GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED

INTERIM REPORT AND UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2016

CONTENTS

HIGHLIGHTS – H1-16

Financial Highlights

Portfolio open market value	€962.4m	+3.4% on YE-15
Loan to value ratio	43.7%	
Bank loans outstanding	€420.9m	
NAV	€512.2m	+2.5% on YE-15
NAV per share	€8.00	+0.3% on YE-15
Net operating income	€19.9m	+69% on H1-15
EPRA NAV	€581.4m	+2.3% on YE-15
EPRA NAV per share	€9.08	+0.0% on YE-15
EBITDA	€24.5m	-23% on H1-15
EBITDA (normalised)	€16.2m	+85% on H1-15
Earnings before tax	€5.3m	-87% on H1-15

Operational Highlights

- Commercial standing GLA increased by c.22% at end of H1-16 to c.370,033sqm
- Delivered two class "A" office properties in Bucharest increasing the total number of standing properties to 14
  - The flagship Globalworth Tower development was delivered in Q1-16, offering c.54,700sqm of class "A" office space
- Average occupancy of commercial standing GLA of c.80.3% at 30 June 2016 (further increased to 82.3% at 31 August 2016)
- c.335,500sqm of commercial space let or pre-let with a WALL of c.6.9 years
- Successfully completed a €180m senior secured real estate bond subscribed by the Canada Pension Plan Investment Board (CPPIB) and Cairn Capital
- Reduced the weighted average cost of debt from 6.2% as at 31 December 2015 to 5.3% at 30 June 2016

CHIEF EXECUTIVE'S STATEMENT

In the first half of 2016 we made significant strides in further strengthening Globalworth's position as one of the leading real estate players in Romania and the wider SEE region.

We completed and delivered two class "A" office buildings in Bucharest and continued to invest in our developments, which currently comprise an office project in Bucharest and a light-industrial facility in Timisoara at different stages of development. In the first six months of the year we invested c. €25m in our portfolio, with the majority of the capital deployed in our development projects.

At the same time we established new or improved existing relationships with our business partners and further invested in our team of professionals, which has now reached 76 people, and in internal processes to enable us to improve our operational performance. We also continued to invest in the development of our in-house ERP software, which has already raised our operational efficiency and is expected to yield further benefits as our portfolio grows larger.

Romania, our primary country of focus, and its real estate market continue to offer opportunities for us to implement our strategy. The Romanian economy expanded again in the first half of the year, with GDP increasing by 6.0%[1] in Q2-16 year-on-year, representing the highest growth rate that has been recorded since Q3-08. This favourable macroeconomic environment has been reflected in the performance[2] of Romania's real estate sector, as demonstrated by strong demand for office space (take-up of c.200k sqm in H1-16 vs. 240k sqm for the entire 2015) driven by both national and international tenants. Prime investment yields for office and industrial properties have stabilised at 7.5% and 9.0% respectively, but still remain c.200 base points above those of other CEE core markets (Warsaw, Poland and Prague, Czech Republic).

Globalworth's overall portfolio value as of 30 June 2016 reached c.€962.4m, representing an increase of 19.0% and 3.4% over the same period last year and the end of 2015 respectively. This increase in value has been driven mainly by the acquisitions completed in H2-15 and the completion/revaluation of projects under development over the past twelve months.

We remain committed to investing in and developing environmentally friendly properties and in 2016 we increased the number of environmentally accredited buildings to six, with the addition of Green Court Building "B" (LEED Gold). We are exploring the potential for similar accreditations for other properties in our portfolio (both standing and development projects).

While our total debt exposure increased by (+3.0%) from year-end 2015, reaching €420.9m as of 30 June 2016, our efforts to improve our capital structure were reflected in the 0.9% decrease in the weighted average of our all-in cost of debt to 5.3% on a run-rate basis, and the de-risking of short term debt maturity exposure from €143.0m at 31 December 2015 to €12.1m at 30 June 2016. This was achieved through successfully completing the arrangement of three new facilities involving either the refinancing of existing facilities at improved terms or the raising of new debt against unencumbered properties. We are particularly proud to have completed a three-year €180.0m secured bond transaction, fully subscribed by the Canada Pension Plan Investment Board ("CPPIB") through its wholly owned subsidiary, CPPIB Credit Investments Inc. (CPPIB Credit), and funds managed by Cairn Capital ("Cairn").

The total annualised contracted rent of the portfolio was c.€51.3m (90.6% from standing properties) as at 30 June 2016, representing an increase of c.7.3% compared to year-end 2015, with c.335.5k sqm of commercial GLA and 196 residential units let or pre-let and average occupancy of our standing portfolio of 80.3%. These figures have improved further in the subsequent few months - as at 31 August 2016 - Globalworth had 343.0k sqm and 198 residential units occupied and average occupancy of its standing portfolio of 82.3%.

1 Source: Institute of National Statistics "INS"

2 Source: CBRE, JLL, Colliers

The total revenue generated by our portfolio in H1 2016 increased to €32.0m (from €17.6m in H1 2015) as a result of our investment in income-generating assets in 2015, the completion of a number of developments previously under construction (TAP and Globalworth Tower) and active asset management.

Despite the increases in portfolio value as well as total revenue generated by the Company, our EPRA Net Asset Value and EPS figures were impacted by the short term corporate facility (previously in place) and the expenses associated by the repayment of the short term corporate level facility and closing of the €180m bond in June '16, which resulted in increased costs and the issue of 1.0m new shares at a €6.0 per share. EPRA NAV stood at €9.08 per share at the end of H1-16 (remaining unchanged compared to 31 December 2015), while EPS was €0.07 per share for the period. We are, however, confident that we will benefit from our improved capital structure in the future and believe we will see increases in both EPRA NAV and EPS metrics going forward.

Looking to the remainder of 2016, we intend to intensify our active management efforts in order to enhance the appeal of our portfolio by making it "greener" and, where necessary, further improve and maintain high occupancy levels across our properties. Furthermore, we will continue to progress with the development of our Globalworth Campus and TAP projects. Finally, we have an active pipeline of new and exciting investment opportunities which we expect will further enhance the Company's growth.

Ioannis Papalekas
Chief Executive Officer
19 September 2016

In the first half of 2016 we focused on organically growing the Company, mainly by concentrating our efforts on our development programme, optimising our capital structure and improving the occupancy of our portfolio. In addition, we continued to invest in the Company's infrastructure in order to allow us to serve our partners and shareholders in the most efficient and effective way.

Progress with Globalworth's Development Programme

Globalworth continues to have a very active development programme. At the beginning of 2016, the Company was in the process of finalising its flagship class "A" Globalworth Tower office property and had two other office buildings under construction, all located in the new CBD of Bucharest. In addition, in February we agreed to further expand our TAP light-industrial complex in Timisoara, with the addition of a new facility pre-let to Valeo.

In the first half of the year we delivered two office buildings, Globalworth Tower and Gara Herastrau, thus increasing our total footprint of standing office GLA by c.66,700sqm. Both class "A" office buildings were completed within their respective timelines and tenants have already moved into their new premises.

We currently have two other active projects at different stages of development. Globalworth Campus, the class "A" office complex located in Bucharest, is currently under construction with Tower I expected to be completed by Q1-17 and Tower II in H2-17. We have also completed all preparatory activities and received the necessary permits for the development of a new c.13,500sqm light-industrial facility, part of the TAP complex, which is expected to be delivered in Q2-17.

We are very pleased that all our developments have either been delivered on time or are on track to be completed within their expected delivery dates. The capabilities of our internal project management team, in conjunction with those of our partners responsible for our development projects, have been key to our successful track record so far.

Optimise Capital Efficiency

Management is focused on allocating capital efficiently both in terms of the types of assets we invest in and balancing how we fund investments between equity and third-party debt.

In 2016 we raised c.€219.4m from debt financing providers at an average cost of 6.5%. In total we completed three facilities which involved either the refinancing of existing facilities at improved terms or the raising of new debt against unencumbered properties.

The most notable transaction of H1-16, was the €180m senior secured real estate bond, which was directly negotiated / subscribed by the Canada Pension Plan Investment Board (CPPIB) and Cairn Capital and completed in May 2016. Part of the proceeds was used to repay a €100m short term corporate level facility expiring in 2016. Other financing transactions completed during the period included the re-financing of our TAP investment by BCR and the financing of the Gara Herastrau office building by Garanti Bank.

Our successful efforts to optimise our capital structure are reflected in the reduction of our weighted average cost of debt from 6.2% as at 31 December 2015 to 5.3% at 30 June 2016. In addition, our consolidated Loan to Value ("LTV") ratio has remained at the moderate levels of 43.7% as at 30 June 2016 (43.9% at 31 December 2015), well below our commitment to maintain LTV below 60% at all times.

High Occupancy Rate in our Portfolio supported by High Quality Long-Term Lease

Our ability to lease space in our properties is one of the key strengths of our Company. Since the beginning of 2016, we have successfully negotiated the take-up or extension of a total of c.51,700sqm of commercial gross leasable area within our buildings, increasing the total over the past 2 ½ years to 215,400sqm and ranking us as one of the most successful landlords in the Romanian real estate market.

At the end of June 2016, the average occupancy rate of our standing commercial portfolio was 80.3%, while the average duration of our new commercial leases signed in 2016 was 7.0 years, in line with our strategy to agree long-term lease contracts. In addition, during July and August we have managed to further increase the occupancy rate of our standing portfolio to 82.3% and increase the total let or pre-let commercial GLA of our portfolio to 343,000sqm.

Our portfolio boasts a diversified, high-quality tenant mix, comprising some 87 national and multinational corporates from more than 18 different countries.

The remainder of 2016 is a very important period for us as we are involved in a number of negotiations for the take-up of available space in our properties and developments, as well as negotiating extensions for some of our existing leases.

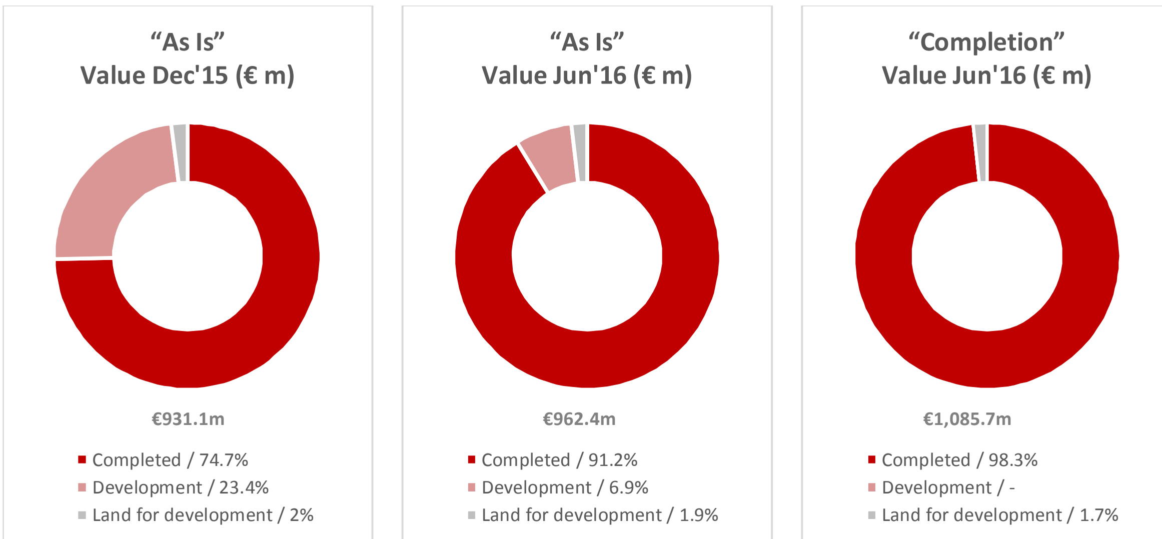
High Quality Team of Professionals Based in Bucharest & Improved Infrastructure

In 2016, we continued to invest in our team of skilled professionals through selected hires mainly within property management, as well as within certain support teams. In addition, we continued to implement the core modules of our new ERP system, with additional modules expected to be operational in Q3 and Q4 of this year.

Our strategic decision to further invest both in our property management team and software has resulted from the fact that with more than 422k sqm of GLA under management (expected to increase further in the next 12 months) and an ever-increasing number of suppliers and customers, our business has reached a critical size. As such, in order to be able to service our counterparties in a more effective way and to improve economies of scale and the efficiency of our operations, in 2015 we initiated this investment/build-up program which we expect to conclude by year-end 2016.

Globalworth's real estate portfolio as of 30 June 2016 comprised 15 investments with a total of 19 assets. All of our real estate properties are currently located in two principal cities in Romania, Bucharest (the capital) and Timisoara (one of the largest logistics hubs of the country), where we focus primarily on managing and developing office properties which account for approximately 81.1% of the appraised value of our investment properties. The majority of Globalworth's real estate portfolio is situated in the capital's new Central Business District ("CBD"), with our remaining assets being positioned in other prime locations.

Evolution of Portfolio Value



Standing Properties

Our portfolio of standing assets has increased since the beginning of the year with the addition of our Globalworth Tower and the smaller Gara Herastrau office property developments, which were delivered in Q1-16 and Q2-16 respectively.

As of 30 June 2016, our standing portfolio comprised 14 assets, valued at €878.0m. In Bucharest we own 10 office properties and 429 apartments in a residential complex, while in Timisoara we own a light industrial park comprising three facilities.

Globalworth Tower is a landmark office property located in the heart of the new CBD of Bucharest. At a height of 120m it is the second tallest office property in Romania and in the top 10 by size in the CEE / SEE region. Globalworth Tower offers c.54,700sqm of Class "A" office space and as at 30 June 2016 was 66.7% let to high quality national and international tenants including Vodafone (telecoms), Nestor Nestor Diculescu Kingston Petersen (law), Huawei (telecoms), Delhaize / Mega Image (retail-FMCG), Wipro (IT), Bunge (services) and Globalworth (real estate). Occupancy has further increased since the end of June following the take-up of space mainly by Ferrero (confectionery) and Anritsu Solutions (services), having reached 70.7% as at 31 August 2016. The property has been pre-certified with the Green Certification of LEED Platinum and, once obtained, it will be the first building in Romania and the broader SEE region to have received the highest available green accreditation.

Gara Herastrau was the second of Globalworth's projects to be delivered in 2016. This class "A" office property is also situated in the New CBD and lies adjacent to Green Court Building "A" and some 200 metres from Globalworth Plaza and Globalworth Tower. It extends over 12 floors (with an additional technical floor) and offers c.12,000sqm of GLA. The Gara Herastrau office building was delivered in June 2016 and was c.50.6% leased to ADP, the leading global provider of human capital management solutions. Occupancy in the property has further improved, having reached 59.6% as at 31 August 2016, following the take-up of space by Tripsta (services).

Our total standing GLA since 2015 year-end has increased by 18.6% to 421,700sqm (as at 30 June 2016), of which 370,000 sqm is commercial space, while the appraised value of our standing investment properties increased by 26.3% to €878.0m (as of 30 June 2016).

All our properties are modern and have been completed or refurbished since 2008. Approximately 80.6% of our GLA and c.77.3% of our standing portfolio value has been delivered within the past c.6 ½ years.

The number of 'green' properties owned by the Company has also increased following the receipt of a LEED Gold accreditation by the Green Court Building "B" property. Our portfolio currently comprises six green accredited properties, and we have six others under various stages of green certification which we hope to receive in the next 12 months.

Green Certified Properties		Properties Under Green Certification Process	
BOB	• BREEAM In-use / Excellent and LEED Gold certifications (for part of the property)	Globalworth Tower	• LEED Platinum
BOC	• BREEAM In-use / Excellent certification	TCI	• BREEAM Very Good / Excellent
UniCredit HQ	• BREEAM Very Good certification	Globalworth Plaza	• BREEAM Very Good / Excellent
City Offices	• LEED Gold certification	Gara Herastrau	• BREEAM Very Good / Excellent
Green Court "A"	• LEED Gold certification	Globalworth Campus	• BREEAM Very Good / Excellent
Green Court "B"	• LEED Gold certification	Upground Towers	• BREEAM Very Good / Excellent (on going)

In addition to our commercial portfolio, we own 429 apartments at Upground Towers (30 June 2016), a modern two-tower residential complex with a total of 571 apartments benefiting from fine views of the nearby Tei lake. Since the beginning of the year we have sold seven apartments in the complex at an average price of €149,700, increasing our total disposals to 21 in the last 14 months. In addition, 198 apartments are currently leased, generating annual rental income of c.€1.5m.

Total Standing Properties	31 Dec. '15	30 June '16
Number of Investments	10	12
Number of Assets	12	14
GLA (sqm)(1)	355,513	421,738
"As Is" Valuation(2):	€695.1m	€878.0m

Total Commercial Properties	31 Dec. '15	30 June '16
Number of Investments	9	11
Number of Assets	11	13
GLA (sqm)(1)	303,155	370,033
"As Is" Valuation(2)	€595.6m	€779.3m
Occupancy(3)	85.1%	80.3%(4)
Contracted Rent(3)	€36.3m	€45.0m
WALL(3)	6.0yrs	6.6yrs

(1) Includes c.52,358sqm and c.51,705 sqm of residential space in 31 December 2015 and 30 June 2016 respectively.
(2) Appraised valuations as of 31 December 2015 and 30 June 2016 respectively.
(3) Occupancy / Contracted Rent and WALL represent only Commercial spaces and exclude c.€1.5m of rental income received from residential.
(4) Reduction in overall occupancy mainly impacted by the delivery of Globalworth Tower and Gara Herastrau which are in the ramp-up phase.

Developments

Following the delivery of the Globalworth Tower and Gara Herastrau office buildings in H1-16, we have two other projects under development, an office park located in the new CBD of Bucharest and a new light-industrial facility in Timisoara.

Bucharest

Our Globalworth Campus project, which upon final completion will offer three Class "A" office towers and total GLA of 88,700sqm, is being developed in two phases. Phase "A" – currently under construction – will comprise two side towers facing Dimitrie Pompeiu Street (main street) with a total GLA of c.57,000sqm on completion, while Phase "B" will comprise one middle tower, which on completion will contribute additional GLA of c.31,800sqm.

The development of Phase "A" is progressing in line with the estimated timeline. Tower-I has reached the 12th floor, with the structural concrete works now completed, and the façade is currently being fitted out with approximately 70% completed with a glazed surface. For Tower-II we have now completed the necessary preparatory activities, including excavations, site preparation etc. Delivery of the two towers is scheduled for Q1-17 and H2-17 respectively.

For both office buildings under development we have adopted a number of environmentally friendly principles and as such we anticipate being able to achieve Green certifications of BREEAM Very Good or Excellent.

Timisoara

In February 2016, Valeo exercised its option to expand further in our Timisoara Airport Park ("TAP") complex, with the development of a new c.13,500sqm light-industrial facility.

This will be the second time that Valeo has expanded within the park since its arrival in 2011 and on delivery of the new facility in the next 15 months it will occupy c.43% of the total standing GLA (c.94,900sqm) of the park at the time.

TAP has proven to be a much sought after location by high quality multinational tenants, as this is the third time within a c.1½ year period that a tenant of a similar profile has decided to lease space in the park.

Continental Automotive and Elster Rometrics, the two other tenants in the complex, moved into TAP in 2015 following the delivery of two new high-quality light industrial facilities with a total of 53,900sqm in Q1 and Q3 of last year. As of 30 June 2016, the complex offered a total of c.81,349 sqm of GLA and was 97.3% occupied.

TAP has the potential for further development reaching to a total GLA of c.123,400sqm as a result of the extension options currently available to the existing tenants of the park.

The appraised value of the Development Projects, as of 30 June 2016 stands at €66.4m. On completion, the projects are expected to deliver c.130,680 sqm of new office and light industrial space, with an appraised value of €189.7m.

Development Projects	31 Dec. '15	30 Jun. '16
Number of Investments	4	2
Number of Assets to be Developed (1)	7	5
GLA (sqm) (2)	197,402	130,679
"As is" Valuation	€217.8m	€66.4m
Estimated remaining development Capex(3)	€131.3m	€102.6m
"Completion" Valuation(2)	€370.5m	€189.7m

(1) Number of Assets represent the total number of buildings to be developed upon delivery of all phases of the developments.
(2) GLA assuming all phases of development projects are being constructed.
(3) Remaining Capex as of 30 June '16.

Development Projects – 30 June '16	Under Construction(1)	Future Development(2)	Total Development
Number of Investments	2	2	2 investments developed in stages
Number of Assets to be Developed	3	2	5
GLA (sqm)(1)	70,450	60,229	130,679
"As is" Valuation	€47.3m	€19.0m	€66.3m
Estimated remaining development Capex	€54.1m	€48.5m	€102.6m
"Completion" Valuation	€116.5m	€73.2m	€189.7m

(1) "Under Construction"; data as of 30 June 2016 comprises, Globalworth Campus Phase I and TAP expansion for Valeo.
(2) "Future Development"; data as of 30 June 2016 comprises, Globalworth Campus Phase II and other expansion options available at TAP.

Land for Future Development

Globalworth owns land plots in two prime locations in Bucharest (Herastrau lake and the historical CBD) for future development. These plots represent further opportunities for office or mixed-use developments, which we intend to take advantage of in the future in order to further grow our real estate portfolio.

The total land size for future development in these two locations is c.9,767sqm and had an appraised value of €18.1m at 30 June 2016.

Globalworth's value upon "Completion" – 30 June 2016

The appraised value upon Completion of Globalworth's real estate portfolio is expected to increase to €1,085.7m following the investment of the remaining estimated c.€102.6m of Capex for the completion of our two development projects.

Property	Status	"As Is" Value (€ m)(1)	Capex (€ m)	Mark to Market Uplift (€ m)	Value upon "Completion" (€ m)(1)
Globalworth Tower	Completed	€157.0m	-	-	€157.0m
BOB	Completed	€51.6m	-	-	€51.6m
BOC	Completed	€141.2m	-	-	€141.2m
Green Court "A"	Completed	€50.4m	-	-	€50.4m
Green Court "B"	Completed	€52.9m	-	-	€52.9m
Globalworth Plaza	Completed	€56.3m	-	-	€56.3m
UniCredit HQ	Completed	€52.5m	-	-	€52.5m
TCI	Completed	€76.5m	-	-	€76.5m
City Offices	Completed	€62.0m	-	-	€62.0m
Gara Herastrau	Completed	€27.5m	-	-	€27.5m
Upground Towers	Completed	€106.6m	-	-	€106.6m
TAP	Comp./Dev.	€45.3m	€12.5m	€2.7m	€60.5m
Globalworth Campus	Development	€64.6m	€90.1m	€18.0m	€172.7m
Luterana	Land	€12.3m	-	-	€12.3m
Herastrau 1	Land	€5.7m	-	-	€5.7m
Total		**€962.4m**	**€102.6m**	**€20.7m**	**€1,085.7m**

(1) Appraised valuations as of 30 June 2016.

Leasing Update 2016 - YTD

Our ability to successfully lease space in our properties has been one of the key strengths of our business. Over the past c.2 ½ years we have successfully negotiated the take-up or extension of 215,400sqm of commercial GLA within our buildings, confirming Globalworth's position as one of the most successful investors and developers in the Romanian real estate market.

Our leasing strategy has been very successful in 2016 as we have signed 83% more commercial GLA in the first c.8 months of the year than during the whole of 2015. Total take-up for office and logistics space since the beginning of the year has reached c.51,700sqm, with contracts signed at a WALL of 6.9 years.

We are pleased to report that Green Court Building "B" is now 100.0% leased (vs 82.1% at year-end 2015), and that we have made significant progress in the letting of our recently completed Globalworth Tower and Gara Herastrau office properties, which as of 31 August 2016 had occupancy of 70.7% (vs 66.7% as of 30 June 2016 and 51.0% at year-end 2015) and 59.6% (vs 50.6% as of 30 June 2016 and vacant at year-end 2015), respectively.

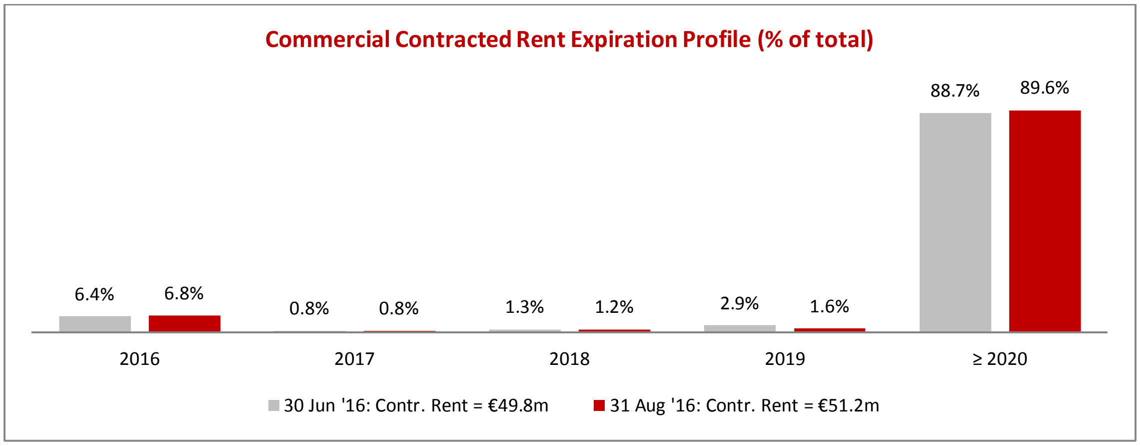
In addition, we have continued to improve the risk-profile of our portfolio, through the extension and / or expansion of leases with some of our prime tenants, such as Deutsche Bank in BOB and Honeywell and Hewlett Packard Enterprises in BOC, and Cegeka and Hidroelectica in TCI.

Most notable new contracts signed in 2016 included some of the best known national and multinational corporates such as Valeo (TAP) for c.13,500sqm, Deutsche Bank (BOB) for c.6,200sqm, ADP (Gara Herastrau) for c.6,100sqm, Honeywell (BOC) for c.3,800sqm, Hewlett Packard Enterprises (BOC) for c.2,500sqm, Vodafone (Globalworth Tower) for c.2,000sqm, Wipro (Globalworth Tower) for c.1,980sqm, Ericsson (Green Court "B") for c.1,900sqm, Bunge (Globalworth Tower) for c.1,800sqm, Tripsta (Gara Herastrau) for c.1,100sqm, Ferrero and Anritsu (Globalworth Tower) for a total of c.1,800sqm, while in TCI we signed expansion contracts with existing tenants Cegeka, Hidroelectrica and EY for a total of c.3,100sqm.

The average occupancy rate of our standing commercial portfolio as of 30 June 2016 was 80.3%, increasing to 82.3% at 31 August 2016. Average occupancy was impacted (85.1% at year-end) by the addition of the newly delivered Globalworth Tower and Gara Herastrau office properties, which are at their ramp-up stage, and the termination of the Volksbank lease in Globalworth Plaza.

Currently, our portfolio is occupied by 87 different national and multinational corporates from 18 different countries, including some of the most recognisable corporates in their respective industries.

The WALL remaining on the commercial lease space in our portfolio was 6.9 years at 30 June 2016 (and 6.8 at 31 August 2016).



Tenant Origin:	% of Contracted Rent 31 Jun. 16	% of Contracted Rent 31 Aug. 16	Selected Tenants of Commercial Portfolio
Multinational	87.6%	88.1%	Abbott Laboratories, Adecco, ADP, Anritsu Solutions, Bayer, BCR, Billa, BRD, Bunge, Carrefour, Cegeka, Clearanswer, Colgate-Palmolive, Continental, Credit Agricole Bank, Delhaize Group, Deutsche Bank, Deutsche Telekom, EADS, Elster Rometrics, Ericsson, EY, Ferrero, GfK, Honeywell, Hewlett Packard Enterprise, Huawei, Intel, Mood Media, NBG Group, Nestle, Oracle, Orange, Piraeus Bank, Saipem, Sanofi, Schneider Electric, Skanska, Starbucks, Stefanini, Subway, UniCredit, Valeo, Vodafone, Wipro, Worldclass
National	6.8%	6.5%	CITR, GlobalVision, NNDKP, NX Data, RINF, Creative Media
State Owned Entities	5.6%	5.4%	Hidroelectrica, Ministry of European Funds

PORTFOLIO REVIEW H1-16

globalworth

Portfolio Snapshot 30 June 2016 – Standing properties

#	Property	Status	GLA (sqm)	Contracted NOI (€m)	Occupancy (%)	WALL (yrs)	Selected Tenants
1	Globalworth Tower	Standing	54,686	€7.7m	66 .7% *(Aug: 70.7%)*	10.2 yrs	Vodafone, Huawei, Delhaize Group, NNDKP, Wipro, Bunge, Ferrero, Anritsu, Globalworth
2	BOB	Standing	22,391	€3.5m	95.9% *(Aug: 97.3%)*	5.1 yrs	Deutsche Bank, Stefanini, Saipem, NX Data, NBG Group, Clearanswer Europe
3	BOC	Standing	56,962	€9.2m	92.9% *(Aug: 99.5%)*	5.9 yrs	Honeywell, NBG Group, Hewlett Packard Enterprises, GfK, Intel, Nestle, EADs, Deutsche Telekom, Vodafone, Stefanini
4	Green Court "A"	Standing	19,589	€3.4m	100.0%	5.8 yrs	Orange, Schneider Electric, CITR, Skanska
5	Green Court "B"	Standing	18,369	€3.5m	100.0%	4.7 yrs	Carrefour, Sanofi, Colgate, Rinf, Adecco, Abbott, Ericsson
6	Globalworth Plaza[(1)]	Standing	24,020	€2.1m	44.3%	1.1 yrs	Oracle, Bayer
7	Unicredit HQ	Standing	15,500	€3.8m	100.0%	5.9 yrs	UniCredit Bank
8	TCI	Standing	22,453	€5.0m	99.7%	4.4 yrs	Ernst & Young (EY), Hidroelectrica, Cegeka, Deutsche Bank, Ministry of European Funds,
9	City Office	Standing	35,968	€1.4m	21.3%	4.8 yrs	Vodafone, Delhaize Group, Max Bet, Billa, BCR, Piraeus Bank, Credit Agricole Bank, Germanos
10	GaraHerastrau	Standing	12,037	€1.0m	50.6% *(Aug: 59.6%)*	7.0 yrs	ADP, Tripsta
11	Upground Towers	Standing	58,606	€2.3m	Retail: 99.3% Resi: 44.4%	7.6 yrs 1.3 yrs	WorldClass, Delhaize Group, Marfin Bank, Subway, Starbucks, Sensiblue
12	TAP	Standing.	81,349	€3.5m	97.3%	11.6 yrs	Continental, Valeo, Elster

(1) Globalworth Plaza, formerly known as Nusco Tower

A. Highlights

- Portfolio Open Market Value ("OMV")[3] of €962.4m (31 December 2015: €931.1m) up 3.4% as compared to 31 December 2015
- Loan to Value of 43.7 per cent (31 December 2015: 43.9 per cent) down marginally as compared to 31 December 2015
- Net Asset Value ("NAV") of €512.2m (31 December 2015: €499.7m) up 2.5% as compared to 31 December 2015
- NAV per share of €8.00 (31 December 2015: €7.98) up 0.3% as compared to 31 December 2015, affected by the issuance of c.1.4m additional shares during H1-16 to settle outstanding liabilities
- EPRA NAV of €581.4m (31 December 2015: €568.3m) up 2.3% as compared to 31 December 2015
- EPRA NAV per share of €9.08 (31 December 2015: €9.08) remaining unchanged from 31 December 2015, affected by the issuance of c.1.4m additional shares during the first six months of 2016 to settle outstanding liabilities
- Net operating income of €19.9m (H1-15: €11.8m) up 69% as compared to H1-15 as a result of the addition of five leased properties in the revenues generating properties portfolio
- Earnings before tax of €5.3m (H1-15: €39.7m) down 87% as compared to H1-15, mainly due to the significant fair value gain on investment property and gain on acquisition of four subsidiaries of c.€39m recorded in H1-15 whereas in H1-16 no acquisitions took place and there was a relatively small increase in the value of investment property generated of €5.4m
- EBITDA[4] of €24.5m (H1-15: €31.7m) down 23% as compared to H1-15, mainly due to the significant gain on fair valuation of completed investment property and investment property under development of c.€23.2m recorded in H1-15 whereas in H1-16 only €5.4m was recorded
- Normalised EBITDA[5] from ongoing operating activities of €16.2m (H1-15: €8.8m) up 85% as compared to H1-15

B. Analysis of results for the six month period ended 30 June 2016

1. Revenues and profitability

- Revenues and NOI increased significantly in H1-16 compared to H1-15, reaching a total of €32.0m and €19.9m, respectively (from €17.6m and €11.8m, respectively, in H1-15), positively impacted by the acquisition of four[6] leased properties in March 2015, June 2015 and December 2015. The revenues and NOI recorded in H1-16 reflect for the whole six month period the contribution of these four leased properties, whereas the H1-15 results reflected only for Q2-15 the revenues and NOI derived from the two leased properties that were acquired at the end of March 2015. In addition, in August 2015 we delivered to Elster Rometrics the part of the TAP property that was pre-leased to this tenant, which has also contributed to the increase in revenues and NOI in H1-16 as compared to H1-15, and the Continental part of the same property contributes to H1-16 revenues and NOI for the entire six month period whereas in H1-15 only for Q2-15.

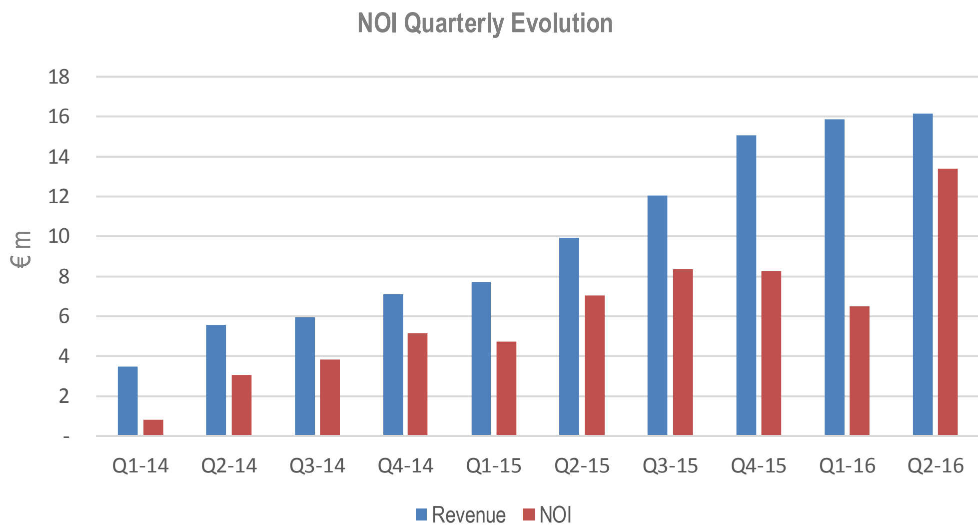
3 Portfolio OMV is based on an external valuation at 30 June 2016.

4 Calculated as earnings before interest, depreciation and bargain purchase gain.

5 Calculated as earnings before interest, depreciation, bargain purchase gain, fair value gain on investment property and other non-operational and / or non-recurring income and expense items.

6 Includes UniCredit HQ and Nusco Tower buildings acquired on 31 March 2015. Green Court Buildings "A" and "B" were acquired on 30 June 2015 and 22 December 2015 and hence did not impact the results for H1-15. Also the TAP-Continental and TAP-Ester parts of the TAP property started to generate revenues during H1-15 and H2-15, respectively.

B. Analysis of results for the six month period ended 30 June 2016 (continued)



Note: The decrease in NOI in Q1-16 is due to the expensing of the entire property tax liability on investment properties for 2016 in Q1-16 due to a charge in Romanian property tax legislation effective from 2016. In prior year, property tax was charged to operating expenses evently during the year. Following further clarification of the application of the new property tax legislation on the specific case of our leased properties (with triple net lease arrangements whereby property taxes are recovered from tenants through service charges invoiced evenly during the year) the effects of the entry made in Q1-16 were reversed in Q2-16 and property taxes are expensed evently during 2016 in a similar manner to prior year.

- Administrative expenses in H1-16 increased by 24.0% as compared to H1-15, mainly as a result of the addition of five new subsidiaries administered by the Group during the entire six month period to 30 June 2016, the higher number of employees and total operating cost of the Globalworth platform.
- EBITDA, as normalised[7] to reflect the ongoing operating activities of the Group, increased substantially in H1-16 (+85%) compared to the same period a year ago, in line with the Group's total Revenue and NOI uplifts, benefiting from a larger pool of income generating properties (five additional assets contributed to the results of H1-16 compared to H1-15).
- Financing costs in H1-16 increased 2¼ times, mainly due to the higher level of interest charged on financing arrangements over the period. The total level of interest bearing loans increased for the Group from c.€204m[8] on 1 January 2015 to c.€411m[8] on 30 June 2016, though consolidated LTV remained at moderate levels (43.7%). Increased cost of debt was also impacted by a short term corporate facility which has now been repaid, as well as one-off costs associated with the repayment of the short term corporate level facility and closing of €180m bond in June 16, and the amortisation of the arrangement and settlement fees of our interest-bearing facilities. It has to be noted that following the successful completion of the €180m bond in June 2016, which resulted in the refinancing of our short term corporate facility, the weighted average cost of debt of the group at 30 June 2016 decreased to 5.3% from 6.2% at 31 December 2015.

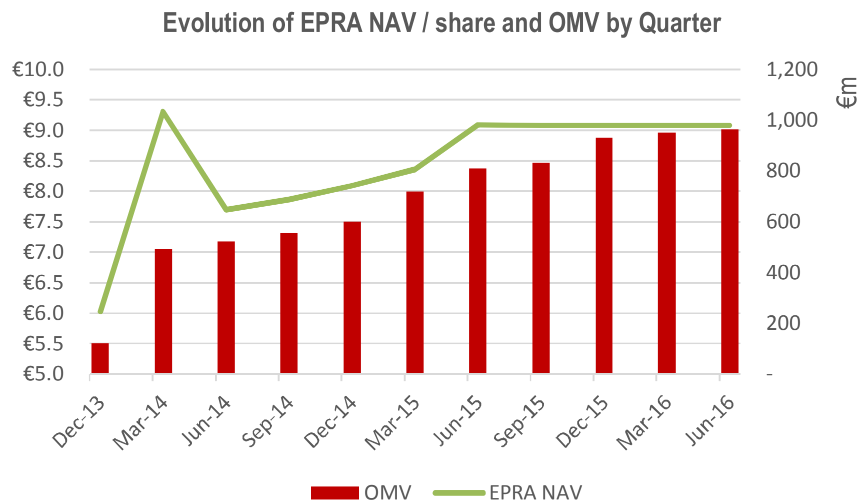
2. Portfolio valuation, shareholders and equity and NAV

- During H1-16 our landmark Globalworth Tower and Gara Herastrau class "A" office properties, were completed and we also continued the construction of our Globalworth Campus (Phase "A"). In addition we completed all preparatory activities and received the necessary permits for the development of a new c.13,500sqm light-industrial facility, part of TAP complex.
- €25.0m of capex on properties under development and completed properties during H1-16, contributing to an increase in the OMV of our properties portfolio of c.€31m.

7 Calculated as earnings before interest, depreciation, bargain purchase gain, fair value gain on investment property and other non-operational and / or non-recurring income and expense items.

8 Carrying value per the consolidated statement of financial position.

- The number of shares in issue increased during H1-16 by c.1.4m, without impacting EPRA NAV per share, which remained at €9.08 per share as at 30 June 2016 (€9.08 per share as at 31 December 2015), despite the increase in equity / NAV by c.€12.5m. 1 m additional shares were issued in June 2016 as part of the settlement of a €6m liability otherwise payable by the Company to an affiliate of York Capital Management Global Advisors, LLC, York Global Finance Offshore BDH (Luxembourg) S.à r.l. ("York") under the €100m short term corporate level facility.



Note: The decrease in EPRA NAV in Jun-14 was due to the issuance of 13.3m shares in April-14 for cash at €5.90 per share.

3. Results and dividends

The results for the period are set out in the consolidated statement of comprehensive income on page 22. The Board of Directors has concluded that at this juncture the Company is best served by retaining its current cash reserves to support its investment strategy. Consequently, the Directors do not recommend the payment of an interim dividend for the period ended 30 June 2016.

4. Financing activities

In the first half of 2016 the Group managed to successfully secure a total of c.€ 219.4m debt financing, the majority of which in order to refinance and / or extend existing loan facilities, as well as reduce the weighted average interest rate charged. As a result, the weighted average cost of debt was reduced from 6.2% at 31 December 2015 to 5.3% at 30 June 2016.

A short outline of the financing transactions that took place in this period are as follows:

- In March 2016 the Group signed a c.€29.1m long-term debt facility agreement with Banca Comerciala Romana ("BCR") in Romania (Erste Bank Group) in order to refinance the existing secured loan facilities related to the TAP light industrial park in Timisoara, and to fund the development of an extension to this property. This facility is secured on the TAP property and matures in year 2031;
- In May 2016 the Group signed a €10.3m long-term debt facility agreement with Garanti Bank in Romania in order to refinance equity and to fund the remaining development costs of the Gara Herastrau office building. This facility is secured on the land and completed building and matures in the 1st quarter of 2026; and

- At the end of May 2016 the Group secured a €180m three-year bond (the "Bond"). The bond was provided by Matisse Funding B.V. (an orphan SPV) which issued €180m of senior secured Notes to institutional investors. The proceeds of such issuance was on-lent to the Group in order to refinance the €100m short term corporate level facility obtained in 2015 from funds managed by York Capital and Oakhill Advisors and three secured debt facilities at the level of three of its Romanian subsidiaries. The bond is secured on the properties of these Romanian subsidiaries as well as the shares of their holding companies. Drawdown under the bond was concluded in June 2016.

The total debt portfolio of the Group ranges between short and medium to long-term debt, denominated mostly in EUR, with a small portion denominated in Romanian Lei ("RON"). They are secured with real estate mortgages, pledges on shares, receivables and loan subordination agreements in favour of the financing banks.

In terms of applicable financial covenants observed, the most notable are the Debt Service Cover Ratio ("DSCR"), with values ranging from 100% to 125%, and the Loan to Value ratio ("LTV"), with values ranging from 50% up to 85% (versus the significantly lower overall LTV of the Group at 30 June 2016 of 43.7%), with no actual deviations occurring during the period from the aforementioned values.

5. Cash flows

- Net cash resources raised during the six months ended 30 June 2016 from new debt financing of €14.9m.
- Proceeds from disposal of subsidiary in Greece (Mycre Investment S.A.), net of cash disposed, of €11m.
- Cash used on completed properties (mainly on fit-out works for tenants) and three properties under development in H1-16 of €30.4m.
- Cash inflows from operating activities of €8.1m during the six month period ended 30 June 2016, more than double the amount generated in prior year's comparable period (€3.6m).

6. Liquidity

Our Group seeks to maintain, at all times, sufficient liquidity to enable it to finance its ongoing, planned property investments, whilst maintaining flexibility to quickly capture attractive new investment opportunities.

During the first six months of 2016, as outlined above, a total of c.€14.9m additional debt financing was secured (excluding the refinanced or extended debt), c.€5.5m of which remained available to be drawn subsequent to 30 June 2016.

7. Principal Risks and Uncertainties

The key risks which may have a material impact on the Group's performance, together with the corresponding mitigating actions, are presented on pages 86 to 92 of the Annual Report for the year ended 31 December 2015, which is available at www.globalworth.com.

These risks comprise the following:

- Exposure to the economic environment in Romania and changes in the political or regulatory framework in Romania or the European Union;
- Inability to execute planned acquisition of properties and lack of available financing;
- Counterparty credit risk;
- Risk of changes in interest rates and exchange rates;
- Risk of negative changes in the valuation of portfolio;
- Inability to lease space and renew expiring leases;
- Inability to complete projects under development on time;

- Risk of breach of loan covenants;
- Risk of change in fiscal and tax regulations; and
- Compliance with fire, structural or other health and safety regulations.

There has been no significant change in these risks during the six month period ended 30 June 2016, and these risks are expected to continue to remain relevant during the second half of 2016.

8. Going Concern

The Directors have considered the Company's ability to continue to operate as a going concern based on the Management's cash flow projections for the 12 months subsequent to the date of approval of the unaudited interim condensed consolidated financial statements. The Directors believe that the Company would have sufficient cash resources to meet its obligations as they fall due and continue to adopt the going concern basis in preparing the unaudited interim condensed consolidated financial statements as of and for the six months ended 30 June 2016.

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2016

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Note	30 June 2016 (Unaudited) €'000	30 June 2015 (Unaudited) €'000
Revenue	6	32,035	17,648
Operating expenses	7	(12,147)	(5,892)
Net operating income		**19,888**	**11,756**
Administrative expenses		(3,774)	(3,046)
Acquisition costs		(21)	(340)
Fair value gain on investment property	3	5,420	23,209
Gain on acquisition of subsidiaries		-	15,780
Gain on sale of subsidiary	19	272	-
Share based payment expense	16	(11)	(62)
Foreign exchange gain/(loss)		(82)	64
Other operating expenses		(431)	-
Other operating income		3,166	-
		4,539	**35,605**
Profit before net financing cost		**24,427**	**47,361**
Finance cost	8	(19,249)	(8,425)
Finance income		146	715
Profit before tax		**5,324**	**39,651**
Income tax expense	9	(631)	(5,158)
Profit for the period		**4,693**	**34,493**
Other comprehensive income		-	-
Attributable to equity holders of the parent		**4,693**	**34,493**
Earnings per share (basic and diluted)	10	**€0.07**	€0.64

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

	Note	30 June 2016 (Unaudited) €'000	31 December 2015 (Audited) €'000
ASSETS			
Non-current assets			
Investment property	3	966,153	937,119
Goodwill		12,349	12,349
Advances for investment property		2,322	3,993
Other long term assets		736	661
Other receivables		2,193	2,193
Prepayments		1,077	1,020
		984,830	**957,335**
Current assets			
Trade and other receivables		11,806	13,193
Income tax receivable		372	583
Prepayments		2,274	1,638
Cash and cash equivalents	13	31,061	37,036
Investment property held for sale	19	-	10,353
		45,513	**62,803**
Total assets		**1,030,343**	**1,020,138**
EQUITY AND LIABILITIES			
Total equity			
Issued share capital	15	350,125	341,784
Share based payment reserve	16	2,116	2,655
Retained earnings		159,935	155,242
Equity attributable to ordinary equity holders of the parent		**512,176**	**499,681**
Non-current liabilities			
Interest-bearing loans and borrowings	12	398,936	261,287
Deferred tax liability	9	70,812	70,413
Guarantees retained from contractors		1,355	957
Finance lease liabilities		-	5
Deposits from tenants		1,963	1,485
Trade and other payables		2,509	3,278
		475,575	**337,425**
Current liabilities			
Interest-bearing loans and borrowings	12	12,070	143,024
Trade and other payables		25,920	35,552
Other current financial liabilities	14	4,123	3,935
Finance lease liabilities		13	18
Deposits from tenants		401	75
Income tax payable		65	428
		42,592	**183,032**
Total equity and liabilities		**1,030,343**	**1,020,138**
NAV per share	11	**€8.00**	€7.98
EPRA NAV per share	11	**€9.08**	€9.08

These unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 19 September 2016 and were signed on its behalf by:

John Whittle
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2016

		Equity attributable to equity holders of the parent					
		Issued share capital	Share based payment reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Note	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
As at 1 January 2015 (audited)		288,740	180	103,815	392,735	6	392,741
Fair value of option warrants issued for executive share scheme		-	62	-	62	-	62
Acquisition of non-controlling interests		-	-	6	6	(6)	-
Profit for the period		-	-	34,493	34,493	-	34,493
As at 30 June 2015 (unaudited)		**288,740**	**242**	**138,314**	**427,296**	**-**	**427,296**
As at 1 January 2016 (audited)		**341,784**	**2,655**	**155,242**	**499,681**	**-**	**499,681**
Shares issued to the executive directors and other senior management employees	16.2	2,350	(2,350)	-	-	-	-
Shares issued for settlement of interest-bearing liability	15	6,000	-	-	6,000	-	6,000
Transaction costs on issuance of shares	15	(9)	-	-	(9)	-	(9)
Fair value of option warrants issued for executive share scheme	16.1	-	11	-	11	-	11
Reclassification from liabilities to equity	16.2	-	1,800	-	1,800	-	1,800
Profit for the period		-	-	4,693	4,693	-	4,693
As at 30 June 2016 (unaudited)		**350,125**	**2,116**	**159,935**	**512,176**	**-**	**512,176**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Note	30 June 2016 (Unaudited) €'000	30 June 2015 (Unaudited) €'000
Profit before tax		**5,324**	**39,651**
Adjustments to reconcile profit before tax to net cash flows			
Fair value gain on investment property	3	(5,420)	(23,209)
Gain on acquisition of subsidiaries		-	(15,780)
Gain on sale of subsidiaries	19	(272)	-
Share based payment expense	16	11	62
Depreciation on other long term assets		101	77
Other operating expenses		393	-
Foreign exchange (gain)/loss		82	(64)
Net financing costs		19,103	7,710
Operating profit before changes in working capital		**19,322**	**8,447**
Decrease in trade and other receivables		228	3,409
Decrease in trade and other payables		(564)	(3,355)
Interest paid		(10,861)	(4,659)
Interest received		14	43
Income tax paid		(46)	(280)
Cash flows from operating activities		**8,093**	**3,605**
Investing activities			
Expenditure on investment property		(30,360)	(18,541)
Advances for investment property		-	(2,000)
Proceeds from sale of subsidiary less cash disposed	19	11,000	-
Proceeds from sale of investment property		848	-
Payment for acquisition of subsidiaries less cash acquired		-	(68,827)
Acquisition of other long term assets		(176)	(132)
Cash flows used in investing activities		**(18,688)**	**(89,500)**
Financing activities			
Payment of transaction costs on issue of shares[9]	15	(9)	-
Proceeds from interest bearing loans and borrowings[10]		209,678	109,087
Repayment of interest bearing loans and borrowings		(200,844)	(6,550)
Payment of loan arrangement fees[11]		(5,479)	(3,091)
Payment of other financing costs		(4,814)	-
Cash flows from/(used in) financing activities		**(1,468)**	**99,446**
Net increase/(decrease) in cash and cash equivalents		**(12,063)**	**13,551**
Cash and cash equivalents at the beginning of the period	13	37,036	21,957
Cash and cash equivalents at the end of the period	13	**24,973**	**35,508**

9 0.4m shares issued for €2.4m being a non-cash transaction, see note 15.

10 Net of the €6.1m cash reserves, see note 13.

11 1.0m shares issued for €6.0m being a non-cash transaction, see note 15.

SECTION I: BASIS OF PREPARATION

This section contains the Group's significant accounting policies that relate to the unaudited interim condensed consolidated financial statements ("financial statements") as a whole. Significant accounting policies and related management's estimates, judgements and assumptions in application of those policies specific to one note and are included within that note. Accounting policies relating to non-material items are not included in these financial statements.

1. General

Corporate Information

Globalworth Real Estate Investments Limited ("the Company") is a company with liability limited by shares and incorporated in Guernsey as a non-cellular company with liability limited by shares on 14 February 2013, with registered number 56250. The Company was successfully admitted to trading on the AIM market of the London Stock Exchange ("AIM") in July 2013, with the Ordinary shares of the Company trading under the ticker "GWI". The registered office of the Company is Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 2HT.

Directors

The Directors of the Company are:

- Geoff Miller, Non-executive, Chairman of the Board and member of the Audit and Remuneration Committees
- Ioannis Papalekas, Chief Executive Officer
- Dimitris Raptis, Deputy Chief Executive Officer and Chief Investment Officer
- Eli Alroy, Non-executive, member of the Remuneration Committee
- John Whittle, Non-executive, Chairman of the Audit and Remuneration Committees
- Andreea Petreanu, Non-executive, member of the Audit Committee
- Akbar Rafiq, Non-executive, and
- Alexis Atteslis, Non-executive

The Group had 76 employees as of 30 June 2016 (67 as of 31 December 2015).

Basis of Preparation and Compliance

The financial statements of the Group for the six months ended 30 June 2016 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". These financial statements are prepared in Euro ("EUR" or "€"), rounded to the nearest thousand, being the functional currency and presentation currency of the Company. These financial statements have been prepared on a historical cost basis, except for investment property and derivatives which are measured at fair value.

The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The Directors based their assessment on the Group's detailed cash flow projections for the period of 12 months subsequent to the date of approval of these financial statements. These projections take into account the latest contracted rental income, anticipated additional rental income from anticipated renewal of existing lease agreements, secured debt financing facilities, as well as contacted debt financing, CAPEX, and other commitments. The projections show that in the 12 months subsequent to the date of approval of these financial statements, the Company has sufficient resources to continue to fund its ongoing operations and asset development without the need to raise any additional debt or equity financing or the need to reschedule existing debt facilities or other commitments.

These financial statements have been prepared on a historical cost basis, except for investment property and derivatives which are measured at fair value. The significant accounting policies adopted are set out in the relevant notes to the financial statements and consistently applied throughout the periods presented except for the new and amended IFRSs, see note 22, which were adopted on 1 January 2016.

SECTION I: BASIS OF PREPARATION

Accounting policies

These financial statements apply the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2015, which were prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and the Companies (Guernsey) Law 2008, as amended. These financial statements included in this Interim Report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2015. On 1 January 2016, the Group adopted certain new accounting policies where necessary to comply with amendments to IFRS, none of which had a material impact on the consolidated results, financial position or cash flows of the Group (see note 22).

Basis of Consolidation

These financial statements comprise the financial statements of the Company and its subsidiaries ("the Group") as of and for the six months ended 30 June 2016. Subsidiaries are fully consolidated (refer to note 18) from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases (refer to note 19). The financial statements of the subsidiaries are prepared for the period from the date of obtaining control to 30 June, using consistent accounting policies. All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position, separately from net assets and profit and loss attributable to equity holders of the parent.

2. Critical Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with IAS 34 requires management to make certain judgements, estimates and assumptions that effect reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures and the disclosures of contingent liabilities.

Selection of Functional Currency

The Company and its subsidiaries used their judgment, based on the criteria outlined in IAS 21 "The Effects of Changes in Foreign Exchanges Rates", and determined that the functional currency of all the entities is the EUR.

Further additional critical accounting judgements, estimates and assumptions are disclosed in the following notes to the financial statements.

Å Investment Property, see note 3 and Fair value measurement and related estimates and judgements, see note 4
Å Commitments (operating lease commitments - Group as lessor), see note 5
Å Taxation, see note 9
Å Investment in subsidiaries, see note 18

SECTION II: INVESTMENT PROPERTY

This section focuses on the assets in the statement of financial position of the Group which form the core of Globalworth's business activities. This includes investment property and related disclosures on fair valuation inputs, advances for investment properties and commitments for future property development. This section quantifies the property portfolio valuations and movements for the year.

Further information about each property is described in the portfolio review section of the Interim Report.

3. Investment Property

	Completed investment property €'000	Investment property under development €'000	Land bank for further development €'000	Total €'000
At 1 January 2015 (audited)	**460,010**	**91,387**	**47,860**	**599,257**
Business acquisitions	159,600	-	-	159,600
Subsequent expenditure	1,504	23,008	2,317	26,829
Capitalised borrowing costs	-	46	-	46
Disposal during the period	(153)	-	-	(153)
Fair value adjustment	1,961	21,664	(416)	23,209
Transfer to completed investment property	18,844	(18,844)	-	-
Movement in the period	**181,756**	**25,874**	**1,901**	**209,531**
At 30 June 2015 (unaudited)	**641,766**	**117,261**	**49,761**	**808,788**
Business acquisitions	50,200	-	-	50,200
Transfer to investment property under development	-	32,049	(32,049)	-
Subsequent expenditure	2,917	40,913	-	43,830
Other additions	-	6,021	-	6,021
Capitalised borrowing costs	-	3,069	-	3,069
Disposal during the period	(1,002)	-	-	(1,002)
Fair value adjustment	(5,636)	31,361	488	26,213
Transfer to completed investment property	8,156	(8,156)	-	-
Movement in the period	**54,635**	**105,257**	**(31,561)**	**128,331**
At 31 December 2015 (audited)	**696,401**	**222,518**	**18,200**	**937,119**
Subsequent expenditure	10,824	14,130	2	24,956
Unwinding of lease incentive		(2,262)		(2,262)
Capitalised borrowing costs	-	2,073	-	2,073
Disposal during the period	(1,153)	-	-	(1,153)
Fair value adjustment	(7,446)	13,018	(152)	5,420
Transfer to completed investment property	180,600	(180,600)	-	-
Movement in the period	**182,825**	**(153,641)**	**(150)**	**29,034**
At 30 June 2016 (unaudited)	**879,226**	**68,877**	**18,050**	**966,153**

4. Fair Value Measurement and Related Estimates and Judgements

Investment property measured at fair value

The Group's investment properties were valued by CBAR Research & Valuation Advisors S.R.L. ("Coldwell Banker"), independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued, using recognised valuation techniques.

Our Property Valuation Approach and Process

The Group's investment department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the Chief Financial Officer ("CFO"), the Chief Investment Officer ("CIO") and the Chief Executive Officer ("CEO"). Discussions of valuation processes and results are held between the CFO, CIO, CEO, the valuation team and the independent valuers twice in a financial year.

SECTION II: INVESTMENT PROPERTY

The fair value hierarchy levels are specified in accordance with IFRS 13 “Fair Value Measurement”. Some of the inputs to the valuations are defined as “unobservable” by IFRS 13 and these are analysed in the tables below. Any change in valuation technique or fair value hierarchy (transfer between Level 1, 2 or 3) is analysed at each reporting date or as of the date of the event or variation in the circumstances that caused the change. During the period, the Group transferred two investment properties valued at €180.6m from Investment Property Under Development to Completed Investment Property and its valuation method was changed accordingly from residual method to discounted cash flow. There were no transfers from Level 1 to other categories or vice versa.

For each independent valuation performed the investment team along with the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the initial valuation report at acquisition or latest period end valuation report; and
- holds discussions with the independent valuer.

Valuation Techniques, Key Inputs and Underlying Management's Estimations and Assumptions
Valuation techniques comprise the discounted cash flow, the sales comparison approach and residual value method.

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

Key information about fair value measurements using significant unobservable inputs (Level 3) are disclosed below:

	Carrying value					Range	
Class of property	**30 June 2016** €'000	**31 December 2015** €'000	*Valuation technique*	*Fair value hierarchy*	*Input*	**30 June 2016**	**31 December 2015**
Completed investment property	772,660	589,060	*Discounted cash flow*	*Level 3*	Rental value (sqm)	€2.77 - €65	€2.77 - €65
					Discount rate	7.30% - 9.90%	7.30% - 9.00%
					Exit yield	6.65% - 9.20%	6.65% - 8.75%
	106,566	107,341	Sales comparison	Level 3	Sales value (sqm)	€ 1,949[12]	€ 1,190
	879,226	696,401					
Investment property under development	68,877	222,518	*Residual method*	*Level 3*	Rental value (sqm)	*€12.50*	*€12.50-€35.00*
					Discount rate	*8.20%*	*7.40% - 8.50%*
					Exit yield	*7.25%*	*7.00% - 7.25%*
					Capex (€m)	€16.32	€53.6
Land bank - for further development	18,050	18,200	*Sales comparison*	*Level 3*	Sales value (sqm)	*€1,819 - €1,864*	*€1,833 - €1,872*
TOTAL	**966,153**	**937,119**					

The fair value gain on investment property recognised in the statement of comprehensive income for an amount of €5.4m (2015: €23.2m) represents fair value measurements as of the statement of financial position date related to investment properties categorised within Level 3 of the fair value hierarchy.

In arriving at estimates of market values as at 30 June 2016 and 31 December 2015, the independent valuation experts used their market knowledge and professional judgement and did not rely solely on historical transactional comparables. In these circumstances, there was a greater degree of uncertainty in estimating the market values of investment properties than would have existed in a more active market.

[12] €1,949 build area and €1,200 net area (2015: €1,190 net area)

SECTION II: INVESTMENT PROPERTY

Judgement Used In The Classification of Investment Property

Investment property comprises land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation. The Group considers that when the property is in a condition which will allow the generation of cash flows from its rental that the property is no longer a property under development or refurbishment but an investment property. If the property is kept for sale in the ordinary course of business then it is classified as inventory property.

Investment property under development include €3.8m (2015: €6.0m) of unamortised lease incentives (a similar corresponding amount was recorded in trade and other payables as payables for tenant lease incentives) representing the Group's estimated net cost for undertaking existing operating leases in properties owned by third parties, as well as for the commitment to undertake additional operating lease expense, under certain conditions, related to one of the Group's tenants. The net cost is estimated by deducting from the operating lease expenses the revenues from sub-letting the respective properties to third parties selected by the Group, for the unexpired portion of their leases.

Sensitivity Analysis on Significant Inputs

The assumptions on which the Property Valuation Reports have been based include, but are not limited to, rental value per sqm, discount rate, exit yield, cost to complete, comparable market transactions for land bank for further development, tenant profile for the rented properties and the present condition of the properties. These assumptions are market standard and in line with the International Valuation Standards ("IVS"). Generally, a change in the assumption made for the rental value (per sqm per annum) is accompanied by a similar change in the rent growth per annum and discount rate (and exit yield) and an opposite change in the other inputs.

A quantitative sensitivity analysis, in isolation, of the most sensitive inputs used in the independent valuations, performed, as of the statement of financial position date are set out below:

		€0.5 change in rental value per month, per sqm		25 bps change in market yield		5% change in Capex		€50 (2015: €25) change in sales prices per sqm	
		Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Class of Property	Year	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Completed investment property	2016	26,800	(26,790)	(19,070)	20,280	-	-	2,348	(2,346)
	2015	21,330	(21,320)	(14,150)	15,080	-	-	1,940	(1,937)
Investment property under development	2016	5,060	(5,060)	(4,060)	4,030	(3,060)	3,060		
	2015	9,720	(9,520)	(8,560)	9,390	(4,439)	4,439		
Land bank - for further Development	2016							500	(480)
	2015							450	(530)

For properties valued under the DCF method, if the vacancy rate in perpetuity per property increases or decreases by 2.5% then completed investment property will decrease or increase by €15.9m or €14.2m (2015: €11.7m or €10.6m) and investment property under development will decrease or increase by €2.9m or €2.7m (2015: €7.2m or €6.3m) respectively.

Interest-bearing loans and borrowings are secured on investment property, see note 12 for details.

SECTION II: INVESTMENT PROPERTY

5. Commitments

Commitments for Investment Property Under Construction

As at 30 June 2016, the Group had agreed construction contracts with third parties and is consequently committed to future capital expenditure in respect of investment property under construction of €17.6m (2015: €32.1m), and had committed with tenants to carry out fit-out works of €0.4m (2015: €1.6m).

Operating Leases Commitments– Group as Lessor

Judgements made for Properties under Operating Leases

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of the investment properties leased to third parties, therefore, accounts for these leases as operating leases. The duration of these leases is one year or more (2015: one year or more) and rentals are subject to annual upward revisions based on the consumer price index.

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	30 June 2016 €'000	31 December 2015 €'000
Not later than 1 year	38,726	35,100
Later than 1 year and not later than 5 years	169,218	162,200
Later than 5 years	103,318	109,200
	311,262	**306,500**

SECTION III: FINANCIAL RESULTS

This section includes the results and performance of the Group, including the net asset value and EPRA net asset value. This section also includes details of the Group's tax credits in the period and deferred tax assets and liabilities held at the period end.

This section also quantifies the financial impact of the operations for the period; further analysis on operations is described in the financial review.

6. Revenue

	30 June 2016 €'000	30 June 2015 €'000
Rental income	20,845	13,072
Service charge income	7,530	3,709
Property development services	3,660	867
	32,035	**17,648**

The total contingent rents recognised as income during the period amount to €0.02m (2015: €0.09m).

In order to determine if the Group is acting as principal or agent it assess the primary responsibility for providing the goods or services, inventory risk, discretion in establishing prices and who bears the credit risk. The Group has concluded that it is acting as a principal in all of the above mentioned revenue arrangements.

7. Operating Expenses

	30 June 2016 €'000	30 June 2015 €'000
Property management, utilities and insurance	8,505	4,914
Property development services costs	3,333	725
Property maintenance costs and other non-recoverable costs	309	253
	12,147	**5,892**

Operating expenses analysis by revenue and non-revenue generating properties	30 June 2016 €'000	30 June 2015 €'000
Property expenses arising from investment property that generate rental income	8,748	5,014
Property expenses arising from investment property that did not generate rental income	66	153
Property development services costs	3,333	725
	12,147	**5,892**

8. Finance Cost

	30 June 2016 €'000	30 June 2015 €'000
Interest on secured loans	6,266	4,932
Interest on corporate level facility	3,034	1,683
Debt issue cost amortisation	9,949	1,810
	19,249	**8,425**

9. Taxation

Income tax expense	30 June 2016 €'000	30 June 2015 €'000
Current income tax expense	232	19
Deferred income tax expense	399	5,139
	631	**5,158**

The Company has obtained an exempt company status in Guernsey under the terms of the Income Tax (Exempt Bodies) Ordinance, 1989. The Directors intend to conduct the Company's affairs so that it remains eligible for exemption. The subsidiaries in Romania, the Netherlands and Cyprus are subject to income taxes in respect of local sources of income. The income tax rate applicable to the Company in Guernsey is nil. The current income tax charge of €0.2m (30 June 2015: €0.02m) represents tax charges on profit arising in Romania and Cyprus in a few subsidiaries. Tax charges on profit arising in Romania, the Netherlands and Cyprus are subject to corporate income tax at the rate of 16%, 25% (20% for tax on profit up to €0.2m), and 12.5%, respectively.

The Group's subsidiaries registered in Cyprus and Netherlands need to comply with the Cyprus and the Netherlands tax regulations, however, the Group does not expect any taxable income, other than dividend and interest income, which are the most significant future sources of income of the Group companies registered in these countries. Dividend income is exempt or taxed at 0% in Cyprus and the Netherlands, respectively, however, interest income is subject to corporate income tax at the rate of 12.5% in Cyprus and ranges from 20% to 25%, depending on total taxable profit (20% for tax on profit up to €0.2m), in the Netherlands.

Judgements and Assumptions Used in the Computation of Current Income Tax Liability

Uncertainties exist, particularly in Romania where the Group has significant operations, with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile. In Romania, the tax position is open to further verification for 5 years and no subsidiary in Romania has had a corporate income tax audit in the last 5 years.

	Consolidated statement of financial position		Consolidated statement of comprehensive income	
Deferred tax liability	**30 June 2016 €'000**	**31 December 2015 €'000**	**30 June 2016 €'000**	**30 June 2015 €'000**
Acquired under business combinations:	-	12,456	-	-
Recognised unused tax losses	-	(50)	-	-
Deferred tax liability	-	12,506	-	-
Valuation of investment property at fair value	75,800	60,003	2,758	5,074
Deductible temporary differences	(298)	(467)	(1)	(7)
Discounting of tenant deposits and long term deferred costs	258	164	62	(35)
Share issue cost recognised in equity	(7)	(7)	-	-
Valuation of financial instruments at fair value	(660)	110	(35)	107
Recognised unused tax losses	(4,281)	(1,846)	(2,385)	-
	70,812	**70,413**	**399**	**5,139**

In Romania, the Group has unused assessed tax losses carried forward of €71.1m (2015: €68.3m) that are available for offsetting against future taxable profits of the respective entity in Romania, in which the losses arose, within 7 years from the year of origination. As of the statement of financial position date the Group had recognised deferred tax assets of €4.3m (2015: €1.9m) out of the total available deferred tax assets of €11.4m (2015: €10.9m) calculated at the corporate income tax rate of 16%.

All amounts in €'000

Expiry year	2017	2018	2019	2020	2021	2022	2023	**TOTAL**
Fiscal year	2010	2011	2012	2013	2014	2015	2016	
Available deferred tax assets	737	562	1,978	1,745	1,530	3,200	1,625	**11,377**

10. Earnings Per Share

The following table reflects the data used in the calculation of basic and diluted earnings per share:

Date	Event	Note	Number of shares issued (in thousand)	% of the period	Weighted average (in thousand)
1 January 2015	At the beginning of the year		**53,645**	**100**	**53,645**
30 June 2015	**Shares in issue at the period end**		**53,645**	**100**	**53,645**
1 October 2015	Shares issued for cash		8,972	25	2,243
31 December 2015	**Shares in issue at year end**		**62,617**		**55,888**
1 January 2016	**At the beginning of the year**		**62,617**	**100**	**62,617**
25 January 2016	Shares issued to the executive directors and other senior management employees	15	407	86.7	353
8 June 2016	Shares issued for equity settled transaction	15	1,000	12.2	122
30 June 2016	**Shares in issue at period end**		**64,024**		**63,092**

	30 June 2016 €'000	**30 June 2015 €'000**
Profit attributable to equity holders of the parent for basic and diluted earnings per share	4,693	34,493
	Number (in thousand)	**Number (in thousand)**
Weighted average number of ordinary shares for basic and diluted earnings per share	63,092	53,645
Earnings per share (basic and diluted)	**€0.07**	**€0.64**

As there are no dilutive instruments outstanding at the period end, basic and diluted earnings per share are identical. There were no shares issued after the reporting period end that would have changed the number of ordinary shares outstanding at the end of the period had the related transactions occurred before the end of the reporting period.

11. Net Assets Value Per Share ("NAV")

NAV Per Share

The following reflects the net assets and number of shares data used in the NAV per share computations:

	Note	30 June 2016 €'000	31 December 2015 €'000
Net assets attributable to equity holders of the parent		512,176	499,681

	Note	Number (in thousand)	Number (in thousand)
Ordinary shares outstanding at the end of the year/period	10	64,024	62,617
NAV per share		**€8.00**	**€7.98**

EPRA NAV Per Share

The following reflects the net assets and number of shares data used in the EPRA NAV per share computations:

	Note	30 June 2016 €'000	31 December 2015 €'000
Net assets attributable to equity holders of the parent		512,176	499,681
Exclude:			
Deferred tax liability	9	70,812	70,413
Fair value of interest rate swap instrument	14	4,123	3,935
Goodwill as a result of deferred tax		(5,697)	(5,697)
EPRA NAV attributable to equity holders of the parent		**581,414**	**568,332**

	Note	Number (in thousand)	Number (in thousand)
Ordinary shares outstanding at the end of the year	10	64,024	62,617
EPRA NAV per share		**€9.08**	**€9.08**

EPRA NAV includes properties and other investment interests at fair value and excludes certain items not expected to crystallise in a long-term investment property business model.

SECTION IV: FINANCIAL ASSETS AND LIABILITIES

This section focuses on financial instruments, together with the working capital position of the Group and financial risk management of the risks that the Group is exposed to at period end.

12. Interest-Bearing Loans and Borrowings

This note describes information on the material contractual terms of the Group's interest bearing loans and borrowings. For more information about the Group's exposure to market risk, currency risk and liquidity risks, see note 14.

	30 June 2016 €'000	31 December 2015 €'000
Current		
Current portion of secured loans	12,070	42,681
Corporate level facility	-	100,343
	12,070	**143,024**
Non-current		
Secured loans	398,936	261,287
	411,006	**404,311**

Terms and conditions of outstanding loans were as follows:

Secured facility	Contract date	Currency	Nominal interest rate	Maturity date	30 June 2016 Face Value €'000	30 June 2016 Carrying value €'000	31 December 2015 Face Value €'000	31 December 2015 Carrying value €'000
Loan 3	Nov-13	RON	ROBOR 3M+ margin	Feb 2016	-	-	423	423
Loan 6	Mar-13	EUR	EURIBOR 3M+ margin	Mar 2019	13,228	13,018	13,768	13,518
Loan 7	Aug-08	EUR	EURIBOR 3M+ margin	Dec 2016	-	-	30,000	29,938
Loan 8	May-08	EUR	EURIBOR 3M+ margin	Dec 2018	33,177	33,177	33,626	33,626
Loan 9	May-08	EUR	EURIBOR 3M+ margin	Dec 2018	81,551	81,551	82,505	82,505
Loan 11	Sep-14	EUR	EURIBOR 3M+ margin	Oct 2032	24,832	24,472	25,317	24,909
Loan 13	Jun-15	EUR	EURIBOR 3M+ margin	Jun 2022	-	-	7,885	7,660
Loan 14	Jun-15	EUR	EURIBOR 3M+ margin	Jun 2022	-	-	8,905	8,905
Loan 15	Aug-08	EUR	EURIBOR 1M+ margin	Dec 2017	27,953	27,953	28,398	28,398
Loan 16	Mar-10	EUR	EURIBOR 1M+ margin	Jun 2022	21,227	21,227	21,907	21,907
Loan 17	Mar-10	RON	ROBOR 1M+ margin	Apr 2019	616	616	718	718
Loan 18	Aug-15	RON	ROBOR 3M+ margin	Aug 2018	4,039	4,013	4,872	4,845
Loan 19	Jun-15	EUR	EURIBOR 3M+ margin	Jul 2035	-	-	27,165	26,849
Loan 20	Dec-15	EUR	EURIBOR 3M+ margin	Dec 2030	-	-	20,022	19,767
Corporate level facility	Jun-15	EUR	Fixed rate	Jul 2016	-	-	103,067	100,343
Loan 21	Mar-16	EUR	EURIBOR 3M+ margin	Mar 2031	24,932	24,405	-	-
Loan 22	May-16	EUR	EURIBOR 3M+ margin	Nov 2026	8,765	8,588	-	-
Loan 23	May-16	EUR	Fixed rate	Jun 2019	180,595	171,986	-	-
Total					**420,915**	**411,006**	**408,578**	**404,311**

Secured bank loans

On 9 March 2016, the Group signed a c.€29.1m long-term debt facility (Loan 21) agreement with Banca Comerciala Romana ("BCR") in Romania (Erste Bank Group) in order to refinance the existing secure loan facilities (Loans 13 and 14) related to the TAP light industrial park in Timisoara, and to fund the development of an extension to this property. This facility is secured on the TAP property and matures in year 2031.

On 19 May 2016, the Group signed a €10.3m long-term debt facility (Loan 22) agreement with Garanti Bank in Romania in order to refinance equity and to fund the remaining development costs of the Gara Herastrau office building. This facility is secured on the land and completed building and matures in year 2026.

SECTION IV: FINANCIAL ASSETS AND LIABILITIES

The Group secured a €180m three-year bond (the "bond"). The bond was provided by Matisse Funding B.V. (an orphan SPV) which issued €180m of senior secured Notes to institutional investors. The proceeds of such issuance were on-lent to the Group in order to refinance the €100m short term corporate level facility obtained in 2015 from funds managed by York Capital and Oakhill Advisors and three secured debt facilities at the level of three of its Romanian subsidiaries. The bond is secured on the properties of these Romanian subsidiaries as well as the shares of their holding companies. Drawdown under the Bond was completed in June 2016.

Secured bank loans are secured by investment properties with a carrying value of €890.0m at 30 June 2016 (2015: €692.6m) and also carry pledges on rent receivable balances of €5.8m (2015: €3,0m), tenant deposits of €2.4m (2015: €1,9m), VAT receivable balances of €7.3m (2015: €3.3m) and a moveable charge on the bank accounts.

Other Disclosures

The loans are subject to certain financial covenants, which are calculated based on data derived individual financial statements and cash flow projections of the respective subsidiaries, or data derived from combined financial statements and cash flows of certain Group companies. The Group is in compliance with all financial covenants and there was no defaults for payments during the six month period ended 30 June 2016. Financial covenants mainly include the loan-to-value ratio ("LTV") which ranges from 50% – 85% and the debt service cover ratio ("DSCR") that ranges from 1.0 – 1.25. LTV is calculated as the loan value divided by the market value of the relevant property (for a calculation date), and DSCR (historical and/or projected, as the case may be, for a 12 month period) is calculated as net operating income divided by the debt service. As of 30 June 2016, the Group had undrawn borrowing facilities of €5.5m (2015: €2,0m).

13. Cash and Cash Equivalents

	Note	30 June 2016 €'000	31 December 2015 €'000
Cash at bank and in hand		19,826	25,778
Short term deposits		5,147	5,258
Cash and cash equivalents as per statement of cash flows		**24,973**	**31,036**
Corporate level facility - cash reserve		-	6,000
Bond - cash reserve	12	6,088	-
Cash and cash equivalents as per statement of financial position		**31,061**	**37,036**

Details of cash and cash equivalents denominated in foreign currencies are disclosed in note 14.

Short term deposits are made for varying periods depending on the immediate cash requirements of the Group and the Group earned interest at rates ranging from 0.05% to 0.45% per annum for RON and 0.02% to 0.5% per annum for EUR dominated deposits (2015: 0.05% to 0.1%). Cash at bank and in hand includes restricted cash balances of €4,9m (2015: €11,8m).

14. Financial Risk Management - Objective and Policies

The Group is exposed to the following risks from its use of financial instruments:

- market risk (including currency risk, interest rate risk);
- credit risk; and
- liquidity risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in (a) foreign currencies and (b) interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

SECTION IV: FINANCIAL ASSETS AND LIABILITIES

Foreign Currency risk

The Group has entities registered in several EU countries, with the majority of operating transactions arising from its activities in Romania. Therefore, the Group is exposed to foreign exchange risk, primarily with respect to the Romanian Lei (RON). Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the Group. The Group's exposure to foreign currency risk was as follows (based on nominal amounts):

	30 June 2016			31 December 2015		
	RON	GBP	USD	RON	GBP	USD
All amounts are presented in €'000 equivalent value	denominated			denominated		
ASSETS						
Cash and cash equivalents	12,488	12	106	13,561	14	80
Trade and other receivables	13,241	-	-	13,757	-	-
Income tax receivable	583	-	-	583	-	-
Total	**26,312**	**12**	**106**	**27,901**	**14**	**80**
LIABILITIES						
Interest-bearing loans and borrowings	4,628	-	-	5,987	-	-
Trade and other payables	12,791	885	2	15,459	994	-
Income tax payable	13	-	-	1	-	-
Deposits from tenants	858	-	-	1,094	-	-
Total	**18,290**	**885**	**2**	**22,541**	**994**	**-**
Net exposure	**8,338**	**(873)**	**104**	**5,360**	**(980)**	**80**

Foreign Currency Sensitivity Analysis

As of the statement of financial position date, the Group is exposed to foreign exchange risk in respect of the exchange rate of the RON, USD and GBP. The following table details the Group's sensitivity (impact on profit before tax and equity) to a 5% devaluation in RON, USD and GBP exchange rates against the EUR, on the basis that all other variables remain constant.

The 5% sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% appreciation in the EUR against other currencies.

All amounts in €'000	30 June 2016		31 December 2015	
	Profit before tax	Equity	Profit before tax	Equity
RON	(391)	(391)	(268)	(268)
GBP	44	44	49	49
USD	(5)	(5)	(4)	(4)

A 5% devaluation of the EUR against the above currencies would have had an equal but opposite impact on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Risk

Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rate that applies to the financial instrument. Interest rate cash flows risk is the risk that the interest cost will fluctuate over time.

The Group's interest rate risk principally arises from interest bearing loans and borrowings. As at 30 June 2016 58% (2015: 75%) of the total outstanding borrowings carried variable interest rates (including the 1M and 3M EURIBOR and 1M ROBOR as bases) which expose the Group to cash flow interest rate risk. In order to minimise this risk, the Group hedged 21% (2015:19%) of such variable interest rate borrowings with fixed-variable interest rate swap and interest rate cap instruments.

An increase or decrease of 25 basis points in the EURIBOR or ROBOR will result in an increase or decrease (net of tax) in the result for the period of €1.0m (2015: €0.7m), with a corresponding impact on equity for the same amount. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

SECTION IV: FINANCIAL ASSETS AND LIABILITIES

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's policy is to trade with recognised and creditworthy third parties. The Group's exposure is continuously monitored and spread amongst approved counterparties.

The Group's maximum exposure to credit risk, by class, of financial asset is equal to their carrying values at the statement of financial position date.

	30 June 2016 €'000	31 December 2015 €'000
Trade receivables – net of provision	5,896	3,399
Other receivables	425	836
VAT and other taxes receivable	7,601	10,821
Cash and cash equivalents	31,061	37,036
	44,983	**52,092**

Trade Receivables – Net of Provision

There is no significant concentration of credit risk with respect to trade receivables, as the Group has a large number of tenants, a few of which are part of multinational groups, internationally dispersed, as disclosed in the portfolio review section of the Interim Report. For related parties it is assessed that there is no significant risk of non-recovery.

Estimates and Assumptions Used for Impairment of Trade Receivables

The Group assesses when there is sufficient objective evidence to require the impairment of individual trade receivables. It does this on the basis of the age of the relevant receivables, external evidence of the credit status of the counterparty and the status of any disputed amounts. The movements in the provision for impairment of receivables during the respective periods were as follows:

	30 June 2016 €'000	31 December 2015 €'000
Opening balance	2,542	2,313
Impairment during the year/period	59	229
Write off during the period	(260)	-
Closing balance	**2,341**	**2,542**

The analysis by credit quality of financial assets, cumulated for rent, service charge and property management, is as follows:

	Neither past due nor impaired	Past due but not impaired			TOTAL
		< 90 days	< 120 days	<365 days	
30 June 2016 (€'000)	3,114	1,989	134	659	**5,896**
31 December 2015 (€'000)	2,602	228	554	15	**3,399**

The customer balances which were overdue but not provisioned are due to the fact that the related customers committed and started to pay the outstanding balances subsequent to the period end. Further, deposits payable to tenants may be withheld by the Group in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

VAT and Other Taxes Receivable

This balance relates to corporate income tax paid in advance, VAT and other taxes receivable from the Romanian tax authorities. The balances are not considered to be subject to significant credit risk as all the amounts receivable from Government authorities are secured under sovereign warranty.

Cash and Cash Equivalents

The credit risk on cash and cash equivalents is very small, since the cash and cash equivalents are held at reputable banks in different countries. The most significant part of cash and the cash equivalents balance is kept at the parent (the Company) with credit rating of A-2 and in subsidiaries in Romania in local branches of reputable international banks with credit rating of BBB.

SECTION IV: FINANCIAL ASSETS AND LIABILITIES

Liquidity risk

The Group's policy on liquidity is to maintain sufficient liquid resources to meet its obligations as they fall due. Ultimate responsibility for liquidity risk management rests with management. The Group manages liquidity risk by maintaining adequate cash reserves and planning and close monitoring of cash flows. The Group expects to meet its financial liabilities through the various available liquidity sources, including a secure rental income profile, further equity raises, undrawn committed borrowing facilities and, in the medium-term, debt refinancing.

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

All amounts in €'000	Contractual payment					Difference from carrying amount	Carrying amount
30 June 2016	**< 3 months**	**3 months – 1 year**	**1-5 years**	**>5 years**	**Total**		
Interest-bearing loans and borrowings	7,970	28,422	394,275	63,566	494,233	(83,227)	411,006
Deposits from tenants	422	427	1,247	634	2,730	(366)	2,364
Finance lease liabilities	6	7	-	-	13	-	13
Trade payables (excluding advances from customers)	12,830	5,845	2,509	-	21,184	-	21,184
Income tax payable	65	-	-	-	65	-	65
Other payables	12	2,338	-	-	2,350	-	2,350
Total	**21,305**	**37,039**	**398,031**	**64,200**	**520,575**	**(83,593)**	**436,982**

All amounts in €'000	Contractual payment					Difference from carrying amount	Carrying amount
31 December 2015	**< 3 months**	**3 months – 1 year**	**1-5 years**	**>5 years**	**Total**		
Interest-bearing loans and borrowings	8,891	152,517	205,175	103,320	469,903	(65,592)	404,311
Deposits from tenants	164	263	1,450	447	2,324	(411)	1,913
Finance lease liabilities	6	14	4	-	24	(1)	23
Trade payables (excluding advances from customers)	15,863	11,798	3,278	-	30,939	-	30,939
Income tax payable	75	-	-	-	75	-	75
Other payables	743	3,143	-	-	3,886	-	3,886
Total	**25,742**	**167,735**	**209,907**	**103,767**	**507,151**	**(66,004)**	**441,147**

The tables above present the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay, and includes both interest and principal cash flows. As the amount of contractual undiscounted cash flows related to bank borrowings is based on variable rather than fixed interest rates, the amount disclosed is determined by reference to the conditions existing at the year or period end, that is, the actual spot interest rates effective at the end of the year or period are used for determining the related undiscounted cash flows.

SECTION IV: FINANCIAL ASSETS AND LIABILITIES

Financial Instruments for which Fair Values are Disclosed

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of their fair values.

All amounts in €'000	Note	Year	Carrying amount	Fair value hierarchy Level 1	Level 2	Level 3	TOTAL
Interest-bearing loans and borrowings	12	2016	411,006	-	411,006	-	411,006
		2015	404,311	-	404,311	-	404,311
Other current financial liabilities	14	2016	4,123	-	4,123	-	4,123
		2015	3,935	-	3,935	-	3,935
Finance lease obligations		2016	13	-	13	-	13
		2015	23	-	23	-	23

The fair value of financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. When determining the fair values of interest bearing loans and borrowings and finance lease obligations the Group used the DCF method with inputs such as discount rate that reflects the issuer's borrowing rate as at the statement financial position date. The own non-performance risk at the statement of financial position date was assessed to be insignificant.

Other current financial liabilities represent the market-to-market value of an interest rate swap, obtained from the counterparty financial institution, at €4.1m (2015: €3.9m) at 30 June 2016. The fair value of derivative was developed in accordance with the requirements of IFRS 13. Bog'Art Offices S.R.L "Bog'Art", a wholly owned subsidiary, entered into an arrangement with the lender (a local financial institution), for risk management purposes, in 2011 at a notional amount of €22.8m which has been transferred to the Group, as a consequence of the acquisition of Bog'Art. Under the terms of the swap agreement, the Group is entitled to receive a floating rate of 1 month EURIBOR on the above referred notional amount and is required to pay a fixed rate of interest of 3.62% p.a. on the said notional amount in four quarterly instalments, with maturity date of June 2022. The movement in fair value recognised in the statement of comprehensive income in the year was a financial expense of €0.2m (31 December 2015: financial income of €0.7m).

On 30 June 2016, the Group had interest rate cap instruments valued market-to-market at €nil m (31 December 2015: for €0.2m) for secured bank loans 6, 11 and 22 (see note 12) under which the Group capped EURIBOR at 1.25% for 50% of the notional loan facilities. These derivative financial instruments were fair valued (level 2) at each reporting date and any change in fair value is recognized in the consolidated statements of income within finance cost. The change in the fair value during the period ended 30 June 2016 was a loss of €0.2m (31 December 2015: financial expense of €0.2m).

The Group assessed that the fair values of other financial assets and financial liabilities, such as trade and other receivables, cash and cash equivalents, income tax receivable and payables, trade and other payables and deposits from tenants, approximate their carrying amounts largely due to short term maturities and low transaction costs of these instruments as of the statement of financial position date.

SECTION V: SHARE CAPITAL AND RESERVES

The disclosures in this section focus on the issued share capital, the share schemes in operation and the associated share-based payment charge to profit or loss. Other mandatory disclosures, such as details of capital management can also be found here.

15. Issued Share Capital

	Note	30 June 2016		31 December 2015	
		€'000	Number (in thousand)	€'000	Number (in thousand)
At 1 January		341,784	62,617	288,740	53,645
Shares issued for cash		-	-	53,830	8,972
Transaction costs on issue of shares		(9)	-	(786)	-
Shares issued to the executive directors and other senior management employees	16.2	2,350	407	-	-
Shares issued for settlement of interest-bearing liability		6,000	1,000	-	-
At end of the year/period		**350,125**	**64,024**	**341,784**	**62,617**

Ordinary shares carry no right to fixed income but are entitled to dividends as declared from time to time. Each Ordinary share is entitled to one vote at meetings of the Company. There is no limit on the authorised share capital of the Company. The Company can issue no par value and par value shares as the shareholders see fit for the five year period following the incorporation of the Company (unless renewed, revoked or varied by a general meeting). This authority has not been revoked by the shareholders.

Under Guernsey Company Law there is no distinction between distributable and non-distributable reserves, requiring instead that a company passes a solvency test in order to be able to make distributions to shareholders. Similarly, share premium for issuance of shares above their par value per share is recognised directly under share capital and no separate share premium reserve account is recognised.

Shares issued for settlement of interest-bearing liability

On 8 June 2016, the Company issued 1.0m shares for the settlement of €6.0m, an aggregate amount payable by the Company to lenders of a short term corporate level facility ("Facility"), in respect of a prepayment fee payable by the Company under the Facility which was prepaid in full during the period, see note 12. The ordinary shares have been issued at €6.00 per ordinary share as the placing price at the last fundraising by the Company in September 2015, and equates to a premium of 18 per cent. to the closing middle-market price on 8 June 2016. The 1.0m new shares rank *pari passu* with the existing shares of the Company.

16. Share Based Payment Reserve

	Note	30 June 2016	31 December 2015
Share based payments reserve balance		€'000	€'000
Executive share option plan	16.1	316	305
Executive directors and other senior management employees share settlement	16.2	1,800	2,350
Closing balance		**2,116**	**2,655**

SECTION V: SHARE CAPITAL AND RESERVES

16.1 Executive Share Option Plan

Under the plan, the Directors of the Group were awarded share options warrants as remuneration of the services performed. The share options granted to the Directors of the Group are equity settled.

During 2013, the Group granted warrants to the Founder and the Directors which entitle each holder to subscribe for ordinary shares in the Company at an exercise price of €5.00 per share if the market price of an ordinary share, on a weighted average basis over 60 consecutive days, exceeds a specific target price and the holder is employed on such date. The contractual term of each warrant granted is ten years. There are no cash settlement alternatives and the Group does not have the intention to offer cash settlement for these warrants.

The following table analyses the total cost of the executive share option plan (Warrants), together with the number of options outstanding.

	30 June 2016		31 December 2015	
	Cost €'000	Number (thousand)	Cost €'000	Number (thousand)
At 1 January	305	4,635	180	4,635
Share scheme expense during the year/period	11	-	125	-
At 30 June	**316**	**4,635**	**305**	**4,635**
Weighted average remaining contractual life (years)		**7.08**		**7.58**

The fair value of the warrants was estimated at the grant date (i.e. July 2013) at €0.073 per share. There have been no cancellations or modifications to any of the plans during the year.

16.2 Executive directors and other senior management employees shares settlement

	30 June 2016 €'000	31 December 2015 €'000
At 1 January	2,350	-
Shares issued to the executive directors and other senior management employees	(2,350)	-
Reclassification from liabilities to equity	1,800	2,350
At 30 June	**1,800**	**2,350**

Shares issued to the executive directors and other senior management employees

On 25 January 2016, the Company issued 0.4m ordinary shares (ordinary shares of no par value) and delivered them to the Executive Directors and other senior management employees from share based payment reserve, on behalf of its subsidiary GIAL, in order to settle a liability of €2.4m owed by the Company to its subsidiary, related to the fees charged by GIAL to the Company pursuant to the Investment Advisory Agreement concluded between the Company and GIAL. The 0.4m new shares rank *pari passu* with the existing shares of the Company. The ordinary shares have been issued at €5.77 per ordinary share, representing the volume-weighted average market price over the 90 trading days prior to the date of allotment.

Reclassification from Liabilities to Equity

On 8 April 2016, the Board approved the award of an additional fee of €3.6m to GIAL for the services rendered to the Company during the year ended 31 December 2015, which in turn GIAL will utilise in order reward its Executive Directors and other senior management employees for the work carried out for GIAL during the year ended 31 December 2015. The Board also agreed that 50% of the amount payable by GIAL to the Executive Directors and other senior management employees, or €1.8m, recorded as a liability as at 31 December 2015, will be settled in the form of ordinary shares in the Company, which the Company will deliver within September 2016 to GIAL in settlement of 50% of the additional fee awarded to it as outlined above, following a decision of the Board of the Company on 19 September 2016. The ordinary shares to be issued shortly will rank *pari passu* with the existing shares of the Company.

SECTION V: SHARE CAPITAL AND RESERVES

17. Capital Management

The Company has no legal capital regulatory requirement. The Group's policy is to maintain a strong equity capital base so as to maintain investor, creditor and market confidence and to sustain the continuous development of its business. The Board considers from time to time whether it may be appropriate to raise new capital by a further issue of shares.

The Group monitors capital primarily using a loan-to-value ratio, which is calculated as the amount of outstanding debt divided by the open market value of its investment property portfolio as certified by external valuers. As at 30 June 2016 the loan-to-value ratio was 43.7% (2015: 43.9%).

SECTION VI: OTHER DISCLOSURES

This section provides details about Globalworth's subsidiaries, segments, the transactions with related parties, new standards and amendments adopted during the period, contingencies that existed at the period end and details on significant events which occurred subsequent to the date of the financial statements.

18. Investment in Subsidiaries

Details on all direct and indirect subsidiaries of the Company, over which the Group has control and were consolidated as of 30 June 2016 and 2015, are disclosed in the table below. There are no other subsidiaries which were not consolidated.

As of 30 June 2016, the Group held a 100% shareholding interest (31 December 2015: 100%) in the following subsidiaries, being holding companies as principal activities.

Subsidiary	Place of
Globalworth Investment Advisers Limited, Globalworth Finance Guernsey Limited	Guernsey, Channel Islands
GWI Finance B.V., Globalworth Holding B.V., GW Real Estate Finance B.V.	Netherlands
Globalworth Holdings Cyprus Limited, Zaggatti Holdings Limited, Tisarra Holdings Limited, Ramoro Limited, Vaniasa Holdings Limited, Serana Holdings Limited, Kusanda Holdings Limited, Kifeni Investments Limited, Casalia Holdings Limited, Pieranu Enterprises Limited, Dunvant Holding Limited, Oystermouth Holding Limited, Saniovo Holdings Limited	Cyprus

As of 30 June 2016, the Group held a 100% shareholding interest (31 December 2015: 100%) in the following subsidiaries, who own real estate assets in Romania being asset holding companies as their principal activities except for Globalworth Building Management S.R.L. a building management company.

Corinthian Five S.R.L., Tower Center International S.R.L., Upground Estates S.R.L., BOB Development S.R.L., BOC Real Property S.R.L., Netron Investment S.R.L., SEE Exclusive Development S.R.L., Aserat Properties S.R.L., Corinthian Tower S.R.L., Bog'Art Offices S.R.L., SPC Beta Property Development Company S.R.L., SPC Gamma Property Development Company S.R.L., Globalworth Building Management S.R.L.	Romania

On 24 February 2016, the Group disposed its 100% shareholding in (31 December 2015: 100%) and control of Mycre Investment S.A., (a subsidiary owning real estate asset in Greece), see notes 19 and 21.

19. Gain on Sale of Subsidiary

On 24 February 2016, the Group disposed its 100% shareholding in and control of Mycre Investment S.A. for total consideration of €11.3m, in cash, and ceased to have control over this entity by transferring the title of the shares to the Buyer.

The following table presents the amount of the assets and liabilities in the disposed subsidiary on the disposal date, summarised by each major category.

ASSETS	**€'000**	**LIABILITIES**	**€'000**
Investment property held for sale	10,353	Loan payable to the Group	8,497
Trade and other receivables	387	Trade and other payables	12
Cash and cash equivalents	300		
Total assets	**11,040**	**Total liabilities**	**8,509**

Net assets of the subsidiary on disposal date (total assets minus total liabilities per the above table)	2,531
Loan payable to the Group	8,497
Total assets disposed	11,028
Disposal consideration	(11,300)
(Gain) on sale of subsidiary	**(272)**

Cash flows from the disposal:

Cash received	11,300
Cash balance of the subsidiary at disposal date	(300)
Net cash inflows from the disposal	**11,000**

SECTION VI: OTHER DISCLOSURES

20. Segmental Information

Based on a review of information provided to the chief operating decision makers, the Group has identified three reportable operating segments, the Offices segment (acquires, develops, leases and manages office and ancillary spaces, such as parking spaces), the Residential segment (acquires, develops and leases apartments and ancillary spaces, which as parking and storage spaces) and the Other segment (acquires, develops, leases and manages light industrial spaces and Group corporate office operations). The share based payments expense is not allocated to individual segments as the underlying instruments are managed at group basis.

Assets and liabilities reported to the executive management on a segmental basis are set out below:

	Six months ended 30 June 2016					Six months ended 30 June 2015				
Segments	**Office**	**Residential**	**Other**	**Inter-segment eliminations**	**Total**	**Office**	**Residential**	**Other**	**Inter-segment eliminations**	**Total**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Revenue	26,843	2,913	3,176	(897)	32,035	18,224	1,383	1,131	(3,090)	17,648
Operating expenses	(9,931)	(725)	(1,572)	81	(12,147)	(6,305)	(990)	(135)	1,538	(5,892)
Segment NOI	**16,912**	**2,188**	**1,604**	**(816)**	**19,888**	**11,919**	**393**	**996**	**(1,552)**	**11,756**
Administrative expenses	(2,207)	(329)	(2,054)	816	(3,774)	(2,628)	(451)	(1,785)	1,818	(3,046)
Acquisition costs	-	-	(21)	-	(21)	(338)	-	-	(2)	(340)
Change in fair value of investment property	4,451	333	636	-	5,420	22,398	266	545	-	23,209
Gain on acquisition of subsidiary	-	-	-	-	-	15,780	-	-	-	15,780
Foreign exchange gain/(loss)	(12)	(86)	16	-	(82)	52	(9)	21	-	64
Other operating expenses	(21)	(410)	-	-	(431)	-	-	-	-	-
Other operating income	3,166	-	-	-	3,166	-	-	-	-	-
Finance cost	(17,556)	(1,243)	(450)	-	(19,249)	(4,334)	(962)	(3,266)	137	(8,425)
Finance Income	145	1	-	-	146	714	1	-	-	715
Segment results	**4,878**	**454**	**(269)**	**-**	**5,063**	**43,563**	**(762)**	**(3,489)**	**401**	**39,713**
Share based payment expense	-	-	(11)	-	(11)	-	-	(62)	-	(62)
Gain on sale of subsidiary	-	-	272	-	272	-	-	-	-	-
Profit before tax	**4,878**	**454**	**(8)**	**-**	**5,324**	**43,563**	**(762)**	**(3,551)**	**401**	**39,651**

SECTION VI: OTHER DISCLOSURES

Revenues are derived from a large number of tenants and no tenant contributes more than 10% of the Group's rental revenues for the period ended 30 June 2016 (30 June 2015: nil).

	30 June 2016					31 December 2015				
	Office	Residential	Other	Inter-segment eliminations	Total	Office	Residential	Other	Inter-segment elimination	Total
Segmen	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Non-current assets	828,272	106,979	49,579	-	984,830	804,218	108,760	44,391	(34)	957,335
Total assets	861,885	109,599	60,327	(1,468)	1,030,343	844,212	110,246	67,140	(1,460)	1,020,138
Total liabilities	450,173	37,777	31,685	(1,468)	518,167	356,458	38,686	126,685	(1,493)	520,336
Additions to non-current assets	26,985	44	-	-	27,029	70,982	24	8,789	-	79,795

None of the Group's non-current assets are located in Guernsey except for goodwill (there are no employment benefit plan assets, deferred tax assets or rights arising under insurance contracts) recognised on business combination.

21. Transactions with Related Parties

The Group's related parties are Ioannis Papalekas, the Company's other Directors, as well as all companies controlled by them or under their joint control, or under significant influence by Ioannis Papalekas.

The Group's major shareholder is Mr. Ioannis Papalekas (the Founder) who at 30 June 2016 owned 36.02% (2015: 36.1%) of the Company's Ordinary shares. The remaining 63.98% (2015: 63.9%) of the Ordinary shares are held by several shareholders.

The related party transactions are set out in the table below:

		Statement of comprehensive income		Statement of Financial Position	
		Income /(expense)		Amounts owing (to) / from	
All amounts in €'000		30 June 2016	30 June 2015	30 June 2016	31 December 2015
Name	Nature of transactions/balance amounts	€'000	€'000	€'000	€'000
Asia CCF Investment S.à r.l	Corporate level facility	(994)	(154)	-	(11,337)
CDP ESCF Investment S.à r.l.	Corporate level facility	(1,364)	(278)	-	(15,563)
ESCF Investment S.à r.l.	Corporate level facility	(1,867)	(511)	-	(21,300)
York Global Finance Offshore BDH (Luxembourg) S.à r.l.	Corporate level facility	(3,011)	(561)	-	(34,356)
SPFC Investment S.à r.l	Corporate level facility	(533)	(179)	-	(6,081)
Indiana Public Retirement System	Corporate level facility	(361)	-	-	(4,123)
Centre Street Investments S.à r.l.	Corporate level facility	(723)	-	-	(8,245)
OCA OHA Credit Fund LLC	Corporate level facility	(181)	-	-	(2,061)
Mr. Ioannis Papalekas	Advances to directors	-	-	-	650
Mr. Ioannis Papalekas	Advances from directors	-	-	(100)	-

On 24 February 2016, the Group disposed its 100% shareholding in and control of Mycre Investment S.A. for total consideration of €11.3m, in cash, to Bakaso Holdings Limited, a company controlled by the Founder, see notes 18 and 19.

During the period ended 30 June 2016, the Group recorded in the statement of comprehensive income €0.8m (30 June 2015: €0.7m) Directors' emoluments for the Executive and non-Executive members of the Board of Directors.

SECTION VI: OTHER DISCLOSURES

22. New and Amended Standards

During the period, the Group adopted following new and amended standards and interpretations following The European Commission "EU" endorsement announcements. The new standards and amendments had no impact on the Group's financial position and performance.

Narrow scope amendments and new Standards	Effective date
Annual improvements to IFRSs 2010–2012 cycle	Feb-15
IAS 19 Defined Benefit Plans (Amended): Employee Contributions	Feb-15
IFRS 11 Joint arrangements (Amendment): Accounting for Acquisitions of Interests in Joint Operations	Jan-16
IAS 16 Property, Plant & Equipment and IAS 38 Intangible assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortisation	Jan-16
IAS 27 Separate Financial Statements (amended)	Jan-16
IAS 1 Disclosure Initiative (Amendment)	Jan-16
Annual improvements to IFRSs 2012–2014 cycle	Jan-16

Standards issued but not yet effective as per EU endorsement status and not early adopted by the Group are presented in the table below. The management believes that there will be no significant impact in the Group's consolidated financial statements, except for IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 "Leases", for which the Group is in process of assessing the impact.

Narrow scope amendments and new Standards	IASB Effective date
IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (Amendments)	Jan-16 (not yet endorsed by EU)
IAS 12 Income taxes (Amendments): Recognition of Deferred Tax Assets for Unrealised Losses	Jan-17
IAS 7 Statement of Cash Flows (Amendments): Disclosure Initiative	Jan-17
IFRS 9 Financial Instruments: Classification and Measurement	Jan-18
IFRS 15 Revenue from Contracts with Customers	Jan-18
Amendments to IFRS 2: Classification and Measurement of Share based Payment Transactions	Jan-18
IFRS 16 Leases	Jan-19
IFRS 14 Regulatory Deferral Accounts	EU postponed until final standard
IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet announced

23. Contingencies

Taxation

All amounts due to State authorities for taxes have been paid or accrued at the statement of financial position date. The Romanian tax system undergoes a consolidation process and is being harmonised with the European legislation. Different interpretations may exist at the level of the tax authorities in relation to the tax legislation that may result in additional taxes and penalties payable. Where the State authorities have findings from reviews relating to breaches of Romania's tax laws, and related regulations these may result in: confiscation of the amounts in case; additional tax liabilities being payable; fines and penalties (that are applied on the total outstanding amount). As a result the fiscal penalties resulting from breaches of the legal provisions may result in a significant amount payable to the State. The Group believes that it has paid in due time and in full all applicable taxes, penalties and penalty interests in the applicable extent.

Transfer Pricing

According to the applicable relevant Romanian tax legislation, the tax assessment of related party transactions is based on the concept of market value for the respective transfers. Following this concept, the transfer prices should be adjusted so that they reflect the market prices that would have been set between unrelated companies acting independently (i.e. based on the "arm's length principle"). It is likely that transfer pricing reviews will be undertaken in the future in order to assess whether the transfer pricing policy observes the "arm's length principle" and therefore no distortion exists that may affect the taxable base of the Romanian tax payer.

SECTION VI: OTHER DISCLOSURES

24. Subsequent Events

Date	Description
7 September 2016	The Group signed an agreement with Libra Internet Bank S.A. for the increase of the facility provided in August 2015 by RON 7.0m (equivalent to c.€1.6m). At the same time the term of the outstanding amount on this loan was extended by 12 months up to August 2019.
14 September 2016	The Group signed an amendment to the existing long term facility agreement with Banca Comerciala Romana S.A. (Erste Bank Group) for the increase of the existing loan facility by €3.0m.

GLOSSARY

Accounting Return
It is the growth in EPRA NAV plus dividend paid, and this can be expressed as a percentage of EPRA NAV per share at the beginning of the period.

AIC Code
The Association of Investment Companies Code of Corporate Governance.

Bargain Purchase Gain
Any excess between the fair value of net assets acquired and consideration paid, in accordance with IFRS 3 "Business Combination".

BREEAM
Building Research Establishment Assessment Method, which assesses the sustainability of the buildings against a range of criteria.

CAPEX
Represents the estimated Capital Expenditure to be incurred for the completion of the development projects.

Capitalisation Rates
Based on actual location, size and quality of the properties and taking into account market data at the valuation date.

CBD
Central Business District

Commercial Properties
Comprises the office, light-industrial and retail properties or areas of the portfolio.

Completed Investment Property
Completed developments consist of those properties that are in a condition which will allow the generation of cash flows from its rental.

Completion Dates
The date when the properties under development will be completed and ready to generate rental income after obtaining all necessary permits and approvals.

Costs to Complete
It represents additional costs to complete the property under development.

Debt Service Cover Ratio ("DSCR")
It is calculated as net operating income for the year as defined in specific loan agreements with the respective lenders, divided by the principal plus interest due over the same year.

Discount Rates
The discount rate is the interest rate used to discount a stream of future cash flows to their present value.

Discounted Cash Flow Analysis ("DCF")
Valuation method that implies income projections of the property for a discrete period of time, usually between 5-10 years. The DCF method involves the projection of a series of periodic cash flows either to an operating property or a development property. Discounted cash flow projections based on significant unobservable inputs taking into account the costs to complete and completion date.

Earnings Per Share ("EPS")
Profit after tax divided by the basic/diluted weighted average number of shares in issue during the year.

EBITDA
Earnings before finance cost, tax, depreciation, amortisation of other non-current assets and purchase gain on acquisition of subsidiaries.

EBITDA (normalised)
Earnings before interest, depreciation, bargain purchase gain, fair value gain on investment property and other non-operational and / or non-recurring income and expense items.

EPRA
The European Public Real Estate Association is a non-profit association representing Europe's publicly listed property companies.

EPRA NAV Per Share
EPRA NAV divided by the basic/diluted number of shares outstanding at the year or period end.

EPRA Net Assets ("EPRA NAV")
Net assets per the statement of financial position, excluding the mark-to-market on effective cash flow hedges and related debt adjustments and deferred taxation on revaluations excluding goodwill.

Estimated Rental Value ("ERV")
ERV is the external valuers' opinion as to the open market rent which, on the date of valuations, could reasonably be expected to be obtained on a new letting or rent review of a property.

Estimated Vacancy Rates
Represent vacancy rates computed based on current and expected future market conditions after expiry of any current lease.

GLOSSARY (CONTINUED)

EURIBOR
The Euro Interbank Offered Rate: the interest rate charged by one bank to another for lending money, often used as a reference rate in bank facilities.

Financial Year
Period from 1 January to 31 December.

Future Rental Cash Inflows
Future rental cash inflows computed based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties.

GLA
Gross leasable area.

IFRS
International Financial Reporting Standards as adopted by the European Union.

Income Capitalisation Method
Valuation method that takes into consideration the income that a property is expected to generate if leased out assuming a stabilised occupancy level, and applying to that income a capitalisation rate reflecting the investors' interest in a property of this kind.

Property Under Development
Properties that are in development process that do not meet all the requirements to be transferred to completed investment property.

Property Under Refurbishment
Properties that are in the process of being refurbished and do not meet all the requirements to be transferred to completed investment property.

IPO
Admission to the AIM Market of the London Stock Exchange.

Land Bank for Further Development
Land bought for further development but for which the Group did not obtain all the legal documentations and authorisation permits in order to start the development process.

LEED
Leadership in Energy & Environmental Design, a green building certification programme that recognises best-in-class building strategies and practices.

Like-for-like Property Value ("LTLV")
LTLV is the change in fair value over a period of one year on the standing and underdevelopment investment properties.

Loan to Value ("LTV")
Calculated as the total outstanding debt excluding amortised cost as of financial position date divided by the appraised value of owned assets as of financial position date.

Maintenance Costs
Including necessary investments to maintain functionality of the property for its expected useful life.

Net Assets Value ("NAV")
Equity attributable to shareholders of the Company and/or net assets value.

Net Asset Value ("NAV") Per Share
Equity attributable to owners of the Company divided by the number of Ordinary shares in issue at the period end.

Net Operating Income ("NOI")
Net operating income (being the gross operating income less operating expenses that are not paid by or rechargeable to tenants, excluding funding costs, depreciation and capital expenditure).

Non-Controlling Interest ("NCI")
The equity in a subsidiary not attributable, directly or indirectly, to the parent.

Occupancy Rate
The estimated rental value of let sqm as a percentage of the total estimated rental value of the portfolio, excluding development properties. It includes spaces under offer or subject to asset management (where they have been taken back for refurbishment and are not available to let as of financial position date).

Passing Rent
It is the gross rent, less any ground rent payable under the head leases.

Portfolio Open Market Value ("OMV")
Portfolio open market value means the fair value of the Group's investment properties determined by CBAR Research & Valuation Advisors S.R.L. (Coldwell Banker), independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued, using recognised valuation techniques.

GLOSSARY (CONTINUED)

Property Valuation "As Is"
Represents the appraised value for standing and operational properties (owned and announced), properties under development and land, performed by Coldwell Banker as of financial position date.

Property Valuation on "Completion"
Represents the appraised value for standing and operational properties (owned and announced), properties under development and land, performed by Coldwell Banker as of financial position date, assuming that the properties under development were completed as of the date of valuation. The estimated appraised values on completion are subject to risks and uncertainties that could cause actual outcomes to differ materially from those expressed or implied by the relevant statements; they are not guarantees of future performance and there can be no assurance that these estimated values on completion can or will be achieved.

Residual Value Method
Valuation method that estimated the difference between the market value of the building upon completion that can be built on the plot of land and all the building's construction costs, as well as the developer's profit. This method relies on the contribution concept by estimating from the future income of the building, the amount that can be distributed to the land.

Sales Comparison Approach
Valuation method that compares the subject property with quoted prices of similar properties in the same or similar location.

SEE
South-Eastern Europe, in alphabetical order, Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Greece, Kosovo, Moldova, F.Y.R. Macedonia, Montenegro, Romania, Serbia, Slovenia and Turkey.

SPA
Share sale purchase agreement.

SQM
Square metres.

Stabilised Vacancy
It represents the reasonably estimated vacancy rate registered by the building with the proper marketing, management and maintenance conditions.

Terminal Value
The value of an asset at a specified, future valuation date, taking into account factors such as discount rates and the current value of the asset, and assuming a stable growth rate. Terminal value refers to the value of an entire property at a specified future valuation date. The common approach used to evaluate the terminal value of an asset is the "exit approach."

The Company or the Group
Globalworth Real Estate Investments Limited and its subsidiaries.

The Investment Adviser
Globalworth Investment Advisers Limited, a wholly owned holding subsidiary incorporated in Guernsey.

The Asset Manager
Globalworth Asset Managers S.R.L., an Asset Holding and Asset Manager wholly owned subsidiary incorporated in Romania.

WALL
Represents the remaining weighted average lease length of the contracted leases as of the financial position date, until the lease contracts full expiration.

Weighted Average Interest Rate
The average of the interest rate charged on the Group's loans, weighted by the relative outstanding balance of each loan at the year or period end.

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