remained unchanged.

Amendments to IAS 1 "Presentation of Financial Statements" (issued in June 2011, effective for annual periods beginning on or after 1 July 2012), changes the disclosure of items presented in other comprehensive income. The amendments require entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. The suggested title used by IAS 1 has changed to 'statement of profit or loss and other comprehensive income'. The Group expects the amended standard to change presentation of its financial statements, but have no impact on measurement of transactions and balances.

Amended IAS 19 "Employee Benefits" (issued in June 2011, effective for periods beginning on or after 1 January 2013), makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. The standard requires recognition of all changes in the net defined benefit liability (asset) when they occur, as follows: (i) service cost and net interest in profit or loss; and (ii) remeasurements in other comprehensive income.

"Disclosures – Offsetting Financial Assets and Financial Liabilities" – Amendments to IFRS 7 (issued in December 2011 and effective for annual periods beginning on or after 1 January 2013). The amendment requires disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off.

"Offsetting Financial Assets and Financial Liabilities" – Amendments to IAS 32 (issued in December 2011 and effective for annual periods beginning on or after 1 January 2014). The amendment added application guidance to IAS 32 to address inconsistencies identified in applying some of the offsetting criteria. This includes clarifying the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement.

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5 New Accounting Pronouncements (Continued)

Improvements to International Financial Reporting Standards (issued in May 2012 and effective for annual periods beginning 1 January 2013). The improvements consist of changes to five standards. IFRS 1 was amended to (i) clarify that an entity that resumes preparing its IFRS financial statements may either repeatedly apply IFRS 1 or apply all IFRSs retrospectively as if it had never stopped applying them, and (ii) to add an exemption from applying IAS 23 "Borrowing costs", retrospectively by first-time adopters. IAS 1 was amended to clarify that explanatory notes are not required to support the third balance sheet presented at the beginning of the preceding period when it is provided because it was materially impacted by a retrospective restatement, changes in accounting policies or reclassifications for presentation purposes, while explanatory notes will be required when an entity voluntarily decides to provide additional comparative statements. IAS 16 was amended to clarify that servicing equipment that is used for more than one period is classified as property, plant and equipment rather than inventory. IAS 32 was amended to clarify that certain tax consequences of distributions to owners should be accounted for in the income statement as was always required by IAS 12. IAS 34 was amended to bring its requirements in line with IFRS 8. IAS 34 will require disclosure of a measure of total assets and liabilities for an operating segment only if such information is regularly provided to chief operating decision maker and there has been a material change in those measures since the last annual financial statements.

Transition Guidance Amendments to IFRS 10, IFRS 11 and IFRS 12 (issued in June 2012 and effective for annual periods beginning 1 January 2013). The amendments clarify the transition guidance in IFRS 10 "Consolidated Financial Statements". Entities adopting IFRS 10 should assess control at the first day of the annual period in which IFRS 10 is adopted, and if the consolidation conclusion under IFRS 10 differs from IAS 27 and SIC 12, the immediately preceding comparative period (that is, year 2012 for a calendar year-end entity that adopts IFRS 10 in 2013) is restated, unless impracticable. The amendments also provide additional transition relief in IFRS 10, IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities", by limiting the requirement to provide adjusted comparative information only for the immediately preceding comparative period. Further, the amendments will remove the requirement to present comparative information for disclosures related to unconsolidated structured entities for periods before IFRS 12 is first applied.

Amendments to IFRS 1 "First-time adoption of International Financial Reporting Standards – Government Loans" (issued in March 2012 and effective for annual periods beginning 1 January 2013). The amendments, dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. This will give first-time adopters the same relief as existing preparers.

Other revised standards and interpretations: IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine", considers when and how to account for the benefits arising from the stripping activity in mining industry. The interpretation will not have an impact on the Group's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment entities (issued on 31 October 2012 and effective for annual periods beginning 1 January 2014). The amendment introduced a definition of an investment entity as an entity that (i) obtains funds from investors for the purpose of providing them with investment management services, (ii) commits to its investors that its business purpose is to invest funds solely for capital appreciation or investment income and (iii) measures and evaluates its investments on a fair value basis. An investment entity will be required to account for its subsidiaries at fair value through profit or loss, and to consolidate only those subsidiaries that provide services that are related to the entity's investment activities. IFRS 12 was amended to introduce new disclosures, including any significant judgements made in determining whether an entity is an investment entity and information about financial or other support to an unconsolidated subsidiary, whether intended or already provided to the subsidiary.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's financial statements.

6 Segment Analysis

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The functions of CODM are performed by the Board of Managers of the Company.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is organised on the basis of the following segments:

Asset Management – representing management of income generating properties (properties in use or vacant).

Development Pipeline – representing search for development opportunities, acquisition of land and properties, zoning and permitting, construction and marketing of investment property under development.

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6 Segment Analysis (Continued)

Development in Construction – representing properties that are currently being constructed or are planned to be constructed in foreseeable future. A property is reclassified from Development in Construction to Asset Management as the end of the accounting period in which the property has been commissioned for its intended use and an approbation has been carried out. This means that the revenues, costs, including the revaluation gains or losses related to the year when property reaches the described criteria, are included within Development in Construction, whereas the completed property is shown on the balance sheet as of the last day of such period as property “in use or vacant” under Asset Management business.

Non-Core – representing management of land bank items designated as Non-Core properties as well as management of the public transportation business of the Group.

Cash – representing management of entities that are set up for concentration of cash for its further investments and providing loans to other entities within consolidated group.

Investment management – consists from HB Reavis Real Estate SICAV – SIF and its subsidiaries that were set up during year 2011 for offering of shares to selected investors.

(b) Factors that management used to identify the reportable segments

The Group's segments are strategic business units that focus on different activities of the Group. They are managed separately because each business unit requires different skill sets, product and market, procurement and human resource strategies.

Segment financial information reviewed by the Board of Managers includes rental and similar income from Asset Management business less directly attributable costs associated with properties that equal to Net Operating Income (NOI). The Board of Managers also reviews the change in fair value of properties.

With respect to Development Pipeline segment, the Board reviews acquisition opportunities and submitted bids for land and properties and oversees property design, permitting and zoning as well as construction budgets and property marketing and letting activities at the end of the development cycle.

With respect to Investment Management segment, Management reviews opportunities for transfer of further subsidiaries into this segment that would contribute to development and extend of portfolio offered for external investors.

Management reviews and approves the budgets, plans and financial results of the public transportation business as well as the land bank items designated as non-core properties.

Management prepares and reviews the budgets and plans as regarding cash-flows and cash management.

(c) Measurement of operating segment profit or loss, assets and liabilities

The Board reviews financial information prepared based on International Financial Reporting Standards as adopted by European Union.

The Board evaluates performance of each segment based on profit before unallocated operating expenses and after interest expense arising on bank borrowings.

The Group allocates costs to segments based on specific identification of entities that belong to particular segments. Direct operating expenses arising from investment property are allocated on a basis of appropriate cost driver (e.g. MWh of electricity spent for electricity related costs). Transactions of the subsidiaries are allocated to relevant segment based on the substance of the transactions (e.g. expenses of subsidiary that supply utilities to other subsidiaries are allocated to segment for which the utility was purchased).

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6 Segment Analysis (Continued)

(d) Information about reportable segment profit or loss, assets and liabilities

The segment profit and loss information for the year ended 31 December 2012 is as follows:

In millions of EUR	Note	Asset Management	Development in Construction	Development Pipeline	Investment Management	Non Core	Cash	Total
Rental and similar income from investment property	19							
- Office		22.9	0.4	0.4	9.2	-	-	32.9
- Retail		21.1	-	0.8	3.6	-	-	25.5
- Industrial		7.0	-	-	3.9	-	-	10.9
		51.0	0.4	1.2	16.7	-	-	69.3
Direct operating expenses arising from investment property	20							
- Office		(7.3)	(0.2)	(0.3)	(2.3)	-	-	(10.1)
- Retail		(6.8)	-	(0.2)	(1.1)	-	-	(8.1)
- Industrial		(1.6)	-	-	(1.0)	-	-	(2.6)
		(15.7)	(0.2)	(0.5)	(4.4)	-	-	(20.8)
Net operating income from investment property		35.3	0.2	0.7	12.3	-	-	48.5
Revaluation gain/ (loss) on investment property	9							
- Office		2.4	46.3	13.1	(1.5)	-	-	60.3
- Retail		(5.7)	-	(3.4)	0.4	(0.8)	-	(9.5)
- Industrial		(4.7)	0.3	(0.1)	(1.9)	1.1	-	(5.3)
		(8.0)	46.6	9.6	(3.0)	0.3	-	45.5
Revenue from construction contracts with related parties	7, 23	-	4.4	-	-	-	-	4.4
Revenue from fit-outs for tenants	23	-	1.0	-	-	-	-	1.0
Construction and fit-outs related costs	23	-	(5.1)	-	-	-	-	(5.1)
		-	0.3	-	-	-	-	0.3
Interest expense - third parties	25	(6.7)	(1.7)	(0.2)	(4.3)	-	-	(12.9)
		20.6	45.4	10.1	5.0	0.3	-	81.4
Income from public transportation	21	-	-	-	-	20.8	-	20.8
Fuel costs		-	-	-	-	(4.9)	-	(4.9)
Employee benefits	22	(1.7)	(2.8)	(2.7)	-	(7.4)	-	(14.6)
Depreciation and amortisation		(0.5)	(1.3)	(1.3)	-	(3.0)	-	(6.1)
Other operating expenses (excl. construction costs fit-outs +RP)		(3.0)	(20.3)	(0.2)	(0.7)	(7.0)	-	(31.2)
Other operating income - third parties		0.5	1.9	-	-	3.5	-	5.9
Other operating income - related parties	7	-	0.6	-	-	-	0.1	0.7
Interest income from third parties	25	-	0.4	-	-	0.1	-	0.5
Interest income from related parties	7, 25	-	-	-	-	-	0.2	0.2
Interest expense - related parties	7, 25	-	(0.1)	-	-	-	-	(0.1)
Foreign exchange gains less losses		0.7	5.5	0.6	-	0.1	-	6.9
Other finance income		-	-	-	-	-	4.1	4.1
Other finance costs		(0.2)	(0.5)	-	(0.3)	-	-	(1.0)
Segment result		16.4	28.8	6.5	4.0	2.5	4.4	62.6
Purchases of investment property	9	-	85.0	64.6	-	-	-	149.6
Construction costs related to investment property	9	9.9	68.6	3.3	15	0.5	-	83.8
Additions to property plant and equipment	8	-	2.9	0.3	-	0.4	-	3.6
Additions to intangible assets		-	0.1	-	-	-	-	0.1
Total investments		9.9	156.6	68.2	15	0.9	-	237.1
Sale of investment property	9	(0.3)	-	-	-	(4.9)	-	(5.2)
Total divestments		(0.3)	-	-	-	(4.9)	-	(5.2)

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6 Segment Analysis (Continued)

The segment information on assets and liabilities as of 31 December 2012 is as follows:

In millions of EUR	Note	Asset Management	Development in Construction	Development Pipeline	Investment Management	Non Core	Cash	Unallocated	Total
Investment property									
- Office	9	235.7	235.0	185.8	103.0	-	-	-	759.5
- Retail		217.8	-	35.9	31.2	2.4	-	-	287.3
- Industrial		74.1	2.2	6.8	29.4	47.5	-	-	160.0
Other unallocated assets		-	-	-	-	-	-	220.2	220.2
Total assets		527.6	237.2	228.5	163.6	49.9	-	220.2	1,427.0
Borrowings from third parties – non-current	17	(234.0)	(65.8)	-	(34.4)	(0.1)	-	-	(334.3)
Other loans from third parties – non-current	17	-	-	-	(14.7)	-	-	-	(14.7)
Other loans from related parties – non-current	7, 17	-	(0.6)	-	-	-	-	-	(0.6)
Borrowings from third parties – current	17	(29.6)	-	-	(75.1)	(0.2)	-	-	(104.9)
Deferred income tax liabilities – unallocated	26	-	-	-	-	-	-	(57.8)	(57.8)
Other unallocated liabilities		-	-	-	-	-	-	(118.5)	(118.5)
Total liabilities		(263.6)	(66.4)	-	(124.2)	(0.3)	-	(176.3)	(630.8)
Segment net asset value		264.0	170.8	228.5	39.4	49.6	-	43.9	796.2

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6 Segment Analysis (Continued)

Geographical information

In millions of EUR	Note	Slovakia	Czech Republic	Poland	Hungary	Other countries	Total
Rental and similar income	19	64.9	4.0	0.4	–	–	69.3
Direct operating expenses	20	(19.6)	(0.7)	(0.3)	–	(0.2)	(20.8)
Net operating income from investment property		45.3	3.3	0.1	–	(0.2)	48.5
Revaluation gain	9	5.7	(9.7)	50.3	(0.8)	–	45.5
Revenue from fit-outs for tenants	23	0.8	0.2	–	–	–	1.0
Revenue from construction contracts with related parties	7, 23	4.4	–	–	–	–	4.4
Income from public transportation	21	20.8	–	–	–	–	20.8
Revenue from sale of fuel	23	0.9	–	–	–	–	0.9
Other operating income		5.7	–	–	–	–	5.7
Gross operating income		38.3	(9.5)	50.3	(0.8)	–	78.3
Investment property in use or vacant	9	606.2	85.0	–	–	–	691.2
Investment property under development	9	201.8	63.8	243.5	6.5	–	515.6
Property plant and equipment	8	29.2	0.4	1.4	0.2	0.3	31.5
Intangible assets		2.1	–	–	–	–	2.1
Receivables and loans	11	8.0	1.5	–	–	2.3	11.8
Other non-current assets	12	1.1	–	–	–	–	1.1
Total non-current assets		848.4	150.7	244.9	6.7	2.6	1,253.3
Purchases of investment property		–	25.0	119.3	5.3	–	149.6
Construction costs related to investment property	9	32.5	10.4	38.8	2.1	–	83.8
Additions to property plant and equipment	8	2.4	0.1	0.8	0.1	0.2	3.6
Additions to intangible assets		0.1	–	–	–	–	0.1
Total investments		35.0	35.5	158.9	7.5	0.2	237.1
Sale of investment property	9	(5.2)	–	–	–	–	(5.2)
Total divestments		(5.2)	–	–	–	–	(5.2)

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6 Segment Analysis (Continued)

The segment profit and loss information for the year ended 31 December 2011 is as follows:

In millions of EUR	Note	Asset Management	Development in Construction	Development Pipeline	Investment Management	Non Core	Cash	Total
Rental and similar income from investment property	19							
- Office		27.4	0.4	-	7.9	-	-	35.7
- Retail		22.1	1.2	0.8	3.6	-	-	27.7
- Industrial		7.3	0.1	-	3.4	-	-	10.8
		56.8	1.7	0.8	14.9	-	-	74.2
Direct operating expenses arising from investment property	20							
- Office		(6.8)	(0.6)	(0.1)	(2.1)	-	-	(9.6)
- Retail		(6.2)	(0.2)	-	(1.2)	-	-	(7.6)
- Industrial		(15)	(0.3)	-	(0.9)	-	-	(27)
		(14.5)	(1.1)	(0.1)	(4.2)	-	-	(19.9)
Net operating income from investment property		42.3	0.6	0.7	10.7	-	-	54.3
Revaluation gain/ (loss) on investment property	9							
- Office		(6.0)	34.3	(0.7)	3.0	-	-	30.6
- Retail		13.2	16.7	(0.5)	(0.1)	(0.3)	-	29.0
- Industrial		(1.0)	2.2	(1.7)	-	(3.8)	-	(4.3)
		6.2	53.2	(2.9)	2.9	(4.1)	-	55.3
Revenue from construction contracts with related parties	7, 23	-	3.5	-	-	-	-	3.5
Revenue from fit-outs for tenants	23	-	2.4	-	-	-	-	2.4
Construction and fit-outs related costs	23	-	(5.5)	-	-	-	-	(5.5)
		-	0.4	-	-	-	-	0.4
Results on property disposals	24	33.7	-	-	-	-	-	33.7
Interest expense - third parties	25	(9.0)	(2.5)	-	(3.0)	-	-	(14.5)
		73.2	51.7	(2.2)	10.6	(4.1)	-	129.2
Income from public transportation	21	-	-	-	-	20.6	-	20.6
Fuel costs		-	-	-	-	(4.6)	-	(4.6)
Employee benefits	22	(1.9)	(5.9)	(3.2)	-	(7.1)	-	(18.1)
Depreciation and amortisation		(0.4)	(1.2)	(1.3)	-	(3.3)	-	(6.2)
Other operating expenses (excl. construction costs fit-outs + RPI)		(3.9)	(15.5)	(0.1)	(0.6)	(11.1)	(0.3)	(31.5)
Other operating income - third parties		0.2	0.7	-	-	5.9	-	6.8
Other operating income - related parties	7	-	0.3	-	0.9	-	-	1.2
Interest income from third parties	25	-	0.3	-	-	0.1	-	0.4
Interest income from related parties	7, 25	0.3	-	-	-	-	0.7	1.0
Interest expense - related parties	7, 25	-	(0.5)	-	-	-	(0.5)	(1.0)
Foreign exchange gains less losses		(0.5)	(5.2)	0.1	-	-	-	(5.6)
Other finance income		-	-	-	-	-	1.0	1.0
Other finance costs		(0.8)	(0.3)	-	(0.1)	-	-	(1.2)
Segment result		66.2	24.4	(6.7)	10.8	(3.6)	0.9	92.0
Construction costs related to investment property	9	4.3	95.4	0.9	1.0	0.1	-	101.7
Additions to property plant and equipment	8	-	1.1	0.5	-	1.7	-	3.3
Total investments		4.3	96.5	1.4	1.0	1.8	-	105.0
Sale of investment property	9	(231.9)	-	-	-	(3.0)	-	(234.9)
Total divestments		(231.9)	-	-	-	(3.0)	-	(234.9)

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6 Segment Analysis (Continued)

The segment information on assets and liabilities as of 31 December 2011 is as follows:

In millions of EUR	Note	Asset Management	Development in Construction	Development Pipeline	Investment Management	Non Core	Cash	Unallocated	Total
Investment property									
- Office	9	237.1	93.4	104.3	103.8	-	-	-	538.6
- Retail		218.3	-	38.3	30.6	3.2	-	-	290.4
- Industrial		76.7	-	8.3	31.1	51.1	-	-	167.2
Other unallocated assets		-	-	-	-	-	-	257.1	257.1
Total assets		532.1	93.4	150.9	165.5	54.3	-	257.1	1,253.3
Borrowings from third parties – non-current	17	(227.3)	-	-	(9.2)	(0.2)	-	-	(236.7)
Other loans from third parties – non-current	17	-	-	-	(5.3)	-	-	-	(5.3)
Other loans from related parties – non-current	7, 17	-	(0.5)	-	(2.5)	-	-	-	(3.0)
Borrowings from third parties – current	17	(10.8)	-	-	(102.0)	-	-	-	(112.8)
Deferred income tax liabilities – unallocated	26	-	-	-	-	-	-	(57.5)	(57.5)
Other unallocated liabilities		-	-	-	-	-	-	(101.2)	(101.2)
Total liabilities		(238.1)	(0.5)	-	(119.0)	(0.2)	-	(158.7)	(516.5)
Segment net asset value		294.0	92.9	150.9	46.5	54.1	-	98.4	736.8

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6 Segment Analysis (Continued)

Geographical information

In millions of EUR	Note	Slovakia	Czech Republic	Poland	Other countries	Total
Rental and similar income	19	70.9	3.3	-	-	74.2
Direct operating expenses	20	(19.4)	(0.5)	-	-	(19.9)
Net operating income from investment properties		51.5	2.8	-	-	54.3
Revaluation gain	9	41.5	9.4	4.4	-	55.3
Results on property disposals	24	33.7	-	-	-	33.7
Revenue from fit-outs for tenants	23	2.4	-	-	-	2.4
Revenue from construction contracts with related parties	7, 23	3.5	-	-	-	3.5
Income from public transportation	21	20.6	-	-	-	20.6
Revenue from sale of fuel	23	4.0	-	-	-	4.0
Other operating income		4.0	-	-	-	4.0
Gross operating income		109.7	9.4	4.4	-	123.5
Investment property in use or vacant	9	657.5	40.1	-	-	697.6
Investment property under development	9	191.1	79.5	28.0	-	298.6
Property plant and equipment	8	32.5	0.4	0.7	0.2	33.8
Intangible assets		2.5	-	-	-	2.5
Receivables and loans	11	10.9	0.8	-	2.1	13.8
Other non-current assets	12	1.8	0.1	3.8	-	5.7
Total non-current assets		896.3	120.9	32.5	2.3	1,052.0
Construction costs related to investment property	9	71.3	20.9	9.5	-	101.7
Additions to property plant and equipment	8	2.5	-	0.6	0.2	3.3
Total investments		73.8	20.9	10.1	0.2	105.0
Sale of investment property	9	234.9	-	-	-	234.9
Total divestments		234.9	-	-	-	234.9

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7 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, Related Party Disclosures. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or has joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Company's immediate parent is disclosed in Note 1.

Key management of the Group consists of 15 senior managers (2011: 14). Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 December 2012 are detailed below.

At 31 December 2012, the outstanding balances with related parties were as follows:

In millions of EUR	Entities under common control	Key management personnel	Total
Trade and other receivables (Note 13)	6.5	2.0	8.5
Loans and receivables – non-current (Note 11)	2.3	0.1	2.4
Borrowings (Note 17)	(0.6)	–	(0.6)
Trade and other payables current (Note 18)	(1.3)	(3.8)	(5.1)
from that:			
Share based payments (Notes 22 and 2.24)	–	(2.5)	(2.5)
Other payables non-current (Note 18)	(0.9)	–	(0.9)

The income and expense items with related parties for the year ended 31 December 2012 were as follows:

In millions of EUR	Entities under common control	Key management personnel	Total
Revenue from services rendered	0.7	–	0.7
Revenue from construction contracts (Note 23)	–	4.4	4.4
Other services	(2.8)	(0.1)	(2.9)
Short-term employee benefits (salaries)	–	(3.1)	(3.1)
Long-term employee benefits (social security costs)	–	(0.4)	(0.4)
Share based payments (Note 22, Note 2.24)	–	3.7	3.7
Interest income (Note 25)	0.2	–	0.2
Interest expense (Note 25)	(0.1)	–	(0.1)

A shareholder entity has made an undertaking to the senior managers of the Group to pay an amount under a profit sharing scheme based on increase in Net Asset Value (adjusted) of the Group equal to EUR 0.7 million with respect to 2012 (2011: EUR 0.9 million). As the amount is payable by the shareholder, and does not constitute a share based payment under IFRS, it has not been expensed by the Group. The compensation of the Board of Managers of the Parent Company amounted to EUR 0.7 million in 2012 (2011: EUR 0.5 million).

The Group also had outstanding loans receivable from the members of the Board of Directors of the Group as at 31 December 2012 amounting to EUR 2.0 million (2011: EUR 2.9 million).

Dividends paid by Group in 2012 and 2011 respectively are described in Note 16.

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7 Balances and Transactions with Related Parties (Continued)

At 31 December 2011, the outstanding balances with related parties were as follows:

In millions of EUR	Entities under common control	Key management personnel	Total
Trade and other receivables (Note 13)	9.8	2.9	12.7
Loans and receivables – non-current (Note 11)	2.1	–	2.1
Borrowings (Note 17)	(0.5)	(2.5)	(3.0)
Trade and other payables current (Note 18)	(18.5)	(9.8)	(28.3)
from that:			
Share based payments (Notes 22 and 2.24)	–	(8.8)	(8.8)

The income and expense items with related parties for the year ended 31 December 2011 were as follows:

In millions of EUR	Entities under common control	Key management personnel	Total
Revenue from services rendered	1.2	–	1.2
Revenue from construction contracts (Note 23)	–	3.5	3.5
Other services	(2.0)	–	(2.0)
Short-term employee benefits (salaries)	–	(2.0)	(2.0)
Long-term employee benefits (social security costs)	–	(0.3)	(0.3)
Share based payments (Note 22, Note 2.24)	–	(2.0)	(2.0)
Interest income (Note 25)	1.0	–	1.0
Interest expense (Note 25)	(0.5)	(0.5)	(1.0)

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8 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment in 2012 were as follows:

In millions of EUR	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances (CIP)	Total
At December 2011					
Cost	25.0	3.1	23.3	0.5	51.9
Accumulated depreciation and impairment charges	(3.8)	(2.1)	(12.2)	-	(18.1)
Net book value	21.2	1.0	11.1	0.5	33.8
Year ended 31 December 2012					
Opening net book value	21.2	1.0	11.1	0.5	33.8
Additions	-	-	-	3.6	3.6
Transfers	-	0.8	2.3	(3.1)	-
Disposals	(0.2)	-	(0.1)	-	(0.3)
Depreciation charge	(1.7)	(0.3)	(3.6)	-	(5.6)
Closing net book value	19.3	1.5	9.7	1.0	31.5
At December 2012					
Cost	24.8	3.9	25.5	1.0	55.2
Accumulated depreciation and impairment charges	(5.5)	(2.4)	(15.8)	-	(23.7)
Net book value	19.3	1.5	9.7	1.0	31.5

As at 31 December 2012, the Group did not lease any significant property, plant and equipment under finance leases (where the Company is the lessee).

At 31 December 2012, property, plant and equipment carried at EUR 13.2 million (at 31 December 2011: EUR 13.6 million) has been pledged to third parties as collateral with respect to borrowings.

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8 Property, Plant and Equipment (Continued)

Movements in the carrying amount of property, plant and equipment in 2011 were as follows:

In millions of EUR	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances (CIP)	Total
At December 2010					
Cost	22.6	3.1	21.4	–	47.1
Accumulated depreciation and impairment charges	(2.1)	(1.9)	(8.4)	–	(12.4)
Net book value	20.5	1.2	13.0	–	34.7
Year ended 31 December 2011					
Opening net book value	20.5	1.2	13.0	–	34.7
Additions	–	–	–	3.3	3.3
Transfers to Investment Property	(11.7)	–	–	–	(11.7)
Transfers from Investment Property – own offices	13.6	–	–	–	13.6
Transfers	0.5	–	2.3	(2.8)	–
Disposals	–	–	(0.4)	–	(0.4)
Depreciation charge	(1.7)	(0.2)	(3.8)	–	(5.7)
Closing net book value	21.2	1.0	11.1	0.5	33.8
At December 2011					
Cost	25.0	3.1	23.3	0.5	51.9
Accumulated depreciation and impairment charges	(3.8)	(2.1)	(12.2)	–	(18.1)
Net book value	21.2	1.0	11.1	0.5	33.8

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9 Investment Property

In millions of EUR	2012		2011	
	Under development	In use or vacant	Under development	In use or vacant
Fair value at 1 January	298.6	697.6	362.7	718.4
Direct acquisitions of investment property	183.3	-	96.9	-
Acquisitions of subsidiaries other than through business combinations (Note 28)	38.2	-	-	-
Subsequent expenditure on investment property	-	11.9	-	4.8
Transfers from under development to in use	(65.2)	65.2	(183.7)	183.7
Transfers from property, plant and equipment (Note 8)	-	-	-	14.0
Transfers to property, plant and equipment (Note 8)	-	-	(13.6)	-
Transfers to disposal groups classified as held for sale (Note 14)	-	(73.2)	-	-
Disposals	(4.9)	(0.3)	(3.0)	(231.9)
Fair value gains/(losses) – properties completed during the year	1.0	-	32.4	-
Fair value gains/(losses) – other properties	55.5	(11.0)	13.8	9.1
Effect of translation to presentation currency	9.1	1.0	(6.9)	(0.5)
Fair value at 31 December	515.6	691.2	298.6	697.6

The Group classified certain operating leases as investment properties. Such operating leases are accounted for as if they were finance leases. The carrying value of such investment property as of 31 December 2012 was EUR 18.8 million (2011: EUR 31.8 million).

The investment properties are valued annually on 31 December at fair value, with benefit of advice by an independent, professionally qualified valuation expert who has recent experience in valuing similar properties in similar locations (2012: 98.0% of properties were valued by independent, professionally qualified valuation expert, 2011: 98.5%). The methods and significant assumptions applied in determining the fair value are described in Notes 2.5 and 3.

At 31 December 2012, investment properties carried at EUR 781.2 million (at 31 December 2011: EUR 696.0 million) have been pledged to third parties as collateral with respect to borrowings.

Valuations obtained for investment properties were adjusted for the purpose of the financial statements to avoid double-counting of assets or liabilities that are recognised as separate assets and liabilities and with respect to cost to complete of properties valued on "As If Complete" basis. Reconciliation between the valuations obtained and the adjusted valuation included in the financial statements is as follows:

In millions of EUR	Note	31 December 2012	31 December 2011
Valuations obtained		1,319.4	1,033.3
Less: land classified as inventory (residential projects and land for resale) – value ascribed by valuer (in inventory at cost)		(5.5)	(5.4)
Less: property classified as property plant and equipment (own use)		(14.4)	(13.6)
Less: future construction costs and developer's profit (properties valued on "as if complete" basis)		(6.8)	(7.1)
Less: rental receivables – indexation	11(a)	(9.4)	(11.0)
Less: transfers to disposal groups classified as held for sale	14	(76.5)	-
Fair value at 31 December		1,206.8	996.2

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10 Jointly Controlled Entities

In 2012, the Group sold 25% of its economic interest in its jointly controlled entity Hotel Šachtička, a.s. At 31 December 2012, the Group retains 50% of economic interest in Hotel Šachtička, a.s. and accounted for it using proportional consolidation method.

Hotel Šachtička, a.s. is 100% owner of Šachtičky, a.s., which is the legal owner of the hotel property.

In 2011, the Group has sold its 50% interest in AUPARK a.s. to its partner in the venture, UNIBAIL RODAMCO INVERSIONES S.L.

The following amounts represent the Group's share of the assets and liabilities, and revenue and results of the joint ventures, which are included in the balance sheet and statement of comprehensive income:

In millions of EUR	31 December 2012	31 December 2011
Assets:		
Long-term assets	4.9	4.9
Current assets	0.7	0.4
Liabilities:		
Long-term liabilities	(1.3)	(0.6)
Current liabilities	(0.4)	(0.3)
Net assets	3.9	4.4
	2012	2011
Rental income	0.4	11.8
Investment property revaluation (loss) / gain	(0.5)	3.7
Direct operating expenses arising from investment property	-	(2.7)
Other income	0.1	-
Other expenses	(0.1)	(1.3)
Income tax	-	(1.0)
Profit/(loss) for the year	(0.1)	10.5

The joint ventures had no contingent liabilities or significant capital commitments as of 31 December 2012 or 2011.

11 Receivables and Loans

In millions of EUR	Note	31 December 2012	31 December 2011
Rental indexation receivables	(a)	9.4	11.0
Other non-current assets		-	0.7
Loans to related parties – non-current (Note 7)	(b)	2.4	2.1
Total receivables and loans		11.8	13.8

Description and analysis by credit quality of receivables and loans is as follows:

- (a) Rental indexation receivables of EUR 9.4 million (31 December 2011: EUR 11.0 million) represent rental receivables related to earned but unbilled income from indexation of rent due from tenants – see Note 2.9. These receivables are neither past due nor impaired. They are not secured and they are due from a wide variety of tenants and the Group has the ability to evict non-paying tenants.
- (b) The Group has provided loans to its related parties amounting to EUR 2.4 million as of 31 December 2012 (31 December 2011: EUR 2.1 million). These receivables are neither past due nor impaired. Loans outstanding as of 31 December 2012 are provided under the following conditions – interest rates amount to 8.0% to 10.9%.

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12 Other Non-Current Assets

In millions of EUR	Note	31 December 2012	31 December 2011
Other non-current assets	(a)	1.1	5.7
Total other non-current assets		1.1	5.7

(a) As at 31 December 2012, EUR 0.8 million relates to advance payments paid for plots of land in Slovakia to be acquired in financial year 2013. As at 31 December 2011, EUR 5.4 million related to advance payments for plots of land in Poland and Slovakia.

13 Trade and Other Receivables

In millions of EUR	Note	31 December 2012	31 December 2011
Trade receivables due from third parties		17.0	14.6
Accrued rental income		2.5	2.2
Other receivables	(a)	-	10.7
Less impairment loss provision		(1.1)	(1.0)
		18.4	26.5
Other financial receivables		3.3	1.4
		21.7	27.9
Trade and other receivables from related parties		4.7	10.5
Loans to related parties	(b)	3.8	2.2
Trade and other receivables – related parties	7	8.5	12.7
Total financial assets		30.2	40.6
VAT receivable		8.1	11.3
Prepayments		0.6	0.8
Total trade and other receivables		38.9	52.7

(a) Other receivable from UNIBAIL RODAMCO INVERSIONES S.L. was related to the sale of non-controlling interest in a jointly controlled entity.

(b) Loans are provided under following conditions – interest rates 3.5% – 6.9% (2011: 8% – 14.9%).

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

In millions of EUR	31 December 2012	31 December 2011
EUR	36.6	47.7
CZK	2.8	3.1
PLN	0.6	2.9
Less impairment provision	(1.1)	(1.0)
Total trade and other receivables	38.9	52.7

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13 Trade and Other Receivables (Continued)

Movements in the impairment provision for trade receivables are as follows:

In millions of EUR	2012	2011
Provision for impairment at 1 January	1.0	0.7
Additional provision for receivables impairment	0.1	0.3
Provision for impairment at 31 December	1.1	1.0

Collateralised trade receivables from third parties are as follows:

In millions of EUR	31 December 2012	31 December 2011
Trade receivables collateralised by:		
- bank guarantees	1.7	2.5
- financial guarantees	2.2	2.1
Total	3.9	4.6

The Management applies judgement in allocating classes of assets and groups of financial instruments into classes that are appropriate taking into account the characteristics and risks of those financial instruments. At minimum, management distinguishes instruments measured at amortised cost from those measured at fair value and also treats as separate classes those financial instruments that are outside the scope of IFRS 7, Financial Instruments: Disclosures.

The financial effect of the assets held as collateral is presented by disclosing collateral values separately for (i) those receivables where collateral and other credit enhancements are equal to or exceed carrying value of the receivable ("over-collateralised assets") and (ii) those receivables where collateral and other credit enhancements are less than the carrying value of the receivable ("under-collateralised assets").

Financial effect of collateral at 31 December 2012 is as follows:

In millions of EUR	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
Trade and other receivables	1.0	4.9	4.5	2.9

Financial effect of collateral at 31 December 2011 is as follows:

In millions of EUR	Over-collateralised Assets		Under-collateralised Assets	
	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
Trade and other receivables	1.5	5.4	4.5	3.1

Collateral will be utilized to settle any receivables in case of customer's default.

The Group has pledged the receivables of EUR 17.0 million as collateral for the borrowings as at 31 December 2012 (2011: EUR 14.6 million).

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13 Trade and Other Receivables (Continued)

Analysis by credit quality of trade and other receivables as of 31 December 2012 is as follows:

In millions of EUR	Trade receivables including accrued rental income	Other financial receivables including loans to related parties	Trade receivables— related parties	Total
Neither past due nor impaired – exposure to:				
Receivables secured by bank or other financial guarantees	3.9	–	–	3.9
Receivables not secured	9.5	7.1	4.7	21.3
Total current and not impaired	13.4	7.1	4.7	25.2
Individually determined to be impaired				
– less than 30 days overdue	3.3	–	–	3.3
– 30 to 90 days overdue	0.7	–	–	0.7
– 90 to 180 days overdue	0.3	–	–	0.3
– 180 to 360 days overdue	0.4	–	–	0.4
– over 360 days overdue	1.4	–	–	1.4
Total individually impaired	6.1	–	–	6.1
Less impairment provision	(1.1)	–	–	(1.1)
Total	18.4	7.1	4.7	30.2

Analysis by credit quality of trade and other receivables as of 31 December 2011 is as follows:

In millions of EUR	Trade receivables including accrued rental income	Other financial receivables including loans to related parties	Trade receivables— related parties	Other receivables	Total
Neither past due nor impaired – exposure to:					
Receivables secured by bank or other financial guarantees	4.6	–	–	–	4.6
Receivables not secured	4.8	3.6	10.5	10.7	29.6
Total current and not impaired	9.4	3.6	10.5	10.7	34.2
Individually determined to be impaired					
– less than 30 days overdue	4.3	–	–	–	4.3
– 30 to 90 days overdue	1.0	–	–	–	1.0
– 90 to 180 days overdue	0.7	–	–	–	0.7
– 180 to 360 days overdue	0.8	–	–	–	0.8
– over 360 days overdue	0.6	–	–	–	0.6
Total individually impaired	7.4	–	–	–	7.4
Less impairment provision	(1.0)	–	–	–	(1.0)
Total	15.8	3.6	10.5	10.7	40.6

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13 Trade and Other Receivables (Continued)

The primary factor that the Group considers in determining whether a receivable is impaired is its overdue status. As a result, the Group presents above an ageing analysis of trade and other receivables that are individually determined to be impaired.

Certain trade receivables are secured by either bank guarantee or deposit. The unsecured trade receivables are from a wide variety of tenants and the Group has the ability to evict non-paying tenants. Trade receivables due from related parties are due from key members of the Group management as is the majority of other financial receivables.

The carrying amount of trade and other receivables was not substantially different from their fair value.

There is no significant concentration of credit risk with respect to other trade receivables as the Group has a large number of customers as well as to members of key management personnel.

14 Assets Held for Sale

As of 31 December 2012, the Group classified the assets and liabilities of the subsidiary Apollo Business Center IV a. s. as held for sale. As of 31 December 2012, negotiations with a potential buyer were at an advanced stage. The transaction is expected to be completed in May 2013.

Major classes of assets classified as held for sale:

In millions of EUR	31 December 2012	31 December 2011
Investment property	73.2	-
Other non-current assets	3.3	-
Trade and other receivables	0.5	-
Cash and cash equivalents	1.0	-
Total assets classified as held for sale	78.0	-

The investment properties are valued annually on 31 December at fair value, with benefit of advice by an independent, professionally qualified valuation expert who has recent experience in valuing similar properties in similar locations. The methods and significant assumptions applied in determining the fair value are described in Notes 2.5 and 3.

Major classes of liabilities directly associated with assets classified as held for sale:

In millions of EUR	31 December 2012	31 December 2011
Borrowings long term	(22.9)	-
Deferred income tax liability	(7.6)	-
Trade and other payables long term	(0.5)	-
Borrowings short term	(0.9)	-
Trade and other payables	(1.2)	-
Total liabilities directly associated with assets classified as held for sale	(33.1)	-

15 Cash and Cash Equivalents

In millions of EUR	31 December 2012	31 December 2011
Cash at bank and in hand	43.9	130.2
Short-term bank deposits	3.7	11.6
Total cash and cash equivalents	47.6	141.8

Short term deposits have original maturities of less than three months.

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15 Cash and Cash Equivalents (Continued)

The effective interest rate on short term bank deposits is from 0.15% to 2.66% (2011: from 0.022% to 0.838%) and on average 2.04% (2011: 0.185%) and these deposits have an average maturity of 7 days (2011: 15 days).

At 31 December 2012, cash and cash equivalents were available for the Group's use, except for restricted cash in the amount of 1.5 million EUR (2011: EUR 0.6 million).

All the bank balances and term deposits are neither past due nor impaired. Analysis by credit quality of bank balances and term deposits is as follows:

In millions of EUR	31 December 2012		31 December 2011	
	Cash at bank	Short-term bank deposits	Cash at bank	Short-term bank deposits
Rating by the Company				
- Banks rated 1	33.8	0.6	124.1	9.6
- Banks rated 2	3.0	2.6	0.7	0.4
- Banks rated 3	0.8	-	1.5	-
- Banks unrated	5.8	0.5	3.5	1.6
Total	43.4	3.7	129.8	11.6

Note: The Company classifies banks based on ratings as follows:

Banks rated 1: Rating by Moody's A1, A2, A3 or rating by Fitch A+, A, A-
 Banks rated 2: Rating by Moody's Baa1, Baa2, Baa3 or Fitch BBB+, BBB, BBB-
 Banks rated 3: Rating by Moody's Ba1, Ba2, Ba3 or Fitch BB+, BB, BB-

The carrying amounts of cash and cash equivalents as of 31 December 2012 and 2011 are not substantially different from their fair value. The maximum exposure to credit risk relating to cash and cash equivalents is limited by the carrying value of cash and cash equivalents.

16 Share Capital

	Number of shares	Ordinary shares in EUR	Share premium in EUR	Total in EUR
At 31 December 2012	12,500	12,500	660,587,500	660,600,000

The total authorised number of ordinary shares is 12,500 shares with a par value of EUR 1 per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote. 12,500 shares were issued on 20 October 2010.

The terms of external borrowings drawn by the Group impose certain limitations on the ability of the subsidiaries to pay dividends. These limitations are typically linked to financial covenants such as debt service coverage ratio or loan to value ratio.

Dividends declared and paid during the year were as follows:

In millions of EUR, except dividends per share amount	2012	2011
Dividends payable at 1 January	-	-
Dividends declared during the year*	13.8	19.7
Dividends paid during the year	(13.8)	(19.7)
Dividends payable at 31 December	-	-
Per share dividends declared during the year in EUR	1,104.0	1,576.0
*Amount disclosed relates to net cash payments to shareholders		

In 2012, the Group received capital contribution from immediate parent in total amount EUR 17 million.

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17 Borrowings

In millions of EUR	31 December 2012	31 December 2011
Non-current		
Bank borrowings	334.3	236.7
Other loans provided by related parties and the key management members (Note 7)	0.6	3.0
Other indebtedness	14.7	5.3
	349.6	245.0
Current		
Bank borrowings	104.9	112.8
	104.9	112.8
Total borrowings	454.5	357.8

(a) Contribution from third parties to the Fund (Note 1) that are for the purposes of these consolidated financial statements classified as debt.

All of the Group's borrowings are denominated in EUR.

The carrying amounts and fair values of the non-current borrowings are set out below:

In millions of EUR	Carrying amounts at 31 December		Fair values at 31 December	
	2012	2011	2012	2011
Bank borrowings	334.3	236.7	327.7	234.5
Other indebtedness	14.7	5.3	14.7	5.6
Other loans – related parties	0.6	3.0	0.6	3.1
Non-current borrowings	349.6	245.0	343.0	243.2

Assumptions used in determining fair value of borrowings are described in Note 32.

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17 Borrowings (Continued)

The carrying values of current borrowings approximate their fair values.

i) Bank borrowings

In millions of EUR	31 December 2012	31 December 2011
Current	104.9	112.8
Repayable between 1 and 2 years	48.4	37.8
Repayable between 2 and 5 years	285.9	17.4
Repayable over 5 years	-	21.5
	334.3	236.7
Total bank borrowings	439.2	349.5

The exposure of the Group's borrowing to interest rate changes and the contractual repricing dates at balance sheet dates are as follows:

In millions of EUR	31 December 2012	31 December 2011
6 months or less	417.3	329.9
6 – 12 months	21.9	19.6
Total bank borrowings	439.2	349.5

The Group has the following undrawn borrowing facilities:

In millions of EUR	31 December 2012	31 December 2011
Floating rate:		
- Expiring within one year	27.6	-
- Expiring beyond one year	12.0	29.3
Total undrawn facilities	39.6	29.3

Investment properties (Note 9) are pledged as collateral for borrowings of EUR 439.2million (2011: EUR 349.2 million).

The loan agreements with third party creditors are governed by terms and conditions which include maximum loan to value ratios ranging from 60% to 70%(2011: 60% to 75%) and minimum debt service coverage ratios ranging from 1.05 to 1.25 (2011: 1.05 to 1.25).

During 2012 and up to date of authorisation of these consolidated financial statements for issue, the Group was in compliance with all loan agreement terms and no terms of the loans were renegotiated due to defaults or breaches. Furthermore, after 31 December 2012 and up to date of authorisation of these consolidated financial statements for issue, the Group refinanced EUR 64.0 million from the current borrowings as at 31 December 2012 (2011: EUR 30.2 million).

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17 Borrowings (Continued)

ii) Other loans provided by related parties and the key management members

In millions of EUR	Note	31 December 2012	31 December 2011
Current		-	-
Repayable between 1 and 2 years		-	-
Repayable between 2 and 5 years		-	2.5
Repayable over 5 years		0.6	0.5
		0.6	3.0
Total other loans provided by related parties and the key management members	7	0.6	3.0

Interest rates for loans provided by related parties amounted to 7% during the year 2012 (2011: 7%).

iii) Other loans

In millions of EUR	31 December 2012	31 December 2011
Current	-	-
Repayable between 1 and 2 years	-	-
Repayable between 2 and 5 years	14.7	5.3
Repayable over 5 years	-	-
Total other loans	14.7	5.3

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18 Trade and Other Payables

In millions of EUR	Note	31 December 2012	31 December 2011
Non – current			
Finance lease payable ⁽¹⁾		5.6	6.1
Total financial payables – non-current		5.6	6.1
Other long term payables		9.1	9.1
Other long term payables – related parties	7	0.9	-
Other payables – non-current		15.6	15.2
Current			
Trade payables		12.7	3.6
Liabilities for construction of investment properties		17.9	20.7
Accrued liabilities		2.0	2.9
Other payables		3.1	1.5
Financial payables due to third parties – current		35.7	28.7
Trade payables to related parties		2.1	0.7
Other payables to related parties		0.5	18.8
Financial payables due to related parties – current	7	2.6	19.5
Total financial payables – current		38.3	48.2
Deferred income		13.2	14.1
Share based payments to related parties	7	2.5	8.8
Accrued employee benefit costs		1.3	0.9
Other taxes payable		0.3	-
Prepayments for rent and other prepayments		1.8	1.6
Total trade and other payables – current		57.4	73.6
Total trade and other payables		73.0	88.8

(1) The finance lease liabilities fall due as follows:

In millions of EUR	31 December 2012	31 December 2011
Current	-	-
Repayable between 1 and 2 years	-	-
Repayable between 2 and 5 years	5.6	6.1
Repayable over 5 years	-	-
Total	5.6	6.1

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18 Trade and Other Payables (Continued)

Trade payables are denominated in the following foreign currencies:

In millions of EUR	31 December 2012	31 December 2011
Non – current		
EUR	9.9	9.1
CZK	5.7	6.1
Current		
EUR	42.7	72.1
CZK	3.3	1.4
HUF	0.2	-
PLN	11.2	0.1
Trade and other payables	73.0	88.8

The fair value of trade payables, finance lease liabilities, liabilities for construction of investment property, accrued liabilities, dividends payable, liabilities to shareholders, other trade payables to related parties and of other liabilities is not significantly different from their carrying amount.

19 Rental and Similar Income from Investment Property

In millions of EUR	2012	2011
Rental income – Office	32.9	35.7
Rental income – Retail	25.5	27.7
Rental income – Industrial	10.9	10.8
Total revenue	69.3	74.2

Where the Group is the lessor, the future minimum lease payments receivable under non- cancellable operating leases are as follows:

In millions of EUR	31 December 2012	31 December 2011
Not later than 1 year	40.6	42.3
Later than 1 year and not later than 5 years	123.9	141.1
Later than 5 years	68.0	103.2
Total operating lease payments receivable	232.5	286.6

The Group's rental income includes performance income depending on sales revenue of retail units leased by its tenants. These amounts are not included in the above payments receivable as the Group is unable to estimate them with sufficient certainty. Total contingent payments receivable recognised as income in 2012 under the Group's operating leases were EUR 0.2 million (2011: EUR 0.5 million).

Contingent payment receivable is calculated based on the expected revenues of the related tenants multiplied by contractually agreed percentage. Historical knowledge about the development of tenant's revenue as well as currently expected progress of revenues is taken into account in the calculation of the receivable.

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20 Direct Operating Expenses arising from Investment Property

In millions of EUR	2012	2011
Direct operating expenses arising from investment property that generate rental income:		
Materials consumed	(0.6)	(0.8)
Repairs and maintenance services	(1.0)	(0.9)
Utilities costs	(10.0)	(9.4)
Services relating to investment property	(8.0)	(7.3)
Real estate tax	(1.0)	(0.9)
Other costs	(0.2)	(0.6)
Total	(20.8)	(19.9)

21 Income from Public Transportation

In millions of EUR	2012	2011
Income from public transportation – ticket sales	13.4	13.7
Income from public transportation – regional government subsidies	7.4	6.7
Other related income	–	0.2
Total income from public transportation	20.8	20.6

The Group acquired and operates a public bus transportation business. The regional government subsidies relate to profit compensation based on the contracts with Bratislava Regional Government.

22 Employee Benefits

In millions of EUR	2012	2011
Wages and salaries	(20.6)	(15.0)
Share based payments (a)	7.0	(2.0)
Pension costs – defined contribution plans	(1.0)	(1.1)
Total employee benefits	(14.6)	(18.1)

(a) Decrease in share based payments was caused by remeasurement of the benefit plan in 2012 by EUR 7.7 million.

Number of employees in the core real estate operations and in the public transportation business of the Group was as follows (on full time equivalent basis):

	2012	2011
Real estate	337	272
Bus transport	478	495
Total number of employees	815	767

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23 Operating Income and Expenses

In millions of EUR	2012	2011
Construction services	(5.1)	(5.5)
Other services	(24.7)	(19.7)
Energy costs	(1.0)	(0.4)
Material consumption	(1.8)	(1.7)
Other taxes	(0.9)	(0.7)
Cost of sold inventories	(0.3)	(0.9)
Cost of sold fuel	(0.8)	(3.7)
Audit fees	(0.3)	(0.3)
Other	(1.4)	(4.1)
Total operating expenses	(36.3)	(37.0)
Construction services with related parties	4.4	3.5
Fit-outs for customers	1.0	2.4
Sales of services	1.9	0.6
Sale of fuel	0.9	4.0
Sales of inventories	0.4	1.0
Other operating income	3.4	2.4
Total other operating income	12.0	13.9
Total operating expenses less other operating income	(24.3)	(23.1)

24 Results on Property Disposals

No subsidiaries were divested by the Group in 2012. The Group sold shares in 3 subsidiaries in financial year 2011 – 100% shares in AUPARK Tower Bratislava s.r.o. to company Office – APT s.r.o. and remaining 50% shares in AUPARK a.s. and 100% shares in AUPARK Bratislava, spol. s r.o. to company UNIBAIL RODAMCO INVERSIONES S.L. In 2011, the gain on divestments of subsidiaries comprised:

Extract of the subsidiaries' balance sheets at the moment of the transaction:

In millions of EUR	AUPARK Tower Bratislava s. r. o.	AUPARK a.s. and AUPARK Bratislava, spol. s r. o.	2011 total
Investment property in use	83.2	154.2	237.4
Deferred tax liability	(9.7)	(21.6)	(31.3)
External debt	(52.6)	(33.6)	(86.2)
Net working capital	(0.1)	2.1	2.0
– of which: Cash and cash equivalents	1.4	4.7	6.1
Net assets value	20.8	101.1	121.9
Gain on divestments of subsidiaries*	9.7	24.0	33.7
Proceeds from sale of subsidiaries	30.5	125.1	155.6
Less: cash in subsidiaries at the date of transaction	(1.4)	(4.7)	(6.1)
Cash received in 2012	-	(10.7)	(10.7)
Cash received in 2011	29.1	109.7	138.8

*IFRS require to recognize and present different tax liabilities undistributed and in full. The investor who bought the subsidiaries from the Group did not consider deferred tax liabilities in the purchase price.

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25 Interest Income and Expense

Interest income and expense comprise the following:

In millions of EUR	Note	2012	2011
Interest income – third parties		0.5	0.4
Interest income – related parties	7	0.2	1.0
Total interest income		0.7	1.4
Interest expense – third parties		(12.9)	(14.5)
Interest expense – related parties	7	(0.1)	(1.0)
Total interest expense		(13.0)	(15.5)
Total interest expense less income		(12.3)	(14.1)

26 Income Taxes

Income tax expense comprises the following:

In millions of EUR	2012	2011
Current tax	(1.5)	(3.4)
Deferred tax	(7.9)	(1.9)
Income tax expense for the year	(9.4)	(5.3)

Reconciliation between the expected and the actual taxation charge is provided below.

In millions of EUR	2012	2011
Profit before tax	62.6	92.0
Theoretical tax charge at applicable rate (2012: 19%; 2011: 19%)	(11.9)	(17.5)
Tax effect of items which are not deductible or assessable for taxation purposes:		
- Income exempt from taxation	10.6	11.9
- Non-temporary taxable items	(0.3)	(0.4)
Utilisation of tax losses	1.9	0.7
Remeasurement of deferred tax due to change in Slovak Tax rate (from 19% to 23% applicable from 2013)	(9.7)	-
Income tax expense for the year	(9.4)	(5.3)

The Group uses 19% as applicable tax rate to calculate its theoretical tax charge as this is the rate applicable in the Slovak Republic, Czech Republic and Poland where majority of the Group's operations are located.

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26 Income Taxes (Continued)

Differences between IFRS and applicable statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below. Unrecognised tax losses incurred in 2011 and 2012 in the amount of EUR 18.6 million expire in 6 or 7 years, respectively.

In millions of EUR	1 January 2012	Charged/ (credited) to profit or loss	Transfer to assets held for sale	31 December 2012
Tax effect of deductible/(taxable) temporary differences				
Investment properties	(61.0)	(15.1)	8.1	(68.0)
Unrealized foreign exchange (gains)/losses	(1.4)	-	-	(1.4)
Tax losses carried forward	5.6	8.3	(0.5)	13.4
Property, plant and equipment	(0.8)	(0.5)	-	(1.3)
Other	0.1	(0.6)	-	(0.5)
Net deferred tax (liability)	(57.5)	(7.9)	7.6	(57.8)

In the context of the Group's current structure, tax losses and current tax assets of different group companies may not be offset against current tax liabilities and taxable profits of other group companies. Accordingly, taxes may accrue even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity.

The tax effect of the movements in the temporary differences for the year ended 31 December 2011 is set below:

In millions of EUR	1 January 2011	Charged/ (credited) to profit or loss	Deferred tax disposed of at divestments of subsidiaries	31 December 2011
Tax effect of deductible/(taxable) temporary differences				
Investment properties	(87.8)	(4.5)	31.3	(61.0)
Unrealized foreign exchange (gains)/losses	(1.4)	-	-	(1.4)
Tax losses carried forward	2.2	3.4	-	5.6
Property, plant and equipment	(1.4)	0.6	-	(0.8)
Other	1.5	(1.4)	-	0.1
Net deferred tax (liability)	(86.9)	(1.9)	31.3	(57.5)

The Group expects that EUR 57.8 million (2011: EUR 57.5 million) of the deferred tax liability shall crystallise after more than 12 months from the balance sheet date.

27 Contingencies, Commitments and Operating Risks

Tax legislation. Tax and customs legislation in countries where the Group operates is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant authorities.

The Group includes companies incorporated outside of the Slovak Republic. Tax liabilities of the Group are determined on the assumptions that these companies are not subject to Slovak profits tax because they do not have a permanent establishment in the Slovak Republic. Slovak tax laws do not provide detailed rules on taxation of foreign companies. It is possible that with the evolution of the interpretation of these rules and the changes in the approach of the tax authorities, the non-taxable status of some or all of the foreign companies of the Group in Slovakia may be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial condition and/or the overall operations of the entity.

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27 Contingencies, Commitments and Operating Risks (Continued)

Capital expenditure commitments. Contractual obligations to purchase, construct or develop investment properties totalled EUR 31.8 million at 31 December 2012 (2011: EUR 147.4 million) out of that amount of EUR 13.8 million will be financed by external loans. The Group has already allocated the necessary resources in respect of these commitments. The Group believes that future net income and funding will be sufficient to cover this and any similar such commitments.

28 Acquisitions of Subsidiaries (asset acquisitions)

As the acquisitions of the companies were not accounted for as business combinations and neither accounting profit nor taxable profit were affected at the time of the transactions, the initial recognition exemption in IAS 12, 'Income taxes' applies.

The assets and liabilities recognised in the consolidated statement of financial position on the dates of the acquisitions during 2012 were:

In millions of EUR	Total
Investment property	38.2
Cash and cash equivalents	0.1
Total purchase consideration settled in cash	38.3
Less: cash and cash equivalents of subsidiary acquired	(0.1)
Less: outstanding part of the purchase price	(6.7)
Net outflow of cash and cash equivalents on acquisition	31.5

Management considers that at acquisition the companies constituted groups of net assets, rather than businesses as defined in IFRS 3, 'Business combinations', as prior to acquisition the subsidiaries were holding properties and were leasing them under one or more operating leases. As such, the fixed assets were classified as investment property by the Group at initial recognition.

29 Acquisition of Non-controlling Interest

During 2011, the Group purchased 49.75% of the interest in subsidiary ISTROCENTRUM a.s. for EUR 12.5 million from a related party. As the control was never disposed of, the selling price decreased the retained earnings of the Group as it is shown within the Consolidated Statement of Changes in Equity.

30 Financial Risk Management

The risk management function within the Group is carried out in respect of financial risks: credit risk, market risk (including changes in foreign currency exchange rates, interest rate and price risk), liquidity risks, operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

(i) Credit risk

The Group takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Group's rental income on credit terms and other transactions with counterparties giving rise to financial assets.

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30 Financial Risk Management (Continued)

The Group's maximum exposure to credit risk by class of assets is as follows:

In millions of EUR	31 December 2012	31 December 2011
Receivables and loans (Note 11)		
Receivables and loans due from third parties	9.4	11.7
Loans to related parties	2.4	2.1
Other current assets	1.1	0.9
	12.9	14.7
Trade and other receivables (Note 13)		
Trade receivables including accrued rental income and other receivables	18.4	26.5
Other financial receivables including financial receivables – related parties	7.1	3.6
Trade receivables and other receivables – related parties	4.7	10.5
	30.2	40.6
Cash and cash equivalents (Note 15)		
Cash at bank and on hand	43.9	130.2
Short-term bank deposits	3.7	11.6
	47.6	141.8
Derivatives and other financial assets	0.2	2.1
Total maximum exposure to credit risk	90.9	199.2

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to counterparties or groups of counterparties. Limits on the level of credit risk are approved regularly by Management. Such risks are monitored on a revolving basis and subject to an annual review.

Management has additional policies in place to secure trade receivables from rental business. The Group uses system of required bank guarantees or financial deposits to secure its receivables from rental business based on the rating of tenant.

The Group's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances. Management therefore considers it appropriate to provide ageing and other information about credit risk as disclosed in Note 13.

Credit risks concentrations

As for the banks and financial institutions, Group has relationships only with those banks that have high independent rating assessment. The Group's bank deposits are held with 19 banks but majority of cash balances as of 31 December 2012 are held with 4 major banks. The Group's management considers the concentration of credit risk with respect to cash balances with banks as acceptable. The analysis by credit quality (bank rating) is provided in Note 15.

(ii) Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, (b) interest bearing assets and liabilities and (c) equity investments, all of which are exposed to general and specific market movements.

Currency risk. Due to continuous expansion to CEE countries, Management acknowledges elevated exposure of the Group to foreign exchange risk arising from various currency exposures, primarily with respect to Czech Koruna, Polish Zloty and Hungarian Forint. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in currency that is not the entity's functional currency. Therefore internal objectives, policies and processes for its management have been set. Management has set up a policy to require group companies to manage their foreign exchange risk exposure with the group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group use forward contracts, transacted with the help of group treasury. As a result, the Group has invested into hedge instruments that are set up to minimize foreign exchange losses. Additionally, the Group's cash pool should contribute to proper cash management and avoidance of losses by keeping cash split into several countries. Receivables resulting from derivatives amounts to EUR 0.2 million (2011: EUR 2.1 million).

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30 Financial Risk Management (Continued)

Interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The table below summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates.

In millions of EUR	Less than 12 months	Over 12 months	Total
31 December 2012			
Total monetary financial assets	79.1	11.8	90.9
Total monetary financial liabilities	(477.5)	(20.9)	(498.4)
Net interest sensitivity gap at 31 December 2012	(398.4)	(9.1)	(407.5)
31 December 2011			
Total monetary financial assets	194.5	11.7	206.2
Total monetary financial liabilities	(380.9)	(23.5)	(404.4)
Net interest sensitivity gap at 31 December 2011	(186.4)	(11.8)	(198.2)

Had the interest rates on the Group's variable interest rate loans (generally the third party borrowings) been by one tenth lower than they have been throughout the year ended 31 December 2012 with all other variables constant, profit for the year would have been EUR 1.1 million higher (2011: EUR 1.5 million), mainly as a result of lower interest expense on variable interest liabilities. Equity, after allowing for the tax effects, would have been EUR 0.9 million (2011: EUR 1.2 million) higher.

Had the interest rates on the Group's variable interest rate loans been by one tenth higher than they have been throughout the year ended 31 December 2012 with all other variables constant, profit for the year would have been EUR 1.1 million lower (2011: EUR 1.5 million), mainly as a result of higher interest expense on variable interest liabilities. Equity, after allowing for the tax effects, would have been lower by EUR 0.9 million (2011: EUR 1.2 million).

(iii) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The table below shows liabilities at 31 December 2012 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the consolidated balance sheet because the consolidated balance sheet amount is based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the reporting date. Foreign currency payments are translated using the spot exchange rate at the balance sheet date.

The maturity analysis of financial liabilities as at 31 December 2012 is as follows:

In millions of EUR	Demand and less than 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities					
Borrowings (principal including future interest charges)	115.5	59.6	324.9	-	500.0
Finance leases (Note 18)	-	-	5.6	-	5.6
Financial payables - current (Note 18)	38.3	-	-	-	38.3
Total future payments, including future principal and interest payments	153.8	59.6	330.5	-	543.9

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32 Fair Value of Financial Instruments

Fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by an active quoted market price. The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies as described below. However, judgement is necessarily required to interpret market data to determine the estimated fair value.

Financial assets carried at amortised cost. The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty.

Liabilities carried at amortised cost. Fair values of liabilities were determined using valuation techniques. The estimated fair value of fixed interest rate instruments with stated maturity was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date that the amount could be required to be paid. The discount rate was 2.96% p.a. (2011: 3.76% p.a.). Refer to Note 17 for the estimated fair values of borrowings. Carrying amounts of trade and other payables approximate fair values.

Derivative financial instruments. All derivative financial instruments are carried at fair value as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value is measured using observable inputs in the financial markets (Level 2 inputs).

33 Reconciliation of Classes of Financial Instruments with Measurement Categories

For the purposes of measurement, IAS 39, Financial Instruments: Recognition and Measurement, classifies financial assets into the following categories: (a) loans and receivables; (b) available-for-sale financial assets; (c) financial assets held to maturity and (d) financial assets at fair value through profit or loss ("FVTPL"). Financial assets at fair value through profit or loss have two subcategories: (i) assets designated as such upon initial recognition, and (ii) those classified as held for trading. The following table provides a reconciliation of classes of financial assets with these measurement categories.

At 31 December 2012 In millions of EUR	Loans and receivables	Available for sale assets	FVTPL held for trading	Total
Assets				
Trade receivables due from third parties including accrued rental income (Note 13)	18.4	-	-	18.4
Other financial receivables including loans to related parties (Note 13)	7.1	-	-	7.1
Trade receivables due from related parties (Note 13)	4.7	-	-	4.7
Cash and cash equivalents (Note 15)	47.6	-	-	47.6
Rental indexation receivables (Note 11)	9.4	-	-	9.4
Loans to related parties (Note 11)	2.4	-	-	2.4
Other current assets	-	1.1	-	1.1
Derivatives and other financial assets	-	-	0.2	0.2
Total financial assets	89.6	1.1	0.2	90.9
At 31 December 2011 In millions of EUR				
Assets				
Other non-current financial assets (Note 11)	-	0.7	-	0.7
Trade receivables due from third parties including accrued rental income (Note 13)	26.5	-	-	26.5
Other financial receivables including loans to related parties (Note 13)	3.6	-	-	3.6
Trade receivables due from related parties (Note 13)	10.5	-	-	10.5
Cash and cash equivalents (Note 15)	141.8	-	-	141.8
Rental indexation receivables (Note 11)	11.0	-	-	11.0
Loans to related parties (Note 11)	2.1	-	-	2.1
Other current assets	-	0.9	-	0.9
Derivatives and other financial assets	-	-	2.1	2.1
Total financial assets	195.5	1.6	2.1	199.2

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33 Reconciliation of Classes of Financial Instruments with Measurement Categories (Continued)

All of the Group's financial liabilities are carried at amortised cost.

At 31 December 2012 In millions of EUR	Other financial liabilities – carried at amortised cost	Total
Liabilities		
Finance lease payables – non-current (Note 18)	5.6	5.6
Trade and other payables excluding liabilities not falling under IFRS 7 (Note 18)	38.3	38.3
Borrowings (Note 17)	454.5	454.5
Total financial liabilities	498.4	498.4
At 31 December 2011 In millions of EUR	Other financial liabilities – carried at amortised cost	Total
Liabilities		
Finance lease payables – non-current (Note 18)	6.1	6.1
Trade and other payables excluding liabilities not falling under IFRS 7 (Note 18)	48.2	48.2
Borrowings (Note 17)	357.8	357.8
Total financial liabilities	412.1	412.1

34 Events After the Balance Sheet Date

In February 2013, the Group successfully refinanced a loan facility amounting to EUR 64.5 million and agreed a new repayment date of 31 December 2016.

In February 2013, the Group signed a credit facility amounting to EUR 30.0 million which will be used to finance construction activities of the Group in Warsaw, Poland.

In February 2013, the Group sold its share in the project company owning a complex of office buildings in the central location of Bratislava, Slovakia (Apollo Business Center IV a.s.). The transaction with the institutional investor is expected to be finalised after regulatory approval is obtained and certain condition precedent are met which is expected in the second quarter of 2013 (note 14).

As at 25 March 2013, the Group held deposits in the Cypriot banks of which EUR 80 thousand was exposed to the restrictions applied to deposits exceeding individually EUR 0.1 million.

Apart from the above stated matters, there were no material events which occurred after the end of the financial year which have a bearing on the understanding of these financial statements.

7.4 The Guarantor's interim unaudited financial statement for the six months ended 30 June 2013

HB Reavis Holding S.à r.l.

**Condensed Consolidated Interim Financial Statements
30 June 2013**

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HB Reavis Holding S.à r.l.
Condensed Consolidated Interim Balance Sheet at 30 June 2013
Prepared in accordance with IAS 34, "Interim financial reporting"

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<i>In millions of EUR</i>	<i>Note</i>	30 June 2013 Unaudited	31 December 2012 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	8	37.3	31.5
Investment property in use or vacant	9	752.0	691.2
Investment property under development:	9	422.0	515.6
Intangible assets		1.9	2.1
Receivables and loans due from third parties	11	9.5	9.4
Receivables and loans due from related parties	7, 11	4.6	2.4
Deferred income tax asset	26	16.0	13.4
Other non-current assets	12	-	1.1
Total non-current assets		1,243.3	1,266.7
Current assets			
Inventories		3.9	3.9
Trade and other receivables due from third parties	13	24.8	30.4
Trade and other receivables due from related parties	7, 13	6.7	8.5
Derivatives and other financial assets		-	0.2
Current income tax prepayments		-	4.0
Other assets		2.3	1.1
Cash and cash equivalents	15	73.2	47.6
		110.9	95.7
Non-current assets classified as held-for-sale	14	89.3	78.0
Total current assets		200.2	173.7
TOTAL ASSETS		1,443.5	1,440.4
EQUITY			
Share capital (12,500 shares at 1 EUR each)	16	-	-
Share premium	16	652.0	660.6
Retained earnings		140.3	117.6
Translation reserve		(3.5)	0.5
Equity attributable to the Company's owners		788.8	778.7
Non-controlling interest		18.0	17.5
TOTAL EQUITY		806.8	796.2
LIABILITIES			
Non-current liabilities			
Borrowings from third parties	17	401.2	349.0
Borrowings from related parties	7, 17	0.6	0.6
Deferred income tax liability	26	65.3	71.2
Other payables due to third parties	18	12.5	14.7
Other payables due to related party	7, 18	0.9	0.9
Total non-current liabilities		480.5	436.4
Current liabilities			
Borrowings from third parties	17	32.7	104.9
Trade and other payables due to third parties	18	27.6	39.1
Trade and other payables due to related parties	7, 18	4.7	5.1
Deferred income	18	11.5	13.2
Current income tax payable		12.0	12.4
		88.5	174.7
Liabilities directly associated with non-current assets classified as held for sale	14	67.7	33.1
Total current liabilities		156.2	207.8
TOTAL LIABILITIES		636.7	644.2
TOTAL LIABILITIES AND EQUITY		1,443.5	1,440.4

Memorandum note - investment property comprises the following types of properties:

	Investment property in use or vacant		Investment property under development	
	30 June 2013	31 Dec 2012	30 June 2013	31 Dec 2012
Office	493.9	338.7	333.6	420.8
Retail	156.5	249.0	29.8	35.9
Industrial	100.6	103.5	8.7	9.0
Non-Core	1.0	-	49.9	49.9
Total	752.0	691.2	422.0	515.6

These condensed consolidated interim financial statements have been approved for issue and signed on behalf of the HB Reavis Holding S.à r.l. on 21 October 2013 by the members of the Board of Managers of HB Reavis Holding S.à r.l. The Board of Managers has the power to amend these condensed consolidated interim financial statements after issue.



Jean Jacques Jossset (Manager A)



Marcel Sedlak (Manager B)

The accompanying notes on pages 5 to 58 are integral part of these condensed consolidated interim financial statements.

HB Reavis Holding S.à r.l.**Condensed Consolidated Interim Statement of Comprehensive Income for the 6 months ended 30 June 2013****Prepared in accordance with IAS 34, "Interim financial reporting"****2**

<i>In millions of EUR</i>	Note	6 months ended	
		30 June 2013 Unaudited	30 June 2012 Unaudited
Rental and similar income from investment property	19	37.5	34.4
Direct operating expenses arising from investment property	20	(11.0)	(10.4)
Net operating income from investment property		26.5	24.0
Revaluation gain/(loss) on investment property	9	28.1	43.9
Results on property disposals	24	9.2	-
Income from public transportation	21	10.6	10.2
Construction contracts with related parties	7, 23	1.5	1.2
Other operating income - third parties	23	2.3	2.6
Other operating income - related parties	7, 23	0.3	0.3
Employee benefits	7, 22	(8.6)	(9.2)
Fuel costs		(2.4)	(2.5)
Depreciation and amortisation		(2.2)	(3.1)
Other operating expenses	23	(15.8)	(17.9)
Operating profit		49.5	49.5
Interest income - third parties	25	0.1	0.1
Interest income - related parties	7, 25	0.3	0.1
Interest expense - third parties	25	(7.4)	(4.7)
Interest expense - related parties	7, 25	-	-
Foreign exchange (losses)/gains, net	27	(18.0)	1.7
Other finance income		0.4	2.6
Other finance costs		(1.1)	(0.3)
Finance costs, net		(25.7)	(0.5)
Profit before income tax		23.8	49.0
Current income tax expense	26	(0.4)	(0.5)
Deferred income tax expense	26	(0.2)	(3.0)
Income tax expense		(0.6)	(3.5)
Net profit for the year		23.2	45.5
Other comprehensive income			
Difference between carrying value and fair value of own office at the moment of transfer to investment property, net of tax		-	-
Translation of foreign operations to the presentation currency		(4.0)	0.1
Total comprehensive income for the period		19.2	45.6
Net profit is attributable to:			
- Owners of the Company		22.7	45.4
- Non-controlling interest		0.5	0.1
Profit for the year		23.2	45.5
Total comprehensive income is attributable to:			
- Owners of the Company		18.7	45.5
- Non-controlling interest		0.5	0.1
Total comprehensive income for the period		19.2	45.6

Memorandum note:

Net operating income (Rental and similar income after direct operating expenses) from investment properties and revaluation gain / (loss) on investment properties are attributable to the following types of properties:

	6 months ended 30 June 2013				6 months ended 30 June 2012			
	Net operating income from investment properties	Revaluation gain/(loss) – properties in use or vacant	Revaluation gain/(loss) – properties completed during the year	Revaluation gain/(loss) – properties under development	Net operating income from investment properties	Revaluation gain/(loss) – properties in use or vacant	Revaluation gain/(loss) – properties completed during the year	Revaluation gain/(loss) – properties under development
Office	12.6	(3.4)	19.2	25.2	11.7	0.4	0.4	64.6
Retail	9.4	(9.7)	-	(0.4)	9.1	(13.7)	-	(3.0)
Industrial	4.5	(2.6)	-	(0.1)	3.2	(4.8)	-	-
Non-Core	-	(0.1)	-	-	-	-	-	-
Total	26.5	(15.8)	19.2	24.7	24.0	(18.1)	0.4	61.6

The accompanying notes on pages 5 to 58 are an integral part of these condensed consolidated interim financial statements.

HB Reavis Holding S.à r.l.**Condensed Consolidated Interim Statement of Changes in Equity for the 6 months ended 30 June 2013****Prepared in accordance with IAS 34, "Interim financial reporting"****3**

In millions of EUR	Note	Attributable to owners of the Company					Non-controlling Interest	Total equity
		Share capital (Note 16)	Share premium (Note 16)	Retained earnings	Translation reserve	Total		
Balance at 1 January 2012		-	643.6	78.4	(2.5)	719.5	17.3	736.8
Profit for the period		-	-	45.4	-	45.4	0.1	45.5
Other comprehensive income/(loss)		-	-	-	0.1	0.1	-	0.1
Total comprehensive income for the period		-	-	45.4	0.1	45.5	0.1	45.6
Dividends declared and paid	16	-	-	(3.9)	-	(3.9)	-	(3.9)
Balance at 30 June 2012		-	643.6	119.9	(2.4)	761.1	17.4	778.5
Balance at 1 January 2013		-	660.6	117.6	0.5	778.7	17.5	796.2
Profit for the period		-	-	22.7	-	22.7	0.5	23.2
Other comprehensive income		-	-	-	(4.0)	(4.0)	-	(4.0)
Total comprehensive income for the period		-	-	22.7	(4.0)	18.7	0.5	19.2
Dividends declared	16	-	(8.6)	-	-	(8.6)	-	(8.6)
Balance at 30 June 2013		-	652.0	140.3	(3.5)	788.8	18.0	806.8

The accompanying notes on pages 5 to 58 are an integral part of these condensed consolidated interim financial statements.

HB Reavis Holding S.à r.l.**Condensed Consolidated Interim Statement of Cash Flows for the 6 months ended 30 June 2013****Prepared in accordance with IAS 34, "Interim financial reporting"****4**

<i>In millions of EUR</i>	Note	6 months ended 30 June 2013 Unaudited	6 months ended 30 June 2012 Unaudited
Cash flows from operating activities			
Profit before income tax		23.8	49.0
Adjustments for:			
Depreciation and amortisation		2.2	3.1
Revaluation gains on investment property	9	(28.1)	(43.9)
Results on property disposals	24	(9.2)	-
Interest expense	25	7.4	4.7
Operating cash flows before working capital changes		(3.9)	12.9
Working capital changes:			
Decrease/(increase) in trade and other receivables		15.2	18.6
Decrease/(increase) in inventories		-	(0.2)
Increase/(decrease) in trade and other payables		(14.9)	-
Increase/(decrease) in derivative and other financial instruments		-	(24.4)
Increase/(decrease) in taxes payable		-	(2.0)
Cash generated from operations		(3.6)	4.9
Interest paid		(5.6)	(4.5)
Income taxes paid		(0.8)	(0.5)
Net cash from operating activities		(10.0)	(0.1)
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	8	(2.5)	(1.8)
Purchases of investment properties		-	(105.5)
Construction costs related to investment properties		(44.1)	(27.5)
Purchases of held for trading financial assets		-	(17.2)
Proceeds from sales of subsidiaries, net of cash disposed		44.4	-
Repayment of borrowings to related parties		(2.2)	(0.5)
Proceeds from borrowings from related parties		-	1.2
Restricted cash		(1.5)	-
Net cash (used in)/from investing activities		(5.9)	(151.3)
Cash flows from financing activities			
Proceeds from borrowings		107.5	83.2
Repayment of borrowings		(59.2)	(5.1)
Dividends paid	16	(7.4)	(3.9)
Net cash from/(used in) financing activities		40.9	74.2
Net (decrease) / increase in cash and cash equivalents		25.0	(77.2)
Cash and cash equivalents at the beginning of the 6 months period	15	48.6	141.8
Cash and cash equivalents at the end of the 6 months period		73.6	64.6
Reconciliation of cash and cash equivalents:			
- Restricted cash		1.5	-
- Cash within non-current assets classified as held-for-sale		(1.9)	-
Cash and cash equivalents on the balance sheet at the end of the 6 months period		73.2	64.6

The accompanying notes on pages 5 to 58 are an integral part of these condensed consolidated interim financial statements.

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Notes to Condensed Consolidated Interim Financial Statements for the 6 months ended 30 June 2013
Prepared in accordance with IAS 34, "Interim financial reporting"

5

1 The HB REAVIS Group and its Operations

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim financial reporting" for the 6 months ended 30 June 2013 for HB Reavis Holding S.à r.l. (the "Company") and its subsidiaries (together referred to as the "Group" or "HB REAVIS Group").

The Company was incorporated and is domiciled in Luxembourg. The Company is a private limited liability company (société à responsabilité limitée) and was set up in accordance with the Luxembourg regulations on 20 October 2010. The Company is registered at the Luxembourg Commercial Register under file R.C.S. Luxembourg no. B 156 287.

HB Reavis Holding S.à r.l. is ultimately privately owned. The Group's immediate parent as of the date of issuance of these condensed consolidated interim financial statements is Kennesville Holdings Ltd based in Cyprus.

Principal activity. The HB REAVIS Group is a real estate group with major portfolio of investment properties in Slovakia, the Czech Republic, Poland and Hungary. It is principally involved in the development of properties for its own portfolio, in leasing out investment properties under operating leases, as well as in asset management and is also active in investment management. The Group develops and manages investment properties to earn rentals or for capital appreciation. The Group controlled jointly with another investor Aupark, a leading Bratislava shopping centre (sold during year 2011). The Group's current retail portfolio includes Shopping Centers Aupark in Košice, Žilina and Piešťany, all of them in Slovakia. The Group's flagship rented and managed office properties include City Business Center I-II completed in 2007, Apollo Business Center II (completed in stages in 2008 and 2009) and City Business Center III-V (completed in 2011) located in Bratislava. In 2013, the Group opened Konstruktorska Business Center in Warsaw, Poland and Forum Business Center in Bratislava, Slovakia. Construction of the River Garden Office II-III project and Metronom Business Center in Prague, the Czech Republic, Gdansk Business Center I and Vaci Corner Offices in Budapest, Hungary are ongoing as of the date of preparation of these financial statements. The Group operates several logistical/industrial properties on the outskirts of Bratislava, in Eastern Slovakia, and two industrial properties in the Czech Republic – Lovosice (completed in 2010) and Mošnov (partially completed in 2011).

During year 2011, the Group established new sub-structure within its organisational structure. HB Reavis Real Estate SICAV - SIF (the "Fund") a fonds commun de placement – fonds d'investissement spécialisé, was established in Luxembourg on 25 May 2011 for an unlimited duration and is governed by the Luxembourg law dated 13 February 2007 relating to specialized investment funds. On the aforementioned date, the Management Company launched the Fund as well as its first Sub Fund named HB Reavis CE REIF (hereafter "Sub Fund A"). The Fund is managed for the account of and in the exclusive interest of its unitholders by HB Reavis Investment Management S.à r.l. (the "Management Company"), a limited liability company organised under the laws of Luxembourg (registration number B 161.176) having its registered office at 20, rue de la Poste, L-2346 Luxembourg. While there will be no specific country or real estate segment restrictions posed, the Fund will mainly invest in the Central European region as Slovakia, the Czech Republic, Poland and Hungary in commercial real estate assets. The initial Sub-Funds portfolio will provide investments in prime properties only located in Slovakia. The office segment investments are restricted to A-class properties located in central business districts of capital cities in Slovakia, the Czech Republic and Hungary. In Poland however, both, capital and regional cities are eligible for investments in the office segment. The retail segment investments will be made in both capital and regional cities in the entire Central European region. Investments in logistic properties will be restricted to attractive and strategic locations only. The Sub-Fund A seeks to maximize the value via investing in properties which in the past proved to bear characteristics of a prime-commercial real estate property which as such implies to have a top-tier tenants portfolio being located in prime or strategic locations and soundly built from both technical and architectural point of view. The Sub-Fund A seeks to enhance value of properties by contracting an excellent lease management in order to maximize property income.

The Group also operates a public transportation company and aims to redevelop the acquired bus station in Bratislava, Slovakia as part of the Twin City project.

Other principal activity of the Group is construction of real estate for third parties, including related parties.

The Group's strategy is reflected in its cash flow forecast that is regularly monitored by the Board of Managers, including their assessment of appropriateness of preparation of the financial statements on a going concern basis. The cash flow outlook is further described under the description of management of liquidity in Note 30. Valuation of properties of the Group in the less liquid markets necessarily involves greater element of judgement as there have been still relatively limited transactions in the market. The critical accounting judgments used in valuation of the Group's investment properties have been further described in Note 3.

Registered address and place of business. The Company's registered address and principal place of business is:

46A, Avenue J. F. Kennedy
L-1855 Luxembourg
Luxembourg

The Group has offices in Bratislava, Prague, Budapest, Warsaw and Zagreb.

HB Reavis Holding S.à r.l.

Notes to Condensed Consolidated Interim Financial Statements for the 6 months ended 30 June 2013

Prepared in accordance with IAS 34, "Interim financial reporting"

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2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are described below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim financial reporting". The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with IFRSs. The Group applies all IFRS standards and interpretations issued by International Accounting Standards Board (hereinafter "IASB"), which were in force as of 30 June 2013.

Income and cash flow statement

The Group has elected to present a single statement of comprehensive income and presents its expenses by nature.

The Group reports cash flows from operating activities using the indirect method. Interest received and interest paid are presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

Preparation of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements are presented in millions of Euro ("EUR") rounded to one decimal place, unless otherwise stated.

The condensed consolidated interim financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the measurement of investment property at fair value, financial assets classified as available for sale and derivative financial instruments that have been measured at fair value.

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the condensed consolidated interim financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Valuation techniques such as discounted cash flows models or models based on recent arm's length transactions or consideration of financial data of the counterparties are used to fair value certain financial instruments for which external market pricing information is not available. Valuation techniques may require assumptions not supported by observable market data. Disclosures are made in these financial statements if changing any such assumptions to a reasonably possible alternative would result in significantly different revaluation gain or loss on investment properties, net profit or loss for the year, total assets or total liabilities.

2.2 Condensed consolidated interim financial statements

Condensed consolidated interim financial statements. In preparing the condensed consolidated interim financial statements, the individual financial statements of the consolidated entities are aggregated on a line-by-line basis by adding together the like items of assets, liabilities, equity, income and expenses. Transactions, balances, income and expenses between the consolidated entities are eliminated.

Subsidiaries. Subsidiaries are those companies and other entities (including special purpose entities) in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies so as to obtain economic benefits. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc. Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered.

HB Reavis Holding S.à r.l.*Notes to Condensed Consolidated Interim Financial Statements for the 6 months ended 30 June 2013**Prepared in accordance with IAS 34, "Interim financial reporting"*

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2 Summary of Significant Accounting Policies (Continued)**2.2. Condensed consolidated interim financial statements (Continued)**

The entities included within these condensed consolidated interim financial statements are as follows:

Num ber	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				30 June 2013	31 December 2012
1	HB Reavis Holding S.à r.l. (Parent Company)	EUR	Luxembourg	N/A	N/A
2	HB Reavis Real Estate SICAV-SIF	EUR	Luxembourg	100	100
3	HBR CE REIF LUX1, S.à r.l.	EUR	Luxembourg	100	100
4	HBR CE REIF LUX2, S.à r.l.	EUR	Luxembourg	100	100
5	HB Reavis Investment Management S.à r.l.	EUR	Luxembourg	93	93
6	HB REAVIS GROUP B.V. (Predecessor Holding Company)	EUR	Netherlands	100	100
7	WATERFIELD Management B.V.	EUR	Netherlands	99.5	99.5
8	HBRG Invest B.V.	EUR	Netherlands	100	100
9	HB REAVIS Croatia B.V.	EUR	Netherlands	100	100
10	HB Reavis CEE B.V.	EUR	Netherlands	100	100
11	HBR HOLDING LIMITED	EUR	Cyprus	100	100
12	FILWOOD HOLDINGS LIMITED	EUR	Cyprus	100	100
13	HBR INVESTORS LTD	EUR	Cyprus	100	100
14	HBR IM HOLDING LTD	EUR	Cyprus	93	93
15	HB REAVIS IM ADVISOR LIMITED	GBP	Jersey	93	93
16	HB REAVIS Croatia, d.o.o.	HRK	Croatia	100	100
17	COMPOS MENTIS GRADNJA, d.o.o.	HRK	Croatia	100	100
18	COMPOS MENTIS DVA, d.o.o.	HRK	Croatia	100	100
19	HB Reavis Hungary Szolgáltató Kft.	HUF	Hungary	100	100
20	Váci Corner Offices Kft. (until 19.06.2012 as HB Reavis Projekt Ingatlanfejlesztő Kft.)	HUF	Hungary	100	100
21	HB Reavis Poland Sp. z o. o.	PLN	Poland	100	100
22	POLCOM INVESTMENT Sp. z o. o.	PLN	Poland	100	100
23	POLCOM INVESTMENT II Sp. z o. o.	PLN	Poland	100	100
24	POLCOM INVESTMENT III Sp. z o. o.	PLN	Poland	100	100
25	HB REAVIS CONSTRUCTION PL Sp. z o. o. (until 18.4.2011 as POLCOM INVESTMENT IV Sp. z o. o.)	PLN	Poland	100	100
26	POLCOM INVESTMENT V Sp. z o. o.	PLN	Poland	100	100
27	POLCOM INVESTMENT VI Sp. z o. o.	PLN	Poland	100	100
28	POLCOM INVESTMENT VII Sp. z o. o.	PLN	Poland	100	100
29	POLCOM INVESTMENT VIII Sp. z o. o.	PLN	Poland	100	100
30	WEST STATION INVESTMENT Sp. z o. o.	PLN	Poland	100	100
31	ISTROCENTRUM a. s.	EUR	Slovakia	100	100
32	Eurovalley, a.s.	EUR	Slovakia	96.5	96.5
33	LUGO, s.r.o.	EUR	Slovakia	100	100
34	HB REAVIS Slovakia a. s.	EUR	Slovakia	100	100
35	HB REM, spol. s r.o.	EUR	Slovakia	100	100
36	HB RE, s.r.o.	EUR	Slovakia	100	100
37	HB REAVIS MANAGEMENT spol. s r.o.	EUR	Slovakia	90	90
38	BUS TRANSPORT s.r.o.	EUR	Slovakia	100	100
39	Apollo Property Management, s.r.o.	EUR	Slovakia	100	100
40	AUPARK Košice SC, s. r. o.	EUR	Slovakia	100	100
41	AUPARK KOŠICE, spol. s r.o.	EUR	Slovakia	100	100
42	AUPARK Piešťany SC, s. r. o.	EUR	Slovakia	100	100
43	AUPARK Piešťany, spol. s r.o.	EUR	Slovakia	100	100
44	AUPARK Property Management, s. r. o.	EUR	Slovakia	100	100
45	AUPARK Ružomberok, spol. s r.o.	EUR	Slovakia	100	100
46	AUPARK Tower Košice, s. r. o.	EUR	Slovakia	100	100
47	AUPARK Trenčín, spol. s r.o.	EUR	Slovakia	100	100
48	AUPARK Žilina SC a. s.	EUR	Slovakia	100	100
49	AUPARK Žilina, spol. s r.o.	EUR	Slovakia	100	100
50	CBC Development, s.r.o.	EUR	Slovakia	100	100
51	CBC III, s. r. o.	EUR	Slovakia	100	100
52	CBC IV, s. r. o.	EUR	Slovakia	100	100
53	BUXTON INVEST a.s.	EUR	Slovakia	100	100
54	Twin City a.s.	EUR	Slovakia	100	100
55	UNI - CO s. r. o. (until 18.8.2011 as UNI - CO, s.r.o.)	EUR	Slovakia	100	100

HB Reavis Holding S.à r.l.*Notes to Condensed Consolidated Interim Financial Statements for the 6 months ended 30 June 2013**Prepared in accordance with IAS 34, "Interim financial reporting"*

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2 Summary of Significant Accounting Policies (Continued)**2.2. Condensed consolidated interim financial statements (Continued)**

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				30 June 2013	31 December 2012
56	Apollo Business Center III, spol. s r.o.	EUR	Slovakia	100	100
57	Apollo Business Center IV, spol. s r.o.	EUR	Slovakia	-	100
58	Apollo Business Center V, spol. s r.o.	EUR	Slovakia	100	100
59	Logistické Centrum Rača a.s.	EUR	Slovakia	100	100
60	Logistické Centrum Svätý Jur s.r.o.	EUR	Slovakia	100	100
61	Logistické centrum Trnava s.r.o.	EUR	Slovakia	100	100
62	Logistické centrum Malý Šariš, spol. s r. o.	EUR	Slovakia	100	100
63	General Property Services, a.s.	EUR	Slovakia	100	100
64	ALLPERTON Slovakia, spol. s r.o.	EUR	Slovakia	100	100
65	FORUM BG I s. r. o. (until 8.8.2011 as ILP Malacky, spol. s r.o.)	EUR	Slovakia	100	100
66	FORUM BG II s. r. o. (until 10.8.2011 as LG Malacky, spol. s r.o.)	EUR	Slovakia	100	100
67	INLOGIS I, spol. s r.o.	EUR	Slovakia	100	100
68	HB REAVIS IM Advisor Slovakia s. r. o. (until 14.4.2011 as INLOGIS II, spol. s r. o.)	EUR	Slovakia	93	93
69	INLOGIS IV s. r. o.	EUR	Slovakia	100	100
70	INLOGIS V s. r. o.	EUR	Slovakia	100	100
71	INLOGIS VI s. r. o.	EUR	Slovakia	100	100
72	INLOGIS LCR a. s.	EUR	Slovakia	100	100
73	HB Reavis Management ZB, s.r.o.	EUR	Slovakia	100	100
74	Pressburg Urban Projects a. s.	EUR	Slovakia	100	100
75	CBC I - II a. s. (until 30.6.2011 as AUPARK Žilina Holding a.s.)**	EUR	Slovakia	100	100
76	SPC Property I, spol. s r.o.	EUR	Slovakia	100	100
77	SPC Property III, s. r. o.	EUR	Slovakia	100	100
78	SPC Property Finance, s. r. o.	EUR	Slovakia	100	100
79	TQ Tower A1 s. r. o. (until 8.1.2013 as SPC Property V, s. r. o.)	EUR	Slovakia	100	100
80	SPC Property Finance II, s. r. o. (until 8.12.2011 as SPC Property VI s. r. o.)	EUR	Slovakia	100	100
81	SPC Property Finance III, s.r.o. (until 2.10.2012 as SPC Property VII s.r.o.)	EUR	Slovakia	100	100
82	SPC Property Finance IV, s. r. o. (until 8.1.2013 as SPC Property VIII s. r. o.)	EUR	Slovakia	100	100
83	Slovak lines, a.s.	EUR	Slovakia	56	56
84	Slovak lines Express, a.s.	EUR	Slovakia	56	56
85	Slovak lines Opravy, a.s.	EUR	Slovakia	56	56
86	Slovak lines Služby, a.s.	EUR	Slovakia	56	56
87	ANDAREA s.r.o.	CZK	Czech Rep	100	100
88	AR Consulting, a.s.	CZK	Czech Rep	100	100
89	AUPARK Brno, spol. s r.o.	CZK	Czech Rep	100	100
90	AUPARK Hradec Králové, a.s.	CZK	Czech Rep	100	100
91	AUPARK Hradec Králové - KOMUNIKACE, s.r.o.	CZK	Czech Rep	100	100
92	AUPARK Ostrava, spol. s r.o.	CZK	Czech Rep	100	100
93	AUPARK Karviná s.r.o. (until 10.5.2011 as Central European Properties, spol. s r.o.)	CZK	Czech Rep	100	100
94	FORSEA s.r.o.	CZK	Czech Rep	100	100
95	Future Development CZ s.r.o.	CZK	Czech Rep	100	100
96	HB Reavis CZ, a.s.	CZK	Czech Rep	100	100
97	HB REAVIS DEVELOPMENT CZ, a.s.	CZK	Czech Rep	100	100
98	HB REAVIS GROUP CZ, s.r.o.	CZK	Czech Rep	100	100
99	HB REAVIS MANAGEMENT CZ spol. s r.o.	CZK	Czech Rep	100	100
100	HYPARKOS, s.r.o.	CZK	Czech Rep	100	100
101	Letecké Cargo MOŠNOV s.r.o.	CZK	Czech Rep	100	100
102	Multimodální Cargo MOŠNOV s.r.o.	CZK	Czech Rep	100	100
103	HB REAVIS PROPERTY MANAGEMENT CZ, s.r.o.	CZK	Czech Rep	100	100
104	Železniční Cargo MOŠNOV s.r.o.	CZK	Czech Rep	100	100
105	TARAS Logistics, a.s.	CZK	Czech Rep	65	65
106	MOLDERA, a.s.	CZK	Czech Rep	100	100
107	RiGa Office West a.s.	CZK	Czech Rep	100	100
108	ISTROCENTRUM CZ, a.s.	CZK	Czech Rep	100	100

HB Reavis Holding S.à r.l.**Notes to Condensed Consolidated Interim Financial Statements for the 6 months ended 30 June 2013****Prepared in accordance with IAS 34, "Interim financial reporting"**

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2 Summary of Significant Accounting Policies (Continued)**2.2. Condensed consolidated interim financial statements (Continued)**

Number	Subsidiaries	Functional currency	Country of incorporation	Percentage ownership interest and voting rights held	
				30 June 2013	31 December 2012
109	Cargo MOŠNOV s.r.o.	CZK	Czech Rep	100	100
110	HB Reavis Construction Hungary Kft.	HUF	Hungary	100	100
111	Polcom Investment IX Sp. z o.o.	PLN	Poland	100	100
112	PSD Sp. z o.o.	PLN	Poland	100	100
113	DII Czech s.r.o.	CZK	Czech Rep	100	100
114	DNW Czech s.r.o.	CZK	Czech Rep	100	100
115	Riga Office East s.r.o.	CZK	Czech Rep	100	100
116	Real Estate Metronom s.r.o.	CZK	Czech Rep	100	100
117	Combar, s.r.o.	CZK	Czech Rep	100	100
118	Phibell s.r.o.	CZK	Czech Rep	100	100
119	Daestar, s.r.o.	CZK	Czech Rep	100	100
120	Temster, s.r.o.	CZK	Czech Rep	100	100
121	Twin City I s.r.o.	EUR	Slovakia	100	100
122	Twin City II s.r.o.	EUR	Slovakia	100	100
123	Twin City III s.r.o.	EUR	Slovakia	100	100
124	Twin City IV s.r.o.	EUR	Slovakia	100	100
125	Twin City V s.r.o.	EUR	Slovakia	100	100
126	Twin City VI s.r.o.	EUR	Slovakia	100	100
127	Twin City VII s.r.o.	EUR	Slovakia	100	100
128	Twin City VIII s.r.o.	EUR	Slovakia	100	100
129	SOD Sp. z o.o.*	PLN	Poland	100	-
130	K-B-C Sp. z o.o.*	PLN	Poland	100	-
131	Konstruktorska BC Sp. z o.o.*	PLN	Poland	100	-
132	HB Reavis UK Ltd.*	GBP	UK	100	-
Joint ventures					
133	PHVH SOLUTIONS, s.r.o.***	EUR	Slovakia	50	50
134	PHVH SOLUTIONS II, s. r. o. (until 5.12.2011 as INLOGIS III, spol. s r. o.)***	EUR	Slovakia	50	50
135	TANGERACO INVESTMENTS LIMITED***	EUR	Cyprus	50	50
136	Hotel Sačbička, a.s.***	EUR	Slovakia	50	50
137	Sačbičky, a.s. ***	EUR	Slovakia	50	50

* Entities established/acquired by the Group during 2013

** Company was created by merger of 2 former companies - AUPARK Žilina Holding a.s. and CBC Invest a.s.

Entities number 2 to 4 and 42, 43, 55, 60, 62 and 77 are part of the Sub-Fund A structure established during the year 2011

*** Further information disclosed in Note 10 Jointly controlled entities

Business combinations. Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired from the party not under common control of the Group. The Group may invest in subsidiaries that hold properties but do not constitute a business. These transactions are therefore treated as asset acquisitions rather than business combinations.

For acquisitions from parties not under common control that meet the definition of a business combination, the acquisition method of accounting is used. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs in relation to business combinations are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

*HB Reavis Holding S.à r.l.**Notes to Condensed Consolidated Interim Financial Statements for the 6 months ended 30 June 2013**Prepared in accordance with IAS 34, "Interim financial reporting"*

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2 Summary of Significant Accounting Policies (Continued)**2.2 Condensed consolidated interim financial statements (Continued)**

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the net assets of the subsidiary acquired, the difference is recognised in profit or loss. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

For acquisitions of subsidiaries not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

All the Group companies have 31 December as their year end. Condensed consolidated interim financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Purchases of subsidiaries from parties under common control. Purchases of subsidiaries from parties under common control are accounted for using the predecessor values method. Under this method, the condensed consolidated interim financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented or, if later, the date when the combining entities were first brought under common control. The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying amounts. The predecessor entity is considered to be the highest reporting entity in which the subsidiary's IFRS financial information was consolidated. Related goodwill inherent in the predecessor entity's original acquisitions is also recorded in these condensed consolidated interim financial statements. Any difference between the carrying amount of net assets, including the predecessor entity's goodwill, and the consideration for the acquisition is accounted for in these condensed consolidated interim financial statements as an adjustment equity.

Associates. Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated impairment losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii) all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is premeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

HB Reavis Holding S.à r.l.

Notes to Condensed Consolidated Interim Financial Statements for the 6 months ended 30 June 2013

Prepared in accordance with IAS 34, "Interim financial reporting"

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2 Summary of Significant Accounting Policies (Continued)

2.2 Condensed consolidated interim financial statements (Continued)

Purchases of Non Controlling Interests. The Group applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Group recognises the difference between sales consideration and carrying amount of non-controlling interests sold as capital transaction in the equity.

The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

2.3 Foreign Currency Transactions and Translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of all Group's entities is the local currency. The condensed consolidated interim financial statements are presented in millions of euro (EUR), which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Translation differences on non-monetary assets and liabilities recorded at fair value through profit or loss are recognized in the consolidated statement of comprehensive income as part of the fair value gain or loss.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet date are translated at the closing rates at the date of that balance sheet;
- income and expenses and movements in equity are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

When control over a foreign operation is lost, the previously recognised exchange differences on translation to a different presentation currency are reclassified from other comprehensive income to profit or loss for the year as part of the gain or loss on disposal. On partial disposal of a subsidiary without loss of control, the related portion of accumulated currency translation differences is reclassified to non-controlling interest within equity.

2.4 Property, Plant and Equipment

All property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost. Cost includes expenditure that is directly attributable to the acquisition of the items of property plant and equipment. All borrowing costs are expensed except for the borrowing costs that are capitalised as part of the cost of that asset when they are directly attributable to the acquisition, construction or production of a qualifying asset. Cost includes the cost of replacing part of an existing item of PPE at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of PPE.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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2 Summary of Significant Accounting Policies (Continued)

2.4 Property, Plant and Equipment (Continued)

Depreciation. The depreciation of property, plant and equipment starts in the month when the property, plant and equipment is available for use. Property, plant and equipment is depreciated in line with the approved depreciation plan using the straight-line method. Monthly depreciation charge is determined as the difference between acquisition costs and residual value, divided by estimated useful life of the property, plant and equipment.

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2 Summary of Significant Accounting Policies (Continued)**2.4 Property, Plant and Equipment (Continued)**

	<u>Useful lives in years</u>
Buildings	30 years
Machinery, equipment, fixtures and fittings	4 to 6 years
Vehicles and other assets	6 to 8 years

Buildings include mainly administrative offices and premises used by the Group management.

Equipment, fixtures and fittings include mainly hardware, servers, telephone exchanges, remote control equipment, office furniture and others.

Motor vehicles include mainly the bus fleet of the Group's public transportation business and the Group's passenger cars.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the assets were already of the age and in the conditions expected at the end of their useful life. The residual value of an asset is nil or its scrap value if the Group expects to use the asset until the end of its physical life.

Land and assets under construction are not depreciated.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The Group allocates the amount initially recognized in respect of an item of property, plant and equipment proportionally to its significant parts and depreciates separately each such part.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Items that are retired or otherwise disposed of are eliminated from the balance sheet, along with the corresponding accumulated depreciation. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

2.5 Investment Property

Investment property is property held by the Group to earn rental income or for capital appreciation, or both and which is not occupied by the Group. Investment property includes assets under construction for future use as investment property.

Investment property comprises freehold land, freehold commercial properties (retail, office and logistics) and land plots held under operating and finance leases. Land plots held under operating lease are classified and accounted for as investment property when the definition of investment property is met. In such cases the related operating leases are accounted for as if they were finance leases.

Investment property is initially valued at historical cost including related transaction costs. Costs include the works performed, the costs of staff directly related to technical supervision and project management on the basis of time spent up to the date of completion.

After initial recognition at cost the investment property, including property under construction or development for future use as investment property, is carried at fair value. Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction, without deduction of any transaction costs.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Valuation reports as of the balance sheet date are prepared by independent appraisers, who hold a recognized and relevant professional qualification and who have recent experience in valuation of property of similar location and category. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

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2 Summary of Significant Accounting Policies (Continued)

2.5. Investment Property (Continued)

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognized as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognized in the condensed consolidated interim financial statements. Transaction costs, such as estimated agent's and legal and accounting fees and transfer taxes are not deducted for the purposes of valuation of investment property in these financial statements irrespective whether or not they form part of the described valuations.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the condensed consolidated interim financial statements.

Subsequent expenditures are capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with these expenditures will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed to the consolidated income statement during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recorded in the consolidated income statement under "Revaluation gain/(loss) on investment properties". Investment properties are derecognised when they have been disposed.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any revaluation gain or loss resulting from a difference between the carrying amount and the fair value of this item at the date of transfer is recognized in other comprehensive income as a revaluation surplus or loss of property, plant and equipment under IAS 16.

Increases at the date of the transfer of the investment property to Property, plant and equipment are recognised directly in other comprehensive income, unless there was an impairment loss recognised for the same property in prior years and a portion of the increase is recognised in profit and loss to the extent of that impairment loss.

Decreases are recognised in the Comprehensive Income for any decrease in excess of the amount included in the revaluation surplus for that property recognised at the date of the transfer.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as investment property and stated at fair value.

Where an investment property undergoes a change in use evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

The Group classifies the investment property for the presentation purposes as investment properties in use or vacant and investment properties under development based on the stage of completion of the individual property construction and progress of leasing space to tenants. Consistently with classification for purposes of segmental analysis (see Note 6), the Group classifies a property as "in use or vacant" from the end of the accounting period in which the property has been commissioned for its intended use and an approbation has been carried out. The Group also presents the value of investment properties and related income and expenses by following types of properties – office, retail, and industrial – classified by the prevailing function of the property for its tenants.

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2 Summary of Significant Accounting Policies (Continued)

2.6. Intangible Assets

Goodwill. See Note 2.2 "Business combinations" for the accounting policy on goodwill.

Other intangible assets. All of the Group's other intangible assets have definite useful lives and primarily include (i) externally acquired computer software licences and (ii) public transportation licence acquired in a business combination.

Intangible assets are initially measured at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Group, and the asset can be measured reliably. After initial recognition, the intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized on the straight-line basis over their useful lives:

	<u>Useful lives in years</u>
Software and software licences	5 years
Licence to operate public transportation	10 years

The amortisation of an intangible asset starts in the month when the intangible asset is available for use. Intangible assets are depreciated in line with the approved depreciation plan using the straight-line method. Amortisation charge is determined as the difference between acquisition costs and residual value, divided by estimated useful life of the intangible assets. If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs to sell.

Residual value of intangible assets is assumed to be zero unless (a) there is a commitment by a third party to purchase the asset at the end of its useful life, or (b) there is an active market for the asset and residual value can be determined by the reference to that market and it is probable that such a market will exist at the end of the asset's useful life.

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

A licence to operate public transportation on the bus line Bratislava, Slovakia to Vienna, Austria has been recognized upon acquisition of SAD, a.s. (currently Slovak lines, a.s.).

2.7. Impairment of Non-Financial Assets

Assets that have an indefinite useful life and intangible assets not yet available for use are not subject to amortization and are tested for impairment annually. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are individually identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that were impaired are reviewed for possible reversal of the impairment at each reporting date.

2.8. Financial Instruments

Key measurement terms. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition and includes transaction costs.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place.

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2 Summary of Significant Accounting Policies (Continued)

2.8. Financial Instruments (Continued)

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is the current bid price for financial assets and current asking price for financial liabilities which are quoted in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other institution and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the balance sheet.

The effective interest method is a method of allocating interest income or interest expense over the relevant period so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest reprising date except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Classification of financial assets. The Group classifies its financial assets in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" in the following categories: financial assets at fair value through profit or loss; available-for-sale financial assets and loans and receivables. The initial recognition classification depends on the purpose for which the investments were acquired, whether they are quoted in an active market and on management intentions.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the near term. Derivatives are also categorized as held for trading.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables exclude those assets for which the holder may not recover substantially all of its initial investment other than because of credit deterioration. Loans and receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Reconciliation of these categories of financial assets with the balance sheet classes is presented in Note 30.

Initial recognition of financial instruments. Trading securities, derivatives and other financial instruments at fair value through profit or loss are initially recorded at fair value. All other financial instruments are initially recorded at fair value plus transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date that the Group commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

Subsequent measurement of financial assets. Available-for-sale financial assets and financial assets at fair value next through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise.

Gains or losses arising from changes in the fair value of the available-for-sale financial assets are recognised in other comprehensive income in the period in which they arise and are reclassified to profit or loss upon disposal or impairment.

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2 Summary of Significant Accounting Policies (Continued)

2.8. Financial Instruments (Continued)

Impairment of financial assets carried at amortised cost. Impairment losses are recognised in profit or loss for the year when incurred as a result of one or more events ("loss events") that occurred after the initial recognition of the financial asset and which have an impact on the amount or timing of the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. If the Group determines that no objective evidence exists that impairment was incurred for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. The primary factors that the Group considers in determining whether a financial asset is impaired are its overdue status and reliability of related collateral, if any.

The following other principal criteria are also used to determine whether there is objective evidence that an impairment loss has occurred:

- any installment is overdue and the late payment cannot be attributed to a delay caused by the settlement systems;
- the borrower experiences a significant financial difficulty as evidenced by the borrower's financial information that the Group obtains;
- the borrower considers bankruptcy or a financial reorganisation;
- there is an adverse change in the payment status of the borrower as a result of changes in the national or local economic conditions that impact the borrower; or
- the value of collateral significantly decreases as a result of deteriorating market conditions.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets and the experience of management in respect of the extent to which amounts will become overdue as a result of past loss events and the success of recovery of overdue amounts. Past experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect past periods and to remove the effects of past conditions that do not exist currently.

If the terms of an impaired financial asset held at amortised cost are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the modification of terms. The renegotiated asset is then derecognized and a new asset is recognized at its fair value only if the risks and rewards of the asset substantially changed. This is normally evidenced by a substantial difference between the present values of the original cash flows and the new expected cash flows.

Impairment losses are always recognised through an allowance account to write down the asset's carrying amount to the present value of expected cash flows (which exclude future credit losses that have not been incurred) discounted at the original effective interest rate of the asset. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account through profit or loss for the year.

Uncollectible assets are written off against the related impairment loss provision after all the necessary procedures to recover the asset have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are credited to impairment loss account in profit or loss for the year.

Derecognition of financial assets. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Impairment testing of the non-financial assets is described in Note 2.7.

Financial liabilities. The Group classifies its financial liabilities in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". The classification depends on the contractual provisions of the instrument and the intentions with which management entered into the contract. Management determines the classification of its financial liabilities at initial recognition.

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2 Summary of Significant Accounting Policies (Continued)

2.8. Financial Instruments (Continued)

Other financial liabilities (other than derivative financial instruments) are recognised initially at fair value net of transaction costs that are directly attributable to the origination of the financial liability. After initial recognition, the Group measures all financial liabilities (except for derivative financial instruments) at amortised cost using the effective interest method.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value determined by the market EUR yield curve for the related derivative financial instruments and related period as at the balance sheet date.

2.9. Leases

IAS 17 defines a lease as being an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use the asset for an agreed period of time.

Operating leases. When assets are leased out under an operating lease, the lease payments receivable are recognised as rental income on a straight-line basis over the lease term. The lease term is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Where rental contracts are indexed by a fixed percentage, the revenue is recognized on the straight line basis over the lease term together with impact of any other contractual arrangements such as stepped rent. The resulting receivable is recognised within non-current assets or trade and other receivables depending on expected collection pattern. In determining the fair value of the related investment property, the Group does not double-count assets; the fair value of such investment property excludes accrued operating lease income because it is recognised as a separate asset.

Where the Group is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Group, the total lease payments are charged to profit or loss on a straight-line basis over the lease term with the exception of the operating leases for land classified as investment property; such leases are accounted for as finance leases.

Finance leases and property interests held under operating leases. Where the Group is a lessee in a lease (a) which transferred substantially all the risks and rewards incidental to ownership to the Group or (b) the Group elected to classify a property interest held under an operating lease as investment property and therefore accounts for the lease as if it was a finance lease, the assets leased are capitalised in investment property at the commencement of the lease at the lower of the fair value of the property interest or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of future finance charges, are included in borrowings. The interest cost is charged to the consolidated profit and loss over the lease period using the effective interest method. The investment properties acquired under finance leases are carried at fair value.

2.10. Current and deferred income taxes

Income taxes have been provided for in the condensed consolidated interim financial statements in accordance with applicable legislation enacted or substantively enacted by the balance sheet date and on entity by entity basis. The income tax charge comprises current tax and deferred tax and is recognised in the profit or loss unless it relates to transactions that are recognised, in the same or a different period, directly in equity or in other comprehensive income.

Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit or loss. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill and subsequently for goodwill which is not deductible for tax purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the balance sheet date which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred income tax is provided on post acquisition retained earnings and other post acquisition movements in reserves of subsidiaries to the extent that it is probable that the temporary differences will reverse in the foreseeable future through a taxable disposal or other taxable event.

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2 Summary of Significant Accounting Policies (Continued)

2.10. Current and deferred income taxes (Continued)

Deferred taxes are provided in full on revaluation differences arising on investment properties which are held by companies in taxable jurisdictions even if the Group may effect the sale of such properties in a tax free manner through disposals of the subsidiaries holding the property interests.

2.11. Inventories

Inventories represent land expected to be developed into residential property in line with the zoning and other regulatory requirements for the Group's projects and land held for disposal in the normal course of business. Inventories are presented as current because of the term of the operating cycle, but their carrying amount is expected to be recovered after 12 months. As of 31 December 2012, land that represented inventories expected to be realised after 12 months amounted to EUR 3.0 million (2011: EUR 3.0 million). Inventories are recorded at the lower of cost and net realisable value. Cost of land under development is determined using specific identification method; cost of other inventories which comprise of interchangeable items is determined using weighted average method. The cost of inventories comprises the cost of acquisition, and any construction and other development costs incurred. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

2.12. Construction contracts

The Group is involved on an ongoing basis in construction contracts. Contract costs are recognised when incurred.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that they have been agreed with the customer and are capable of being reliably measured.

The Group uses the percentage-of-completion method to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retentions are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.13. Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, net of provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the consolidated profit and loss. The primary factors that the Group considers whether a receivable is impaired is its overdue status. The following other principal criteria are also used to determine that there is objective evidence that an impairment loss has occurred:

- any portion of the receivable is overdue and the late payment cannot be attributed to a delay caused by the settlement systems;
- the counterparty experiences a significant financial difficulty as evidenced by its financial information that the Group obtains;
- the counterparty considers bankruptcy or a financial reorganisation; and
- there is adverse change in the payment status of the counterparty as a result of changes in the national or local economic conditions that impact the counterparty.

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2 Summary of Significant Accounting Policies (Continued)

2.13. Trade and Other Receivables (Continued)

Guarantees received are not recognised but are considered when assessing recoverability of related receivables.

2.14. Prepayments

Prepayments are recognised initially at fair value and subsequently are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. If there is an indication that the goods or services relating to a prepayment will not be received, a corresponding impairment is recognised in the profit or loss.

2.15. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost using the effective interest method. Restricted balances are excluded from cash and cash equivalents for the purposes of the cash flow statement. Balances restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date are included in non-current assets.

2.16. Share Capital and Share Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is presented in the notes as a share premium. Contributions made by shareholders to other consolidated entities without corresponding change in non-controlling interests are recorded directly in retained earnings.

Share premium represents the excess of contributions received and receivable over the nominal value of shares issued.

2.17. Dividends and other distributions to owners

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are declared after the balance sheet date but before the condensed consolidated interim financial statements are authorised for issue.

2.18. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. After initial recognition, borrowings are carried at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement using the effective interest method. The Group does not capitalise interest related to qualifying assets that are carried at fair value, including investment properties. Accordingly, interest costs on borrowings are expensed as incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

2.19. Trade and Other Payables

Trade payables are accrued when the counterparty performed its obligations under the contract. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.20. Provisions for Liabilities and Charges

Provisions for liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

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2 Summary of Significant Accounting Policies (Continued)

2.20. Provisions for Liabilities and Charges (Continued)

Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.21. Uncertain Tax Positions

The Group's uncertain tax positions are reassessed by management at every balance sheet date. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the balance sheet date and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the balance sheet date.

2.22. Financial Guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the guarantee. At each balance sheet date, the guarantees are measured at the higher of (i) the unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the obligation at the balance sheet date.

2.23. Revenue Recognition

Rental and similar income from investment property includes rental income, and service charges and management charges from properties.

Rental income is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income. This applies to discounted rent periods, indexation and stepped rents. The contingent payments under lease agreements depending on agreed level of sales turnover of tenants are recognized as income in the period when earned because the Group is unable to reliably estimate the future sales turnover of tenants in order to be able to recognise such expected contingent rents on a straight line basis over the lease term.

Sales of services and management charges are recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Sales are shown net of VAT and discounts. When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

Revenue from public transportation is recognised when service is provided. Local government subsidies towards the cost of public transportation are recognised as other operating income in the same period as the costs they are intended to compensate.

Interest income is recognised on a time-proportion basis using the effective interest method.

2.24. Employee Benefits

Wages, salaries, contributions to the state and private pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services and kindergarten services) are accrued in the year in which the associated services are rendered by the employees of the Group.

Employee benefits include the cost of share based payments made to employees in respect of their services. Cash settled share-based payment obligations to employees are measured at fair value of the liability at the balance sheet date and recognised in profit or loss to the extent that the services were rendered by the employees estimated by reference to the vesting period that passed by the balance sheet date.

Share based payments relate to compensation to certain key members of management of the Group. The benefits were vested as of 31 December 2007, the IFRS transition date, and they are cash-settled. The intrinsic value approximates carrying value of share based payments liabilities. Accordingly, the Group applies IFRS 2, Share Based Payments, to these liabilities. Refer to Note 18 for carrying value of liabilities and Note 22 for expense accrued in the period.

Beginning from 2010, the shareholders of the Group introduced a new scheme for selected senior members of the Group's management. Senior managers are entitled to obtain certain payments from the shareholders based on the net asset value of the Group. As the obligation was incurred by shareholders and not by the Group, the Group did not recognise these employee benefits as its expenses in profit or loss and is unrelated to the entity's share price.

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2 Summary of Significant Accounting Policies (Continued)

2.25. Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to employee benefits, bus fleet amortisation, spent fuel and other costs of operating public transportation are recognised as other operating income in the consolidated profit and loss in the same period as the costs that they are intended to compensate.

2.26. Derivative Financial Instruments

Derivative financial instruments represent interest rate swaps and are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year. The Group does not apply hedge accounting.

2.27. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Board of Directors of the Company.

2.28. Other operating expenses

Expenses include legal, accounting, auditing and other fees. They are recognised in profit or loss in the period in which they are incurred (on an accruals basis).

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the condensed consolidated interim financial statements. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the condensed consolidated interim financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Valuation of investment properties using income capitalisation method. The fair value estimates of 92% of investment properties (31 December 2012: 98%) were determined by the Group having received independent valuation advice from international valuation companies which have experience in valuing properties of similar location and characteristics. The remaining properties were valued on a basis of broker quotes or management estimates. Due to the nature of the properties and lack of comparable market data, the fair value of investment properties is estimated based on the income capitalisation method, where the value is estimated from the expected future benefits to be generated by the property in the form of rental income streams. The method considers net income generated by existing or comparable property, capitalised to determine the value for property which is subject to the valuation. The principal assumptions underlying the estimation of the fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; appropriate discount rates; and in case of properties under development, future constructions costs and market developers' profits. These valuations are regularly compared to actual market data, and actual transactions by the Group and those reported by the market. The Group management and the valuation experts have applied their judgment when assessing the fair values of the properties.

The principal assumptions made, and the impact on the aggregate valuations of reasonably possible changes in these assumptions, are as follows:

- Rental charges per square meter and month have been calculated for each property on a basis of actually contracted and prevailing market rates as estimated by the qualified valuers. Should the rental levels increase or decrease by 10% the carrying value of investment property would be higher or lower by EUR 75.2 million (2012: EUR 69.1 million).
- The income capitalisation rate (yield) across the portfolio was assumed to be from 6.29% to 9.50%, or 7.23% on average (2012: 6.29% to 9.50%, or 7.26% on average). Should this capitalisation rate increase / decrease by 25 basis points, the carrying value of the investment property would be EUR 40.9 million lower/higher (2012: EUR 44.2 million lower/higher).

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3 Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

Income taxes The Group is subject to income taxes in different jurisdictions. Significant estimates are required in determining the provision for income taxes.

The calculation of deferred tax on investment properties is not based on the fact that they might be realised through a share deal but through an asset deal. As a result of the Group structure, the potential capital gain may be exempted from any tax in case of share deal if certain conditions are met and hence the accumulated deferred tax liabilities may be recognized as a gain depending on the outcome of negotiations with future buyers.

4 Adoption of New International Financial Reporting Standards and Interpretations

No new standards were adopted during the period ended 30 June 2013.

5 New Accounting Pronouncements

Since the Group published its last consolidated annual financial statements certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2014 or later, and which the Group has not early adopted.

IFRIC 21 - Levies (issued on 20 May 2013 and effective for annual periods beginning 1 January 2014). The interpretation clarifies the accounting for an obligation to pay a levy that is not income tax. The obligating event that gives rise to a liability is the event identified by the legislation that triggers the obligation to pay the levy. The fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern assumption, does not create an obligation. The same recognition principles apply in interim and annual financial statements. The application of the interpretation to liabilities arising from emissions trading schemes is optional.

Amendments to IAS 36 - Recoverable amount disclosures for non-financial assets (issued on 29 May 2013 and effective for annual periods beginning 1 January 2014; earlier application is permitted if IFRS 13 is applied for the same accounting and comparative period). The amendments remove the requirement to disclose the recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.

Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting (issued on 27 June 2013 and effective for annual periods beginning 1 January 2014). The amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated (i.e parties have agreed to replace their original counterparty with a new one) to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's financial statements.

The Group has also not early adopted any of the new standards and interpretations disclosed in the 'New Accounting Pronouncements' note in its last annual consolidated financial statements and effective for its annual periods beginning on or after 1 January 2014.

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6 Segment Analysis

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The functions of CODM are performed by the Board of Managers of the Company.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is organised on the basis of the following segments:

Asset Management – representing management of income generating properties (properties in use or vacant).

Development Pipeline – representing search for development opportunities, acquisition of land and properties, zoning and permitting, construction and marketing of investment property under development.

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6. Segment Analysis (Continued)

Development in Construction – representing properties that are currently being constructed or are planned to be constructed in foreseeable future. A property is reclassified from Development in Construction to Asset Management as the end of the accounting period in which the property has been commissioned for its intended use and an approbation has been carried out. This means that the revenues, costs, including the revaluation gains or losses related to the year when property reaches the described criteria, are included within Development in Construction, whereas the completed property is shown on the balance sheet as of the last day of such period as property "in use or vacant" under Asset Management business.

Non-Core – representing management of land bank items designated as Non-Core properties as well as management of the public transportation business of the Group.

Cash – representing management of entities that are set up for concentration of cash for its further investments and providing loans to other entities within consolidated group.

Investment management – consists from HB Reavis Real Estate SICAV - SIF and its subsidiaries that were set up during year 2011 for offering of shares to selected investors.

(b) Factors that management used to identify the reportable segments

The Group's segments are strategic business units that focus on different activities of the Group. They are managed separately because each business unit requires different skill sets, product and market, procurement and human resource strategies.

Segment financial information reviewed by the Board of Managers includes rental and similar income from Asset Management business less directly attributable costs associated with properties that equal to Net Operating Income (NOI). The Board of Managers also reviews the change in fair value of properties.

With respect to Development Pipeline segment, the Board reviews acquisition opportunities and submitted bids for land and properties and oversees property design, permitting and zoning as well as construction budgets and property marketing and letting activities at the end of the development cycle.

With respect to Investment Management segment, Management reviews opportunities for transfer of further subsidiaries into this segment that would contribute to development and extend of portfolio offered for external investors.

Management reviews and approves the budgets, plans and financial results of the public transportation business as well as the land bank items designated as non-core properties.

Management prepares and reviews the budgets and plans as regarding cash-flows and cash management.

(c) Measurement of operating segment profit or loss, assets and liabilities

The Board reviews financial information prepared based on International Financial Reporting Standards as adopted by European Union.

The Board evaluates performance of each segment based on profit before unallocated operating expenses and after interest expense arising on bank borrowings.

The Group allocates costs to segments based on specific identification of entities that belong to particular segments. Direct operating expenses arising from investment property are allocated on a basis of appropriate cost driver (e.g. MWh of electricity spent for electricity related costs). Transactions of the subsidiaries are allocated to relevant segment based on the substance of the transactions (e.g. expenses of subsidiary that supply utilities to other subsidiaries are allocated to segment for which the utility was purchased).

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6 Segment Analysis (Continued)

(d) Information about reportable segment profit or loss, assets and liabilities

The segment profit and loss information for 6 months ended 30 June 2013 is as follows:

In millions of EUR	Note	Asset Management	Development in Construction	Development Pipeline	Investment Management	Non Core	Cash	Total
Rental and similar income from investment property	19	12.7	-	0.1	5.3	-	-	18.1
- Office		11.3	-	0.4	1.9	-	-	13.6
- Retail		3.9	-	-	1.9	-	-	5.8
- Industrial		27.9	-	0.5	9.1	-	-	37.5
Direct operating expenses arising from investment property	20	(3.9)	(0.3)	(0.1)	(1.2)	-	-	(5.5)
- Office		(3.4)	(0.2)	-	(0.6)	-	-	(4.2)
- Retail		(0.9)	-	-	(0.4)	-	-	(1.3)
- Industrial		(8.2)	(0.3)	(0.3)	(2.2)	-	-	(11.0)
Net operating income from investment property		18.7	(0.3)	0.2	6.9	-	-	26.5
Revaluation gain/(loss) on investment property	9	(3.1)	32.6	11.8	(0.3)	-	-	41.0
- Office		(9.1)	-	(0.4)	(0.6)	-	-	(10.1)
- Retail		(2.6)	-	-	-	(0.1)	-	(2.7)
- Industrial		-	-	-	-	-	-	-
- Non core		(0.1)	-	-	-	-	-	(0.1)
		(14.9)	32.6	11.4	(0.9)	(0.1)	-	28.1
Revenue from construction contracts with related parties	7, 23	-	1.5	-	-	-	-	1.5
Revenue from fit-outs for tenants	23	-	1.0	-	-	-	-	1.0
Construction and fit-outs related costs	23	-	(2.0)	-	-	-	-	(2.0)
Result on property disposal	25	9.2	0.5	-	-	-	-	9.7
Interest expense - third parties		(3.3)	(1.3)	(0.1)	(2.7)	-	-	(7.4)
		10.7	31.5	11.5	3.3	(0.1)	-	56.9
Income from public transportation	21	-	-	-	-	10.6	-	10.6
Fuel costs		-	(0.2)	-	-	(2.2)	-	(2.4)
Employee benefits		(0.7)	(2.2)	(2.1)	-	(3.6)	-	(8.6)
Depreciation and amortisation		(0.8)	(0.8)	(0.2)	-	(1.1)	-	(2.9)
Other operating expenses (incl. construction costs fit-outs +RP)		(1.0)	(0.9)	(0.2)	(0.3)	(3.7)	-	(6.1)
Other operating income - related parties		0.2	0.4	0.1	-	0.6	-	1.3
Other operating income - third parties	7	-	0.3	-	-	-	-	0.3
Interest income from third parties	25	-	0.1	-	-	-	-	0.1
Interest income from related parties	7, 25	0.1	-	-	-	-	0.2	0.3
Interest expense - related parties	7, 25	-	(11.9)	(3.9)	-	(0.1)	(0.3)	(18.0)
Foreign exchange gains less losses		(1.8)	-	-	-	-	0.4	(1.4)
Other finance income		-	(0.4)	-	(0.3)	-	-	(1.1)
Other finance costs		(0.4)	-	-	-	-	-	(0.4)
Segment result		6.2	8.8	5.4	2.7	0.4	0.3	23.8
Purchases of investment property	9	0.8	-	-	-	-	-	0.8
Construction costs related to investment property	9	3.6	37.4	1.9	0.4	-	-	43.3
Additions to property plant and equipment	8	-	1.0	-	-	1.5	-	2.5
Additions to intangible assets		-	-	-	-	-	-	-
Total investments		4.4	38.4	1.9	0.4	1.5	-	46.6
Sale of investment property	9	-	-	-	-	-	-	-
Total divestments		-	-	-	-	-	-	-

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6 Segment Analysis (Continued)

The segment information on assets and liabilities as of 30 June 2013 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Construction	Development Pipeline	Investment Management	Non Core	Cash	Unallocated	Total
Investment property									
- Office	9	301.0	116.0	217.6	102.9	-	-	-	827.5
- Retail		125.7	-	28.8	30.8	2.4	-	-	188.7
- Industrial		71.2	-	8.7	29.4	47.5	-	-	156.8
- Non Core		1.0	-	-	-	-	-	-	1.0
Other unallocated assets		-	-	-	-	-	-	255.6	255.6
Total assets		588.9	116.0	256.1	163.1	49.9	-	255.6	1,429.6
Borrowings from third parties – non-current	17	(211.1)	(63.7)	-	(104.3)	(1.1)	-	-	(380.2)
Other loans from third parties – non-current	17	-	-	-	(21.0)	-	-	-	(21.0)
Other loans from related parties – non-current	7, 17	-	(0.6)	-	-	-	-	-	(0.6)
Borrowings from third parties – current	17	(27.8)	-	-	(4.5)	(0.4)	-	-	(32.7)
Deferred income tax liabilities – unallocated	26	-	-	-	-	-	-	(49.3)	(49.3)
Other unallocated liabilities		-	-	-	-	-	-	(139.3)	(139.3)
Total liabilities		(228.9)	(64.3)	-	(129.8)	(1.5)	-	(188.6)	(623.1)
Segment net asset value		360.0	51.7	256.1	33.3	48.4	-	67.0	806.5

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6 Segment Analysis (Continued)

The geographical profit and loss information for 6 months ended 30 June 2013 is as follows:

Geographical information

In millions of EUR	Note	Slovakia	Czech Republic	Poland	Hungary	Other countries	Total
Rental and similar income	19	34.5	2.8	0.2	-	-	37.5
Direct operating expenses	20	(10.2)	(0.5)	(0.2)	-	(0.1)	(11.0)
Net operating income from investment property		24.3	2.3	-	-	(0.1)	26.5
Revaluation gain	9	(9.7)	5.7	32.4	(0.3)	-	28.1
Revenue from fit-outs for tenants	23	0.3	0.1	0.6	-	-	1.0
Revenue from construction contracts with related	7, 23	1.5	-	-	-	-	1.5
Gain on sale of subsidiary		9.2	-	-	-	-	9.2
Income from public transportation	21	10.6	-	-	-	-	10.6
Revenue from sale of fuel	23	0.5	-	-	-	-	0.5
Other operating income		0.8	0.1	0.2	-	-	1.1
Gross operating income		13.2	5.9	33.2	(0.3)	-	52.0
Investment property in use or vacant	9	564.2	82.0	105.8	-	-	752.0
Investment property under development	9	168.4	73.9	169.3	10.4	-	422.0
Property plant and equipment	8	28.5	3.0	5.2	0.2	0.4	37.3
Intangible assets		1.9	-	-	-	-	1.9
Receivables and loans	11	7.2	2.2	0.1	-	4.6	14.1
Other non-current assets	12	-	-	-	-	-	-
Total non-current assets		770.2	161.1	280.4	10.6	5.0	1,227.3
Purchases of investment property (including non-cash)	9	0.8	-	-	-	-	0.8
Construction costs related to investment property	9	10.7	8.6	19.7	4.3	-	43.3
Additions to property plant and equipment	8	2.3	0.1	-	0.1	-	2.5
Additions to intangible assets		-	-	-	-	-	-
Total investments		13.8	8.7	19.7	4.4	-	46.6
Sale of investment property	9	-	-	-	-	-	-
Total divestments		-	-	-	-	-	-

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6 Segment Analysis (Continued)

The segment profit and loss information for 6 months ended 30 June 2012 is as follows:

In millions of EUR	Note	Asset Management	Development in Construction	Development Pipeline	Investment Management	Non Core	Cash	Total
Rental and similar income from investment property	19							
- Office		12.1	-	-	4.9	-	-	17.0
- Retail		10.3	-	0.5	1.8	-	-	12.6
- Industrial		2.9	-	-	1.9	-	-	4.8
		25.3	-	0.5	8.6	-	-	34.4
Direct operating expenses arising from investment property	20							
- Office		(4.0)	-	-	(1.3)	-	-	(5.3)
- Retail		(2.8)	-	(0.2)	(3.5)	-	-	(6.5)
- Industrial		(1.1)	-	-	(0.5)	-	-	(1.6)
		(7.9)	-	(0.2)	(2.3)	-	-	(10.4)
Net operating income from investment property		17.4	-	0.3	6.3	-	-	24.0
Revaluation gain/(loss) on investment property	9							
- Office		0.4	66.5	(1.2)	(0.3)	-	-	65.4
- Retail		(13.7)	(2.6)	(16.7)	(0.3)	(0.1)	-	(33.3)
- Industrial		(4.8)	(1.7)	(4.3)	(0.3)	0.1	-	(10.0)
		(18.1)	66.5	(3.1)	(1.4)	-	-	(4.3)
Revenue from construction contracts with related parties	7, 23	-	1.2	-	-	-	-	1.2
Revenue from fit-outs for third parties	23	-	0.7	-	-	-	-	0.7
Construction and fit-outs related costs	23	-	(1.8)	-	-	-	-	(1.8)
Interest expense - third parties	25	(2.4)	(1.5)	0.6	(1.2)	-	(0.2)	(4.7)
		(3.1)	65.1	(2.2)	3.7	-	(0.2)	63.3
Income from public transportation	21	-	(0.2)	-	-	10.2	-	10.2
Fuel costs		-	(0.7)	(2.5)	(2.3)	(2.3)	-	(5.8)
Employee benefits	22	(0.3)	(0.6)	(0.6)	(0.5)	(3.5)	-	(5.5)
Depreciation and amortisation		(2.0)	(9.6)	(0.1)	(0.3)	(1.6)	-	(13.6)
Other operating expenses (excl. construction costs Fit-outs +RP)		0.4	0.5	(0.1)	(0.3)	(3.9)	(0.2)	(3.4)
Other operating income - third parties	7	-	0.3	-	-	1.0	-	1.3
Interest income from third parties	25	-	0.1	-	-	(0.1)	0.1	0.1
Interest expense - related parties	7, 25	-	-	-	-	-	0.1	0.1
Interest expense - related parties	7, 25	-	-	-	-	-	-	-
Foreign exchange gains less losses		(0.4)	0.1	0.1	-	-	1.5	1.7
Other finance income		(0.2)	3.0	-	-	-	-	2.8
Other finance costs		(0.2)	-	-	(0.1)	-	-	(0.3)
Segment result		(6.3)	56.2	(5.3)	3.3	(0.2)	1.3	49.0
Purchases of investment property	9	-	83.2	22.4	-	-	-	105.6
Construction costs related to investment property	9	7.2	20.3	0.1	0.3	-	-	27.8
Acquisitions of plant and equipment	8	-	1.5	-	-	0.2	-	1.7
Additions to intangible assets		-	-	-	-	-	-	-
Total investments	9	7.2	105.0	22.5	0.3	0.2	-	135.2
Sale of investment property		-	-	-	-	(4.3)	-	(4.3)
Total divestments		-	-	-	-	(4.3)	-	(4.3)

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6 Segment Analysis (Continued)

The segment information on assets and liabilities as of 31 December 2012 is as follows:

<i>In millions of EUR</i>	Note	Asset Management	Development in Construction	Development Pipeline	Investment Management	Non Core	Cash	Unallocated	Total
Investment property									
- Office	9	235.7	235.0	185.8	103.0	-	-	-	759.5
- Retail		217.8	-	35.9	31.2	2.4	-	-	287.3
- Industrial		74.1	2.2	6.8	29.4	47.5	-	-	160.0
Other unallocated assets		-	-	-	-	-	-	220.2	220.2
Total assets		527.6	237.2	228.5	163.6	48.9	-	220.2	1,427.0
Borrowings from third parties – non-current	17	(234.0)	(66.8)	-	(34.4)	(0.1)	-	-	(334.3)
Other loans from third parties – non-current	17	-	-	-	(14.7)	-	-	-	(14.7)
Other loans from related parties – non-current	7, 17	-	(0.6)	-	-	-	-	-	(0.6)
Borrowings from third parties – current	17	(29.6)	-	-	(75.1)	(0.2)	-	-	(104.9)
Deferred income tax liabilities – unallocated	26	-	-	-	-	-	-	(57.8)	(57.8)
Other unallocated liabilities		-	-	-	-	-	-	(118.5)	(118.5)
Total liabilities		(263.6)	(66.4)	-	(124.2)	(0.3)	-	(176.3)	(600.8)
Segment net asset value		264.0	170.8	228.5	39.4	48.6	-	43.9	796.2

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6 Segment Analysis (Continued)

The geographical profit and loss information for 6 months ended 30 June 2012 is as follows:

Geographical information

In millions of EUR	Note	Slovakia	Czech Republic	Poland	Hungary	Other countries	Total
Rental and similar income	19	33.1	1.3	-	-	-	34.4
Direct operating expenses	20	(9.8)	(0.6)	-	-	-	(10.4)
Net operating income from investment property for 6 months ended 30 June 2012		23.3	0.7	-	-	-	24.0
Revaluation gain	9	(6.3)	1.5	48.7	-	-	43.9
Revenue from fit-outs for tenants	23	1.7	0.2	-	-	-	1.9
Revenue from construction contracts with related parties	7, 23	1.2	-	-	-	-	1.2
Income from public transportation	21	10.2	-	-	-	-	10.2
Revenue from sale of fuel	23	0.7	-	-	-	-	0.7
Other operating income		0.8	0.4	0.3	-	-	1.5
Gross operating income for 6 months ended 30 June 2012		8.3	2.1	49.0	-	-	59.4
Investment property in use or vacant	9	609.2	85.0	-	-	-	691.2
Investment property under development	9	201.8	63.8	243.5	6.5	-	515.6
Property plant and equipment	8	29.2	0.4	1.4	0.2	0.3	31.5
Intangible assets		2.1	-	-	-	-	2.1
Receivables and loans	11	8.0	1.5	-	-	2.3	11.8
Other non-current assets	12	1.1	-	-	-	-	1.1
Total non-current assets as of 31 December 2012		843.4	150.7	244.9	6.7	2.6	1,253.3
Purchases of investment property		-	24.2	76.1	5.3	-	105.6
Construction costs related to investment property	9	13.3	2.1	12.0	0.4	-	27.8
Additions to property plant and equipment	8	1.2	-	0.4	0.1	0.1	1.8
Additions to intangible assets		-	-	-	-	-	-
Total investments for 6 months ended 30 June 2012		14.5	26.3	88.5	5.8	0.1	135.2
Sale of investment property	9	(4.3)	-	-	-	-	(4.3)
Total divestments for 6 months ended 30 June 2012		(4.3)	-	-	-	-	(4.3)

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7 Balances and Transactions with Related Parties

Related parties are defined in IAS 24, *Related Party Disclosures*. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or has joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The Company's immediate parent is disclosed in Note 1.

Key management of the Group consists of 15 senior managers (2012: 15). Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 30 June 2013 are detailed below.

At 30 June 2013, the outstanding balances with related parties were as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Total
Trade and other receivables (Note 13)	2.9	3.8	6.7
Loans and receivables – non-current (Note 11)	4.6	-	4.6
Borrowings (Note 17)	(0.6)	-	(0.6)
Trade and other payables current (Note 18)	(1.8)	(2.9)	(4.7)
from that:			
Share based payments (Notes 22 and 2.24)	-	(2.5)	(2.5)
Other payables non-current (Note 18)	(0.9)	-	(0.9)

The income and expense items with related parties for 6 months ended 30 June 2013 were as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Total
Revenue from services rendered	0.3	-	0.3
Revenue from construction contracts (Note 23)	-	1.5	1.5
Other services	(0.7)	-	(0.7)
Short-term employee benefits (salaries)	-	(1.0)	(1.0)
Long-term employee benefits (social security costs)	-	(0.2)	(0.2)
Share based payments (Note 22, Note 2.24)	-	-	-
Interest income (Note 25)	0.2	0.1	0.3
Interest expense (Note 25)	-	-	-

A shareholder entity has made an undertaking to the senior managers of the Group to pay an amount under a profit sharing scheme based on increase in Net Asset Value (adjusted) of the Group equal to EUR 0.7 million with respect to 2012 (2011: EUR 0.9 million). As the amount is payable by the shareholder, and does not constitute a share based payment under IFRS, it has not been expensed by the Group. The compensation of the Board of Managers of the Parent Company amounted to EUR 0.4 million during the 6 months of 2013 (6 months of 2012: EUR 0.4 million).

The Group also had outstanding loans receivable from the members of the Board of Directors of the Group as at 30 June 2013 amounting to EUR 0.8 million (2012: EUR 2.0 million).

Dividends paid by Group during the period 6 months ended 30 June 2013 and 30 June 2012 respectively are described in Note 16.

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7 Balances and Transactions with Related Parties (Continued)

At 31 December 2012, the outstanding balances with related parties were as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Total
Trade and other receivables (Note 13)	6.5	2.0	8.5
Loans and receivables – non-current (Note 11)	2.3	0.1	2.4
Borrowings (Note 17)	(0.6)	-	(0.6)
Trade and other payables current (Note 18)	(1.3)	(3.8)	(5.1)
from that:			
Share based payments (Notes 22 and 2.24)	-	(2.5)	(2.5)
Other payables non-current (Note 18)	(0.9)	-	(0.9)

The income and expense items with related parties for 6 months ended 30 June 2012 were as follows:

<i>In millions of EUR</i>	Entities under common control	Key management personnel	Total
Revenue from services rendered	0.3	-	0.3
Revenue from construction contracts (Note 23)	-	1.2	1.2
Other services	(0.7)	-	(0.7)
Short-term employee benefits (salaries)	-	(0.7)	(0.7)
Long-term employee benefits (social security costs)	-	(0.1)	(0.1)
Share based payments (Note 22, Note 2.24)	-	-	-
Interest income (Note 25)	0.1	-	0.1
Interest expense (Note 25)	-	-	-

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8 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment for the 6 months ended 30 June 2013 were as follows:

<i>In millions of EUR</i>	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances (CIP)	Total
At December 2012					
Cost	24.8	3.9	25.5	1.0	55.2
Accumulated depreciation and impairment charges	(5.5)	(2.4)	(15.8)	-	(23.7)
Net book value	19.3	1.5	9.7	1.0	31.5
6 months ended 30 June 2013					
Opening net book value	19.3	1.5	9.7	1.0	31.5
Additions	-	-	-	2.5	2.5
Transfers to IP	(0.7)	-	-	-	(0.7)
Transfers from IP - own offices	6.9	-	-	-	6.9
Transfers	0.4	0.8	1.7	(2.9)	-
Disposals	-	(0.4)	(0.6)	-	(1.0)
Depreciation charge	(0.3)	(0.1)	(1.5)	-	(1.9)
Closing net book value	25.6	1.8	9.3	0.6	37.3
At June 2013					
Cost	31.4	4.3	26.6	0.6	62.9
Accumulated depreciation and impairment charges	(5.8)	(2.5)	(17.3)	-	(25.6)
Net book value	25.6	1.8	9.3	0.6	37.3

As at 30 June 2013, the Group did not lease any significant property, plant and equipment under finance leases (where the Company is the lessee).

As at 30 June 2013, property, plant and equipment carried at EUR 15.6 million (at 31 December 2012: EUR 13.2 million) has been pledged to third parties as collateral with respect to borrowings.

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8 Property, Plant and Equipment (Continued)

Movements in the carrying amount of property, plant and equipment for the 6 months ended 30 June 2012 were as follows:

<i>In millions of EUR</i>	Land and buildings	Machinery, equipment	Vehicles and other assets	Capital work in progress including advances (CIP)	Total
At December 2011					
Cost	25.0	3.1	23.3	0.5	51.9
Accumulated depreciation and impairment charges	(3.8)	(2.1)	(12.2)	-	(18.1)
Net book value	21.2	1.0	11.1	0.5	33.8
6 months ended 30 June 2012					
Opening net book value	21.2	1.0	11.1	0.5	33.8
Additions	-	-	-	1.8	1.8
Transfers	-	0.4	1.3	(1.7)	-
Depreciation charge	(0.9)	(0.1)	(1.9)	-	(2.9)
Closing net book value	20.3	1.3	10.5	0.6	32.7
At June 2012					
Cost	25.0	3.5	24.6	0.6	53.7
Accumulated depreciation and impairment charges	(4.7)	(2.2)	(14.1)	-	(21.0)
Net book value	20.3	1.3	10.5	0.6	32.7

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9 Investment Property

<i>In millions of EUR</i>	30 June 2013		31 December 2012	
	Under development	In use or vacant	Under development	In use or vacant
Fair value at 1 January	515.6	691.2	298.6	697.6
Direct acquisitions of investment property	39.3	-	183.3	-
Acquisitions of subsidiaries other than through business combinations (Note 29)	-	-	38.2	-
Subsequent expenditure on investment property	-	4.0	-	11.9
Transfers from other non-current assets (Note 12)	-	0.8	-	-
Transfers from under development to in use	(158.4)	158.4	(65.2)	65.2
Transfers from property, plant and equipment (Note 8)	0.4	0.3	-	-
Transfers to property, plant and equipment (Note 8)	-	(6.9)	-	-
Transfers to disposal groups classified as held for sale (Note 14)	-	(83.8)	-	(73.2)
Disposals	-	-	(4.9)	(0.3)
Fair value gains/(losses) – properties completed during the year	19.2	-	1.0	-
Fair value gains/(losses) – other properties*	24.7	(9.4)	55.5	(11.0)
Effect of translation to presentation currency	(18.8)	(2.6)	9.1	1.0
Fair value at 30 June 2013 and 31 December 2012	422.0	752.0	515.6	691.2

*Immediately prior to the disposal of an asset which was as of 31 December 2012 classified as Non-current asset held for sale the asset was revalued to fair value and a revaluation loss of EUR 6.4 million was recorded.

<i>In millions of EUR</i>	30 June 2012		31 December 2011	
	Under development	In use or vacant	Under development	In use or vacant
Fair value at 1 January	298.6	697.6	362.7	718.4
Direct acquisitions of investment property	87.7	-	96.9	-
Acquisitions of subsidiaries other than through business combinations (Note 29)	38.2	-	-	-
Subsequent expenditure on investment property	-	7.5	-	4.8
Transfers from under development to in use	(17.6)	17.6	(183.7)	183.7
Transfers from property, plant and equipment (Note 8)	-	-	-	14.0
Transfers to property, plant and equipment (Note 8)	-	-	(13.6)	-
Transfers to disposal groups classified as held for sale (Note 14)	-	-	-	-
Disposals	(4.3)	-	(3.0)	(231.9)
Fair value gains/(losses) – properties completed during the year	0.4	-	32.4	-
Fair value gains/(losses) – other properties	63.0	(19.5)	13.8	9.1
Effect of translation to presentation currency	1.8	0.1	(6.9)	(0.5)
Fair value at 30 June 2012 and 31 December 2011	467.8	703.3	298.6	697.6

The Group classified certain operating leases as investment properties. Such operating leases are accounted for as if they were finance leases. The carrying value of such investment property as of 30 June 2013 was EUR 18.7 million (31 December 2012: EUR 18.8 million).

The investment properties are valued semi-annually at fair value, with benefit of advice by an independent, professionally qualified valuation expert who has recent experience in valuing similar properties in similar locations (30 June 2013: 92.0% of properties were valued by independent, professionally qualified valuation expert, 2012: 98.0%). The methods and significant assumptions applied in determining the fair value are described in Notes 2.5 and 3.

At 30 June 2013, investment properties carried at EUR 700.8 million (at 31 December 2012: EUR 781.2 million) have been pledged to third parties as collateral with respect to borrowings.

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9 Investment Property (Continued)

Valuations obtained for investment properties were adjusted for the purpose of the financial statements to avoid double-counting of assets or liabilities that are recognised as separate assets and liabilities and with respect to cost to complete of properties valued on "As If Complete" basis. Reconciliation between the valuations obtained and the adjusted valuation included in the financial statements is as follows:

<i>In millions of EUR</i>	<i>Note</i>	<i>30 June 2013</i>	<i>31 December 2012</i>
Valuations obtained		1,294.7	1,319.4
Less: land classified as inventory (residential projects and land for resale) – value ascribed by valuer (in inventory at cost)		(5.5)	(5.5)
Less: property classified as property plant and equipment (own use)		(20.8)	(14.4)
Less: future construction costs and developer's profit (properties valued on "as if complete" basis)		-	(6.8)
Less: rental receivables – indexation	11(a)	(8.9)	(9.4)
Less: transfers to disposal groups classified as held for sale	14	(85.5)	(76.5)
Fair value at 30 June 2013 and 31 December 2012		1,174.0	1,206.8

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10 Jointly Controlled Entities

In 2012, the Group sold 25% of its economic interest in its jointly controlled entity Hotel Šachtička, a.s. At 31 December 2012, the Group retains 50% of economic interest in Hotel Šachtička, a.s. and accounted for it using proportional consolidation method.

Hotel Šachtička, a.s. is 100% owner of Šachtický, a.s., which is the legal owner of office building and ski resort.

The following amounts represent the Group's share of the assets and liabilities, and revenue and results of the joint ventures, which are included in the balance sheet and statement of comprehensive income:

<i>In millions of EUR</i>	30 June 2013	31 December 2012
Assets:		
Long-term assets	5.4	4.9
Current assets	0.5	0.7
Liabilities:		
Long-term liabilities	(0.2)	(1.3)
Current liabilities	(1.5)	(0.4)
Net assets	4.2	3.9
	6 months ended 30 June 2013	6 months ended 30 June 2012
Rental income	0.2	0.2
Investment property revaluation (loss) / gain	(0.2)	(0.2)
Profit/(loss) for the year	-	-

The joint ventures had no contingent liabilities or significant capital commitments as of 30 June 2013 or 31 December 2012.

11 Receivables and Loans

<i>In millions of EUR</i>	Note	30 June 2013	31 December 2012
Rental indexation receivables	(a)	8.9	9.4
Other non-current assets		0.6	-
Loans to related parties – non-current (Note 7)	(b)	4.6	2.4
Total receivables and loans		14.1	11.8

Description and analysis by credit quality of receivables and loans is as follows:

- (a) Rental indexation receivables of EUR 8.9 million (31 December 2012: EUR 9.4 million) represent rental receivables related to earned but unbilled income from indexation of rent due from tenants – see Note 2.9. These receivables are neither past due nor impaired. They are not secured and they are due from a wide variety of tenants and the Group has the ability to evict non-paying tenants.
- (b) The Group has provided loans to its related parties amounting to EUR 4.6 million as of 30 June 2013 (31 December 2012: EUR 2.4 million). These receivables are neither past due nor impaired. Loans outstanding as of 30 June 2013 are provided under the following conditions – interest rates amount to 8.0% to 10.9%.

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12 Other Non-Current Assets

<i>In millions of EUR</i>	<i>Note</i>	30 June 2013	31 December 2012
Other non-current assets	(a)	-	1.1
Total other non-current assets		-	1.1

(a) As at 31 December 2012, EUR 0.8 million relates to advance payments paid for plots of land in Slovakia to be acquired in financial year 2013.

13 Trade and Other Receivables

<i>In millions of EUR</i>	<i>Note</i>	30 June 2013	31 December 2012
Trade receivables due from third parties		10.6	17.0
Accrued rental income		2.7	2.5
Other receivables		0.1	-
Earn out – Final price Adjustment		2.6	-
Less impairment loss provision		(1.4)	(1.1)
		14.6	18.4
Other financial receivables		1.4	3.3
		16.0	21.7
Trade and other receivables from related parties		3.0	4.7
Loans to related parties	(a)	3.7	3.8
Trade and other receivables – related parties	7	6.7	8.5
Total financial assets		22.7	30.2
VAT receivable		7.1	8.1
Prepayments		1.7	0.6
Total trade and other receivables		31.5	38.9

(a) Loans are provided under following conditions – interest rates 4.1% - 7.5% (2012: 3.5% - 6.9%).

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

<i>In millions of EUR</i>	30 June 2013	31 December 2012
EUR	21.0	36.6
CZK	3.7	2.8
PLN	7.5	0.6
HUF	0.4	-
HRK	0.3	-
Less impairment provision	(1.4)	(1.1)
Total trade and other receivables	31.5	38.9

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13 Trade and Other Receivables (Continued)

Movements in the impairment provision for trade receivables are as follows:

<i>In millions of EUR</i>	2013	2012
Provision for impairment at 1 January	1.1	1.0
Additional provision for receivables impairment	0.3	0.1
Provision for impairment at 30 June 2013 and 31 December 2012	1.4	1.1

The Management applies judgement in allocating classes of assets and groups of financial instruments into classes that are appropriate taking into account the characteristics and risks of those financial instruments. At minimum, management distinguishes instruments measured at amortised cost from those measured at fair value and also treats as separate classes those financial instruments that are outside the scope of IFRS 7, Financial Instruments: Disclosures.

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13 Trade and Other Receivables (Continued)

Analysis by credit quality of trade and other receivables as of 30 June 2013 is as follows:

<i>In millions of EUR</i>	Trade receivables including accrued rental income	Other financial receivables including loans to related parties	Trade receivables– related parties	Total
<i>Neither past due nor impaired – exposure to:</i>				
Receivables secured and not secured by bank or other financial guarantees	6.0	5.1	3.0	14.1
Earn-Out and Final price Adjustment	2.6	-	-	2.6
Total current and not impaired	8.6	5.1	3.0	16.7
<i>Individually determined to be impaired</i>				
- less than 30 days overdue	3.8	-	-	3.8
- 30 to 90 days overdue	0.2	-	-	0.2
- 90 to 180 days overdue	1.2	-	-	1.2
- 180 to 360 days overdue	0.9	-	-	0.9
- over 360 days overdue	1.3	-	-	1.3
Total individually impaired	7.4	-	-	7.4
Less impairment provision	(1.4)	-	-	(1.4)
Total	14.6	5.1	3.0	22.7

Analysis by credit quality of trade and other receivables as of 31 December 2012 is as follows:

<i>In millions of EUR</i>	Trade receivables including accrued rental income	Other financial receivables including loans to related parties	Trade receivables– related parties	Total
<i>Neither past due nor impaired – exposure to:</i>				
Receivables secured by bank or other financial guarantees	3.9	-	-	3.9
Receivables not secured	9.5	7.1	4.7	21.3
Total current and not impaired	13.4	7.1	4.7	25.2
<i>Individually determined to be impaired</i>				
- less than 30 days overdue	3.3	-	-	3.3
- 30 to 90 days overdue	0.7	-	-	0.7
- 90 to 180 days overdue	0.3	-	-	0.3
- 180 to 360 days overdue	0.4	-	-	0.4
- over 360 days overdue	1.4	-	-	1.4
Total individually impaired	6.1	-	-	6.1
Less impairment provision	(1.1)	-	-	(1.1)
Total	18.4	7.1	4.7	30.2

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13 Trade and Other Receivables (Continued)

The primary factor that the Group considers in determining whether a receivable is impaired is its overdue status. As a result, the Group presents above an ageing analysis of trade and other receivables that are individually determined to be impaired.

Certain trade receivables are secured by either bank guarantee or deposit. The unsecured trade receivables are from a wide variety of tenants and the Group has the ability to evict non-paying tenants. Trade receivables due from related parties are due from key members of the Group management as is the majority of other financial receivables.

The carrying amount of trade and other receivables was not substantially different from their fair value.

There is no significant concentration of credit risk with respect to other trade receivables as the Group has a large number of customers as well as to members of key management personnel.

14 Assets Held for Sale

As of 31 December 2012, the Group classified the assets and liabilities of the subsidiary Apollo Business Center IV a. s. as held for sale. The transaction was completed in June 2013. As of 30 June 2013, the Group classified the assets and liabilities of the subsidiaries Aupark Žilina SC, a.s. and Aupark Žilina, spol. s r.o. as held for sale. The transaction was completed in August 2013 (refer also to Note 33, Events after the balance sheet date).

Major classes of assets classified as held for sale:

<i>In millions of EUR</i>	30 June 2013	31 December 2012
Investment property	83.8	73.2
Other non-current assets	1.7	3.3
Trade and other receivables	0.4	0.5
Cash and cash equivalents	1.9	1.0
Deferred income tax asset	1.5	-
Total assets classified as held for sale	89.3	78.0

The investment properties are valued semi-annually at fair value, with benefit of advice by an independent, professionally qualified valuation expert who has recent experience in valuing similar properties in similar locations. The methods and significant assumptions applied in determining the fair value are described in Notes 2.5 and 3.

Major classes of liabilities directly associated with assets classified as held for sale:

<i>In millions of EUR</i>	30 June 2013	31 December 2012
Borrowings long term	(52.9)	(22.9)
Deferred income tax liability	(10.1)	(7.6)
Trade and other payables long term	(1.2)	(0.5)
Borrowings short term	(2.1)	(0.9)
Trade and other payables	(1.4)	(1.2)
Total liabilities directly associated with assets classified as held for sale	(67.7)	(33.1)

15 Cash and Cash Equivalents

<i>In millions of EUR</i>	30 June 2013	31 December 2012
Cash at bank and in hand	68.7	43.9
Short-term bank deposits	4.5	3.7
Total cash and cash equivalents	73.2	47.6

Short term deposits have original maturities of less than three months.

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15 Cash and Cash Equivalents (Continued)

The effective interest rate on short term bank deposits is from 0.15% to 1.77% (2012: from 0.15% to 2.66%) and on average 1.37% (2012: 2.04%) and these deposits have an average maturity of 2 days (2012: 7 days).

At 30 June 2013, cash and cash equivalents were available for the Group's use, except for restricted cash in the amount of EUR 1.5 million (31 December 2012: EUR 1.5 million).

All the bank balances and term deposits are neither past due nor impaired. Analysis by credit quality of bank balances and term deposits is as follows:

	30 June 2013		31 December 2012	
<i>In millions of EUR</i>	Cash at bank	Short-term bank deposits	Cash at bank	Short-term bank deposits
<i>Rating by the Company</i>				
- Banks rated 1	55.2	0.9	33.8	0.6
- Banks rated 2	1.9	3.4	3.0	2.6
- Banks rated 3	0.2	-	0.8	-
- Banks unrated	10.7	0.2	5.8	0.5
Total	68.0	4.5	43.4	3.7

Note: The Company classifies banks based on ratings as follows:

Banks rated 1: Rating by Moody's A1, A2, A3 or rating by Fitch A+, A, A-

Banks rated 2: Rating by Moody's Baa1, Baa2, Baa3 or Fitch BBB+, BBB, BBB-

Banks rated 3: Rating by Moody's Ba1, Ba2, Ba3 or Fitch BB+, BB, BB-

The carrying amounts of cash and cash equivalents as of 30 June 2013 and 31 December 2012 are not substantially different from their fair value. The maximum exposure to credit risk relating to cash and cash equivalents is limited by the carrying value of cash and cash equivalents.

16 Share Capital

	Number of shares	Ordinary shares in EUR	Share premium in EUR	Total in EUR
At 30 June 2013	12,500	12,500	651,966,550	651,979,050

The total authorised number of ordinary shares is 12,500 shares with a par value of EUR 1 per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote. 12,500 shares were issued on 20 October 2010.

The terms of external borrowings drawn by the Group impose certain limitations on the ability of the subsidiaries to pay dividends. These limitations are typically linked to financial covenants such as debt service coverage ratio or loan to value ratio.

Dividends declared and paid during the 6 months of respective year ended on 30 June were as follows:

<i>In millions of EUR, except dividends per share amount</i>	2013	2012
Dividends payable at 1 January	-	-
Dividends declared during the year*	8.6	3.9
Dividends paid during the year	(7.4)	(3.9)
Dividends payable at 30 June 2013 and 31 December 2012	1.2	-
Per share dividends declared during the year in EUR	688	312

*Amount disclosed relates to net cash payments to shareholders

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17 Borrowings

<i>In millions of EUR</i>	30 June 2013	31 December 2012
Non-current		
Bank borrowings	380.2	334.3
Other loans provided by related parties and the key management members (Note 7)	0.6	0.6
Other indebtedness (a)	21.0	14.7
	401.8	349.6
Current		
Bank borrowings	32.7	104.9
	32.7	104.9
Total borrowings	434.5	454.5

(a) Contribution from third parties to the Fund (Note 1) that are for the purposes of these condensed consolidated interim financial statements classified as debt.

All of the Group's borrowings are denominated in EUR.

The carrying amounts and fair values of the non-current borrowings are set out below:

<i>In millions of EUR</i>	Carrying amounts at		Fair values at	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Bank borrowings	380.2	334.3	373.8	327.7
Other indebtedness	21.0	14.7	21.0	14.7
Other loans – related parties	0.6	0.6	0.6	0.6
Non-current borrowings	401.8	349.6	395.4	343.0

Assumptions used in determining fair value of borrowings are described in Note 32.

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17 Borrowings (Continued)

The carrying values of current borrowings approximate their fair values.

i) Bank borrowings

<i>In millions of EUR</i>	30 June 2013	31 December 2012
Current	32.7	104.9
Repayable between 1 and 2 years	51.6	48.4
Repayable between 2 and 5 years	322.1	285.9
Repayable over 5 years	6.5	-
	380.2	334.3
Total bank borrowings	412.9	439.2

The exposure of the Group's borrowing to interest rate changes and the contractual repricing dates at balance sheet dates are as follows:

<i>In millions of EUR</i>	30 June 2013	31 December 2012
6 months or less	389.8	417.3
6 – 12 months	21.8	21.9
Over 12 months	1.3	-
Total bank borrowings	412.9	439.2

The Group has the following undrawn borrowing facilities:

<i>In millions of EUR</i>	30 June 2013	31 December 2012
Floating rate:		
- Expiring within one year	29.0	27.6
- Expiring beyond one year	-	12.0
Total undrawn facilities	29.0	39.6

Investment properties (Note 9) are pledged as collateral for borrowings of EUR 412.9 million (2012: EUR 439.2 million).

The loan agreements with third party creditors are governed by terms and conditions which include maximum loan to value ratios ranging from 60% to 70% (2012: 60% to 70%) and minimum debt service coverage ratios ranging from 1.15 to 1.25 (2012: 1.05 to 1.25).

During 2013 and up to date of authorisation of these condensed consolidated interim financial statements for issue, the Group was in compliance with all loan agreement terms and no terms of the loans were renegotiated due to defaults or breaches.

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17 Borrowings (Continued)

ii) Other loans provided by related parties and the key management members

<i>In millions of EUR</i>	<i>Note</i>	<i>30 June 2013</i>	<i>31 December 2012</i>
Current		-	-
Repayable between 1 and 2 years		-	-
Repayable between 2 and 5 years		-	-
Repayable over 5 years		0.6	0.6
		0.6	0.6
Total other loans provided by related parties and the key management members	7	0.6	0.6

Interest rates for loans provided by related parties amounted to 7% during the year 2013 (2012: 7%).

iii) Other loans

<i>In millions of EUR</i>	<i>30 June 2013</i>	<i>31 December 2012</i>
Current	-	-
Repayable between 1 and 2 years	-	-
Repayable between 2 and 5 years	21.0	14.7
Repayable over 5 years	-	-
Total other loans	21.0	14.7

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18 Trade and Other Payables

<i>In millions of EUR</i>	<i>Note</i>	<i>30 June 2013</i>	<i>31 December 2012</i>
Non – current			
Finance lease payable ⁽¹⁾		5.6	5.6
Total financial payables – non-current		5.6	5.6
Other long term payables		6.9	9.1
Other long term payables – related parties	7	0.9	0.9
Other payables – non-current		13.4	15.6
Current			
Trade payables		5.9	12.7
Liabilities for construction of investment properties		12.3	17.9
Accrued liabilities		1.1	2.0
Other payables		2.2	3.1
Financial payables due to third parties – current		21.5	35.7
Trade payables to related parties		0.8	2.1
Other payables to related parties		1.4	0.5
Financial payables due to related parties – current	7	2.2	2.6
Total financial payables – current		23.7	38.3
Deferred income		11.5	13.2
Share based payments to related parties	7	2.5	2.5
Accrued employee benefit costs		3.1	1.3
Other taxes payable		1.1	0.3
Prepayments for rent and other prepayments		1.9	1.8
Total trade and other payables – current		43.8	57.4
Total trade and other payables		57.2	73.0

(1) The finance lease liabilities fall due as follows:

<i>In millions of EUR</i>	<i>30 June 2013</i>	<i>31 December 2012</i>
Current	-	-
Repayable between 1 and 2 years	-	-
Repayable between 2 and 5 years	5.6	5.6
Repayable over 5 years	-	-
Total	5.6	5.6

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18 Trade and Other Payables (Continued)

Trade payables are denominated in the following foreign currencies:

<i>In millions of EUR</i>	30 June 2013	31 December 2012
Non – current		
EUR	7.2	9.9
CZK	6.2	5.7
Current		
EUR	35.6	42.7
CZK	4.2	3.3
HUF	0.3	0.2
PLN	2.7	11.2
Trade and other payables	57.2	73.0

The fair value of trade payables, finance lease liabilities, liabilities for construction of investment property, accrued liabilities, dividends payable, liabilities to shareholders, other trade payables to related parties and of other liabilities is not significantly different from their carrying amount.

19 Rental and Similar Income from Investment Property

<i>In millions of EUR</i>	6 months ended 30 June 2013	6 months ended 30 June 2012
Rental income – Office	18.1	17.0
Rental income – Retail	13.6	12.6
Rental income – Industrial	5.8	4.8
Total revenue	37.5	34.4

Where the Group is the lessor, the future minimum lease payments receivable under non-cancellable operating leases are as follows:

<i>In millions of EUR</i>	30 June 2013	30 June 2012
Not later than 1 year	37.1	46.2
Later than 1 year and not later than 5 years	117.4	146.6
Later than 5 years	66.0	95.4
Total operating lease payments receivable	220.5	288.2

The Group's rental income includes performance income depending on sales revenue of retail units leased by its tenants. These amounts are not included in the above payments receivable as the Group is unable to estimate them with sufficient certainty. Total contingent payments receivable recognised as income during first 6 months of 2013 under the Group's operating leases were EUR 0.0 million (during first 6 months of 2012: EUR 0.0 million).

Contingent payment receivable is calculated based on the expected revenues of the related tenants multiplied by contractually agreed percentage. Historical knowledge about the development of tenant's revenue as well as currently expected progress of revenues is taken into account in the calculation of the receivable.

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20 Direct Operating Expenses arising from Investment Property

<i>In millions of EUR</i>	6 months ended 30 June 2013	6 months ended 30 June 2012
<i>Direct operating expenses arising from investment property that generate rental income:</i>		
Materials consumed	(0.3)	(0.3)
Repairs and maintenance services	(0.5)	(0.4)
Utilities costs	(5.7)	(4.8)
Services relating to investment property	(3.8)	(4.3)
Real estate tax	(0.5)	(0.5)
Other costs	(0.2)	(0.1)
Total	(11.0)	(10.4)

21 Income from Public Transportation

<i>In millions of EUR</i>	6 months ended 30 June 2013	6 months ended 30 June 2012
Income from public transportation - ticket sales	6.9	6.6
Income from public transportation - regional government subsidies	3.7	3.6
Other related income	-	-
Total income from public transportation	10.6	10.2

The Group acquired and operates a public bus transportation business. The regional government subsidies relate to profit compensation based on the long-term contracts with Bratislava Regional Government.

22 Employee Benefits

<i>In millions of EUR</i>	6 months ended 30 June 2013	6 months ended 30 June 2012
Wages and salaries	(7.8)	(8.6)
Share based payments	(0.4)	-
Pension costs – defined contribution plans	(0.4)	(0.6)
Total employee benefits	(8.6)	(9.2)

Number of employees in the core real estate operations and in the public transportation business of the Group was as follows (on full time equivalent basis):

	30 June 2013	31 December 2012
Real estate	335	337
Bus transport	484	478
Total number of employees	819	815

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23 Operating Income and Expenses

<i>In millions of EUR</i>	6 months ended 30 June 2013	6 months ended 30 June 2012
Construction services	(2.0)	(1.8)
Other services	(9.7)	(12.6)
Energy costs	(0.1)	(0.4)
Material consumption	(1.2)	(0.9)
Other taxes	(0.6)	(0.5)
Cost of sold inventories	(0.3)	(0.1)
Cost of sold fuel	(0.4)	(0.6)
Audit fees	(0.1)	-
Other	(1.4)	(1.0)
Total operating expenses	(15.8)	(17.9)
Construction services with related parties	1.5	1.2
Fit-outs for customers	1.0	0.7
Sales of services	0.7	0.9
Sale of fuel	0.5	0.7
Sales of inventories	0.2	0.1
Other operating income	0.2	0.5
Total other operating income	4.1	4.1
Total operating expenses less other operating income	(11.7)	(13.8)

24 Results on Property Disposals

Extract of the subsidiaries' balance sheets at the moment of the transaction:

<i>In millions of EUR</i>	
Investment property in use	70.0
Deferred tax liability	(7.6)
External debt	(23.3)
Net working capital	0.8
- of which: Cash and cash equivalents	2.1
Net assets value	39.9
Gain on divestments of subsidiaries*	7.5
Earn-Out:	1.7
Proceeds from sale of subsidiaries	49.1
Less cash in subsidiaries at the date of transaction	(2.1)
Cash received in as of 30 June 2013	44.4
Earn Out & Final Price Adjustment receivables	2.6

*IFRS require to recognize and present different tax liabilities undiscounted and in full.

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25 Interest Income and Expense

Interest income and expense comprise the following:

<i>In millions of EUR</i>	<i>Note</i>	<i>6 months ended 30 June 2013</i>	<i>6 months ended 30 June 2012</i>
Interest income – third parties		0.1	0.1
Interest income - related parties	7	0.3	0.1
Total interest income		0.4	0.2
Interest expense - third parties		(7.4)	(4.7)
Interest expense - related parties	7	-	-
Total interest expense		(7.4)	(4.7)
Total interest expense less income		(7.0)	(4.5)

26 Income Taxes

Income tax expense comprises the following:

<i>In millions of EUR</i>	<i>6 months ended 30 June 2013</i>	<i>6 months ended 30 June 2012</i>
Current tax	(0.4)	(0.5)
Deferred tax	(0.2)	(3.0)
Income tax expense for the year	(0.6)	(3.5)

Reconciliation between the expected and the actual taxation charge is provided below.

<i>In millions of EUR</i>	<i>2013</i>	<i>2012</i>
Profit before tax	23.8	49.0
Theoretical tax charge at applicable rate (2013: 23%; 2012: 19%)	5.5	9.3
Tax effect of items which are not deductible or assessable for taxation purposes:		
- Income exempt from taxation	(4.0)	(5.0)
- Non-temporary taxable items	-	0.2
Utilisation of tax losses	(0.9)	(1.0)
Income tax expense for the year	0.6	3.5

The Group uses 23% and 19% as applicable tax rate to calculate its theoretical tax charge as these are the rates applicable in the Slovak Republic (23%), Czech Republic and Poland (both 19%) where majority of the Group's operations are located.

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26 Income Taxes (Continued)

Differences between IFRS and applicable statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below. Unrecognised tax losses incurred in 2011, 2012 and during 6 months of 2013 in the amount of EUR 23.2 million expire in 5 to 7 years, respectively.

<i>In millions of EUR</i>	1 January 2013	Charged/ (credited) to profit or loss	Transfer to assets held for sale	30 June 2013
Tax effect of deductible/(taxable) temporary differences				
Investment properties	(68.5)	(5.4)	10.1	(63.7)
Unrealized foreign exchange (gains)/losses	(1.4)	1.1	-	(0.3)
Tax losses carried forward	13.9	3.6	(1.5)	16.0
Property, plant and equipment	(1.3)	-	-	(1.3)
Other	(0.5)	0.5	-	-
Net deferred tax (liability)	(57.8)	(0.2)	8.6	(49.3)

In the context of the Group's current structure, tax losses and current tax assets of different group companies may not be offset against current tax liabilities and taxable profits of other group companies. Accordingly, taxes may accrue even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity.

The tax effect of the movements in the temporary differences for the 6 months ended 30 June 2012 is set below:

<i>In millions of EUR</i>	1 January 2012	Charged/ (credited) to profit or loss	Transferred to asset held for sale	30 June 2012
Tax effect of deductible/(taxable) temporary differences				
Investment properties	(61.0)	(7.6)	-	(68.5)
Unrealized foreign exchange (gains)/losses	(1.4)	-	-	(1.4)
Tax losses carried forward	5.6	4.2	-	9.8
Property, plant and equipment	(0.8)	-	-	(0.8)
Other	0.1	0.4	-	0.5
Net deferred tax (liability)	(57.5)	(3.0)	-	(60.4)

The Group expects that EUR 49.3 million (2012: EUR 57.8 million) of the deferred tax liability shall crystallise after more than 12 months from the balance sheet date.

27 Foreign exchange (losses)/gains

<i>In millions of EUR</i>	6 months ended 30 June 2013	6 months ended 30 June 2012
Foreign exchange (losses)/gains	(18.0)	1.7

The foreign exchange loss for 6 months ended 30 June 2013 resulted from accounting retranslation of balances as of balance sheet date connected with business activities (Bank borrowings (EUR 4.0 million), Inter-company borrowings (EUR 11.6 million) and Trade receivables/payables (EUR 2.4 million)) denominated in currencies which were different from the functional currencies of the respective Group companies.

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28 Contingencies, Commitments and Operating Risks

Tax legislation. Tax and customs legislation in countries where the Group operates is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant authorities.

29 Acquisitions of Subsidiaries (Asset acquisitions)

As the acquisitions of the companies were not accounted for as business combinations and neither accounting profit nor taxable profit were affected at the time of the transactions, the initial recognition exemption in IAS 12, 'Income taxes' applies.

During the first 6 months of 2013 no subsidiaries were acquired. The assets and liabilities recognised in the consolidated statement of financial position on the dates of the acquisitions during 2012 were:

<i>In millions of EUR</i>	Total
Investment property	38.2
Cash and cash equivalents	0.1
Total purchase consideration settled in cash	38.3
Less: cash and cash equivalents of subsidiary acquired	(0.1)
Less: outstanding part of the purchase price	(6.7)
Net outflow of cash and cash equivalents on acquisition	31.5

Management considers that at acquisition the companies constituted groups of net assets, rather than businesses as defined in IFRS 3, 'Business combinations', as prior to acquisition the subsidiaries were holding properties and were leasing them under one or more operating leases. As such, the fixed assets were classified as investment property by the Group at initial recognition.

30 Financial Risk Management

The risk management function within the Group is carried out in respect of financial risks: credit risk, market risk (including changes in foreign currency exchange rates, interest rate and price risk), liquidity risks, operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

The Condensed Consolidated Interim Financial statements do not include all financial risk management information and disclosures required in the annual financial statements, they should be read in conjunction with the Group's consolidated annual financial statements as at 31 December 2012. There have been no changes in the risk management department or in any risk management policies since the year end.

(i) Credit risk

The Group takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Group's rental income on credit terms and other transactions with counterparties giving rise to financial assets.

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30 Financial Risk Management (Continued)

The Group's maximum exposure to credit risk by class of assets is as follows:

<i>In millions of EUR</i>	30 June 2013	31 December 2012
Receivables and loans (Note 11)		
Receivables and loans due from third parties	9.5	9.4
Loans to related parties	4.6	2.4
Other current assets	2.3	1.1
	16.4	12.9
Trade and other receivables (Note 13)		
Trade receivables including accrued rental income and other receivables	14.6	18.4
Other financial receivables including financial receivables – related parties	5.1	7.1
Trade receivables and other receivables – related parties	3.0	4.7
	22.7	30.2
Cash and cash equivalents (Note 15)		
Cash at bank and on hand	68.7	43.9
Short-term bank deposits	4.5	3.7
	73.2	47.6
Derivatives and other financial assets	-	0.2
Total maximum exposure to credit risk	112.3	90.9

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to counterparties or groups of counterparties. Limits on the level of credit risk are approved regularly by Management. Such risks are monitored on a revolving basis and subject to an annual review.

Management has additional policies in place to secure trade receivables from rental business. The Group uses system of required bank guarantees or financial deposits to secure its receivables from rental business based on the rating of tenant.

The Group's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances. Management therefore considers it appropriate to provide ageing and other information about credit risk as disclosed in Note 13.

Credit risks concentrations

As for the banks and financial institutions, Group has relationships only with those banks that have high independent rating assessment. The Group's bank deposits are held with 19 banks but majority of cash balances as of 30 June 2013 are held with 4 major banks. The Group's management considers the concentration of credit risk with respect to cash balances with banks as acceptable. The analysis by credit quality (bank rating) is provided in Note 15.

(ii) Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in (a) foreign currencies, (b) interest bearing assets and liabilities and (c) equity investments, all of which are exposed to general and specific market movements.

Currency risk. Due to continuous expansion to CEE countries, Management acknowledges elevated exposure of the Group to foreign exchange risk arising from various currency exposures, primarily with respect to Czech Koruna, Polish Zloty and Hungarian Forint. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in currency that is not the entity's functional currency. Therefore internal objectives, policies and processes for its management have been set. Management has set up a policy to require group companies to manage their foreign exchange risk exposure with the group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group use forward contracts, transacted with the help of group treasury. As a result, the Group has invested into hedge instruments that are set up to minimize foreign exchange losses. Additionally, the Group's cash pool should contribute to proper cash management and avoidance of losses by keeping cash split into several countries. Payables resulting from derivatives amount to EUR 0.2 million (2012: a receivable of EUR 0.2 million).

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30 Financial Risk Management (Continued)

Interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The table below summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates.

<i>In millions of EUR</i>	Less than 12 months	Over 12 months	Total
30 June 2013			
Total monetary financial assets	98.2	14.1	112.3
Total monetary financial liabilities	(436.6)	(27.2)	(463.8)
Net interest sensitivity gap at 30 June 2013	(338.4)	(13.1)	(351.5)
31 December 2012			
Total monetary financial assets	79.1	11.8	90.9
Total monetary financial liabilities	(477.5)	(20.9)	(498.4)
Net interest sensitivity gap at 31 December 2012	(398.4)	(9.1)	(407.5)

(iii) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The table below shows liabilities at 30 June 2013 and 31 December 2012 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the consolidated balance sheet because the consolidated balance sheet amount is based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the reporting date. Foreign currency payments are translated using the spot exchange rate at the balance sheet date.

The maturity analysis of financial liabilities as at 30 June 2013 is as follows:

<i>In millions of EUR</i>	Demand and less than 12 month	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities					
Borrowings (principal including future interest charges)	45.9	65.4	367.7	7.9	486.9
Finance leases (Note 18)	-	-	5.6	-	5.6
Financial payables - current (Note 18)	23.7	-	-	-	23.7
Total future payments, including future principal and interest payments	69.6	65.4	373.3	7.9	516.2

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30 Financial Risk Management (Continued)

The maturity analysis of financial liabilities as at 31 December 2012 is as follows:

<i>In millions of EUR</i>	Demand and less than 12 month	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities					
Borrowings (principal including future interest charges)	115.5	59.6	324.9	-	500.0
Finance leases (Note 18)	-	-	5.6	-	5.6
Financial payables - current (Note 18)	38.3	-	-	-	38.3
Total future payments, including future principal and interest payments	153.8	59.6	330.5	-	543.9

On an ongoing basis, the Board of Managers reviews a three year rolling cash flow forecast for the core real estate business on a consolidated basis (excluding the public transportation business). The forecast for second half of 2013 and first half of 2014 shows positive cash flow from property rental after property expenses and general operating expenses of the Group of approximately EUR 16.5 million. This, together with existing cash balances, would be sufficient to meet the Group's financial obligations as shown above. Moreover, the Group has been able to raise additional EUR 57.5 million of new financing since 30 June 2013 and as of date of authorisation of these condensed consolidated interim financial statements for issue still kept further EUR 30.0 million in signed but undrawn credit lines. The Board of Managers is confident that the Group's cash position allows it to keep pursuing new opportunities in its chosen markets.

(iv) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

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

The following table presents the group's assets and liabilities that are measured at fair value at 30 June 2013.

<i>In millions of EUR</i>	Level 1	Level 2	Level 3	Total
Investment property in use	-	751.5	0.5	752.0
Investment property under development	-	410.6	11.4	422.0
Assets held for sale	83.8	-	-	83.8
Total assets	83.8	1,162.1	11.9	1,257.8

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2012.

<i>In millions of EUR</i>	Level 1	Level 2	Level 3	Total
Investment property in use	-	690.7	0.5	691.2
Investment property under development	13.9	491.5	10.2	515.6
Assets held for sale	-	73.2	-	73.2
Total assets	13.9	1,255.4	10.7	1,280.0

There were no transfers between Levels 1 and 2 during the period.

Level 2 investment properties are fair valued using an income capitalisation method, where the value is estimated from the expected future benefits to be generated by the property in the form of rental income streams. The method considers net income generated by existing or comparable property, capitalised to determine the value for property which is subject to the valuation. The principal assumptions underlying the estimation of the fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; appropriate discount rates; and in case of properties under development, future constructions costs and market developer's profits. These valuations are regularly compared to actual market data and actual transactions by the Group and those reported by the market. The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

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30 Financial Risk Management (Continued)

Level 3 investment properties are fair valued using broker quotes and management estimate. In case broker quotes are not available bid prices for the comparable properties are used to estimate the value of the particular property. As these bid prices reflect prices at which no deal was actually concluded they are taken as an indication of the fair value and an appropriate adjustment based on management judgment and experience is done to such values.

31 Management of Capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with other companies in the industry, the Group monitors capital on the Net Asset Value (adjusted) basis. The Group calculates the Net Asset Value (adjusted) on the following basis:

<i>In millions of EUR</i>	<i>Note</i>	<i>30 June 2013</i>	<i>31 December 2012</i>
Equity attributable to the owners of HB Reavis Holding S.à r.l.		788.8	778.8
Adjusted for			
Add: Deferred income tax liabilities	26	57.9	65.4
Add: Borrowings and trade and other payables from related party entities under common control	7	2.7	2.1
Less: Receivables and Loans provided to related party entities under common control	7	(2.4)	(2.7)
Net Asset Value (adjusted)		847.0	843.6

The Group also manages the net debt leverage ratio. This ratio is defined as a ratio between interest bearing liabilities from third parties excluding other indebtedness (Note 17a) less Cash and Group total assets. During 2013, the Group's strategy was to steer the net debt leverage ratio within 25-35% range. As is shown in the table below, the Group's ratio was in the lower range of the targeted level as of 30 June 2013. The Group management believe that this position places the Group well in their pursuit of new development opportunities.

<i>In millions of EUR</i>	<i>31 December 2013</i>	<i>31 December 2012</i>
Bank borrowings less cash	392.8	414.4
Total assets	1,443.5	1,440.4
Net debt leverage ratio	27.2%	28.8%

HB Reavis Holding S.à r.l.

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32 Fair Value of Financial Instruments

Fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by an active quoted market price. The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies as described below. However, judgement is necessarily required to interpret market data to determine the estimated fair value.

Financial assets carried at amortised cost. The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty.

Liabilities carried at amortised cost. Fair values of liabilities were determined using valuation techniques. The estimated fair value of fixed interest rate instruments with stated maturity was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date that the amount could be required to be paid. The discount rate was 3.10% p.a. (2012: 2.96% p.a.). Carrying amounts of trade and other payables approximate fair values.

Derivative financial instruments. All derivative financial instruments are carried at fair value as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value is measured using quoted prices (unadjusted) in the financial markets (Level 1 inputs).

33 Events After the Balance Sheet Date

In July 2013 the Group sold its share in the two project companies related to Aupark Žilina a retail center in central Slovakia. The transaction was finalised in August 2013 (refer to Note 14).

The Group has been able to raise additional EUR 57.5 million of new financing since 30 June 2013.

Apart from the above stated matters, there were no material events which occurred after the end of the financial year which have a bearing on the understanding of these financial statements.

8 Additional information

There are no credit ratings assigned to the Issuer or its debt financial instruments. There are no credit ratings assigned to the Guarantor or its debt financial instruments. The Issuer or Guarantor does not intend to apply for assignment of any credit rating.

- 8) PKD 82. Działalność związana z administracyjną obsługą biura i pozostała działalność wspomagająca prowadzenie działalności gospodarczej, -----
- 9) PKD 63. Działalność usługowa w zakresie informacji, -----
- 10) PKD 64.20. Z. Działalność holdingów finansowych, -----
- 11) PKD. 64.99.Z. Pozostała finansowa działalność usługowa, gdzie indziej niesklasyfikowana, z wyłączeniem ubezpieczeń i funduszów emerytalnych -----
- 12) PKD 66.19.Z. Pozostała działalność wspomagająca usługi finansowe, z wyłączeniem ubezpieczeń i funduszów emerytalnych, -----
- 13) PKD 70. Działalność firm centralnych (Head Office), doradztwo związane z zarządzaniem, -----
- 14) PKD 71. Działalność w zakresie architektury i inżynierii; badania i analizy techniczne, -----
- 15) PKD.73. Reklama, badanie rynku i opinii publicznej, -----
- 16) PKD 55. Zakwaterowanie, -----
- 17) PKD 56. Działalność usługowa związana z wyżywieniem -----
2. W przypadku, gdy którykolwiek z powyższych rodzajów działalności będzie wymagał zgody, koncesji, potwierdzenia lub innej formy decyzji właściwego organu administracji państwowej, Spółka będzie prowadziła taką działalność tylko po uzyskaniu takiej decyzji. -----
3. Spółka działa na terytorium Rzeczypospolitej Polskiej oraz za granicą. -----
4. Spółka może, w zakresie wspomnianym w punkcie 1 powyżej, otwierać i prowadzić na terytorium Rzeczypospolitej Polskiej oraz za granicą swoje filie, oddziały i przedstawicielstwa oraz inne jednostki organizacyjne. -----
5. Spółka jest uprawniona do uczestniczenia w innych jednostkach gospodarczych oraz do tworzenia i przystępowania do wszelkich organizacji gospodarczych działających na terytorium Rzeczypospolitej Polskiej oraz za granicą. -----

§ 5.

Kapitał zakładowy

1. Kapitał zakładowy Spółki wynosi 500.000 zł (pięćset tysięcy złotych) i dzieli się na 10.000 (dziesięć tysięcy) udziałów o wartości nominalnej 50 zł (pięćdziesiąt złotych) każdy. -----
2. Wspólnicy mogą mieć więcej niż jeden udział. Każdy udział daje prawo do jednego głosu na Zgromadzeniu Wspólników. -----

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3. Kapitał zakładowy zostanie pokryty w całości gotówką. -----
 4. Spółka prawa holenderskiego HB REAVIS GROUP B.V. z siedzibą w Amsterdamie, Holandia obejmuje w kapitale zakładowym Spółki 10.000 (dziesięć tysięcy) równych i niepodzielnych udziałów po 50 zł (pięćdziesiąt złotych) każdy, o łącznej wartości nominalnej 500.000 zł (pięćset tysięcy złotych).-----
 5. Kapitał zakładowy Spółki może zostać podwyższony zarówno przez podniesienie wartości nominalnej istniejących udziałów, jak i przez utworzenie nowych.-----
 6. Nowotworzone udziały mogą być pokrywane wkładami pieniężnymi i niepieniężnymi. -----
 7. Wspólnicy mogą, w drodze podjęcia uchwały o zmianie Umowy Spółki, podwyższyć kapitał zakładowy, przeznaczając na ten cel środki z kapitału zapasowego lub kapitałów (funduszy) rezerwowych utworzonych z zysku Spółki (podwyższenie kapitału zakładowego ze środków Spółki). W takim przypadku nowe udziały przysługują Wspólnikom w stosunku do ich dotychczasowych udziałów i nie wymagają objęcia. -----
 8. Podwyższenie kapitału winno być dokonane na mocy odpowiedniej uchwały Zgromadzenia Wspólników. -----
 9. Podwyższenie kapitału zakładowego do kwoty 50.000.000 zł (pięćdziesiąt milionów złotych) w terminie do dnia trzydziestego pierwszego grudnia dwa tysiące dwudziestego roku (31.12.2025), nie stanowi zmiany Umowy Spółki. -----

§ 6.

Kapitał zapasowy i rezerwowy

1. Na pokrycie strat bilansowych Spółka może utworzyć kapitał zapasowy, na który będą dokonywane coroczne odpisy, w wysokości określonej uchwałą Zgromadzenia Wspólników. -----
2. Spółka może utworzyć kapitał rezerwowy na pokrycie poszczególnych wydatków lub strat. Na mocy uchwały Zgromadzenia Wspólników mogą być także tworzone, znoszone i wykorzystywane, stosownie do potrzeb, fundusze celowe. -----

§ 7.

Pożyczki oraz dopłaty

1. Spółka może zaciągać pożyczki od jej Wspólników. -----
2. Zgromadzenie Wspólników może zobowiązać Wspólników do dokonania dopłat, o łącznej wysokości stanowiącej nie więcej niż -----

- tysiąckrotność wartości udziału na dzień podjęcia uchwały w sprawie wniesienia dopłat. -----
3. Wysokość i terminy dopłat określi każdorazowo uchwała Zgromadzenia Wspólników, z tym że termin dopłat nie może być krótszy niż jeden miesiąc od dnia podjęcia uchwały. -----
 4. Zasady i termin zwrotu dopłat określa uchwała Zgromadzenia Wspólników, z zastrzeżeniem, że dopłaty są zwracane Wspólnikom na żądanie któregośkolwiek z nich, jeżeli nie są potrzebne na pokrycie straty wskazanej w sprawozdaniu finansowym. -----
 5. Zwrot dopłat powinien być dokonany równomiernie wszystkim Wspólnikom. -----

§ 8.

Zbywanie i zastawianie udziałów

1. Udziały mogą być zbywane i zastawiane. -----
2. Wspólnikom przysługuje prawo zbycia posiadanych przez siebie udziałów jedynie po uprzednim uzyskaniu zgody Zgromadzenia Wspólników udzielonej w formie uchwały. -----
3. Wspólnik, który chce zbyć swoje udziały zobowiązany jest poinformować o tym pozostałych Wspólników. Dotychczasowi Wspólnicy mają prawo pierwszeństwa w nabyciu udziałów przeznaczonych do zbycia proporcjonalnie do posiadanych przez nich udziałów w kapitale zakładowym Spółki, na warunkach ustalonych przez Wspólnika zbywającego udziały z osobą trzecią. Prawo pierwszeństwa Wspólnicy powinni wykonać w terminie 30 (trzydziestu) dni od dnia zawiadomienia ich o zamiarze zbycia udziałów. Jeżeli żaden ze Wspólników nie skorzysta z prawa pierwszeństwa, wówczas Wspólnik może zbyć swoje udziały osobie trzeciej na warunkach uprzednio ustalonych. -----
4. Zastawienie udziałów może zostać dokonane jedynie po uprzednim uzyskaniu zgody Zgromadzenia Wspólników udzielonej w formie uchwały. Zastawnik może wykonywać prawo głosu z zastawionych udziałów. -----
5. Dokonanie przez któregośkolwiek ze Wspólników rozporządzenia posiadanymi przez niego udziałami z naruszeniem postanowień niniejszego paragrafu jest bezskuteczne w stosunku do Spółki. -----

§ 9.

Umorzenie udziałów

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1. Udziały w kapitale zakładowym Spółki mogą być umarzane z kapitału zakładowego lub z czystego zysku bez obniżenia kapitału zakładowego (umorzenie dobrowolne). Spółka może nabywać własne udziały w celu ich umorzenia. -----
2. O umorzeniu udziałów decyduje Zgromadzenie Wspólników w formie odpowiedniej uchwały. -----

§ 10.

Dysponowanie zyskiem

1. O przeznaczeniu zysku wynikającego z rocznego sprawozdania finansowego decyduje Zgromadzenie Wspólników. Zysk może zostać przeznaczony w szczególności: -----
 - 1) na kapitał zapasowy; -----
 - 2) na inwestycje; -----
 - 3) na dodatkowy kapitał rezerwowy tworzony w Spółce; -----
 - 4) do podziału pomiędzy Wspólników (dywidenda); -----
 - 5) na inne cele określone uchwałą Zgromadzenia Wspólników. ---
2. Przeznaczony uchwałą Zgromadzenia Wspólników do podziału zysk dzieli się pomiędzy Wspólników w stosunku do liczby udziałów. ---
3. Termin wypłaty dywidendy ustala Zgromadzenie Wspólników. -----
4. Spółka może wypłacić zaliczkę na poczet dywidendy, jeżeli jej zatwierdzone sprawozdanie finansowe za ostatni rok obrotowy wykazuje zysk. Zaliczka stanowić może najwyżej połowę zysku osiągniętego od końca poprzedniego roku obrotowego, powiększonego o kapitały rezerwowe utworzone z zysku, którymi w celu wypłaty zaliczek może dysponować Zarząd oraz pomniejszonego o nie pokryte straty i udziały własne.-----

§ 11.

Organy Spółki

Organami Spółki są: -----

1. Zgromadzenie Wspólników, -----
2. Zarząd. -----

§ 12.

Zgromadzenie Wspólników

1. Zgromadzenie Wspólników jest najwyższym organem Spółki. -----
2. Uchwały Wspólników zapadają na Zgromadzeniu Wspólników.-----
3. Uchwały Wspólników mogą być podejmowane bez odbycia Zgromadzenia, w sytuacji, gdy wszyscy Wspólnicy wyrażą zgodę na -----

- piśmie na postanowienie, które ma być podjęte albo na pisemne głosowanie, chyba że Kodeks Spółek Handlowych przewiduje inaczej. ----- d)
e)
4. Zgromadzenie Wspólników może być zwyczajne lub nadzwyczajne.
5. Zgromadzenia Wspólników odbywają się w siedzibie Spółki lub – za pisemną zgodą wszystkich Wspólników – w innych miejscowościach na terytorium Rzeczypospolitej Polskiej. ----- f)
6. Zwyczajne Zgromadzenie Wspólników odbywa się raz w roku. Zwyczajne Zgromadzenie Wspólników zwołuje Zarząd w ciągu sześciu miesięcy po zakończeniu każdego roku obrotowego. ----- g)
h)
i)
7. Nadzwyczajne Zgromadzenie Wspólników zwołuje Zarząd z własnej inicjatywy lub na żądanie Wspólników posiadających co najmniej 10% udziałów w kapitale zakładowym. ----- j)
k)
8. Zwołanie Zgromadzenia winno nastąpić listami poleconymi lub pocztą kurierską z podaniem przyczyn zwołania i proponowanym porządkiem obrad, co najmniej na 2 (dwa) tygodnie przed planowaną datą Zgromadzenia. ----- l)
9. Zgromadzenie Wspólników jest zdolne do podejmowania wiążących uchwał, jeżeli wszyscy Wspólnicy zostali prawidłowo powiadomieni o terminie, miejscu i porządku obrad Zgromadzenia. ----- m)
n)
10. Jeżeli cały kapitał zakładowy Spółki jest reprezentowany na Zgromadzeniu Wspólników, Zgromadzenie uprawnione jest do podjęcia wiążących uchwał również wówczas, gdy nie zostało formalnie zwołane, chyba, że osoby obecne na Zgromadzeniu zgłoszą sprzeciw co do jego odbycia lub co do postawienia poszczególnych spraw na porządku obrad. ----- o)
11. Jeżeli Kodeks Spółek Handlowych i postanowienia niniejszej Umowy Spółki nie przewidują warunków surowszych uchwały Zgromadzenia Wspólników zapadają zwykłą większością głosów oddanych. ----- 14.
12. Wspólnik może brać udział w Zgromadzeniu Wspólników osobiście lub za pośrednictwem pełnomocnika. ----- 1. Z
p)
13. Uchwały Zgromadzenia Wspólników wymagają następujące sprawy: ----- 2. D
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w)
- a) zmiana Umowy Spółki, ----- 3. Z
tr
- b) połączenie, podział i przekształcenie Spółki, -----
- c) rozpatrzenie i zatwierdzenie sprawozdania Zarządu z działalności Spółki, sprawozdania finansowego za ubiegły rok obrotowy oraz udzielenie absolutorium członkom organów Spółki z wykonania przez nich obowiązków w roku obrotowym, -----

- d) podział zysku, zatrzymanie zysku w Spółce i pokrycie strat, ----
e) podejmowanie decyzji dotyczących roszczeń o naprawienie szkody wyrządzonej przy zawiązywaniu Spółki, sprawowaniu zarządu albo nadzoru, ----
f) zbycie i wydzierżawienie przedsiębiorstwa Spółki lub zorganizowanej jego części oraz ustanowienie na powyższych przedmiotach ograniczonego prawa rzeczowego, ----
g) podwyższenie lub obniżenie kapitału zakładowego, ----
h) podejmowanie uchwał w sprawie dokonania i zwrotu dopłat, ----
i) zbycie lub nabycie nieruchomości przez Spółkę, jak również zbycie lub nabycie prawa użytkowania wieczystego nieruchomości; ----
j) powoływanie i odwoływanie członków Zarządu; ----
k) ustalanie zasad zatrudnienia i wynagrodzenia członków Zarządu; ----
l) określenia rodzajów, zasad tworzenia, likwidowania i wysokości funduszy Spółki, ----
m) podejmowanie uchwał w sprawach zbycia bądź zastawienia udziału na rzecz osób trzecich, ----
n) rozwiązanie lub likwidacja Spółki lub przeniesienie jej siedziby za granicę, ----
o) wszystkie sprawy zastrzeżone w niniejszej Umowie Spółki lub przepisami prawa dla kompetencji Zgromadzenia Wspólników.
14. Zaciągnięcie zobowiązania do świadczenia lub rozporządzenie prawem o wartości dwukrotnie i więcej przewyższającej wysokość kapitału zakładowego nie wymaga uchwały Zgromadzenia Wspólników. ----

§ 13.

Zarząd

1. Zarząd prowadzi bieżące sprawy Spółki i działa zgodnie z przepisami prawa i postanowieniami Umowy Spółki. ----
2. Do kompetencji Zarządu należą wszystkie sprawy, które na mocy niniejszej Umowy Spółki lub przepisów Kodeksu Spółek Handlowych nie są zarezerwowane do wyłącznej kompetencji Zgromadzenia Wspólników. ----
3. Zarząd reprezentuje Spółkę na zewnątrz w stosunku do władz i osób trzecich, w sądzie i poza sądem. ----

4. Zarząd Spółki jest jedno - lub wieloosobowy i powoływany jest przez Zgromadzenie Wspólników. Osobie sprawującej funkcję Zarządu jednoosobowo przysługuje tytuł Prezesa Zarządu. -----
5. O liczebności Zarządu decyduje każdorazowo Zgromadzenie Wspólników w uchwale powołującej Zarząd lub poszczególnych jego członków. W uchwale tej Zgromadzenie Wspólników może wskazać członka Zarządu, który będzie sprawował funkcję Prezesa Zarządu.
6. Każdy członek Zarządu reprezentuje Spółkę samodzielnie. -----
7. Kadencja Zarządu trwa trzy lata. -----

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§ 14.

Rok obrotowy

1. Rok obrotowy Spółki pokrywa się z rokiem kalendarzowym.-----
2. Pierwszy rok obrotowy Spółki kończy się trzydziestego pierwszego grudnia dwa tysiące dwunastego roku (31.12.2012). -----
3. Co roku, w terminach przewidzianych obowiązującymi przepisami, Zarząd sporządza roczne sprawozdanie finansowe, które powinno być podpisane przez wszystkich Członków Zarządu. Brak któregośkolwiek z tych podpisów powinien być umotywowany. -----

2.

3.

§ 15.

Roczne sprawozdanie finansowe

Rejestry, księgi handlowe oraz dokumenty Spółki będą przechowywane zgodnie ze wszystkimi zasadami i przepisami prawa obowiązującymi w Polsce oraz zgodnie z wymogami sztuki zawodowej. -----

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§ 16.

Postanowienia Końcowe

1. Wymagane prawem ogłoszenia pochodzące od Spółki zamieszczane będą w Monitorze Sądowym i Gospodarczym. -----
2. W sprawach nieuregulowanych postanowieniami niniejszej Umowy Spółki zastosowanie będą miały przepisy Kodeksu Spółek Handlowych. -----

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Przewodniczący stwierdza, że powyższa uchwała została przyjęta przez Zgromadzenie większością 100 % głosów w kapitale zakładowym spółki (za uchwałą oddano 100 głosów). -----

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9.2 Up-to-date excerpt from the register relevant for the Issuer

Identyfikator wydruku: RP/435933/6/20131113075500

Strona 1 z 6

CENTRALNA INFORMACJA KRAJOWEGO REJESTRU SĄDOWEGO

KRAJOWY REJESTR SĄDOWY

Stan na dzień 13.11.2013 godz. 07:55:00

Numer KRS: 0000435933

**Informacja odpowiadająca odpisowi aktualnemu
Z REJESTRU PRZEDSIĘBIORCÓW
pobrana na podstawie art. 4 ust. 4aa ustawy z dnia 20 sierpnia 1997 r. o Krajowym Rejestrze
Sądowym (Dz. U. z 2007 r. Nr 168, poz.1186, z późn. zm.)**

Data rejestracji w Krajowym Rejestrze Sądowym	12.10.2012		
Ostatni wpis	Numer wpisu	6	Data dokonania wpisu
	Sygnatura akt	WA.XIII NS-REJ.KRS/55005/13/405	
	Oznaczenie sądu	SĄD REJONOWY DLA M. ST. WARSZAWY W WARSZAWIE, XIII WYDZIAŁ GOSPODARCZY KRAJOWEGO REJESTRU SĄDOWEGO	

Dział 1

Rubryka 1 - Dane podmiotu	
1.Oznaczenie formy prawnej	SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
2.Numer REGON/NIP	REGON: 146340010, NIP: 5213638769
3.Firma, pod którą spółka działa	HB REAVIS FINANCE PL SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
4.Dane o wcześniejszej rejestracji	-----
5.Czy przedsiębiorca prowadzi działalność gospodarczą z innymi podmiotami na podstawie umowy spółki cywilnej?	NIE
6.Czy podmiot posiada status organizacji pożytku publicznego?	NIE

Rubryka 2 - Siedziba i adres podmiotu	
1.Siedziba	kraj POLSKA, woj. MAZOWIECKIE, powiat M.ST. WARSZAWA, gmina M.ST. WARSZAWA, miejsc. WARSZAWA
2.Adres	ul. KONSTRUKTORSKA, nr 13, lok. ---, miejsc. WARSZAWA, kod 02-673, poczta WARSZAWA, kraj POLSKA
3.Adres poczty elektronicznej	-----
4.Adres strony internetowej	-----

Rubryka 3 - Oddziały	
Brak wpisów	

Identyfikator wydruku: RP/435933/6/20131113075500

Strona 2 z 6

Rubryka 4 - Informacje o umowie		
1. Informacja o zawarciu lub zmianach umowy spółki	1	AKT NOTARIALNY Z DNIA 31.05.2012 R., NOTARIUSZ SEBASTIAN KUBAŃ, KANCELARIA NOTARIALNA W WARSZAWIE, REP. A NR 3130/2012
	2	DNIA 11 WRZEŚNIA 2013 R., REP. A NR 7549/2013, NOTARIUSZ SEBASTIAN KUBAŃ, KANCELARIA NOTARIALNA W WARSZAWIE, UL. CYBERNETYKI 13 LOK. 1 ZMIANA § 2, § 5

Rubryka 5	
1. Czas, na jaki została utworzona spółka	NIEOZNACZONY
2. Oznaczenie pisma innego niż Monitor Sądowy i Gospodarczy, przeznaczonego do ogłoszeń spółki	-----
3. Wspólnik może mieć:	WIĘKSZĄ LICZBĘ UDZIAŁÓW
4. Czy statut przyznaje uprawnienia osobiste określonym akcjonariuszom lub tytuły uczestnictwa w dochodach lub majątku spółki nie wynikających z akcji?	*****
5. Czy obligatoriusze mają prawo do udziałów w zysku?	*****

Rubryka 6 - Sposób powstania spółki	
Brak wpisów	

Rubryka 7 - Dane wspólników		
1	1. Nazwisko / Nazwa lub firma	HB REAVIS HOLDING S.A R.L.
	2. Imiona	*****
	3. Numer PESEL/REGON	---
	4. Numer KRS	-----
	5. Posiadane przez wspólnika udziały	10 000 UDZIAŁÓW O ŁĄCZNEJ WARTOŚCI 500 000 ZŁOTYCH
	6. Czy wspólnik posiada całość udziałów spółki?	TAK

Rubryka 8 - Kapitał spółki	
1. Wysokość kapitału zakładowego	500 000,00 ZŁ
Podrubryka 1 Informacja o wniesieniu aportu	
Brak wpisów	

Rubryka 9 - Nie dotyczy	
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Identyfikator wydruku: RP/435933/6/20131113075500

Strona 3 z 6

Brak wpisów

Rubryka 10 - Nie dotyczy
Brak wpisów

Dział 2

Rubryka 1 - Organ uprawniony do reprezentacji podmiotu		
1.Nazwa organu uprawnionego do reprezentowania podmiotu	ZARZĄD	
2.Sposób reprezentacji podmiotu	KAŻDY CZŁONEK ZARZĄDU REPREZENTUJE SPÓŁKĘ SAMODZIELNIE.	
Podrubryka 1 Dane osób wchodzących w skład organu		
1	1.Nazwisko / Nazwa lub Firma	FRNKA
	2.Imiona	STANISLAV
	3.Numer PESEL/REGON	---
	4.Numer KRS	****
	5.Funkcja w organie reprezentującym	PREZES ZARZĄDU
	6.Czy osoba wchodząca w skład zarządu została zawieszona w czynnościach?	NIE
	7.Data do jakiej została zawieszona	-----
2	1.Nazwisko / Nazwa lub Firma	POPIK
	2.Imiona	RENE
	3.Numer PESEL/REGON	---
	4.Numer KRS	****
	5.Funkcja w organie reprezentującym	CZŁONEK ZARZĄDU
	6.Czy osoba wchodząca w skład zarządu została zawieszona w czynnościach?	NIE
	7.Data do jakiej została zawieszona	-----

Rubryka 2 - Organ nadzoru
Brak wpisów

Rubryka 3 - Prokurenci
Brak wpisów

Dział 3

Identyfikator wydruku: RP/435933/6/20131113075500

Strona 4 z 6

Rubryka 1 - Przedmiot działalności			
1.Przedmiot działalności przedsiębiorcy	1	68, 10, Z, KUPNO I SPRZEDAŻ NIERUCHOMOŚCI NA WŁASNY RACHUNEK	
	2	68, 20, Z, WYNAJEM I ZARZĄDZANIE NIERUCHOMOŚCIAMI WŁASNYMI LUB DZIERŻAWIONYMI	
	3	68, 31, Z, POŚREDNICTWO W OBROcie NIERUCHOMOŚCIAMI	
	4	68, 32, Z, ZARZĄDZANIE NIERUCHOMOŚCIAMI WYKONYWANE NA ZLECENIE	
	5	41, , , ROBOTY BUDOWLANE ZWIĄZANE ZE WZNOSZENIEM BUDYNKÓW	
	6	42, , , ROBOTY ZWIĄZANE Z BUDOWĄ OBIEKTÓW INŻYNIERII LĄDOWEJ I WODNEJ	
	7	43, , , ROBOTY BUDOWLANE SPECJALISTYCZNE	
	8	82, , , DZIAŁALNOŚĆ ZWIĄZANA Z ADMINISTRACYJNĄ OBSŁUGĄ BIURA I POZOSTAŁA DZIAŁALNOŚĆ WSPOMAGAJĄCA PROWADZENIE DZIAŁALNOŚCI GOSPODARCZEJ	
	9	63, , , DZIAŁALNOŚĆ USŁUGOWA W ZAKRESIE INFORMACJI	
	10	64, 20, Z, DZIAŁALNOŚĆ HOLDINGÓW FINANSOWYCH	
	11	64, 99, Z, POZOSTAŁA FINANSOWA DZIAŁALNOŚĆ USŁUGOWA, GDZIE INDZIEJ NIESKLASYFIKOWANA, Z WYŁĄCZENIEM UBEZPIECZEŃ I FUNDUSZÓW EMERYTALNYCH	
	12	66, 19, Z, POZOSTAŁA DZIAŁALNOŚĆ WSPOMAGAJĄCA USŁUGI FINANSOWE, Z WYŁĄCZENIEM UBEZPIECZEŃ I FUNDUSZÓW EMERYTALNYCH	
	13	70, , , DZIAŁALNOŚĆ FIRM CENTRALNYCH (HEAD OFFICES); DORADZTWO ZWIĄZANE Z ZARZĄDZANIEM	
	14	71, , , DZIAŁALNOŚĆ W ZAKRESIE ARCHITEKTURY I INŻYNIERII; BADANIA I ANALIZY TECHNICZNE	
	15	73, , , REKLAMA, BADANIE RYNKU I OPINII PUBLICZNEJ	
	16	55, , , ZAKWATEROWANIE	
	17	56, , , DZIAŁALNOŚĆ USŁUGOWA ZWIĄZANA Z WYŻYWIENIEM	

Rubryka 2 - Wzmianki o złożonych dokumentach			
Rodzaj dokumentu	Nr kolejny w polu	Data złożenia	Za okres od do
1.Wzmianka o złożeniu rocznego sprawozdania finansowego	1	15.07.2013	31.05.2011 - 31.12.2012
3.Wzmianka o złożeniu uchwały lub postanowienia o zatwierdzeniu sprawozdania finansowego	1	*****	31.05.2011 - 31.12.2012
4.Wzmianka o złożeniu sprawozdania z działalności podmiotu	1	*****	31.05.2011 - 31.12.2012

Rubryka 3 - Sprawozdania grupy kapitałowej
Brak wpisów

Rubryka 4 - Przedmiot działalności statutowej organizacji pożytku publicznego
Brak wpisów

Identyfikator wydruku: RP/435933/6/20131113075500

Strona 5 z 6

Dział 4

Rubryka 1 - Zaległości
Brak wpisów

Rubryka 2 - Wierzytelności
Brak wpisów

Rubryka 3 - Informacje o zabezpieczeniu majątku dłużnika w postępowaniu w przedmiocie ogłoszenia upadłości, o oddaleniu wniosku o ogłoszenie upadłości z uwagi na fakt, że majątek niewypłacalnego dłużnika nie wystarcza na zaspokojenie kosztów postępowania
Brak wpisów

Rubryka 4 - Umożnienie prowadzonej przeciwko podmiotowi egzekucji z uwagi na fakt, że z egzekucji nie uzyska się sumy wyższej od kosztów egzekucyjnych
Brak wpisów

Dział 5

Rubryka 1 - Kurator
Brak wpisów

Dział 6

Rubryka 1 - Likwidacja
Brak wpisów

Rubryka 2 - Informacje o rozwiązaniu lub unieważnieniu spółki
Brak wpisów

Rubryka 3 - Nie dotyczy
Brak wpisów

Rubryka 4 - Informacja o połączeniu, podziale lub przekształceniu

Identyfikator wydruku: RP/435933/6/20131113075500

Strona 6 z 6

Brak wpisów

Rubryka 5 - Informacja o postępowaniu upadłościowym
Brak wpisów

Rubryka 6 - Informacja o postępowaniu układowym
Brak wpisów

Rubryka 7 - Informacja o postępowaniu naprawczym
Brak wpisów

Rubryka 8 - Informacja o zawieszeniu działalności gospodarczej
Brak wpisów

data sporządzenia wydruku 13.11.2013 adres strony internetowej, na której są dostępne informacje z rejestru: https://ems.ms.gov.pl

9.3 Full text of resolutions which constitute the basis of the issue of debt financial instruments referred to in the Information Document

„Uchwała nr 1/10/2013

Zarządu HB Reavis Finance PL sp. z o.o.

z dnia 3 października 2013 roku

w sprawie emisji obligacji serii A do kwoty nie przekraczającej 235.000.000 PLN

§ 1

Zarząd HB Reavis Finance PL sp. z o.o. z siedzibą w Warszawie (Spółka) postanawia wyemitować obligacje serii A (Obligacje) o następujących parametrach:

- (a) Obligacje zostaną wyemitowane w trybie określonym w art. 9 pkt 3 Ustawy z dnia 29 czerwca 1995 r. o obligacjach – Dz.U. 2001 nr 120, poz 1300 z późniejszymi zmianami (Ustawa o Obligacjach). Obligacje będą obligacjami na okaziciela, nieposiadającymi formy dokumentu. Spółka wyemituje nie więcej niż 235.000 Obligacji, o wartości nominalnej 1.000 PLN każda, łącznej wartości nominalnej nie wyższej niż 235.000.000 PLN i numerach od 1 do 235.000 (wskazana kwota nie stanowi progu emisji w rozumieniu Ustawy o Obligacjach).
- (b) Cena emisyjna Obligacji będzie równa ich wartości nominalnej.
- (c) Przydział i emisja Obligacji nastąpi do dnia 31 grudnia 2013 roku.
- (d) Obligacje będą oprocentowane według zmiennej stopy procentowej ustalonej jako suma stawki referencyjnej WIBOR 3M oraz marży.
- (e) Wykup Obligacji nastąpi w terminie nieprzekraczającym czterech lat od dnia emisji Obligacji. Wykup Obligacji nastąpi przez zapłatę wartości nominalnej oraz narosłych odsetek.
- (f) Obligacje będą zabezpieczone (i) hipoteką na prawie użytkowania wieczystego przysługującego Polcom Investment VI sp. z o.o. w stosunku do nieruchomości położonej w Warszawie przy ulicy Chmielnej dla której Sąd Rejonowy dla Warszawy-Mokotowa w Warszawie, X Wydział Ksiąg Wieczystych prowadzi księgę wieczystą o numerze WA4M/00433361/7 oraz (ii) poręczeniem udzielonym przez HB Reavis Holding S.à r.l.;
- (g) Zarząd Spółki podejmie wszelkie czynności faktyczne i prawne celem rejestracji Obligacji w depozycie papierów wartościowych prowadzonym przez Krajowy Depozyt Papierów Wartościowych S.A.; oraz
- (h) Obligacje mogą być przedmiotem ubiegania się przez Spółkę o ich wprowadzenie do obrotu w alternatywnym systemie obrotu na rynku Catalyst prowadzonym przez BondSpot S.A. oraz/lub Giełdę Papierów Wartościowych w Warszawie S.A.

§ 2

Zarząd Spółki postanawia, że szczegółowe warunki emisji Obligacji, w tym m.in. marża, zostaną określone odrębną uchwałą Zarządu Spółki.

§ 3

Zarząd Spółki wyraża zgodę na podpisanie wszelkich niezbędnych umów, zawiadomień, pełnomocnictw oraz innych dokumentów, których podpisanie jest wymagane na podstawie lub w związku z emisją Obligacji.

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§ 4

Uchwała została podjęta jednomyślnie i wchodzi w życie z dniem podpisania.”



Rene POPIK – Członek Zarządu



Stanislav FRNKA – Prezes Zarządu

„Uchwała nr 1/11/2013
Zarządu HB Reavis Finance PL sp. z o.o.
z dnia 19 listopada 2013 roku
w sprawie zatwierdzenia parametrów finansowych emitowanych obligacji

§ 1


Zarząd HB Reavis Finance PL sp. z o.o. z siedzibą w Warszawie (**Spółka**), w nawiązaniu do uchwały Zarządu Spółki z dnia 3 października 2013 r. nr 1/10/2013 (**Uchwała**) postanawia określić parametry finansowe obligacji (**Obligacje**) emitowanych na podstawie Uchwały, jak poniżej:

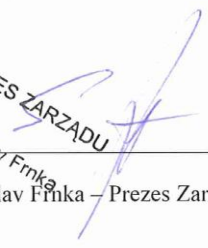
- (a) dzień emisji 27 listopada 2013 roku (lub dzień około tego dnia);
- (b) ostateczna liczba emitowanych Obligacji – nie więcej niż 235.000 (słownie: dwieście trzydzieści pięć tysięcy), o numerach od 1 do 235.000;
- (c) marża w wysokości 3,95 procent;
- (d) termin ostatecznego wykupu – 27 listopada 2017 roku.

Ostateczne warunki emisji obligacji stanowią załącznik do niniejszej uchwały.

§ 2

Uchwała została podjęta jednomyślnie i wchodzi w życie z dniem podpisania.”


René Popik
Członek Zarządu
René Popik – Członek Zarządu


PREZES ZARZĄDU
Stanislav Frnka
Stanislav Frnka – Prezes Zarządu

9.4 Document defining the terms and conditions of the Bonds

This document (the **Terms and Conditions**) sets out the terms and conditions of the bonds (the **Bonds**) with the detailed parameters specified in the Supplement attached hereto as Schedule 2 (Supplement) issued by HB Reavis Finance PL spółka z ograniczoną odpowiedzialnością (*limited liability company*) with its registered office in Warsaw at Konstruktorska 13 street, entered into the register of entrepreneurs of the National Court Register maintained by the District Court for capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under No. 0000435933, REGON (Business Statistical Number): 146340010, NIP (Tax Identification Number): 521-363-87-69, with the fully paid share capital of PLN 500,000 (the **Issuer**).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Terms and Conditions:

Act on Bonds means the Act on Bonds dated 29 June 1995, as amended.

Act on Trading in Financial Instruments means the Act on Trading in Financial Instruments dated 29 July 2005, as amended.

ATS BondSpot means an alternative trading system for debt securities operated by BondSpot.

ATS WSE means an alternative trading system for debt securities operated by the WSE.

Base Rate means WIBOR 3M (Warsaw Interbank Offered Rate for three months deposits) as quoted by Monitor Rates Services Reuters or any of its legal successors for deposits in PLN, as expressed in percentage points per annum, based on the fixing from or around 11:00 a.m., published on the Interest Rate Determination Date, or another interest rate that will replace the above rate.

Bondholder means a holder of the Bonds.

Bondholders' Meeting means a meeting of the Bondholders held in accordance with the principles set out in Schedule 2 (Rules of the Bondholders' Meeting).

BondSpot means BondSpot S.A. with its registered office in Warsaw.

Business Day means each day except for Saturday, Sunday or a public holiday, on which the NDS and the entities operating the Securities Accounts and the Omnibus Accounts are open for the business making it possible to transfer the Bonds and make payments due under the Bonds.

Calculation Agent means NWA I Dom Maklerski S.A. its registered seat in Warsaw, at Nowy Świat 64 entered into the register of entrepreneurs of the National Court Register maintained by the District Court for capital city of Warsaw in Warsaw, VII Commercial Division of the National Court Register under No. 0000304374, NIP (Tax Identification Number): 5252423576.

Consolidated Assets means a sum of total consolidated assets as reported in the consolidated financial statements of the Suretyship Provider.

Deed of Mortgage means the notarial deed on the establishment of the Mortgage made by Polcom Investment VI Sp. z o.o.

Depository means the system of registration of dematerialised securities operated by the NDS.

Event of Default means any event specified in Clause 12.1 (Events of Default).

Financial Indebtedness means any indebtedness for or in respect of (without double counting):

- (a) moneys borrowed (*środki wypłacone w ramach pożyczki lub kredytu*);
- (b) any acceptance under any acceptance credit facility (*kredyt akceptacyjny*) (including any dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds (*obligacja*), notes (*weksel*), debentures (*inny papier wartościowy*), loan stock (*skrypt dłużny*) or any similar instrument;
- (d) any redeemable preference share (*akcje/udziały uprzywilejowane z możliwością umorzenia*);
- (e) any lease, hire purchase contract or other agreement which would, in accordance with the generally accepted accounting principles, be treated as a finance or capital lease;
- (f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis (*bez regresu do zbywcy*));
- (g) any derivative transaction (*transakcja pochodna*) entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark-to-market value will be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (i) the acquisition cost of any asset or service to the extent payable after its acquisition or possession by the party liable where the deferred payment:
 - (i) is arranged primarily as a method of raising finance or of financing the acquisition or the construction of that asset or service; or
 - (ii) is due to be made more than twelve months after the date of acquisition or supply; or
- (j) any other transaction having the commercial effect of a borrowing where the payment is deferred for a period exceeding at least 365 days;
- (k) excluding in each case:
 - (i) any deposits received from tenants for the purpose of security rental payments made by the tenants to the members of the Group;
 - (ii) any customary warranties provided by the general contractor to the owner of the building;
 - (iii) any loans, borrowings, leases, guarantees, indemnities or similar assurance between or in favour of the companies within the Group; or
 - (iv) any contributions from third parties to the Fund that are for the purposes of consolidated financial statements classified as debt.

Fund means HB Reavis Real Estate SICAV – SIF, a fonds commun de placement – fonds d’investissement specialise, established in Luxembourg or another domicile respected for Fund investors, governed by the Luxembourg or another relevant jurisdiction in relation to specialized

investment funds or similar fund under full or co-management of HB Reavis Investment Management S.a r.l., a limited liability company organised under the laws of Luxembourg (registration number B 161.176) having its registered office at 20, rue de la Poste, L-2346 Luxembourg or its legal successors or another managing entity within the Group.

Group means the Suretyship Provider and its Subsidiaries.

Holding Company means a company which:

- (a) controls, indirectly or directly, a majority of the votes at the general meeting or the general assembly, also as pledgee or usufructuary, or in the management board of another company (a subsidiary), also under agreements with other parties; or
- (b) is entitled to appoint or dismiss a majority of the members of the management board of another company or a cooperative (a subsidiary), also under agreements with other parties; or
- (c) is entitled to appoint or dismiss a majority of the members of the supervisory board of another company or a cooperative (a subsidiary), also under agreements with other parties; or
- (d) members of its management board or members of its supervisory board constitute more than half of the members of the management board of another company or of a cooperative (a subsidiary); or
- (e) controls, indirectly or directly, a majority of the votes in the dependent partnership or at the general meeting of the dependent cooperative, also under agreements with other parties, or
- (i) exerts a decisive influence on the operations of the dependent company or dependent cooperative, in particular based on the agreements with other parties.

IFRS means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

Interest Payment Date means the day specified in the Supplement.

Interest Period means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and each consecutive period from (and including) an Interest Payment Date to (but excluding) the next consecutive Interest Payment Date, provided that an Interest Period may vary in duration due to an early redemption under Clause 12.2 or Clause 13.

Interest Rate Determination Date means, the seventh Business Day before the beginning of the Interest Period for which the Interest Rate is to be determined.

Issue Date means the day specified in the Supplement.

Margin means the margin specified in the Supplement.

Material Subsidiary means a Subsidiary whose total assets exceed 10 % of the Consolidated Assets.

Maturity Date means the day specified in the Supplement.

Mortgage means the first ranking mortgage over the Property established in favour of the Mortgage Administrator in order to secure the Bondholders' claims under the Bonds, up to the maximum security amount of PLN 282,000,000.

Mortgage Administrator means law offices of Matczuk Wieczorek i Wspólnicy Kancelaria Adwokatów i Radców Prawnych Sp. J with its registered seat in Warsaw, at Czeczota 6 Street entered into the register of entrepreneurs of the National Court Register maintained by the District Court for capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under No. 0000253133, NIP (Tax Identification Number): 7010010819.

NDS means the National Depository for Securities (*Krajowy Depozyt Papierów Wartościowych S.A.*) with its registered office in Warsaw.

Omnibus Account means an omnibus account within the meaning of Art. 8a of the Act on Trading in Financial Instruments.

Polcom Investment VI Sp. z o.o. means the company with its registered office in Warsaw at Konstruktorska 13 street, entered into the register of entrepreneurs of the National Court Register maintained by the District Court for capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under No. 0000393791, REGON (Business Statistical Number): 144321267, NIP (Tax Identification Number): 5213614220, with the fully paid share capital of PLN 5,000.

Property means the real property located in Warsaw consisting of plots of land Nos. 33/3, 33/4, 33/5, with a total area of 17.227 square meters for which the District Court for Warszawa – Mokotów in Warsaw, X Land and Mortgage Division, maintains land and mortgage register No. WA4M/433361/7 being subject to perpetual usufruct by Polcom Investment VI Sp. z o.o.

Record Date means the sixth Business Day before the date on which the payments under the Bonds are to be made, except where the Bondholders submit a request for an earlier redemption of the Bonds under Clause 12.2, a request for an immediate redemption of the Bonds under Clause 13(a) or the Issuer's liquidation has commenced and in such event the Record Date means the day on which the Bondholders submit a request for and earlier redemption of the Bonds, a request for an immediate redemption of the Bonds or the Issuer's liquidation procedure has commenced.

Reference Banks means the entities specified in the Supplement.

Securities Account means a securities account within the meaning of Art. 4.1 of the Act on Trading in Financial Instruments.

Security Interest means any mortgage, charge, lien, registered pledge, financial pledge, civil-law pledge, security assignment, security transfer of title, or any other collateral.

Subsidiary means an entity for which the Suretyship Provider is a Holding Company.

Suretyship means the suretyship provided by the Suretyship Provider for all liabilities of the Issuer under the Bonds.

Suretyship Provider means HB Reavis Holding S.à r.l., a private company with limited liability (*a société à responsabilité limitée*), organised under the laws of the Grand Duchy of Luxembourg, with share capital of EUR 12,500, with its registered office at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (R. C. S. Luxembourg) under number B 156.287.

WSE means the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*) with its registered office in Warsaw.

1.2 Interpretation

In these Terms and Conditions:

- (a) any reference to a clause, paragraph or schedule is a reference to a clause or paragraph of or a schedule to these Terms and Conditions;
- (b) a reference to the Bondholders shall be interpreted also as a reference to each Bondholder and *vice versa*;
- (c) any reference to:
 - (i) these Terms and Conditions or any other document includes references to these Terms and Conditions or any other document as amended; and
 - (ii) a provision of law, act or regulation includes references to that law, act or regulation as amended or re-enacted; and
- (d) headings and subheadings of certain clauses are used only for the ease of reference and do not affect the interpretation of these Terms and Conditions.

2. LEGAL BASIS OF THE ISSUE

- (a) The Bonds are issued, in accordance with the Act on Bonds on the basis of the resolution of the Issuer's management board dated 3 October 2013.
- (b) The Bonds are offered under Art. 9.3 of the Act on Bonds.

3. DESCRIPTION OF THE PERFORMANCE

The Issuer undertakes to pay to a Bondholder a performance in cash in the amount and on the dates set out in these Terms and Conditions.

4. FORM AND PLACE OF ISSUE

- (a) The Bonds are bearer bonds. The Bonds are in dematerialised (non-documentary) form under art. 5a point 1 of the Act on Bonds.
- (b) The Bonds are issued in Warsaw.
- (c) The Bonds are secured.
- (d) The Bonds are entered in the Depository. The Issuer may introduce the Bonds to trading on ATS BondSpot or/and ATS WSE.

5. SECURITY

- (a) Bondholders pecuniary claims towards the Issuer under the Bonds are secured with:
 - (i) the Mortgage; and
 - (ii) the Suretyship.
- (b) A copy of the Mortgage Deed constitutes Schedule 3.

- (c) On [DATE] the Suretyship Provider made a statement on the provision of suretyship (*poręczenie*) for all pecuniary liabilities of the Issuer under the Bonds. The statement contains an irrevocable offer of the Suretyship Provider addressed to all Bondholders to enter into a suretyship agreement. The statement provides that the suretyship agreement between the Suretyship Provider and the Bondholder is concluded when a person acquires the Bonds. It is deemed that the acquisition of the Bonds by the Bondholder demonstrates its will to enter into the suretyship agreement. A copy of the statement on the provision of suretyship constitutes Schedule 4. The original of the statement on the provision of suretyship is kept by the Mortgage Administrator.

6. STATUS OF THE BONDS

The Bonds constitute the direct and unconditional obligations of the Issuer and rank *pari passu*, without any preference among themselves.

7. RECORDING AND TRANSFERRING RIGHTS UNDER THE BONDS

The rights under the Bonds will be recorded and transferred in accordance with the provisions of the Act on Trading in Financial Instruments.

8. INTEREST

8.1 Interest Periods and Interest Payment Dates

The Bonds will bear interest. Interest on each Bond shall accrue for each day for the given Interest Period and will be payable on each Interest Payment Date.

8.2 Interest Rate

Subject to Clause 8.5, the interest rate will be determined as follows:

- (a) on each Interest Rate Determination Date the Issuer will determine the Base Rate. If the Base Rate is unavailable, the Calculation Agent will request the Reference Banks to provide the interest rates for deposits in PLN for the term equal to the Interest Period, quoted on the interbank market to the other banks on the given Interest Rate Determination Date;
- (b) the interest rate for the given Interest Period shall be the aggregate of the Base Rate and the Margin or, if the Base Rate is unavailable and the Issuer obtained the interest rates quoted by at least two Reference Banks, the aggregate of the Margin and the arithmetic mean (rounded if necessary to the second decimal place, with 0.005% or more rounded upwards) of the interest rates quoted by the Reference Banks; and
- (c) if the interest rate for the given Interest Period cannot be determined as set out in paragraphs (a) and (b) above, the interest rate in this Interest Period shall be determined on the basis of the last available Base Rate.

8.3 Calculation of interest

The amount of interest on one Bond shall be calculated following the determination of the interest rate by multiplying the nominal value of a Bond by the interest rate, multiplying the product by the number of days in the given Interest Period, dividing the result by 365 and rounding the resultant figure to the nearest grosz (half a grosz or more being rounded upwards).

8.4 Notification of the interest rate and the amount of interest

The amount of interest will be calculated by the Calculation Agent. If the Bonds are listed on ATS BondSpot and/or ATS WSE, the amount of interest will be placed on the website of ATS BondSpot and/or ATS WSE. If the Bonds are not listed on ATS BondSpot or ATS WSE, the Issuer will notify the Bondholders about the amount of interest in accordance with Clause 15.1.

8.5 The interest rate for late payments of interest

In the event of late payment of interest or late redemption the interest rate for interest accruing after (and including) the Interest Payment Date on which the Issuer failed to make the payment will be determined at then applicable statutory rate of interest.

9. PAYMENTS

- (a) All amounts payable under the Bonds will be paid via the entities operating the Securities Accounts or the Omnibus Accounts.
- (b) If the Issuer transfers the funds in the amount insufficient to pay in full the given amounts payable under the Bonds, the payment shall be made proportionally to every Bondholder in accordance with the relevant regulations of the NDS.
- (c) Payments under the Bonds will only be made to the Bondholders holding the Bonds as at the end of the Record Date.
- (d) Payment mechanics:
 - (i) all payments under the Bonds shall be made in accordance with the relevant laws and regulations prevailing on the payment date. In particular, the amount of interest due under the Bonds may be limited by the regulations determining the maximum rate of interest resulting from a legal transaction;
 - (ii) if the date on which any amount payable under the Bonds is to be paid is not a Business Day, such amount will be paid on the next following Business Day and the Bondholders shall not be entitled to claim any interest for such period of time; and
 - (iii) the amounts due under the Bonds shall be paid without setting off any amounts due to the Issuer with any amounts due from the Bondholders.

9.1 Taxes

- (a) All amounts payable in respect of the Bonds will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the relevant tax authorities, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by mandatory provisions of law. The Issuer will not reimburse the Bondholders for any taxes paid or make any additional payments if any taxes, duties, assessments or governmental charges must be withheld or deducted from any payment under the Bonds.
- (b) If any taxes must be withheld or deducted and the Bondholder fails to provide the entity operating the Securities Account or the Omnibus Account, not later than on the Record Date, with all information and documents, including, without limitation, the current tax residence certificate, as required to apply a reduced or zero tax rate, such tax will be collected in full.

10. CALL OPTION

- (a) The Issuer may redeem part or all of the Bonds on an early redemption date.
- (b) The Issuer shall notify the Bondholders about the execution of the call opinion at least 15 Business Days before the early redemption date. The first early redemption date may fall not earlier than on the Interest Payment Date falling three years after the Issue Date. The notification on the early redemption of the Bonds should indicate the Record Date, the early redemption date and the number of Bonds eligible for early redemption.
- (c) On the early redemption date the Issuer shall pay to the Bondholder the amount being the total of:
 - (i) the nominal value of the redeemed Bonds; and
 - (ii) the amount of interest accrued between the beginning of the Interest Period (and including) and the early redemption date (and excluding).
- (d) The call option shall be exercised in accordance with the rules of the NDS.

11. REDEMPTION

The Issuer will redeem all the Bonds on the Maturity Date at their nominal value.

12. EVENTS OF DEFAULT

12.1 Events of Default

Subject to Clause 12.2, each Bondholder may demand the early redemption of the Bonds if any of the following has occurred:

- (a) any Financial Indebtedness of the Issuer or any member of the Group (together or separately) in a given moment in the total amount exceeding 10 % of the Suretyship Provider's Consolidated Assets:
 - (i) is not paid when due (*brak płatności w terminie wymagalności*), including the expiration of the relevant grace period, and is not remedied within 15 Business Days; or
 - (ii) is declared due and payable before the original maturity date (*postawienie w stan wymagalności przed terminem*) of such Financial Indebtedness as a result of a demand to accelerate such Financial Indebtedness by reason of an event of default (howsoever described) and is not remedied within 15 Business Days;
- (b) the Issuer defaults on its obligations set out in Clause 16 and such default is not remedied in 15 Business Days;
- (c) The Financial Indebtedness to Consolidated Assets ratio calculated on the basis of the consolidated financial statements of the Suretyship Provider exceeds 55% and such situation is not remedied within 15 Business Days from the date of reporting it in accordance with Clause 16(c); the Issuer has to evidence the remedy to the Bondholders by delivering a statement to that effect prepared by an independent auditor;

- (d) The statement of the Suretyship Provider on the provision of the Suretyship or the Mortgage established under the Deed of Mortgage proves invalid or ineffective (*nieważność lub bezskuteczność*) and such default is not remedied in 15 Business Days;
- (e) The agreement for establishment of the Mortgage Administrator:
 - (i) proves invalid or ineffective (*nieważność lub bezskuteczność*) and a new agreement is not executed within 30 days of the date when such default occurred;
 - (ii) is terminated (*rozwiązanie*) and new agreement is not executed within 30 days of the date of such termination, or
 - (iii) is amended (*zmiana*) in such a way which is detrimental to the executing of the rights of the Bondholders.
- (f) The Issuer or any other member of the Group grants a loan (*udzielenie pożyczki*) to any non-Group member or subscribes for bonds issued by any non-Group member in the total amount exceeding 10 % of the Suretyship Provider's Consolidated Assets and the amount exceeding 10 % of the Suretyship Provider's Consolidated Assets has not been repaid within 15 Business Days;
- (g) The Issuer or any member of the Group sells, transfers or otherwise disposes (*sprzedaż, przekazanie, inna forma rozporządzenia*) a real property or properties the total value of which exceeds 10 % of the Suretyship Provider's Consolidated Assets, unless such sale, transfer or disposal is on arm's length terms or is made to the Group member;
- (h) The Issuer or the Suretyship Provider sells, transfers or otherwise disposes (*sprzedaż, przekazanie, inna forma rozporządzenia*) the shares in any member of the Group to any entity other than the Group member the total value of which exceeds 10 % of the Suretyship Provider's Consolidated Assets, in a single or series of transactions during the period of one calendar year, unless such sale, transfer or disposal is on arm's length terms;
- (i) The Group ceases to carry on all or a material part of its core business and development or operation of real properties on the commercial terms ceases (*budowa lub wynajem nieruchomości na warunkach rynkowych*) to be the main subject of the business of the Group; or
- (j)
 - (i) any creditor files a petition to declare the Issuer or the Suretyship Provider bankrupt, unless such petition is discharged or dismissed (*zwrócenie, odrzucenie, oddalenie*) in 120 days of the date when the Issuer or, as applicable, the Suretyship Provider becomes aware of such petition;
 - (ii) the Issuer or the Suretyship Provider files a petition to declare the Issuer or, as applicable, the Suretyship Provider bankrupt (*wniosek o ogłoszenie upadłości*);
 - (iii) the Issuer or the Suretyship Provider declares that the reorganisation proceedings or any other insolvency related proceedings (*postępowanie naprawcze lub inne równorzędne postępowanie*) were opened in respect of the Issuer or, as applicable, the Suretyship Provider;
 - (iv) the Issuer or the Suretyship Provider admits in writing it is insolvent or by reason of financial difficulties (*kłopoty finansowe*) commences negotiations with all or any

class of its creditors with a view to rescheduling any of its indebtedness (*zmiana zasad spłaty zadłużenia*).

12.2 Consequences of an Event of Default

- (a) If an Event of Default referred to in Clause 1.1(j)(ii) has occurred, each Bondholder may demand the Issuer to redeem the Bonds held by such Bondholder early. If an Event of Default referred to in Clauses 1.1(a) - 1.1(j)(i) and 1.1(j)(iii) - 1.1(j)(iv) has occurred each Bondholder may demand the Issuer to redeem the Bonds held by such Bondholder early provided that the Bondholders' Meeting has adopted a resolution authorising the Bondholders to demand the early redemption of the Bonds.
- (b) Subject to Clause 12.2(a) a Bondholder may serve the early redemption demand on the Issuer personally, by registered mail or courier. In the early redemption demand the Bondholder should indicate the grounds for its early redemption demand and attach a certificate of deposit and the tax residence certificate if a payment to the Bondholder is subject to the withholding tax and the Bondholder wants to apply the reduced or zero rate of the withholding tax. As a result of serving the early redemption demand the Bonds held by the relevant Bondholder shall become due and payable in fifteen Business Days of the date when the Issuer receives such demand (the **Early Redemption Date**).
- (c) If the Bonds are redeemed early the Issuer shall pay to the Bondholder the amount being the total of:
 - (i) the nominal value of the Bonds; and
 - (ii) the amount of interest accrued between the beginning of the Interest Period (and including) and the Early Redemption Date (and excluding).

13. FAILURE TO FULFIL OBLIGATIONS AND THE ISSUER'S LIQUIDATION

- (a) If the Issuer fails to pay in full or in part any amount under the Bonds on its due date, the Bondholder may demand that the Bonds held by such Bondholder be immediately redeemed.
- (b) The Bonds will become immediately redeemable on the date of opening the Issuer's liquidation.
- (c) If the Bonds are redeemed immediately the Issuer shall pay to the Bondholder the amount being the total of:
 - (i) the nominal value of the Bonds; and
 - (ii) the amount of interest accrued between the beginning of the Interest Period (and including) and the redemption date (and excluding).

14. ROLE OF THE CALCULATION AGENT

- (a) In the matters related to the Bonds the Calculation Agent shall act solely as the Issuer's agents and shall not be liable towards the Bondholders for any amounts payable by the Issuer in respect of the Bonds or for any obligations of the Issuer towards the Bondholders or the effectiveness of enforcing the Bondholders' claims towards the Issuer. The Calculation Agent shall not act as a representative bank within the meaning of Art. 29 of the Act on Bonds or be obliged to represent the Bondholders in relations with the Issuer.

- (b) The Calculation Agent does not verify or evaluate the Issuer's risk and the risk of investing in the Bonds.
- (c) The Calculation Agent, in the course of its business, will co-operate with the Issuer as regards various services and be in possession of information which may be significant in the context of the Issuer's financial standing and its ability to perform its obligations under the Bonds, but it shall not be entitled to disclose such information to the Bondholders unless the Issuer specifically designates the documents and information to be disclosed to the Bondholders in connection with the Bonds and acting as the Calculation Agent. The Calculation Agent's performance of specific actions and holding specific function in connection with the Bonds shall not prevent the Calculation Agent and its subsidiaries or affiliates from providing the Issuer with other services or advice or co-operating with the Issuer to any other extent or in any other form.

15. NOTICES

15.1 Notices to the Bondholders

All the notices sent by the Issuer to the Bondholders will be published on the Issuer's website <http://www.hbreavis.com/hbrfinancepl> or any website which replaces such website. If the Bonds are listed on the ATS BondSpot and/or ATS WSE, notices to the Bondholders will be also presented on the website of ATS BondSpot and/or ATS WSE in the form of current or periodic reports.

15.2 Notices to the Issuer

The Bondholders shall give all their notices to the Issuer personally, by registered mail or courier, to the Issuer's address disclosed in the National Court Register.

16. INFORMATION COVENANTS

The Issuer shall disclose to the Bondholders:

- (a) its semi-annual financial statement within three months from the end of the relevant half of its financial year and the statement that according to the best knowledge of the Issuer no Event of Default has occurred;
- (b) the Suretyship Provider's semi-annual consolidated financial statement within three months from the end of the first half of its financial year prepared in accordance with IFRS;
- (c) information on the Financial Indebtedness to Consolidated Assets ratio within three months from the end of the first half of its financial year and within six months from the end of its financial year;
- (d) its annual audited financial statements with the auditor's opinion within six months from the end of its financial year;
- (e) the Suretyship Provider's consolidated annual audited financial statements with the auditor's opinion within six months from the end of its financial year prepared in accordance with the IFRS;
- (f) information on the execution by any member of the Group of any loan agreement or credit agreement the amount of which in one individual transaction exceeds 10 % of the Suretyship Provider's Consolidated Assets; and

- (g) information on the sell, purchase, transfer or other disposal by the Issuer's or the Suretyship Provider's assets the value of which in one individual transaction exceeds 10 % of the Suretyship Provider's Consolidated Assets.

These documents/information shall be available at the Issuer's registered office and on the Issuer's website <http://www.hbreavis.com/hbrfinancepl> or any website which replaces such website. If the Bonds are listed on ATS Bondspot and/or ATS WSE, the above mentioned documents/information will be also published on the website of ATS Bondspot and/or ATS WSE in a form of current or periodic reports presented by the Issuer.

17. GOVERNING LAW

- (a) The Bonds are issued under and governed by Polish law.
- (b) In the event of any discrepancies between these Terms and Conditions and the rules of the NDS governing the payment of the amounts due under the Bonds the relevant regulations of the NDS shall prevail.

HB Reavis Finance PL spółka z ograniczoną odpowiedzialnością

By: _____

By: _____

Name: _____

Name: _____

SCHEDULE 1

SUPPLEMENT

This constitutes the supplement relating to the terms and conditions of the bonds (the **Terms and Conditions**) issued by HB Reavis Finance PL spółka z ograniczoną odpowiedzialnością.

The terms used in this Supplement have the meaning given to them in the Terms and Conditions, of which the Supplement is an integral part.

1.	Series	A
2.	Numbers of the Bonds	from 1 up to 235,000
3.	Nominal value of one Bond	PLN 1,000
4.	Quantity of the Bonds	up to 235,000 (two hundred thirty five thousand)
5.	Aggregate nominal value of the Bonds	up to PLN 235,000,000 (two hundred thirty five million)
6.	Issue Date	27 November 2013
7.	Interest Payment Dates	27 February 2014; 27 May 2014; 27 August 2014; 27 November 2014; 27 February 2015; 27 May 2015; 27 August 2015; 27 November 2015; 27 February 2016; 27 May 2016; 27 August 2016; 27 November 2016; 27 February 2017; 27 May 2017; 27 August 2017; 27 November 2017
8.	Margin	3.95 per cent. per annum
9.	Reference Banks	Powszechna Kasa Oszczędności Bank Polski S.A.; Bank Polska Kasa Opieki S.A.; Bank Zachodni WBK S.A.; BRE Bank S.A.; Bank Handlowy w Warszawie S.A.
10.	Maturity Date	27 November 2017

SCHEDULE 2

RULES OF THE BONDHOLDERS' MEETING

1. GENERAL PROVISIONS

- (a) These Rules of the Bondholders' Meeting apply to the Bondholders holding the Bonds set out in the preceding Supplement.
- (b) Terms not defined in these Rules of the Bondholders' Meeting have the meaning given to them in the Terms and Conditions.

2. CONVENING A MEETING

- (a) The Bondholders' Meeting is convened by the Issuer on its own initiative or at the request of the Bondholders holding at least 10% of the issued and outstanding Bonds. Furthermore, if the Issuer fails to convene a Bondholders' Meeting at the request of the Bondholders holding at least 10% of the issued and outstanding Bonds, such Bondholders are authorised to convene the Bondholders' Meeting on their own.
- (b) The Bondholders' Meetings will be held in Warsaw. The exact place, date and time of a Bondholders' Meeting will be determined by the Issuer or the Bondholders, depending on who convenes the Bondholders' Meeting.
- (c) The Bondholders' Meeting is convened by publishing a notice indicating the place, date, time of the Bondholders' Meeting and its agenda.
- (d) When the Issuer convenes a Bondholders' Meeting, the Issuer shall publish the notice in accordance with Clause 15.1 of the Terms and Conditions. The day when the Issuer publishes the notice on the Issuer's website will be the Convocation Date.
- (e) Provided that the Issuer has not convened the Bondholders Meeting at the request of the Bondholder in accordance with Clause 2(a) above, when the Bondholders convene a Bondholders' Meeting, the Bondholders' Meeting is convened by publishing an announcement in *Rzeczpospolita* or *Gazeta Wyborcza* daily or another newspaper of national circulation with business profile or business section, at the Issuer's expense if conveying of the Bondholders' meeting was reasonable and justified, indicating the place, date and time of the Bondholders' Meeting and its agenda. The date of publishing the announcement will be the Convocation Date. Simultaneously with publishing the announcement the Bondholders must send to the Issuer a notice of convening the Bondholders' Meeting indicating the place, date and time of the Bondholders' Meeting and its agenda.
- (f) The date of the Bondholders' Meeting should fall not earlier than 11 Business Days and not later than 17 Business Days after the Convocation Date.
- (g) If the Bonds are introduced to trading on ATS BondSpot and/or ATS WSE the Issuer shall give notice of convocation of the Bondholders' Meeting also in the form of a current report.
- (h) The Bondholders' Meeting may be attended by the Bondholders who blocked the Bonds until the Business Day falling directly after the date of the Bondholders' Meeting.
- (i) The person representing a Bondholder at the Bondholders' Meeting should produce a certificate of deposit (for the Bonds entered in the Depository) evidencing that the Bondholder holds the Bonds and blocked the Bonds until the Business Day falling directly after the date of the Bondholders' Meeting.

Such person should also evidence his/her authorisation to act on behalf of the Bondholder presenting a current extract from the register of entrepreneurs of the National Court Register or another relevant register or another document which indicates that that person is authorised to act on behalf of the Bondholder.

- (j) A Bondholder may be represented by an attorney. A Bondholder may act as an attorney of another Bondholder. All powers of attorney should be granted in writing by the persons authorised to represent the Bondholder according to the current extract from the register of entrepreneurs of the National Court Register or another relevant register presented together with the power of attorney.
- (k) Apart from the Bondholders, the Issuer, the Issuer's financial or legal advisers and the Bondholders' financial or legal advisers may participate in the Bondholders' Meetings. These persons may speak on the matters included in the agenda of the Bondholders' Meeting.
- (l) The Bondholder's right to participate in the Bondholders' Meeting includes without limitation the right to take part in voting and the right to speak.

3. PROCEDURE FOR HOLDING A BONDHOLDERS' MEETING

- (a) The chairman shall be appointed by the person who convened the Bondholders' Meeting. When the Bondholders' Meeting is convened by the Issuer and the Issuer fails to appoint the chairman, the chairman shall be appointed by the Bondholders. The chairman will open and conduct the Bondholders' Meeting and determine its agenda.
- (b) The chairman may decide to adjourn the Bondholders' Meeting. If the request to adjourn the Bondholders' Meeting is made by the Bondholders representing more than 50% of votes represented at the Bondholders' Meeting, the chairman must adjourn the Bondholders' Meeting as requested. In any event the Bondholders' Meeting may not be adjourned for more than 30 days in aggregate. The Bondholder's Meeting reopened after the adjournment may be attended by the Bondholders who re-blocked the Bonds until the Business Day falling directly after the date of the reopened Bondholders' Meeting. A Bondholder should produce a certificate of deposit (for the Bonds entered in the Depository) evidencing that the Bondholder holds the Bonds and blocked the Bonds until the Business Day falling directly after the date of the reopened Bondholders' Meeting.
- (c) Immediately after opening the Bondholders' Meeting, the chairman shall draw up and sign the attendance record, including detailed information on the number of the Bonds held by each Bondholder participating in the Bondholders' Meeting and the number of votes the given Bondholder is entitled to cast. The chairman of the Bondholders' Meeting will sign the attendance record. The attendance record shall be displayed for inspection by the participants throughout the Bondholders' Meeting and any changes to the composition of the Bondholders' Meeting, including the time of making such changes, will be recorded therein.
- (d) After presenting the agenda of the Bondholders' Meeting, the chairman shall open the discussion by inviting the participants to speak in the order they submit their requests to that effect. The Issuer will be allowed to speak out of turn.
- (e) When a given item on the agenda has been discussed, the chairman shall order voting.
- (f) The chairman shall draw up and sign the minutes of the Bondholders' Meeting. The minutes should contain a description of the course of the Bondholders' Meeting and specify the number of votes represented, the contents of the resolutions adopted and the number of votes cast for the individual resolutions. The attendance record, the copies of the powers of attorney, the extracts from the register of entrepreneurs of the National Court Register and any other documents indicating the authorisation to represent a Bondholder or any other participant of the Bondholders' Meeting should be attached to

the minutes of the Bondholders' Meeting. The minutes shall be drawn up in three Business Days from the day when the Bondholders' Meeting is closed.

4. ADOPTING RESOLUTIONS

- (a) A Bondholders' Meeting may adopt resolutions only on the matters included in the notice convening the Bondholders' Meeting. The matters not included in the notice convening the Bondholders' Meeting that are not formal matters may be resolved on if the Bondholders representing 100% of votes participate in the Bondholders' Meeting and none of the Bondholders opposed the adopting of the given resolution.
- (b) The Bondholders' Meeting will be authorised to adopt resolutions if the Bondholders representing at least 50% of the total number of votes participate in such a Bondholder's Meeting.
- (c) The Bondholders' Meeting adopts its resolutions by the majority of 66 $\frac{2}{3}$ % of the votes cast by the Bondholders participating in the Bondholders' Meeting.
- (d) Each Bond carries one vote.
- (e) Voting shall be opened unless any of the Bondholders present at the Bondholders' Meeting requests that voting be secret.
- (f) A resolution adopted by a duly convened and held Bondholders' Meeting shall be binding on all the Bondholders, including those who did not participate in the Bondholders' Meeting or voted against the resolution, abstained from voting or cast invalid votes.
- (g) The chairman of the Bondholders' Meeting will provide the Issuer with the minutes of the Bondholders' Meeting within seven Business Days of closing the Bondholders' Meeting.

5. FINAL PROVISIONS

- (a) The Issuer will cover the reasonable and documented organisational costs and expenses associated with convening and holding a Bondholders' Meeting whose conveying was reasonable and justified.
- (b) Any matters related to convening and conducting the Bondholders' Meetings which are not set forth herein shall be determined by the chairman of the Bondholders' Meeting.

SCHEDULE 3

COPY OF THE MORTGAGE DEED

OŚWIADCZENIE O USTANOWIENIU HIPOTEKI

§ 1.

1. Przedstawiciel POLCOM INVESTMENT VI oświadcza, że:-----

- a) Sąd Rejonowy dla Warszawy-Mokotowa w Warszawie X Wydział Ksiąg Wieczystych prowadzi księgę wieczystą nr WA4M/00433361/7 (W A cztery M/ zero zero cztery trzy trzy trzy sześć jeden / siedem) dla nieruchomości gruntowej położonej w województwie mazowieckim, powiecie m. st. Warszawa, gmina m. st. Warszawa, miejscowości Warszawa, dzielnica Wola, składającej się z działek gruntu o numerach ewidencyjnych 33/3 (trzydzieści trzy/ trzy), 33/4 (trzydzieści trzy/ cztery), 33/5 (trzydzieści trzy/ pięć), o obszarze 1,7227 ha (jeden hektar i siedem tysięcy dwieście dwadzieścia siedem dziesięciotysięcznych hektara) oraz dla stanowiących odrębne nieruchomości budynków; -----
- b) w dziale I-Sp powyższej księgi wieczystej ujawniony jest termin użytkowania wieczystego do dnia 05 (piątego) grudnia 2089 (dwa tysiące osiemdziesiątego dziewiątego) roku; -----
- c) w dziale II powyższej księgi wieczystej jest wpisany jest, jako właściciel Skarb Państwa reprezentowany przez Prezydenta Miasta Stołecznego Warszawy, a jako użytkownik wieczysty oraz właściciel budynków stanowiących odrębne nieruchomości jest wpisana spółka pod firmą POLCOM INVESTMENT VI Spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie na podstawie umowy sprzedaży, udokumentowanej aktem notarialnym sporządzonym w dniu 30 października 2012 roku przez Artura Stanisława Kozaka notariusza w Warszawie, Rep. A nt 6905/2012 oraz umowy przeniesienia prawa użytkowania wieczystego nieruchomości oraz oświadczenie o ustanowieniu służebności, udokumentowanej aktem notarialnym sporządzonym w dniu 30 października 2012 roku przez Artura Stanisława Kozaka notariusza w Warszawie, Rep. A nr 6912/2012;-----
- d) w dziale III powyższej księgi wieczystej znajdują się następujące wpisy: -----
 - służebność przesyłu na rzecz uprawnionego oraz jego następców prawnych na czas nieoznaczony polegająca na prawie całodobowego i nieodpłatnego wstępu i korzystania z części działki nr 33/5 w pasie gruntu o pow. 205 m², celem korzystania z urządzeń służących do właściwej eksploatacji przewodu wentylacyjnego (kanałów wentylacyjnych) oraz tzw. czerpni powietrza i związanych z nią urządzeń podziemnych

- komora nr 1 i nr 2. zakres wykonywania służebności jest ograniczony do działki gruntu nr 33/5, -----

- nieodpłatna i na czas nieoznaczony służebność przesyłu na rzecz uprawnionego oraz jego następców prawnych polegająca na nieodpłatnym, nieograniczonym czasowo, całodobowym dostępie do kabla telekomunikacyjnego w celu przeglądu, naprawy, konserwacji, eksploatacji wyżej wymienionego urządzenia oraz na powstrzymaniu się użytkownika wieczystego gruntu oraz innych użytkowników nieruchomości od wykonywania prac ziemnych bądź budowlanych mogących utrudnić dostęp do kablowej linii podziemnej oraz jej eksploatację na rzecz „TK TELEKOM” spółka z ograniczoną odpowiedzialnością, -----

- na rzecz każdorazowego użytkownika wieczystego nieruchomości stanowiącej działkę nr 34 opisaną w księdze wieczystej nr WA4M/00235041/0 służebność gruntowa na czas nieoznaczony polegająca na tym, że każdorazowy użytkownik wieczysty niniejszej nieruchomości zobowiązany jest do nieodpłatnego powstrzymania się od korzystania z części niniejszej nieruchomości zajętej przez przewód wentylacyjny (kanały wentylacyjne) oraz tzw. czerpnię powietrza i związanych z nią urządzeń podziemnych: komora nr 1 i nr 2, znajdujących się na działce nr 33/5, to jest zobowiązanie się do powstrzymania się od zabudowy w pasach gruntu o szerokości 8 m w rzucie poziomym od każdej ze ścian czerpni powietrza, takich budynków, budowli i urządzeń, które ograniczyłyby możliwość czerpania powietrza do celów wentylacji dworca centralnego, w szczególności, które spowodowałyby: 1. pobieranie przez czerpnię powietrza bardziej zanieczyszczonego niż obecnie, bądź też w okresie letnim, o wyższej temperaturze niż dotychczas pobieranej w okresie letnim; 2. napływ powietrza wywiewanego z wyrzutami; 3. napływ powietrza z rozpyloną wodą pochodzącą z chłodni kominowej lub innych podobnych urządzeń; w szczególności zobowiązuje się do powstrzymywania się od zabudowy tego terenu, tj. w pasach gruntu o szerokości 8 m w rzucie poziomym od każdej ze ścian czerpni powietrza, ulicą, zgrupowaniem miejsc postojowych dla więcej niż 20 samochodów, miejscami gromadzenia odpadów stałych, wywiewek kanalizacyjnych oraz innych źródeł zanieczyszczenia powietrza, a także takimi budynkami, budowlami i urządzeniami, które w rozumieniu obecnie obowiązujących przepisów, w szczególności § 152 rozporządzenia ministra infrastruktury z dnia 12.04.2012 r. w sprawie warunków technicznych, jakimi powinny odpowiadać budynki i ich usytuowanie (Dz.U. nr 75, poz.690 z 2002 r. ze zm.) oraz przepisów

obowiązujących w dniu wykonywania zabudowy, powodowałyby, iż obecne usytuowanie czerpni powietrza zostałoby uznane za niewłaściwe. Zakres wykonywania służebności jest ograniczony do działki 33/5; -----

- e) w dziale IV powyższej księgi wieczystej nie ma wpisów; -----
- f) w dziale I-O jest wzmianka o wniosku dz.kw./WA4M/12150/13/1 z dnia 27 maja 2013 roku, w pozostałych działach powyższej księgi wieczystej nie ma wzmianek o wnioskach. -----

Przedstawiciel POLCOM INVESTMENT VI załącza do niniejszego aktu notarialnego odpis zwykły księgi wieczystej numer WA4M/00433361/7 wydany przez Centralną Informację Ksiąg Wieczystych Ekspozytura w Warszawie w dniu 09 (dziewiątego) października 2013 (dwa tysiące trzynastego) roku, godzina 9.26 sygnatura wniosku WA3M/09.10/82/2013r. -----

2. Przedstawiciel POLCOM INVESTMENT VI ponadto oświadcza, że: -----

- a) wzmianka numer dz.kw./WA4M/12150/13/1 z dnia 27 maja 2013 roku ujawniona w dziale I-O księgi wieczystej dotyczy nierozpoznanego wniosku o ujawnienie powierzchni użytkowej budynków; -----
- b) od chwili wydania powołanego wyżej odpisu księgi wieczystej POLCOM INVESTMENT VI nie składała żadnych wniosków o wpis w opisanej powyżej księdze wieczystej, wpisy w tej księdze wieczystej do chwili obecnej nie uległy zmianie; -----
- c) reprezentowana przez niego spółka prawo użytkowania wieczystego i własność posadowionych na gruncie budynków nabyła na podstawie umowy sprzedaży, udokumentowanej aktem notarialnym sporządzonym w dniu 30 października 2012 roku przez Artura Stanisława Kozaka notariusza w Warszawie, Rep. A nt 6905/2012 oraz umowy przeniesienia prawa użytkowania wieczystego nieruchomości oraz oświadczenie o ustanowieniu służebności, udokumentowanej aktem notarialnym sporządzonym w dniu 30 października 2012 roku przez Artura Stanisława Kozaka notariusza w Warszawie, Rep. A nt 6912/2012; -----
- d) z zastrzeżeniem oświadczeń w tym akcie, opisane wyżej prawa nie są obciążone żadnymi długami oraz wolne są od wszelkich praw i roszczeń osób trzecich; nie występują także jakiegokolwiek prawne lub faktyczne okoliczności mogące spowodować obciążenie przedmiotowych praw, ograniczenia w rozporządzaniu lub korzystaniu z nich; -----

- e) nie toczą się żadne postępowania sądowe ani administracyjne, z wyjątkiem postępowań o podział dotyczące opisanych wyżej praw, w tym w szczególności nie są one przedmiotem jakiegokolwiek postępowania egzekucyjnego;-----
- f) wobec reprezentowanej przez niego spółki nie toczy się postępowanie upadłościowe i nie zachodzą okoliczności uzasadniające zgłoszenie wniosku o ogłoszenie upadłości; spółka ta nie znajduje się w stanie likwidacji; -----
- g) zobowiązania podatkowe i inne zobowiązania publicznoprawne związane z opisanymi wyżej prawami zostały uregulowane w całości, nie zachodzą przesłanki do ustanowienia hipoteki przymusowej;-----
- h) nie zachodzą okoliczności uzasadniające rozwiązanie umowy o oddanie opisanej w ust. 1 nieruchomości w użytkowanie wieczyste; -----
- i) spółka nie składała wniosków o przekształcenie prawa użytkowania wieczystego nieruchomości opisanej w ust. 1 powyżej we własność. -----

3. Przedstawiciel POLCOM INVESTMENT VI oświadcza, że na dokonanie czynności objętej niniejszym aktem notarialnym, zgodnie z Umową Spółki POLCOM INVESTMENT VI, nie jest wymagana zgoda żadnego organu POLCOM INVESTMENT VI, niemniej jednak Zarząd POLCOM INVESTMENT VI w uchwale nr 1/10/2013 z dnia 3 października 2013 roku wyraził zgodę na obciążenie nieruchomości hipoteką do kwoty 282 000 000,00 złotych.

§ 2.

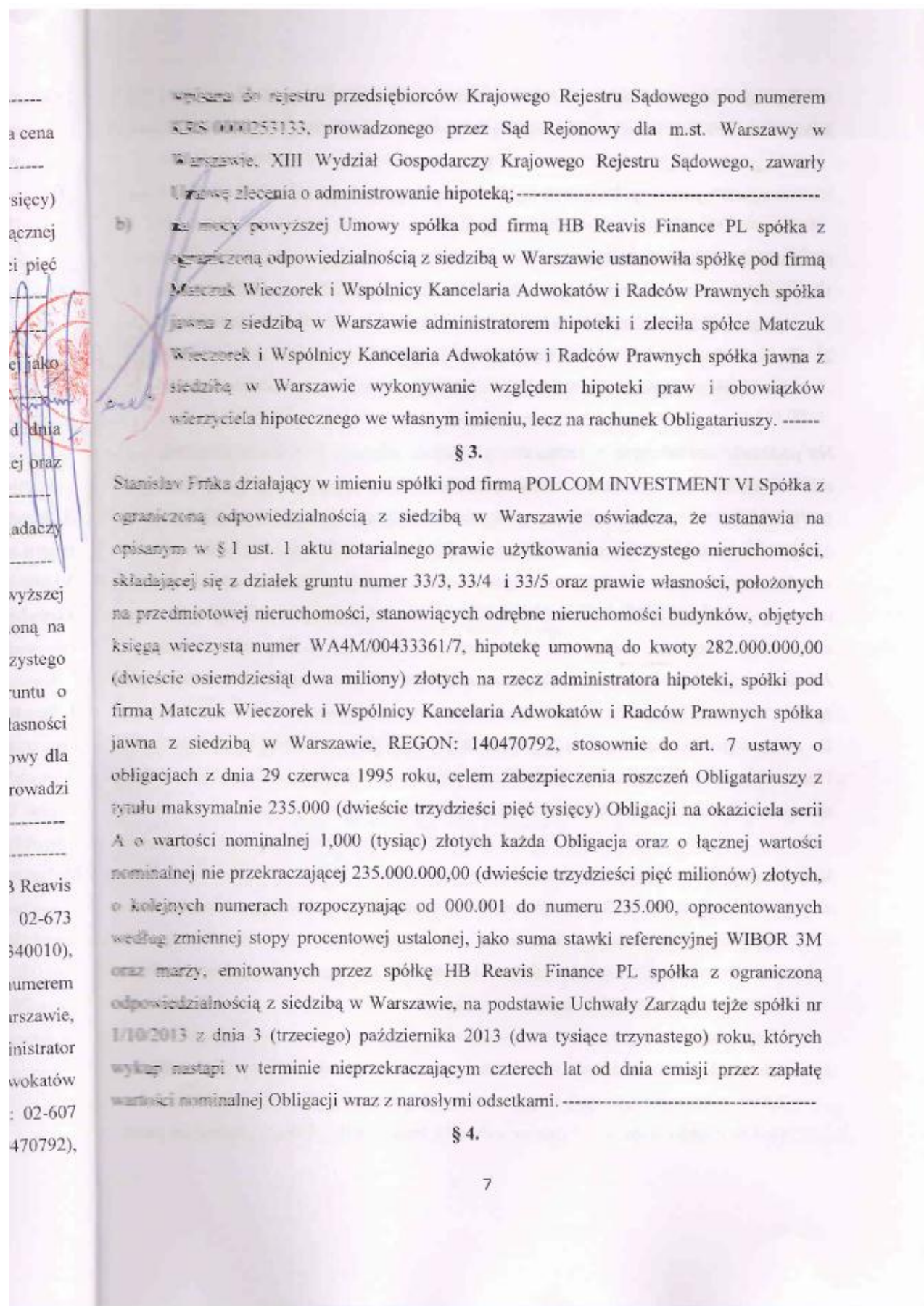
1. Przedstawiciel POLCOM INVESTMENT VI oświadcza, że:-----

- a) w dniu 03 (trzeciego) października 2013 (dwa tysiące trzynastego) roku Zarząd spółki pod firmą **HB Reavis Finance PL** Spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie („Emitent”) podjął uchwałę nr 1/10/2013 w sprawie emisji obligacji serii A (dalej: „Uchwała”); -----
- b) zgodnie z Uchwałą Emitent podjął decyzję dotyczącą emisji nie więcej niż 235.000 (dwieście trzydzieści pięć tysięcy) obligacji na okaziciela serii A o wartości nominalnej 1.000,00 (jeden tysiąc) złotych każda, o kolejnych numerach rozpoczynając od numeru 000.001 do numeru 235.000, niemających formy dokumentu, zabezpieczonych (dalej: „Obligacje”), przy czym; -----
- Obligacje będą oferowane w sposób określony w art. 9 ust. 3 ustawy z dnia 29 czerwca 1995 roku o obligacjach (tekst jednolity z dnia 18 września 2001 roku Dz.U. Nr 120, poz. 1300 z późn. zm.); -----
 - Obligacje będą wyemitowane, jako papiery wartościowe na okaziciela; -----

- Walutą Obligacji będzie PLN; -----
- wartość nominalna jednej Obligacji wynosi 1.000,00 (jeden tysiąc) złotych, a cena emisyjna jednej Obligacji jest równa wartości nominalnej Obligacji; -----
- w ramach emisji emitowanych jest do 235.000 (dwustu trzydziestu pięciu tysięcy) Obligacji o numerach od 000.001 do numeru nie większego niż 235.000, o łącznej wartości nominalnej nie większej niż 235.000.000,00 (dwieście trzydzieści pięć milionów) złotych; -----
- przydział i emisja Obligacji nastąpi do dnia 31 grudnia 2013 roku; -----
- Obligacje będą oprocentowane według zmiennej stopy procentowej ustalonej jako suma stawki referencyjnej WIBOR 3M oraz marży; -----
- Wykup Obligacji nastąpi w terminie nieprzekraczającym czterech lat od dnia emisji Obligacji; Wykup Obligacji nastąpi przez zapłatę wartości nominalnej oraz narosłych odsetek; -----
- Dopuszcza się wcześniejszy wykup Obligacji na żądanie Emitenta lub posiadaczy Obligacji na zasadach określonych w warunkach emisji Obligacji; -----
- Obligacje mają być zabezpieczone hipoteką umowną do sumy najwyższej 282.000.000,00 (dwieście osiemdziesiąt dwa miliony) złotych ustanowioną na przysługującym POLCOM INVESTMENT VI prawie użytkowania wieczystego nieruchomości położonej w Warszawie, składającej się z działek gruntu o numerach ewidencyjnych 33/3, 33/4, 33/5, o obszarze 1,7227 ha oraz własności stanowiących odrębne nieruchomości budynków, dla których Sąd Rejonowy dla Warszawy-Mokotowa w Warszawie X Wydział Ksiąg Wieczystych prowadzi księgę wieczystą o numerze WA4M/00433361/7. -----

2. Przedstawiciel POLCOM INVESTMENT VI oświadcza, że:-----

- a) w dniu 09 (dziewiątego) października 2013 (dwa tysiące trzynastego) roku HB Reavis Finance PL spółka z ograniczoną odpowiedzialnością (adres spółki: 02-673 Warszawa, ul. Konstruktorska numer 13, NIP: 521-363-87-69, REGON: 146340010), wpisana do rejestru przedsiębiorców Krajowego Rejestru Sądowego pod numerem KRS 435933, prowadzonego przez Sąd Rejonowy dla m.st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego oraz Administrator hipoteki tj. spółka pod firmą Matczuk Wieczorek i Wspólnicy Kancelaria Adwokatów i Radców Prawnych spółka jawna z siedzibą w Warszawie (adres spółki: 02-607 Warszawa, ulica Czeczota numer 6, NIP: 701-00-10-819., REGON: 140470792),



Wypisy tego aktu można wydawać Administratorowi Hipoteki, Polcom Investment VI i HB Reavis Finance PL sp. z o.o. w dowolnej liczbie. -----

§ 5.

Koszty tego aktu ponosi spółka pod firmą HB Reavis Finance PL sp. z o.o. -----

§ 6.

Notariusz poinformował stawającego o: -----

1. treści i znaczeniu przepisów art. 7 ust. 1 ustawy z dnia 29 czerwca 1995 roku o obligacjach (Dz.U. 2009, Nr 157, poz. 1241 ze zm.); -----
2. treści i znaczeniu art. 68, art. 68¹ i art. 68² ustawy z dnia 6 lipca 1982 r. o księgach wieczystych i hipotece (Dz.U. Dz.U.01.124.1361).-----

§ 7.

Na podstawie oświadczenia o ustanowieniu hipoteki, objętego tym aktem notarialnym załączonych dokumentów Stanisław Frńka działający w imieniu spółki pod firmą POLCOM INVESTMENT VI Spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie wnosi do Sądu Rejonowego dla Warszawy-Mokotowa w Warszawie X Wydział Ksiąg Wieczystych o dokonanie w dziale IV księgi wieczystej numer WA4M/00433361/7 wpisu hipoteki umownej do kwoty 282.000.000,00 (dwieście osiemdziesiąt dwa miliony) złotych na rzecz administratora hipoteki, spółki pod firmą Matczuk Wieczorek i Wspólnicy Kancelaria Adwokatów i Radców Prawnych spółka jawna z siedzibą w Warszawie, REGON: 140470792, zgodnie z treścią § 3 tego aktu notarialnego.-----

Do niniejszego wniosku załączono w odpisie uchwałę zarządu spółki pod firmą HB Reavis Finance PL spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie nr 1/10/2013 w sprawie emisji obligacji serii A oraz Umowę zlecenia o administrowanie hipoteką. -----

SCHEDULE 4

COPY OF THE STATEMENT ON THE ESTABLISHMENT OF SURETYSHIP

THIS STATEMENT ON THE ESTABLISHMENT OF SURETYSHIP (the Statement)

is dated on 7 November 2013.

MADE BY:

HB REAVIS Holding S.a.r.l. a private company with limited liability (a société à responsabilité limitée), organised under the laws of the Grand Duchy of Luxembourg, with share capital of EUR 12,500, with its registered office at 46A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (R. C. S. Luxembourg) under number B 156.287 (the **Suretyship Provider**), represented by:

Peter Pecnik, acting as an attorney in fact basing on Power of Attorney dated 15 October, 2013

BACKGROUND:

- (A) The Suretyship Provider makes this Statement in connection with the issue of the Bond.
- (B) In order to secure the Bondholders' claims under the Bonds the Suretyship Provider makes an offer to enter into a Suretyship Agreement with each person validly acquiring the Bonds. The Suretyship Agreement is concluded when the person acquires the Bonds. No further actions are required from the Bondholder in order for the Suretyship Provider to be bound by the Suretyship Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Statement:

Bonds means bonds to be issued by the Issuer on the basis of the resolution of the Management Board of the Issuer No. 1/10/2013, dated 3rd October, 2013.

Business Day means a day other than Saturday, Sunday or a public holiday, on which banks in Poland and Luxembourg are open for business to settle the payments in respect of the Bonds.

Demand for Payment means a notice from the Bondholder to the Suretyship Provider substantially in the form of Schedule 1 (Demand For Payment).

Issuer means HB Reavis Finance PL spółka z ograniczoną odpowiedzialnością (*limited liability company*) with its registered office in Warsaw at Konstruktorska 13 street, entered into the register of entrepreneurs of the National Court Register maintained by the District Court for capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under No. 0000435933, REGON (Business Statistical Number): 146340010, NIP (Tax Identification Number): 521-363-87-69, with the fully paid share capital of PLN 500,000.

Terms and Conditions means the terms and conditions of the Bonds.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest).

Suretyship Agreement means a suretyship agreement entered into by the Suretyship Provider and each person validly acquiring the Bonds, whose terms are specified in the Statement.

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1.2 Construction

- (a) Capitalised terms defined in the Terms and Conditions have, unless expressly defined in this Statement, the same meaning in this Statement.
- (b) The principles of interpretation set out in the Terms and Conditions will have effect as though they were set out in full in this Statement and each Suretyship Agreement except that references to the Terms and Conditions are to be construed as references to this Statement and each Suretyship Agreement, as appropriate.

2. SURETYSHIP

2.1 Acknowledgement of Terms and Conditions

The Suretyship Provider confirms that it is aware of the provisions of the draft Terms and Conditions. The Suretyship Provider accepts that following the successful allocation of the Bonds the draft of the Terms and Conditions will constitute a legally valid and binding document.

2.2 Offer to enter into the Suretyship Agreement

- (a) The Suretyship Provider makes an irrevocable offer addressed to each person validly acquiring the Bonds to enter into a Suretyship Agreement on the terms specified in this Statement.
- (b) This offer expires on the fifth anniversary of the issue of the Bonds. If the Bonds are redeemed in whole or in part the offer expires on the redemption date of the Bonds with respect to the Bonds redeemed.

2.3 Entering into the Suretyship Agreement

- (a) The Suretyship Agreement is concluded when the person validly acquires the Bonds (either on primary or secondary market). The Suretyship Agreement is concluded in Warsaw. The Suretyship Provider confirms that no further actions are required from the Bondholder in order for the Suretyship Provider to be bound by the Suretyship Agreement.
- (b) Each Bondholder concludes a separate agreement with the Suretyship Provider in respect of the Bonds held by it.

2.4 The scope of the suretyship

- (a) The Suretyship Provider irrevocably and unconditionally undertakes towards each Bondholder that when the Issuer does not perform its pecuniary obligations under the Bonds on their due dates, the Suretyship Provider will perform such obligations.
- (b) The maximum amount of the suretyship given by the Suretyship Provider is 150% of the nominal value of the Bonds.
- (c) The suretyship(s) granted under this Subclause shall remain fully valid and binding on the Suretyship Provider until the fifth anniversary of the issue of the Bonds. However if the Bondholder sells the Bonds before that date or the Bonds held by that Bondholder are redeemed before that date, the Suretyship Agreement with respect to the given Bondholder ends on respectively the sale of the Bonds or the redemption of the Bonds.

2.5 Enforcement of suretyship

- (a) The Suretyship Provider shall perform its obligations under the Suretyship Agreement fifteen Business Days after each written demand of the Bondholder, provided to the Suretyship Provider in the form of Schedule 1 (Demand For Payment) (the **Demand for Payment**). The Bondholder shall attach to the Demand for Payment a copy of the certificate of deposit confirming that he is the owner of the Bonds.
- (b) Following the service of the Demand for Payment, no other demands, requests or any other documents in respect of the Suretyship Provider's obligation under the Suretyship Agreement need to be made.
- (c) Except as in the Demand for Payment, the Bondholder is not obliged to notify the Suretyship Provider that any of the Issuer's obligations under the Bonds was not performed on its due date.

3. PAYMENTS

3.1 General

The Suretyship Provider agrees that the date of performance of the Suretyship Provider's pecuniary obligations under the Suretyship Agreement shall be the date on which the bank account specified in the Demand for Payment is credited with the amount of such pecuniary obligation.

3.2 No set – off or counterclaim

All payments made by the Suretyship Provider under the Suretyship Agreement must be made without set-off or counterclaim and must be free and clear of taxes, levies, duties and other deductions and withholdings.

3.3 Tax gross-up

- (a) The Suretyship Provider must make all payments under the Suretyship Agreement without any deduction or withholding for or on account of Tax, unless a deduction or withholding is required by law.
- (b) If the Suretyship Provider is required by law to make a deduction or withholding for or on account of Tax, the amount of the payment due from the Suretyship Provider will be increased to an amount which (after making the deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.

4. IMMEDIATE RECOURSE

Subject to the provisions of Subclause 2.5 (Enforcement of suretyship), the Suretyship Provider waives any right it may have of first requiring the Bondholder to proceed against or enforce any other right or security or claim payment from any person before claiming from the Suretyship Provider under the Suretyship Agreement.



5. EXPENSES AND TAXES

The Suretyship Provider must immediately on demand of the Bondholder pay all reasonable, documented and justified costs and expenses incurred by the Bondholder directly associated with enforcing a pecuniary claim arising from Bonds or Suretyship Agreement if not paid by the Issuer, except the cost or expense incurred as a result of gross negligence or wilful misconduct of that person.

6. FURTHER ASSURANCES

- 6.1 The Suretyship Provider shall, at its own expense, do and perform such other and further acts and execute and deliver all further documents as may be required by law to establish, maintain and protect the rights and remedies of the Bondholder and to carry out and effect the intent and purposes of the Suretyship Agreement.
- 6.2 If for any reason the Suretyship Agreement proved invalid or ineffective the Suretyship Provider makes additional irrevocable offer addressed to each person validly acquiring the Bonds to enter into a suretyship agreement in respect of the Issuer's liabilities under the Bonds. Clauses 2.4(b) and 2.4(c) apply accordingly.

7. CHANGES TO THE PARTIES

The Suretyship Provider must not assign, transfer or dispose of any of its rights or obligations under the Suretyship Agreement without the prior written consent of the Bondholder.

8. AMENDMENTS

Any term of the Suretyship Agreement may be amended by an agreement in writing between the Suretyship Provider and the Bondholder.

9. NOTICES

9.1 In writing

Any communication in connection with the Suretyship Agreement must be in writing and, unless otherwise stated, may be given in person, by post or fax.

9.2 Effectiveness

- (a) Except as provided below, any notice in connection with the Suretyship Agreement will be deemed to be given as follows:
- (i) if delivered in person, at the time of delivery;
 - (ii) if posted on actual receipt by the addressee or five Business Days after being deposited in the post, postage prepaid, in a correctly addressed envelope; and
 - (iii) if by fax, when received in legible form.
- (b) A communication given under paragraph (a) above but received on a day which is not a Business Day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place. The parties agree that for the purposes of the Suretyship Agreement after business hours means after 5.00 p.m. Warsaw time.

9.3 Contact details

- (a) The contact details of the Suretyship Provider for the purpose of this Statement and each Suretyship Agreement are:
Address: 46A, Avenue J.F. Kennedy,
L-1855 Luxembourg,
Grand Duchy of Luxembourg
- (b) The Suretyship Provider may change its contact details by giving five Business Days' notice to the Bondholders in accordance with clause 15.1 of the Terms and Conditions.

10. GOVERNING LAW

This Statement and each Suretyship Agreement shall be governed and shall be construed in accordance with Polish law.

11. ENFORCEMENT

11.1 Jurisdiction

The common court in Warsaw that has jurisdiction over the registered office of the Issuer at the time of submitting a claim has exclusive jurisdiction to settle any dispute in connection with the Statement and the Suretyship Agreement, including regarding its existence, validity or termination.

11.2 Service of process

- (a) The Suretyship Provider irrevocably appoints the Issuer as its agent for service of process in any court proceedings in respect of the Statement and the Suretyship Agreement before the Polish courts.
- (b) If the person appointed above as process agent is unable for any reason to act as agent for service of process, the Suretyship Provider must immediately appoint another agent for service of process. Failing this, the Bondholder may appoint another process agent for this purpose.

SCHEDULE 1

DEMAND FOR PAYMENT

[on the letterhead of the Bondholder]

From: [BONDHOLDER] (the **Bondholder**)
To: HB REAVIS Holding S.a.r.l. (the **Suretyship Provider**)
Copy to: HB Reavis Finance PL sp. z o.o. (the **Issuer**)

Attn: [NAME]

[DATE]

Dear Sirs,

Suretyship Agreement (the Agreement) between the Suretyship Provider and the Bondholder

We refer to the Agreement. This is a Demand for Payment.

1. Notice

We give you notice that the Issuer has not performed its pecuniary obligations under the Bonds on their due dates, as stated in point 2 below, and, therefore, under the Suretyship Agreement we are authorised to enforce the suretyship established under the Suretyship Agreement.

2. Due and payable obligations of the Issuer

The amount of the due and payable obligations of the Issuer is the following:

- (a) interest [] which was due on [];
- (b) [principal amount [] which was due on []];

3. Request for payment

The amount of the Suretyship Provider's obligation requested under this Demand for Payment is [] (**Requested Payment**).

4. Deadline

The deadline for the payment of the Requested Payment is [].

5. Bank account

The bank account to which the Requested Payment is to be paid is: [].

Yours faithfully,

.....



[Bondholder]
(Authorised signatory)

Attachments:

1. Copy of the certificate of deposit.

SIGNATORIES

Suretyship Provider

By:



Name:

Peter Pecnik

9.5 Full text of the suretyship statement

Full text of the suretyship statement is attached to Terms and Conditions of the Bonds.

9.6 Valuation of the object under mortgage



EXECUTIVE SUMMARY

Address:	ul. Chmielna 73 At the intersection of Al. Jerozolimskie / Al. Jana Pawła II / ul. Chmielna
Valuation date:	21 October 2013
Purpose:	The valuation is undertaken for mortgage security purposes connected with raising external funding by HB Reavis Group by way of a listed corporate bond issue.
Location:	The Chmielna City site is located in Warsaw's City Centre. The surrounding area is a mixture of commercial properties and residential tenements. Warsaw central railway station and Złote Tarasy shopping centre are located directly opposite on Al. Jerozolimskie.
Description:	A 17,227 m ² site comprising three plots on which it is proposed to build a three phased office and retail development of ca 95,000 m ² .
Planning:	The subject site is located in an area not covered by a master plan. The valid development study shows 'multi-purpose' designated use under the symbol 'C>30'. The average density for this area is 3.5. A planning application ('Wniosek o wydanie decyzji o warunkach zabudowy') for 106,979 m ² of useable space and 297 underground car parking spaces was submitted in May and August 2013. A decision is expected by the end of the year.
Tenure:	Perpetual usufruct right over the land expiring 5 December 2089.
Market Value:	EUR 50,000,000 (EUR 2,902m ²)
Exchange rate:	EUR 1 : PLN 4.1850 as at 21 October 2013

The above executive summary is to be used in conjunction with the valuation report to which it forms part and is subject to the assumptions, caveats and bases of valuation stated herein and should not be read in isolation.

Our report is for the sole use of HB Reavis Finance PL Sp. z o.o. We accept responsibility for the information contained in our Valuation Report only and, with the exception of the Valuation Report, we do not accept any liability in relation to the information contained in any prospectus or other information provided by the issuer.

Savills Advisory Services Ltd. warrants that it currently has and will continue to maintain professional indemnity insurance (Savills Plc and their Subsidiary Companies). Our maximum liability for this valuation is limited to EUR 2,500,000. Where our report is to be relied upon by more than one party, the liability cap is an aggregate figure, regardless of the number of parties to whom reliance is extended.

9.7 Definitions and abbreviations

Name, abbreviation	Definition
Act on Trading in Financial Instruments	Act on Trading in Financial Instruments dated 29 July 2005, as amended (J. L. 2010, No. 211, item 1384)
ATS	Alternative trading system organized by BondSpot
ATS Organizer	BondSpot
ATS BondSpot Rules	The Alternative Trading System Rules adopted in Resolution No. 103/09 of the BondSpot Management Board dated 4 November 2009 approved by Resolution No. 27/O/09 of the BondSpot Supervisor Board dated 5 November 2009 (as amended)
Bonds, Series A Bonds	Up to 235,000 (two hundred thirty five thousand) ordinary registered bearer series A bonds with a nominal value of PLN 1,000.00 (one thousand zloty) each and a total nominal value up to 235,000,000.00 (two hundred thirty five million zloty)
Base Rate	WIBOR 3M (Warsaw Interbank Offered Rate for three months deposits) as quoted by Monitor Rates Services Reuters or any of its legal successors for deposits in PLN, as expressed in percentage points per annum, based on the fixing from or around 11:00 a.m., published on the Interest Rate Determination Date, or another interest rate that will replace the above rate
BondSpot	BondSpot S.A.
BREEAM	Building Research Establishment Environmental Assessment Method is the world's longest established and most widely used method of assessing, rating and certifying the sustainability of buildings
CBD	Central business district
CEE Region	Czech Republic, Hungary, Poland and Slovak Republic
CIT Act	Act on Corporate Income Tax dated 15 February 1992, as amended (consolidated text, J. L. 2011, No. 74, item 397)
Commercial Companies Code	The Commercial Companies Code dated 15 September 2000, as amended (J. L. 2000, No. 94, item. 1037)
GLA	Gross Leasable Area is the amount of floor area available to be rented in a commercial property
Guarantor, Suretyship Provider	HB Reavis Holding S.à r.l.
HB Reavis, HB Reavis Group, Group	The Guarantor together with its subsidiaries
HBR CE REIF	HB Reavis Central Europe Real Estate Investment

	Fund
Information Document	Document prepared for the introduction to ATS of up to 235,000 bearer series A Bonds of the Issuer
Interest Payment Date	the day specified in the Supplement to Terms and Conditions of the Bonds
Interest Period	means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and each consecutive period from (and including) an Interest Payment Date to (but excluding) the next consecutive Interest Payment Date, provided that an Interest Period may vary in duration due to an early redemption under Clause 12.2 of Terms and Conditions of the Bonds or Clause 13 of Terms and Conditions of the Bonds.
Issuer, Company	HB Reavis Finance PL Spółka z ograniczoną odpowiedzialnością
Margin	the margin specified in the Supplement to Terms and Conditions of the Bonds
Maturity Date	the day specified in the Supplement to Terms and Conditions of the Bonds
Mortgage Administrator	Matczuk Wieczorek i Wspólnicy Kancelaria Adwokatów i Radców Prawnych Sp. J with its registered seat in Warsaw, at Czerwota 6 Street entered into the register of entrepreneurs of the National Court Register maintained by the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register under No. 0000253133
MRICS	Royal Institution of Chartered Surveyors (RICS) is an independent, representative professional body which regulates property professionals and surveyors. Members of RICS are Chartered Surveyors and are entitled to use MRICS after their names.
National Court Register, KRS	Krajowy Rejestr Sądowy
NOI	Operating income of the company after deduction of the operating costs
Offering Act	Polish Act of Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies as of 29 July 2005 (<i>Dziennik Ustaw</i> of 2005, No. 184, item 1539, as amended)
PIT Act	Act on Personal Income Tax dated 26 July 1991, as amended (consolidated text, J. L. 2012, item 361)
Polcom Investment VI	Polcom Investment VI Spółka z ograniczoną odpowiedzialnością, with its registered office in

	Warsaw
Polish Financial Supervision Authority, KNF	Komisja Nadzoru Finansowego
Property	Real property located in Warsaw consisting of plots of land Nos. 33/3, 33/4, 33/5 with a total area of 17,227 (seventeen thousand two hundred twenty seven) square meters for which the District Court for Warszawa – Mokotów in Warsaw, X Land and Mortgage Division, maintains land and mortgage register No. WA4M/433361/7 being subject to a perpetual usufruct by Polcom Investment VI
Record Date	the sixth Business Day before the date on which the payments under the Bonds are to be made, except where the Bondholders submit a request for an earlier redemption of the Bonds under Clause 12.2 of Terms and Conditions of the Bonds, a request for an immediate redemption of the Bonds under Clause 13(a) of Terms and Conditions of the Bonds or the Issuer's liquidation has commenced and in such event the Record Date means the day on which the Bondholders submit a request for an earlier redemption of the Bonds, a request for an immediate redemption of the Bonds or the Issuer's liquidation procedure has commenced.
Tax on Civil Law Transactions Act	Act on the Tax on Civil Law Transactions dated 9 September 2000, as amended (consolidated text, J. L. 2010, No. 101, item 649)
Terms and Conditions of the Bonds	The document setting out terms and conditions of the Bonds with the detailed parameters of the Bonds
Trading Act	Polish Act on Trading In Financial Instruments as of 29 July 2005 (Dziennik Ustaw of 2005, no. 183, item 1539 as amended),
Warsaw Stock Exchange, WSE	Giełda Papierów Wartościowych w Warszawie S.A.
WIBOR	Warsaw Interbank Offered Rate