

AROUNDTOWN SA

Aroundtown SA

(a public limited liability company (société anonyme) established under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés) under registration number B217868)

EUR 400,000,000

Undated Subordinated Notes subject to Interest Rate Reset with a First Call Date in 2024
ISIN XS1752984440, Common Code 175298444

Aroundtown SA (the "**Issuer**" and together with its consolidated subsidiaries "**Aroundtown**" and together with its investees, including associates over which the Issuer has significant influence as defined in IAS 28 and that are not subsidiaries, in particular Grand City Properties S.A. ("**GCP**"), the "**Group**") will issue on 17 January 2018 (the "**Issue Date**") EUR 400,000,000 Undated Subordinated Notes subject to Interest Rate Reset with a First Call Date in 2024 (the "**Notes**") at an issue price of 98.174 % of their principal amount. The Notes are issued in denominations of EUR 100,000 each.

The Notes are governed by the laws of the Federal Republic of Germany ("**Germany**"). The provisions of articles 470-1 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are excluded and shall not apply.

The Notes bear interest from and including the Issue Date, to but excluding 17 January 2024 (the "**First Call Date**") at a rate of 2.125 per cent. *per annum*, payable annually in arrear on 17 January (each such date, an "**Interest Payment Date**") of each year. Thereafter, unless previously redeemed, the Notes will bear interest from and including the First Call Date to but excluding 17 January 2029 (the "**First Step-up Date**") at a rate *per annum* equal to the Reset Reference Rate for the relevant Reset Period (each as defined in § 3(1) of the terms and conditions of the Notes (the "**Terms and Conditions**")) plus a margin of 200 basis points *per annum* (not including a step-up) (the "**Initial Margin**"), payable in arrear on 17 January of each year, commencing on 17 January 2025. Thereafter, unless previously redeemed, the Notes will bear interest from and including the First Step-up Date to but excluding 17 January 2044 (the "**Second Step-up Date**") at a rate *per annum* equal to the Reset Reference Rate for the relevant Reset Period plus a margin of 225 basis points *per annum* (being equal to the Initial Margin plus a step-up of 25 basis points), payable on 17 January of each year, commencing on 17 January 2030. Thereafter, unless previously redeemed, the Notes will bear interest from and including the Second Step-up Date to but excluding the date on which the Issuer redeems the Notes in whole pursuant to § 6 of the Terms and Conditions at a rate *per annum* equal to the Reset Reference Rate for the relevant Reset Period plus a margin of 300 basis points *per annum* (being equal to the Initial Margin plus a step-up of 100 basis points), payable on 17 January of each year, commencing on 17 January 2045.

On each Reset Rate Determination Date the Reset Rate of Interest payable under the Notes from (and including) the First Call Date to (but excluding) the date on which the Issuer redeems the Notes in whole is calculated by reference to the annual swap rate for swap transactions denominated in Euro with a term of 5 years, which appears on the Reuters Screen Page ICESWAP2 as of 11.00 a.m. (Frankfurt time) on the relevant Reset Rate Determination Date, and which is provided by ICE Benchmark Administration (IBA) (the "**Administrator**"). As at the date of this Prospectus, the Administrator does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**BMR**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that ICE Benchmark Administration not currently required to obtain authorisation or registration.

The Issuer is entitled to defer interest payments under certain circumstances (as set out in § 5(1) of the Terms and Conditions) (such payments the "Arrears of Interest"). The Issuer may pay such Arrears of Interest (in whole or in part) at any time upon due notice (as set out in § 5(2) of the Terms and Conditions) and it shall pay such Arrears of Interest (in whole, but not in part) under certain other circumstances (as set out in § 5(3) of the Terms and Conditions). Such Arrears of Interest will not bear interest themselves.

The Notes have no final maturity date and shall not be redeemed except in accordance with the Terms and Conditions. The Notes are redeemable in whole but not in part at the option of the Issuer at an amount per Note equal to the Specified Denomination (as defined in the Terms and Conditions) plus interest accrued on the Note to but excluding the date of redemption but yet unpaid and any outstanding Arrears of Interest

payable on the Note on or during a period of 90 days prior to the First Call Date or on any Interest Payment Date thereafter. The Issuer may also redeem the Notes in whole but not in part at an amount per Note equal to 101% of the Specified Denomination plus interest accrued on the Note to but excluding the date of redemption but yet unpaid and any outstanding Arrears of Interest payable on the Note at any time following a Rating Event, an Accounting Event or a Tax Deductibility Event (each as defined in the Terms and Conditions). Additionally, the Issuer may redeem the Notes in whole but not in part at an amount per Note equal to the Specified Denomination plus interest accrued to but excluding the date of redemption but yet unpaid and any outstanding Arrears of Interest at any time following the occurrence of a Gross-up Event or a Repurchase Event (each as defined in the Terms and Conditions). Upon the occurrence of a Change of Control (as defined in the Terms and Conditions) the Issuer may redeem the Notes, in whole but not in part at an amount per Note equal to the Specified Denomination plus any interest accrued on the Note to but excluding the date of redemption but yet unpaid and any Arrears of Interest payable on the Note under the Terms and Conditions.

The Notes will be represented by a temporary global bearer note (the "**Temporary Global Note**"), without interest coupons, which will be exchangeable in whole or in part for a permanent global bearer note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**") without interest coupons, not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership.

The Notes will be issued with the benefit of an agency agreement between the Issuer and The Bank of New York Mellon, London Branch (the "**Principal Paying Agent**") dated 12 January 2018 (the "**Agency Agreement**").

This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC, as amended (including by Directive 2010/73/EU) (the "**Prospectus Directive**"). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. The Notes will be admitted to the official list (the "**Official List**") of the Irish Stock Exchange plc (the "**Irish Stock Exchange**") and to trading on its regulated market (the "**Main Securities Market**"). Application has been made for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on the Main Securities Market. The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC. Such approval relates only to the Notes which are to be admitted to trading on the Main Securities Market or other regulated markets for the purposes of Directive 2004/39/EC. References in this Prospectus to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and admitted to trading on the Main Securities Market. This Prospectus is available for viewing on the website of the Irish Stock Exchange.

This Prospectus is a prospectus for the purposes of Article 5 of the Prospectus Directive. This Prospectus is drawn up in the English Language. In case there is any discrepancy between the English text and the German text, the English text stands approved for the purposes of approval under the Prospectus (Directive 2003/71/EC) Regulations 2005.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes in any jurisdiction where such offer or solicitation is unlawful. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Issuer is assigned a "BBB+" credit rating with stable outlook by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"). The Notes are expected to be assigned a "BBB-" rating by S&P. The Issuer will announce any rating it receives from S&P for the Notes to the holders of the Notes as soon as practicable following the receipt of such a rating (which will include details of the rating). S&P is established in the European Community and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No 513/2011 of the European Parliament and of the Council of 11 May 2011 (the "**CRA Regulation**"). A

credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 2 of this Prospectus for a discussion of certain risks prospective investors should consider in connection with any investment in the Notes.

MANAGERS

Citigroup

Deutsche Bank

Morgan Stanley

**Société Générale Corporate &
Investment Banking**

Prospectus dated 12 January 2018

IMPORTANT NOTICES

This document comprises a prospectus for the purposes of Article 5 of the Prospectus Directive. References in this Prospectus to the Prospectus Directive shall include for the purposes of this Prospectus any relevant implementing measure in a relevant member state of the European Economic Area. This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "*Information Incorporated by Reference*" below).

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers (as defined below). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes will be issued in bearer form and are subject to certain U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**") and as defined in the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder). For a description of certain restrictions on offers and sales of the Notes and on distribution of this Prospectus, see "*Subscription and Sale*".

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers to subscribe for, or purchase, any Notes.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (and the Issuer has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer further confirms that (i) this Prospectus contains all relevant information with respect to the Issuer as well as to Aroundtown and to the Notes which is material in the context of the issue and offering of the Notes, including all relevant information which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and Aroundtown and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, Aroundtown, the Notes are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, Aroundtown, the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in the Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

The Managers have not separately verified the information contained in this Prospectus. The Managers do not make any representation, expressly or implied, or accept any responsibility, with respect to the accuracy or completeness of any information contained in this Prospectus. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. The Managers do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Morgan Stanley & Co. International plc or Société Générale (the “**Managers**”). This Prospectus may only be used for the purpose for which it has been published.

Prospective investors should have regard to the factors described under the section headed “*Risk Factors*” in this Prospectus. This Prospectus identifies in general terms certain information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in any Notes as any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of the Notes and, if it does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult its financial adviser prior to deciding to make an investment on the suitability of the Notes.

Investors should rely only on the information contained in this Prospectus. The Issuer has not authorised anyone to provide investors with different information. The Issuer is not making any offer of the Notes in any jurisdiction where such offer would not be permitted. You should not assume that the information contained in this Prospectus is accurate as at any date other than the date on the cover of this Prospectus regardless of the time of delivery of this Prospectus or of any sale of the Notes.

The Notes issued pursuant to this Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIPs Regulation / Prospectus Directive / Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer

and/or the Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area and references to "**€**", "**EUR**" or "**Euro**" are to the currency introduced at the start of the third stage of European economic and monetary union and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended. References to "**US\$**", "**USD**" and "**U.S. dollars**" are to the currency of the United States of America. References to "**billions**" are to thousands of millions.

This Prospectus is drawn up in the English language. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In compliance with the requirements of the Prospectus Directive, this Prospectus will be available on the website of the Irish Stock Exchange (www.ise.ie).

Stabilisation

IN CONNECTION WITH THE ISSUE OF THE NOTES, CITIGROUP GLOBAL MARKETS LIMITED AS STABILISING MANAGER (THE "STABILISING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT ANY SUCH STABILIZATION ACTION MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Forward-looking Statements

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as “*anticipate*”, “*believe*”, “*could*”, “*estimate*”, “*expect*”, “*intend*”, “*may*”, “*plan*”, “*predict*”, “*project*”, “*aim*”, “*will*” and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding Aroundtown’s business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer make to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including Aroundtown’s financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. Aroundtown’s business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: “*Risk Factors*” and “*General Information on the Issuer and the Group*”. These sections include more detailed descriptions of factors that might have an impact on Aroundtown’s business. In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, the Issuer assumes no obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

Market Share Information and Statistics

This Prospectus contains information and statistics regarding the market share of the Issuer and Aroundtown, which are derived from, or are based upon, the Issuer's analysis of data obtained from third party sources. All third-party information is cited alongside where it is used. Such data have been reproduced accurately in this Prospectus and, as far as the Issuer is aware and is able to ascertain from information published by such entities, no facts have been omitted which would render such reproduced information inaccurate or misleading. Although the Issuer believes that the external sources used are reliable, the Issuer has not independently verified the information provided by such sources. None of the Issuer or the Managers represent that such information is accurate. Furthermore, this Prospectus contains statements regarding the Issuer's industry and Group's relative competitive position in the industry that are not based on published statistical data or information obtained from independent third parties, but are based on the Issuer's

experience and their own investigation of market conditions, including their own elaborations of such published statistical or third-party data. Although the Issuer's estimates are based on information obtained from their customers, sales force, trade and business organisations, market survey agencies and consultants, government authorities and associations in their industry which they believe to be reliable, there is no assurance that any of these assumptions are accurate or correctly reflect the Issuer's or the Group's positions in the industry.

Unless otherwise indicated, the information presented in this Prospectus regarding Aroundtown's property portfolio is based on the fair value assessment of the relevant properties as of the relevant date and includes, in addition to the property portfolio of Aroundtown, a proportional part of the property portfolio of GCP based on the Issuer's 37.6% interest in GCP. For more information, see "*Risk Factors*."

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RISK FACTORS

Set forth below is a description of risk factors that are material for the assessment of the market risks associated with the Notes and risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes.

Potential investors should carefully read and consider the risk factors described below in addition to all other information contained in this Prospectus and should consult with their own professional advisors (including their financial, accounting, legal and tax advisors) in connection with any purchase of the Notes. The realisation of one or more of these risks could individually or together with other circumstances adversely affect the business activities of the Issuer or Aroundtown or have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits or prospects of the Issuer or Aroundtown. The market price of the Notes could decline as the result of any of these risks, and investors could lose all or part of their investments. The risks described below may not be the only risks to which the Issuer or Aroundtown are exposed. Additional risks which are presently not known to the Issuer or Aroundtown or which are currently considered immaterial could also adversely affect the business operations of the Issuer or Aroundtown and have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits or prospects of the Issuer or Aroundtown. The order in which the risk factors are presented below neither indicates the probability of their occurrence nor their significance, nor the scope of their potential financial consequences should they occur. In addition, investors should be aware that the risks described below might occur simultaneously and thus have an unpredictable or more substantial impact on the Issuer or Aroundtown.

Words and terms that are defined in the section "Conditions of the Notes" below or elsewhere in this Prospectus have the same meaning when used in this section "Risk Factors".

Potential investors should, among other things, consider the following:

Risk Factors Relating to the Issuer and the Group

Risks Relating to the Real Estate Market

The Group's performance is dependent on demographic, economic, political and market developments primarily in Germany, as well as in the Netherlands and the other areas where the properties in the Group Portfolio are located.

The Issuer is a specialist real estate investment company, with a focus on value-add income generating properties primarily in Germany, the Netherlands and other real estate markets. As of September 2017, including acquisitions and signed deals to the date of this prospectus, the

Issuer directly or indirectly held commercial real estate with a fair market value of approximately €9.3 billion, consisting primarily of office, hotel, retail, logistics/wholesale and other types of commercial real estate (the "**Commercial Portfolio**"). The Issuer's residential property portfolio consists of its indirect interest in the residential property portfolio of Grand City Properties S.A. ("**GCP**") based on the Issuer's 37.6% interest in GCP (the "**Residential Portfolio**", and together with the Commercial Portfolio, the "**Group Portfolio**"). GCP is a publicly traded specialist real estate company that focuses on investing in the German residential real estate market. As of 30 September 2017, GCP's total assets were approximately €7.1 billion, its loan-to-value ratio was approximately 37% and its total equity was approximately €3.6 billion.

The Residential Portfolio is not consolidated in the Issuer's consolidated financial statements, and the Issuer's interest in GCP is presented as investment in an equity-accounted investee. For the nine months ended 30 September 2017, the Issuer recorded approximately €133.5 million as share in profit from investments in equity-accounted investees and had an operating profit of approximately € 1,368.3 million. For more information, see "*—Financial Risks—The Issuer's cash flow requirements and possible future interest payments are dependent on the profitability of the Group or must be met with borrowed funds or by selling property.*"

The Issuer's performance depends on the performance of the Group Portfolio, which in turn depends on the performance of the real estate markets in Germany, the Netherlands and the other areas where the properties that are included in the Group Portfolio are located (collectively, the Portfolio Regions). Because the performance of real estate markets is driven by changes in the overall economy, the Group's performance is affected not only by factors that impact the commercial and residential real estate markets, but also by factors that impact the economy more generally, such as interest rates, levels of public debt, GDP growth and inflation rates. Real estate markets tend to fluctuate, with asset values and rents reflecting both positive and negative developments. Demographic, economic, political and market factors may have an impact on the performance of the Group Portfolio, and economic developments in and related to the real estate markets in the Portfolio Regions and their individual submarkets may significantly impact the Group's business and future prospects. These developments play an important role in determining property values, rent levels, re-letting periods, overall demand, vacancy rates and turnover rates, and may vary significantly across the Portfolio Regions. Although the Group Portfolio is located primarily in Germany and the Netherlands, the Group Portfolio is more concentrated in certain regions of those countries, such as Berlin, Munich, North Rhine Westphalia, Dresden, Leipzig, Halle, Hamburg, Frankfurt and Hannover in Germany, and Amsterdam, Rotterdam and Utrecht in the Netherlands. Thus, the performance of the Issuer and the Group depends not only on general economic and demographic developments in Germany and the Netherlands, but also on the particular circumstances in the Portfolio Regions.

The market for commercial real estate, and the performance of the Commercial Portfolio, depends on economic and demographic developments in Germany, the Netherlands and the other Portfolio Regions. Factors such as changes in disposable income or industrial activity, the availability of credit financing, interest rates, taxation policies, economic growth, population growth, unemployment rates, consumer confidence and other factors may all impact the level of demand for commercial real estate. A decline in population levels, particularly among younger segments of the working population, or a decline in purchasing power or higher unemployment rates could reduce the demand for office, hotel, retail and other commercial properties. Declines in economic and population growth rates in the Portfolio Regions could lead to lower demand for residential real estate as well as to lower demand for commercial property, and, as a result, may adversely affect the Group's ability to achieve or maintain its desired occupancy rates, rent levels and weighted average lease terms ("**WALTs**"). Local economic developments, such as employment conditions or significant income or liquidity problems for tenants in these areas, may also lead to reduced rental income and increased vacancy or turnover rates. In such circumstances, the Group may not be able to let or re-let properties on attractive terms or at all, or may only be able to do so after making significant additional investments.

In particular, the retail market in the Netherlands has been greatly affected by the global economic crisis of 2008 and 2009, as well as its aftermath, which has resulted in several bankruptcies of large Dutch retail chains such as Scheer & Foppen, Dolcis, Scapino and V&D. The ongoing growth in sales of goods and services over the Internet has also placed increasing pressure on Dutch retailers and consequently on demand for, and the performance of, Dutch retail real estate, especially in secondary locations.

The performance of the Group's Commercial Portfolio also depends on the demand for hotel rooms in the Portfolio Regions where its hotel properties are located. The Group's hotel properties are located in diverse regions mainly in Germany, such as Berlin, Munich, Hamburg, Frankfurt, Dresden, Düsseldorf, Mannheim and Leipzig. The Group's hotel properties are operated primarily by third party commercial tenants, the majority of which have entered into long-term fixed rent lease agreements with the Group. The Group's ability to attract and retain solvent and reliable tenants for its hotel properties depends on the broader development of the hotel market. The profitability of hotels generally, and hence the attractiveness of the Group's hotel properties for tenants, may be adversely affected by a number of factors, including the availability of and demand for hotel rooms in the regional markets, the desirability of particular locations and changes in travel patterns for commercial or leisure travel, or the impact of war, actual or threatened terrorist activity and heightened travel security measures instituted in response. Profit margins in the hotel industry may decline due to increases in the cost of raw materials, limiting the attractiveness of hotels for tenants. Additional competition in the Portfolio Regions where the Group's hotel properties are located may also reduce profitability for the Group's existing hotel

tenants, which may create financial difficulties for such tenants and limit their ability to pay their rents or fulfil other obligations under their leases.

The market for residential real estate, and consequently the performance of the Residential Portfolio, also depends on demographic and other economic developments in Germany. Certain studies have forecast that demographic change in Germany, including a declining and aging population, may cause the nationwide demand for accommodation to fall in the long term. In structurally weak and rural areas, high population losses have already led to an oversupply of housing, and increasing population losses in these areas may result in decreased demand for residential real estate. Changes in other macroeconomic factors, such as gross domestic product ("**GDP**"), unemployment rates, purchasing power and average household sizes across Germany may also impact the demand for residential real estate. Changes in any of these factors may impact the performance of the Residential Portfolio.

The value of the Issuer's stake in the GCP and the performance of the Residential Portfolio may also be affected by the development of GCP's business. Although the Issuer holds, as of the date of this Prospectus, a 37.6% stake in GCP, the Issuer is not a majority shareholder in GCP. For more information, see "*—Risks Related to the Business of the Group—The Issuer is not a majority shareholder in GCP, and the shareholders of GCP may take resolutions or implement measures that are not supported by the Issuer or that are contrary to the Group's strategy, policies or objectives. GCP's business is subject to a number of risks, and GCP may not manage or develop its business properly.*" There is no guarantee that positive developments in the residential real estate market in Germany will be reflected in the value of the Issuer's stake in GCP and/or in the performance of the Residential Portfolio, and negative developments in the residential real estate market in Germany may have a disproportionate effect on the value of the Issuer's stake in GCP, which may result in the Issuer recording a significant loss to reflect the lower fair value of its investment in GCP, and/or on the performance of the Residential Portfolio.

Changes in demographic, economic, political and market factors are often impossible to predict. Although the Group takes steps to limit the effect of expected economic, demographic, political and market developments on the Group Portfolio, there is no guarantee that the Group will be able to successfully predict or adapt to developments in the Portfolio Regions, such as, for example, the ultimate outcome or impact of the "Brexit" referendum or the on-going discussions regarding the reunification of Cyprus.

The occurrence of any of these risks or any misjudgement, miscalculation, failure or inability of the Group to react to such risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The withdrawal of the United Kingdom from the European Union may cause significant political and economic uncertainty in the European Union, potentially limiting access to debt and equity financing for the Group and resulting in defaults by the Group's counterparties.

On 23 June 2016, voters in the United Kingdom voted in a referendum in favour of the United Kingdom leaving the European Union, a decision known as "Brexit". The government of the United Kingdom implemented the referendum decision by formally notifying the European Council on 29 March 2017 of the United Kingdom's intention to withdraw from the European Union in accordance with Article 50(2) of the Treaty on European Union. While Article 50(3) provides for a two-year period during which any Member State that has decided to withdraw from the European Union can negotiate its future relationship with the European Union, such period could be extended beyond two years by mutual agreement. Because no major member of the European Union has previously chosen to leave the European Union, the legal and political process for doing so is untried and uncertain.

The outcome of the negotiations regarding the withdrawal of the United Kingdom from the European Union is unpredictable. Among other consequences, departure from the European Union may result in the United Kingdom no longer having access to the European Single Market. A withdrawal from the European Single Market is expected to have significant negative impact on the economy of the United Kingdom. If the United Kingdom does not have access to the European Single Market, the Member States of the European Union will face greater barriers to trade and commerce with the United Kingdom, which may in turn diminish overall economic activity between the European Union and the United Kingdom, resulting in a general economic downturn throughout the United Kingdom, the European Union or both. The Brexit referendum may also give rise to or strengthen tensions in other Member States regarding their membership in the European Union, potentially resulting in additional referendums or other actions in Member States regarding withdrawal from the European Union. The withdrawal of other Member States from the European Union would have unpredictable consequences and may have adverse effects on levels of economic activity in the countries in which the Issuer operates.

The uncertainty around the timing of Brexit, its economic and other terms is likely in the future to cause volatility in the financial markets. As the Group relies on access to the financial markets in order to refinance its debt liabilities and gain access to new financing, ongoing political uncertainty and any worsening of the economic environment may reduce its ability to refinance its existing and future liabilities or gain access to new financing, in each case on favourable terms or at all. Furthermore, the Group's counterparties, in particular its hedging counterparties, may not be able to fulfil their obligations under their respective agreements due to a lack of liquidity, operational failure, bankruptcy or other reasons.

The occurrence of any of these risks may have a material adverse effect of the Group's business, net assets, financial condition, cash flow, results of operations, net profits and prospects.

Continuing uncertainty regarding the development of the global economy may result in economic instability, limited access to debt and equity financing and possible defaults by the Group's counterparties.

The global financial crisis of 2008 and 2009 resulted in a severe global economic downturn characterised by economic and political uncertainty, tensions in financial and capital markets and greatly weakened consumer confidence and levels of consumption. This downturn adversely impacted economic development worldwide, and its effects continue to generate uncertainty regarding the development of the global economy. The global economic crisis resulted in ongoing sovereign debt and financial deficit crises in many parts of the world, particularly in the Eurozone, resulting in recessions and slowed economic development from which some Eurozone countries are only now beginning to recover. Public debt and unemployment levels remain high in many countries in the Eurozone, such as Ireland, Spain, Greece and Portugal, and future economic growth in the Eurozone is threatened by the fragile state of economic recovery in many Eurozone countries.

The troubled macroeconomic environment also gave rise to ongoing economic and political instability, including the possibility of a breakup of the Eurozone. The European and global economies may also be impacted by the outcome of the referendum in the United Kingdom in favour of a withdrawal from the European Union (see "The withdrawal of the United Kingdom from the European Union may cause significant political and economic uncertainty in the European Union, potentially limiting access to debt and equity financing for the Group and resulting in defaults by the Group's counterparties."), the current severe geopolitical crises in the Middle East as well as in the Ukraine, the uncertain economic prospects in China and other parts of the world, the results of upcoming elections in a number of Eurozone countries (including possible re-elections in Germany), the possibility of increased barriers to trade or "trade wars" in or with other countries or regions and other factors, such as the fluctuation of raw material prices and currency fluctuations. Such instability and the resulting market volatility may also create contagion risks for economically strong countries such as Germany and may spread to the German or other Eurozone financial sectors and the German, Dutch and other Eurozone commercial and residential real estate markets.

The Group relies on access to the financial markets in order to refinance its debt liabilities and gain access to new financing. Any worsening of the economic environment or the financial markets may reduce the Group's ability to refinance its existing or future liabilities or gain access to new financing, in each case on favourable terms or at all. Furthermore, the Group's counterparties, in particular its hedging counterparties, may not be able to fulfil their obligations

under the respective agreements due to a lack of liquidity, operational failure, bankruptcy or for other reasons.

The occurrence of any of these risks may have a material adverse effect of the Group's business, net assets, financial condition, cash flow and results of operations.

The business of the Group, the Group Portfolio and the real estate markets in Germany, the Netherlands and the other Portfolio Regions are affected by changes in general economic and business conditions. The current economic situation is characterised by low interest rates, high valuations and an increased demand for investments in real estate. A rise in interest rates could have a material adverse effect on real estate markets, the valuation of the Group Portfolio and on the business of the Group.

The global financial and economic crisis of 2008 and 2009 and the resulting slow global economic recovery have resulted in increased uncertainty regarding future economic developments. This uncertainty regarding the general economic outlook has made investment opportunities that provide stable and largely predictable cash flows more popular, such as investments in German and other real estate. This trend has been reinforced by the low interest rate environment in Europe. As a result, property valuations, demand for investments in real estate and the value of real estate companies have generally increased. These developments could reverse if, for example, interest rates were to rise, as observed in some parts of the world. An increase in interest rates could be driven by economic conditions, resulting in increased investor interest in investments with a higher risk profile and a decrease in interest in real estate investments, and a potential reduction in real estate valuations.

An increase in interest rates could adversely impact the Group's business in a number of ways. Although the Group's current debt structure primarily involves debt at fixed interest rates or, where variable interest rates apply, is predominantly subject to interest rate hedging agreements, a future increase in interest rates may have a negative impact on the Group. In general, rising interest rates (or market expectations regarding future increases in interest rates) would make financing needed by the Group for its acquisition, capital expenditure ("**capex**") and/or other real estate activities more expensive. Similarly, the willingness of purchasers to acquire real estate in such situations may be negatively affected, thereby restricting the Group's ability to dispose of its properties on favourable terms when desired. Rising interest rates could also impair the future performance of the Group's business, including its acquisitions and sales.

In addition, the discount rate used to calculate the fair value of the Group Portfolio tends to increase in an environment of rising interest rates, which in turn could result in the Group Portfolio having a lower fair value, resulting in significant losses for the Group. Rising interest rates and economic recovery could also prompt investors to prefer investments which potentially have a higher yield than investments in real estate, which could lead to a general decrease in the value

of real estate, thereby having a negative impact on the valuation of the Group Portfolio and potential disposals of assets from the Group Portfolio. For more information, see "*Valuation Risks*".

The occurrence of any of these risks may have a material adverse effect on the business, net assets, cash-flows, financial condition, results of operations, net profits and prospects of the Group.

The future growth of the Group depends on the availability of real estate properties with value-add potential at reasonable prices. The real estate markets in the Portfolio Regions are competitive, and competition may increase in the future.

The Group seeks to acquire properties which the Group believes have value-add potential, and the future growth of the Group depends on the availability of such properties for purchase at attractive prices. Given the current high demand for real estate in Germany and the other Portfolio Regions, such properties or portfolios of such properties may be unavailable or available only on unfavourable terms or at unattractive prices. While Aroundtown is focused on acquisitions of commercial properties, in particular office, hotel, logistics/wholesale and retail properties, many of the commercial properties available on the market may not fit Aroundtown's investment criteria. Similar difficulties are also present in the residential real estate markets, including opportunities in the German residential real estate market for GCP. In addition, a number of factors beyond the Group's control, such as the overall development of real estate markets, construction activity, zoning and planning laws and competition in its target markets, influence the availability of office, hotel, retail, logistics/wholesale and residential properties generally. There is no guarantee that the Group will be able to continue to identify or acquire a sufficient number of suitable properties at reasonable prices that will allow it to successfully implement its business strategy or grow its business effectively.

The supply of real estate portfolios available for sale may also be reduced due to fewer sales by private or public sellers. If public and/or private entities reduce or cease privatising or selling their real estate holdings, supply, in particular for residential real estate, could be reduced, which may result in increased competition for acquisitions of suitable properties and may motivate potential sellers to sell properties through an auction process. The use of auction processes for the sale of properties has grown increasingly common in the Portfolio Regions and may increase in the future. Any of these factors may result in increased prices for the types of properties which are the strategic focus of the Group and/or of GCP. As a result, it could be more difficult for the Group and/or of GCP to successfully acquire properties, which could limit their ability to grow their businesses effectively.

The Group is also exposed to competition from local and international investors in all of the Portfolio Regions as well as other markets in which it seeks to operate. The Group competes to

acquire attractive properties with other investors, such as international real estate funds, German open-ended and closed-ended funds, publicly listed German real estate companies (such as *Aktiengesellschaft* or *REIT-AG* companies), Dutch real estate companies, pensions funds and other European and international companies, any of which may have greater resources, better information or better access to properties or financing than the Group. The Group also competes with other property companies, investment funds, institutional investors, building contractors, individual owners and other entities to attract and retain suitable tenants on favourable conditions. Competition in the real estate markets in the Portfolio Regions is generally intense and could further intensify in the future. There is no guarantee that the Group will be able to successfully compete in any of the Portfolio Regions or will be able to enter new regions successfully. Changes in law or regulation may also create environments in which the Group can no longer effectively compete.

The occurrence of any of these risks may have a material adverse effect on the future business, cash flows, financial condition and results of operations of the Group.

Risks Relating to the Business of the Group

The Group may not succeed in improving or adding value to its properties, such as increasing occupancy rates, rent levels and/or weighted average lease terms.

The Group focuses on acquiring properties which it believes have upside potential, primarily through operational improvements such as increased occupancy rates, rent levels and/or WALTs. The success of the Group depends significantly on the Group's ability to improve and add value to the properties that it acquires, primarily by reducing vacancy rates and operating costs while increasing rent levels and WALTs.

The Group's ability to increase its rental income and WALTs from new and existing tenants and to reduce vacancy rates depends on many factors, including, in particular, the demand for its properties, local market rents, the condition and location of its properties, required capex, refurbishment and modernisation measures and tenant turnover rates. Even if increased capex, refurbishment or maintenance measures would merit increases in rents as a commercial matter, the Group's ability to increase rents is subject to certain limitations, including competition within the Portfolio Regions. Rent levels for properties in the Group Portfolio are also subject to the restrictions of relevant tenancy and other laws, as well as in certain cases contractual restrictions under purchase or financing arrangements in connection with the property, specific terms agreed with tenants under their leases, or conditions imposed as a consequence of having received government funding or public subsidies.

As a consequence, the Group might not be able to reduce vacancy rates and increase rental income and WALTs in a manner or to the extent that it expects, might be required to engage in

excessive capex, and might experience increasing vacancy rates in its properties. The occurrence of any of these risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits or prospects of the Group.

The geographic and/or asset type composition of the Group Portfolio might change in the future due to further acquisitions or divestitures.

The Group follows an opportunistic approach to acquisitions and focuses on real estate property which it believes has upside potential. As a result, the Group continuously seeks investment opportunities throughout the Portfolio Regions and in other markets that it believes might meet its investment strategy. Consequently, the geographical and/or asset type composition of the Group Portfolio may change, either as a result of new acquisitions or as a result of divestitures of properties by the Issuer or other members of the Group. A change in the geographical and/or asset type composition of the Group Portfolio may lead to increased concentration in certain geographical areas and/or asset types, or introduce dependencies on regional market conditions in new or different geographical areas and/or asset types, which may have different fundamentals, trends or legal, regulatory and tax regimes than the current Portfolio Regions. A broader geographical distribution of the Group Portfolio may also result in additional costs in connection with the management of its properties and reduce the benefits of economies of scale. A different geographical distribution of the Group Portfolio may also result in reduced availability of market data, which could limit the Group's ability to predict the performance of its investments.

The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The performance of the Group Portfolio is exposed to concentration risks and other negative developments which could affect demand for the properties in the Group Portfolio or have significant impacts on key tenants or properties, any of which could have a material adverse effect on the Group's business.

The Group Portfolio is exposed to concentration risks due to its focus on certain types of real estate asset types, its concentration on certain geographies, and its reliance in the case of certain properties on a limited number of key tenants. The performance of the Group Portfolio may be disproportionately impacted by events or market developments occurring in specific Portfolio Regions or by developments that affect certain types of commercial or residential real estate. In the event of developments that impact certain key tenants, the Group may be unable to find suitable replacement tenants at attractive rent levels or at all. Any of these developments may result in increased vacancy rates and decreased rent levels for the Group Portfolio, or have a significant negative effect on the Group Portfolio.

In addition, demand for office, hotel, logistics/wholesale and retail properties is not only affected by the overall development of the commercial real estate market, but also by commercial developments affecting existing and potential tenants for these types of properties. Such developments include an increase in food purchases over the internet and the trend towards smaller, high-quality food retailers for the Group's retail properties, the trend towards working from home offices or from tax friendly headquarters located away from city centers for the Group's office properties and the development of new or increased taxes, such as city tourism and hotel taxes, for the Group's hotel properties. The ongoing increase in sales and retail activity over the Internet has and will likely continue to negatively affect demand for retail real estate. Although the Group takes steps to adapt its properties in response to market developments, there is no guarantee that the Group will be able to successfully predict or adapt to changes that may impact its tenant base or the Group Portfolio.

The occurrence of any of the foregoing risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group may be unable to find or retain suitable tenants on acceptable terms, and existing tenants may be unable to meet their payment obligations.

The letting of properties is one of the most important aspects of the Group's business. The Group's rental income depends on its ability to let the properties in the Group Portfolio at profitable rent levels and attractive overall terms. Such efforts are influenced by a number of factors, including the remaining term of existing lease agreements, the commercial conditions of current tenants and the attractiveness of properties for new or existing tenants. The Group may be unable to renew expiring lease agreements on acceptable terms or to find suitable tenants willing to enter into new lease agreements. There is also no guarantee that the Group will be able to successfully compete for suitable tenants with other landlords, who may be able to offer more attractive properties, lease terms and/or rent levels. If the Group misjudges the attractiveness or future attractiveness of the properties in the Group Portfolio or the Portfolio Regions, it may be difficult to find suitable tenants that are willing to rent its properties at the rent levels or for the time periods anticipated by the Group.

Failure to find and retain suitable tenants may prevent the Group from maintaining its current vacancy rate or renting vacant space, or may force the Group to reduce the rent levels it demands from current and future tenants and/or increase rent-free periods for current and future tenants, or require increased investment in tenant improvements. In particular, with respect to the Group's hotel properties, the number of potential tenants is limited, and suitable tenants must have sufficient experience with, and capacity for, operating hotels, as well be eligible to receive the relevant permits in order to operate hotel properties. The Group's ability to find new tenants

for its hotel properties depends on many factors, including factors that are beyond its control, such as demand for hotel rooms in the relevant Portfolio Regions, profitability margins on hotels in the relevant Portfolio Regions and the hotel industry generally, and the level of competition in the hotel sector.

In addition, the financial capacity or creditworthiness of the tenants of the properties in the Group Portfolio may deteriorate over time, reducing their ability to make payments under their leases on time or at all. Reductions in tenants' abilities to make payments under their leases may force the Group to reduce rent levels for the relevant properties, resulting in rental income that is significantly lower than originally estimated, while the Group's operating costs might remain largely fixed or even increase. The Group may also be forced to engage in expensive and time-consuming administrative or legal proceedings in order to evict certain tenants, or as the result of insolvency or other restructuring activities undertaken by its tenants, which may result in modifications to the terms of the Group's leases with or without its consent. Although the Group takes steps to verify the financial capacity of its tenants prior to entering into leases with them, the Group cannot predict the financial stability and commercial viability of its tenants going forward.

The occurrence of any of the foregoing risks may have a material adverse effect on the Group's business, net assets, financial conditions, cash flows, results of operations, net profits or prospects.

Rent indexation clauses in the Group's lease agreements could adversely affect the Group's rental income.

Some of the Group's lease agreements include clauses providing for full or partial indexation of the applicable rent in line with a reference index, such as the German or Dutch consumer price indexes. Rent levels under these leases will fluctuate based on changes in the reference index, and rental income may decrease. If a lease agreement does not contain an indexation or equivalent adjustment clause, or if such clauses are found to be invalid, the applicable rent may remain constant for the term of the lease agreement, while the Group's costs of maintaining the respective property may increase over time due to inflation. This risk is compounded by the fact that many of the Group's lease agreements provide for long-term leases.

The occurrence of any of these risks may have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits or prospects.

The loss of rent, reductions in rent, higher vacancy rates and shorter lease terms may have a negative effect on the Group's business, net assets, cash flows, financial condition, results of operations, net profits and prospects.

The business of the Group strongly depends on the rental income generated by the properties in the Group Portfolio, which is influenced by the rent levels, vacancy rates and WALTs of such properties. Any decrease in demand for commercial or residential real estate (whether due to general economic, demographic, political or market developments or due to conditions in particular regions or at particular properties) may result in a loss of rent, reductions in rent, higher vacancy rates or shorter lease terms, any of which could result in a substantial decline in the overall rental income of the Group. If tenants fail to meet their rent payment obligations in whole or in part (e.g., due to a deterioration of their financial situation or a deterioration of their business activity or the regions in which they operate), or if large numbers of tenants or certain key tenants terminate their leases, the Group could suffer a substantial decrease in overall rental income. Even if the Group is able to re-let the affected properties, there is no guarantee that it will be able to do so in a timely fashion, on attractive terms or at all.

The Group is also required to maintain its properties in the conditions required by their respective lease agreements, by law and in certain cases according to the provisions of financing or loan agreements. If the required maintenance measures are not performed on time or at all, the rent that the Group is able to charge for the affected properties may be reduced, in some cases substantially.

The occurrence of any these factors may have a material adverse effect on the business, net assets, cash flows, financial condition and results of operations of the Group.

The Group is exposed to risks related to capex, maintenance, repositioning and repair of properties in the Group Portfolio. The capex, modernisation and repositioning of properties, as well as their ongoing maintenance, may take more time, be more expensive or ultimately be less effective than originally anticipated.

The Group is required to maintain the properties in the Group Portfolio in good condition, based not only on the requirements of law and its obligations under the relevant lease agreements, but also based on the quality of similar properties in the relevant Portfolio Regions. The Group performs maintenance and repairs, as well as invests capex, in its properties for many reasons, including among others to increase value, to order to avoid loss of value and to maintain demand for its properties. Modernisation, refurbishment and capex for the Group's properties may also be necessary in order to increase their appeal or to meet changing legal requirements, such as provisions relating to modernisation and energy savings and equipping residential units with smoke detectors. In some cases, the amount invested in a property by the Group may be

significant. In addition, under a small number of loan agreements, the Group has an obligation to invest a certain amount into specified properties.

The properties in the Group Portfolio may from time to time require investment for targeted modernisation and repositioning. Some of these properties were acquired following periods of mismanagement and may not have received adequate investment from previous owners, resulting in significant modernisation, repositioning, capex and fit-out costs, which could well exceed the costs of general maintenance.

Although the Group takes steps to predict the expenses associated with its properties, there is no guarantee that the Group has predicted, or will correctly predict in the future, the amount of time and money that it must spend on maintenance, repairs, modernization, repositioning, fit-out or capex and development of its properties. These costs may increase substantially as a result of many factors, such as increased costs of materials, increased labour costs, increased energy costs, bad weather conditions, unexpected safety requirements or unforeseen complexities and developments at the building site. The Group may be unable to undertake work on its properties in a timely fashion or at all for many reasons, including lack of a skilled labour force, bad weather conditions or the failure of contractors or subcontractors to adhere to agreed-upon time schedules or continue as going concerns during the course of necessary work. Further, necessary building or other permits may be delayed or denied, or only issued subject to further restrictions or with fewer rights than anticipated by the Group. In addition, the impact of these factors may be more significant for the Group, which invests from time to time in properties that may have experienced periods of mismanagement, than for investors in properties that have been better maintained. In the case of acquired property portfolios, the Group may not be contractually protected against these costs and may not have been able to adequately predict or foresee them prior to the acquisition of the relevant properties.

The Group may selectively choose to engage in development activities if it can identify suitable opportunities. Such developments, which may be long-term in nature, are associated with numerous risks, including cost overruns, which may result in projects become unprofitable, and changes in the economic environment, which may make it difficult to complete projects on time or realize the returns the Group anticipates upon beginning such projects.

The occurrence of any of these factors may have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The growth of the Group depends on its continuing ability to acquire properties with value-add potential. A key factor for the growth of the Group has been its ability to acquire properties via its sourcing network and through transactions in a variety of forms. The Group may fail in its ability to source or acquire suitable properties.

The Group's business model includes the acquisition of properties with value-add potential. The Group's growth relies on its ability to acquire such properties through its sourcing network, including the contacts of its key personnel. There is no guarantee that the Group's sourcing network will provide it with sufficient opportunities or that the Group will be able to maintain its sourcing network in the future. In addition, the Group's competitors may succeed in gaining access to the same sources of information and/or properties that the Group has relied on in the past, thereby undermining the value of the Group's sourcing network.

The Group acquires properties through transactions in a variety of forms, including without limitation asset-based transactions, share deals and acquisitions of non-performing loans ("**NPL**") in a variety of forms. In the case of acquisitions of properties via NPLs, the Group may be unable to gain access to the underlying property in the time period anticipated by the Group, and may fail to gain access to the property at all, or may only do so at a significantly greater cost than anticipated. As a result, there is no guarantee that the Group will be able to gain access in a timely fashion or at all to the properties it has attempted to obtain by means of NPLs.

The occurrence of any of these risks may have a material adverse effect on the future business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group may be unable to make acquisitions if it is unable to obtain the necessary funds.

The Group's ability to make future acquisitions may be limited if the Group is unable to obtain necessary funds through additional debt or equity financing, each on acceptable terms. Further, additional debt incurred in connection with future acquisitions could have a significant negative impact on the Group's performance indicators, and could result in higher interest expenses for the Group. If the Group is no longer able to obtain the debt or equity financing it needs to acquire additional property portfolios, or if it is able to do so only on onerous terms, its future business development and competitiveness could be severely constrained. A shortage of financing may prevent the Group from growing.

Since 2014, the Issuer has successfully raised debt and equity financing through the issuance of new shares and the issuance of debt securities, in addition to raising financing through bank loans. There is no guarantee that the Issuer will be able to obtain debt or equity financing as

needed or on favourable terms or at levels that would allow it to acquire additional properties in the desired volumes.

The occurrence of any of these factors may have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits and prospects.

The Group's acquisitions and investments involve risks that may not have been uncovered by prior due diligence or that may have been incorrectly evaluated by the Group.

Before acquiring a property or portfolio of properties, the Group generally performs a due diligence exercise in order to evaluate the properties and to identify risks connected with the properties. There can be no assurance as to the adequacy or accuracy of information provided during any due diligence exercise or that such information will remain accurate following the conclusion of the due diligence exercise until acquisition of the relevant properties. In certain situations, the Group may enter into transactions with only limited time to conduct due diligence and/or on the basis of limited, missing, inconsistent or incomplete information. Particularly in the case of properties or property portfolios that were mismanaged, have deteriorated or were sold under financial, legal or time pressure, information regarding the properties may be limited, missing, inconsistent or incomplete.

The Group purchases property through transactions in a variety of forms, such as asset purchases, stock purchases and the purchase of NPLs. These types of transactions differ in the amount of information that can be provided to the Group and the time that the Group is given to review it. It is possible that the Group may have overlooked or not received information regarding certain risks, especially where transactions were closed under financial, legal or time pressure. These risks, among others, relate to title and security searches, planning permissions and conditions, building permits, revisions to zoning plans, licences, fire and health and safety certificates and requirements and the compliance with related regulations as well as restrictions in connection with historic preservation laws, subsidised housing or contractual limitations imposed by the seller of the respective property that may relate to investment obligations, limitations as to rent increases or other provisions for extra-statutory tenant protection.

In the case of environmental risks, the Group or the original acquirers, as the case may be, may not have been able to undertake (or obtain results for) inspections and surveys (including labour and time intensive environmental and asbestos investigations and technical surveys) that the Group would otherwise have carried out in the course of comparable acquisitions. In respect of certain properties in the Group's portfolio, only limited investigation or review was undertaken prior to purchase as to the existence of harmful environmental contamination.

Even if supplied with sufficient information, there is no guarantee that the Group will be able to correctly evaluate and predict the impact of the risks and information that it receives. It is possible that damage or quality defects could remain entirely undiscovered or misunderstood, or that the scope of such problems may not be fully apparent in the course of the Group's due diligence exercise, and/or that defects may only become apparent at a later time. In general, sellers exclude liability for hidden defects in properties which they sell, which would prevent a claim for any loss incurred by the Group in connection with the acquisition of such property. Even if liability for hidden defects has not been fully excluded, it is possible that the representations and warranties made by the seller in the course of the sale of the property failed to cover all risks and potential problems.

Accordingly, in the course of acquiring a property portfolio, specific risks might not be or might not have been, recognised or correctly evaluated, which could lead to additional costs and could have a material adverse effect on the proceeds from rental income and sales of the relevant properties.

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

There is a risk that the Group may incorrectly appraise the value of acquired properties or property portfolios, real estate companies or non-performing loans before, during and after an acquisition.

Prior to an acquisition, the Group carries out an examination and evaluation of the properties to be acquired, which typically includes developing an initial business plan for the properties after taking into account required maintenance, refurbishment, modernisation, repositioning or capex measures.

The assumptions, estimates and judgments made by the Group in connection with its acquisition of properties, property portfolios, real estate companies or NPLs may be mistaken, inaccurate or incorrect, particularly with respect to anticipated rent and vacancy levels, commercial attractiveness, relevant costs and timeframes, and any other liabilities associated with the acquisition. During periods of reduced activity in the real estate markets, or periods of economic, political or market volatility, market prices for properties may be difficult to assess. In addition, the valuation methods used could subsequently be found to have been unsuitable for the environment during the periods in question.

Accordingly, the actual performance of acquired properties may differ substantially from the performance predicted by the Group at the time of acquisition. It may be more difficult to lease or sell such properties than anticipated, market rents could decline or level to achieve the levels

anticipated by the Group, and capex requirements and/or vacancy rates may exceed the Group's projections or even increase following the acquisition.

Due to the numerous factors that affect the performance of property and real estate markets, there is no guarantee that the properties acquired by the Group will perform in the way the Group anticipated by the time of acquisition. Incorrect and erroneous valuations in connection with the acquisition of property portfolios and other unforeseeable events could result in the Group being unable to achieve its projected yields, leading to the risk that valuations of the properties at their acquisition or later on have to be adjusted downwards (see "*Valuation Risks—Real estate valuation is based on assumptions that may change and are inherently subjective and uncertain. The value accounted for in the Issuer's financial statements may not accurately reflect the value of the Group's real estate assets*").

The occurrence of any of these factors may negatively affect the value of the property portfolio of the Group as reported in its financial statements and may lead to negative impacts on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group's investments are predominantly investments in real estate or real estate companies. Due to the potentially illiquid nature of the real estate market, the Group may not be able to sell any portion of its portfolio or investments on favourable terms or at all.

The Group primarily invests in real estate or in real estate companies. While the general strategy of the Group is to hold properties that it acquires, the Group will from time to time sell properties or portfolios of properties if attractive opportunities or market conditions arise. The ability of the Group to sell its properties generally depends on the liquidity of the real estate markets at the time of the potential sale. The demand for real estate assets is influenced by, among other factors, the quality of the property, vacancy rates, the overall economic and market situation at the time of the sale, the level of interest rates and the availability of debt financing to market participants.

As a result, if the Group were required to sell parts of the Group Portfolio, particularly on short notice or under legal, financial or time pressure, there is no guarantee that the Group would be able to do so in a timely fashion or on favourable terms or at all. In the case of a forced sale, for example, if creditors realise on collateral, there would likely be a significant shortfall between the fair value of a property or a property portfolio or shares in a real estate company and the price achievable upon the sale of such property or property portfolio or shares in such circumstances, and there can be no guarantee that the price obtained would represent a fair or market value for the property or property portfolio or shares.

The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits or prospects of the Group.

The Group may be exposed to losses and liabilities (including tax liabilities) in respect of its assets as a result of the acts or omissions of vendors or previous owners or occupiers or relating to the prior period of ownership.

The Group may be exposed to losses and liabilities including, but not limited to, tax, environmental or regulatory liabilities, in respect of properties the Group has acquired or will acquire in the future, as a result of the acts and omissions of the relevant vendors or previous owners or occupiers of such assets or relating to the prior period of ownership in question. When the Group acquires property by means of the acquisition of other companies, the liabilities, provisions and other values booked by the Group may not accurately reflect the actual values of the property or the company or the result that the Group anticipated as part of the acquisition. The actual values may be materially lower than the face values recorded by the Group, which may result in significant losses for the Group. There is no guarantee that the Group will be aware or able to determine the scope of such losses and liabilities prior to acquiring the assets.

The occurrence of any of these risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

Following an acquisition, the Group is exposed to integration risks.

After the acquisition of properties or a property portfolio, the properties must be integrated into the Group's existing management platform. The Group has developed an IT-based platform that is intended to provide efficient in-house management of its real estate portfolio, as well as the efficient integration of newly acquired properties. The integration of acquired portfolios may be more difficult or take longer than anticipated and cost savings and synergies may not develop as expected, resulting in higher administrative and management costs than anticipated by the Group.

Also, the integration of IT systems of newly acquired property portfolios or real estate companies into the existing IT platform of the Group or transmission of the respective data into the IT system of the Group could require significant time, effort and related costs. As the Group continues to grow, further acquisitions could cause a significant increase in such costs, or in other costs related to the development and maintenance of the Group's IT systems.

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Issuer is not a majority shareholder in GCP, and the other shareholders of GCP may take resolutions or implement measures that are not supported by the Issuer or that are contrary to the Group's strategy, policies or objectives. GCP's business is subject to a number of risks, and GCP may not manage or develop its business properly.

Although the Issuer is currently the largest single shareholder of GCP, holding a 37.6% interest in GCP, the Issuer is not a majority shareholder in GCP. Accordingly, there is no guarantee that the other shareholders of GCP will not take resolutions or implement measures that are not supported by the Issuer or that are contrary to the Group's strategy, policies or objectives, and which may negatively impact the value of the Issuer's stake in GCP. In addition, if the Issuer's shareholding in GCP decreases in the future, for example through conversions of GCP's outstanding convertible bonds or through capital increases, the Issuer's ability to influence important decisions at GCP might further decline.

GCP is a publicly traded specialist real estate company that focuses on investing in the German residential real estate market. As such, GCP is exposed to a number of risks which are similar to those described in this Prospectus with respect to the Issuer and the Group, including without limitation demographic, economic, political and market developments in Germany, political and economic uncertainty in the Eurozone and the potential impact of the "Brexit" referendum, uncertainty regarding global economic development, the potential impact of changes in interest rates, the availability of real estate for purchase and the impact of competition on the ability of GCP to pursue its business strategy, the ability of GCP to successfully manage its properties, potential changes in geographic composition and concentration risks in GCP's property portfolio, the ability of GCP to find and retain suitable tenants for its properties, the impact of capex, maintenance, repositioning and repair of its properties, the strength of GCP's sourcing network and its ability to retain senior management and key personnel, the availability of funding and the ability of GCP to access the capital markets on favourable terms or at all, fluctuations in the fair valuations of its properties, integration risks for newly acquired properties, potential environmental, building code or other legal, regulatory, tax or administrative liabilities in connection with its properties or business, interruptions to information technology or other operational systems, insufficient insurance coverage, defective or insufficient risk management systems, loss of reputation in the market place, the impact of financial covenants and other limitations on GCP's business under its existing financing arrangements and debt securities, the impact of ongoing legal disputes or administrative proceedings, and the impact of, and potential changes to, the legal, regulatory, administrative and tax regimes in Germany, Luxembourg and the other areas where GCP operates.

There is no guarantee that GCP will be able to successfully manage these risks or additional risks relevant to its business, or manage or develop its business going forward. Any negative developments with respect to the risks facing GCP or any misjudgement, miscalculation, failure or inability of GCP to react to such developments or to manage or develop its business successfully may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of GCP, and in turn, may have a material adverse effect on the share price of GCP, the value of the Issuer's stake in GCP, the distribution of dividends by GCP and/or the performance of the Residential Portfolio.

The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition and results of operations of the Group.

Minority interests of third parties in subsidiaries of the Group or co-investments may make it difficult to implement significant structural changes or other material decisions with regard to these entities, in particular, where those resolutions require a qualified majority or the unanimous consent of all shareholders of these entities.

In some entities of the Group, the Issuer and/or its subsidiaries do not own all shares and/or do not hold all voting rights in such entities and are thus exposed to the influence of other shareholders or joint venture partners in the respective entity, including the holdings of minority shareholders. In some cases, significant structural changes or other material decisions with respect to such entities may only be implemented with qualified majority consent and/or the consent of the remaining shareholders or the joint venture partner. Such exposure to other shareholders' influence and interests may limit the Group's flexibility to implement the Group's strategy, policies or objectives. This could affect the distribution of dividends from such subsidiary or the sale of shares in such subsidiary or related properties. Furthermore, a joint venture partner or minority shareholder may have economic or business interests or goals that are inconsistent with those of the Group, take actions contrary to the Group's strategy, policies or objectives, experience financial or other difficulties or be unable or unwilling to fulfil their obligations under their co-investment agreements.

The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Issuer is subject to certain obligations and restrictions due to the stock listings of the Issuer, PCI and GCP.

Presently, the Issuer's shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard). Consequently, the Issuer is exposed to

the restrictions and obligations arising from the applicable laws and regulations, and is expected to comply with the requirements applicable to companies whose shares are listed the Frankfurt Stock Exchange. The shares of Primecity Investment plc ("**PCI**"), a subsidiary of the Issuer holding the majority of Aroundtown's hotel properties, are also admitted to trading on the Euronext Growth market segment of the Paris Euronext stock exchange. GCP's shares are listed on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard).

These stock listings impose obligations and restrictions on the Issuer, PCI and GCP under the applicable capital markets provision, such as the European Market Abuse Regulation, including prohibitions of insider trading, insider lists, disclosure of inside information as well as under the applicable rules of the relevant stock exchange. In addition, the Issuer, as a result of being a shareholder of PCI and GCP, is subject to applicable capital markets laws and regulations, such as certain notification obligations on shareholding, public takeover regulations and squeeze-out provisions.

These laws and regulations are constantly evolving, and the diversity and complexity of these laws and regulations create a risk that, in some instances, the Issuer may be deemed liable for violations of such laws and regulations, in particular, in connection with a failure to comply with those laws and regulations.

Any violation or breach of these laws and regulations could affect the overall reputation of the Issuer and, depending on the case, expose the Issuer to administrative or judicial proceedings, which could result in adverse judgments. Furthermore there is a risk that the obligations arising from such laws and regulations may restrict or adversely influence the possibilities and overall conditions for taking material decisions with respect to the Issuer's interest in GCP and/or PCI.

The occurrence of any of these factors may have a material adverse effect on the Group's business, financial condition, cash flows, results of operations, net profits and prospects.

The Group's business is exposed to risks from possible violations of building code and other such regulations in Germany, the Netherlands and the other Portfolio Regions.

The Group's business is exposed to the risk of non-compliance with building codes and other regulations as regards the construction of buildings. Such codes and regulations tend to become stricter over time. As a result, in addition to the risk that properties did not comply with such regulations at the time of acquisition, the building owner's responsibilities could also be further expanded with respect to fire, health and safety protection and environmental protection, which could require additional refurbishment, maintenance and modernisation measures. Furthermore, the projected cost of such measures is based on the assumption that the required permits are issued promptly and consistently with the Group's schedules. It is possible, however, that the

required building permits are not issued promptly or are issued only subject to conditions, which may lead to substantial delays in the completion of such modernisation measures and result in higher than projected costs and lower rental income for the relevant properties.

The occurrence of any of these risks may have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group may incur environmental liabilities, such as from residual pollution including wartime ordnance, soil conditions and contaminants in building materials.

Properties owned or in the process of acquisition by the Group may contain ground contamination, hazardous substances, wartime relics (including potentially unexploded ordnance) and/or other residual pollution and environmental risks. The Group's properties and their fixtures might contain asbestos or other hazardous substances such as polychlorinated biphenyl ("**PCB**"), Dichlorodiphenyltrichloroethane ("**DDT**"), Pentachlorophenol ("**PCP**") or Lindane above the recommended levels or above the allowable or recommended thresholds, or the buildings could bear other environmental risks.

The Group bears the risk of cost-intensive assessment, remediation or removal of such ground contamination, hazardous substances, wartime relics or other residual pollution. The discovery of any such residual pollution on the sites and/or in the buildings, particularly in connection with the letting or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of letting contracts for cause, for damages and other breach of warranty claims against the Group.

Moreover, environmental laws in Germany, the Netherlands and the other Portfolio Regions, such as the German Federal Soil Protection Act (*Bundesbodenschutzgesetz*), typically impose actual and contingent liabilities to undertake remedial action on contaminated sites and in contaminated buildings or to compensate for damages. The liability need not be based on fault, i.e., the competent authority does not have to establish either negligence or intent on the part of the parties held liable. These obligations may relate to sites the Group currently owns or sites the Group formerly owned because environmental laws typically impose liability not only on the polluter but also on its legal successor, the owner of the contaminated site and in some cases certain previous owners. The costs of any removal, investigation or remediation of any residual pollution on such sites or in such buildings as well as costs related to legal proceedings, including potential damages, regarding such matters may be substantial, and it may be impossible, for a number of reasons, for the Group to have recourse against a former seller of a contaminated site or building or the party that may otherwise be responsible for the contamination, for example, because the former seller or polluter cannot be identified, no longer exists or has become insolvent. Moreover, even the mere suspicion of the existence of ground contamination,

hazardous materials, wartime relics or other residual pollution can negatively affect the value of a property and the ability to let or sell such a property.

Laws and regulations, as may be amended over time, may also impose liability for the release of certain materials into the air or water from a property, including asbestos, and such release could form the basis for liability to third parties for personal injury or other damages. In addition, if the Group's officers or employees infringe or have infringed environmental protection laws, the Group could be exposed to civil or criminal damages. The Group may be required to provide for additional reserves with respect to its potential obligations to remove and dispose of any hazardous and toxic substances.

The occurrence of any of these risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group could sustain substantial losses not covered by, or exceeding the coverage limits of, its insurance policies.

The properties held by the Group are generally insured against losses due to fire, flooding, earthquakes and other natural hazards, operational interruptions and third-party liability, as well as terrorism to the extent usual for its business. The Group's insurance policies are, however, subject to exclusions and limitations of liability. The Group may, therefore, have limited or no coverage relating to third-party liability, other natural disasters and other environmental risks or war. The Group may also have limited or no coverage relating to inflation, changes in planning laws or regulations, building codes and ordinances, title defects and defective construction. In addition, the Group's insurance providers could become insolvent.

The Group does not maintain separate funds or otherwise set aside reserves to cover losses or third-party claims from uninsured events. Should an uninsured loss or a loss in excess of the Group's insurance limits occur, the Group could lose capital invested in the affected property, as well as anticipated income and capital appreciation from that property. In such circumstances the Group may incur further costs to repair damage caused by uninsured risks. The Group could also remain liable for any debt or other financial obligation related to such property, and may experience material losses in excess of insurance proceeds.

The occurrence of any of these risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group may face difficulties in replacing key personnel if it loses them.

The success of the Group depends on the performance of its management executives and qualified employees in key positions, particularly employees active in the management of the Group with substantial expertise as to the sourcing of new property portfolios and the value-add and repositioning process for real estate. The loss of one or more members of the board of directors, advisory board, senior management or other key employees of the Group could impair the Group's ability to manage its operations effectively, in particular if the Group fails to attract new highly qualified management executives or qualified employees in key positions. The Group also faces competition for highly qualified employees from real estate and other companies, and may not be able to recruit, retain or replace key employees in a timely fashion or at all.

The failure to provide the necessary management resources or to recruit, retain or replace key employees may have a material adverse effect on the business, net assets, cash flows, financial condition and results of operations of the Group.

Damage or interruptions to the Group's information technology systems could lead to diminished data security and limit the Group's business operations.

The Group's proprietary information technology systems are an important part of the Group's business model. Any interruptions in, failures of or damage to the Group's information technology systems could lead to business process delays or interruptions. If the Group's information technology systems were to fail and back-ups were not available, the Group would have to recreate existing databases, which would be time-consuming and expensive. The Group may also have to expend additional funds and resources to protect against or to remedy potential or existing security breaches and related consequences. Any malfunction or impairment of the Group's information technology systems could interrupt its operations, including its monitoring, controlling and reporting operations, which may result in increased costs and potentially lost revenue. The Group cannot guarantee that anticipated and/or recognised malfunctions can be avoided or remedied by appropriate preventative, maintenance or security measures in every case. Damage, malfunction or interruptions in the Group's information technology systems may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

A loss of reputation or harm to the brand name of the Issuer, the Group or members of the Group, or of the members of the board, advisory board or senior management of the Issuer or members of the Group, or insufficient levels of client satisfaction may reduce the demand for the Group's properties, shares or debt and make it more difficult for the Group to raise capital or debt on attractive terms.

If the Issuer, the Group or members of the Group, or the members of the board, advisory board or senior management of the Issuer or members of the Group, are unable to maintain their good reputations, brand names and high levels of client service, client satisfaction and the demand for the Group's services and property may decline. In particular any damage to the reputation or brand names of the Issuer or the Group or the members of the Group may make it more difficult for the Group to rent its properties on favourable terms or at all or to attract or retain tenants. The misuse, misrepresentation or abuse of the Issuer's or Group's reputation or brand names may occur due to the result of actions by third parties without the consent or awareness of the Issuer or Group, and may occur even if the alleged events or actions are false, misleading or did not occur.

Any loss of reputation or harm to brand names may restrict the Issuer or the Group's ability to attract or retain clients and business partners, and may limit its ability to source new business opportunities or acquire new property on favourable terms or at all. Moreover, it may make it more difficult or expensive or impossible for the Issuer or the Group to raise capital, issue debt or gain access to financing from banks or the capital markets.

The occurrence of any of these risks may result in a material decline in the share price of the Issuer or the trading prices of its debt, and may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

Valuation Risks

In the event of a downturn or other developments in the real estate markets in Germany, the Netherlands or the other Portfolio Regions, or in the interest rate environment, the fair values of the properties in the Group Portfolio may decline, which may have adverse effects on the valuation of the Group Portfolio.

The Group accounts for its investment properties at fair value. The valuation is completed by third party appraisers. The valuation model is predominantly based on the present value of net cash flows to be generated from the property, taking into account expected rental growth rates, void periods, occupancy rates, lease incentive costs such as rent-free periods and other costs not paid by tenants, as well as capex and maintenance expenses related to the property. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the

discount rate estimation considers the quality of a building and its location, tenant credit quality, lease duration and terms, and the interest rate environment.

The fair value thus reflects not only the circumstances directly connected with the property but also the general conditions of the real estate markets, such as regional market developments and general economic conditions or interest rate levels. Accordingly, there is a risk that in the event of a downturn in the real estate market or the general economic situation, the Group will need to revise downward the value of the Group Portfolio. In addition, rising interest rates generally may have a negative influence on the fair value of property portfolios, and may impact the value of the Group Portfolio.

Any change in fair value must be recognised as a profit or loss under the fair value adjustment. Any significant negative fair value adjustments that the Group is required to make could have significant adverse effects on the Group's financial condition and results of operations, as well as the market price of the Issuer's shares. Additionally, there would be negative effects on performance indicators, particularly with respect to net asset value ("**NAV**") and loan-to-value ratio ("**LTV**"), which may have a negative influence on the credit rating of the Issuer and may constitute a covenant breach under certain financing agreements or debt securities.

The occurrence of any of these risks may have a material adverse effect on the business, net assets, financial condition, results of operations, net profits and prospects of the Group.

Real estate valuation is based on assumptions that may change and are inherently subjective and uncertain. The values recorded in the Issuer's consolidated financial statements may not reflect the value of the Group Portfolio.

In valuing a property, an appraiser may consider factors such as real estate tax rates, operating expenses, potential environmental liabilities and the risks associated with certain construction materials, in addition to expected rental income, the property's condition and its historic vacancy level. In addition, property valuations may be based on assumptions or models that may not be correct or may contain mistakes. An adverse change in one of the assumptions used or factors considered in valuing a property can decrease the assessed value of the property.

When assessing the value of its properties, the Group also mandates external property appraisers. Important assumptions used by independent property appraisers are based on information that the Group produces, for example, vacancy rates, WALTs and current rental income. A change in the factors considered and assumptions used may cause lower valuation results. The valuation of the Group Portfolio may not reflect the actual sale or market prices that the Group could generate on a sale of its property, even where any such sales occur shortly after the relevant valuation date, or the estimated yield and annual rental income of any such property.

In particular, during times of reduced real estate transaction levels, market prices for properties may be difficult to assess.

Any re-valuation of the Group Portfolio could also cause the fair values determined for the respective valuation date to fall short of the book values of the relevant properties, resulting in a fair value loss. Under such circumstances, the Group would be required to immediately write down the value of the relevant properties for the relevant accounting period.

The occurrence of any of the foregoing risks may have a material adverse effect on the business, net assets, financial condition, results of operations, net profits and prospects of the Group.

A decrease in the fair value of GCP may result in a loss for the Issuer

Following the deconsolidation of GCP from the Issuer's consolidated financial statements at the end of 2014, the Issuer's interest in GCP is presented as investment in an equity-accounted investee. As part of the deconsolidation, the Issuer determined the cost value of its investment in GCP based on an external valuation undertaken for that purpose. From January 1, 2015 forward, the Issuer has recorded its proportional share of GCP's result in the Issuer's profit and loss statement. The Issuer is required to assess the fair value of its interest in GCP on an ongoing basis. In the event of a significant or prolonged decline in the fair value of the Issuer's interest in GCP, the Issuer would be required to recognize a loss based on the decline, which may be significant.

The occurrence of any of the foregoing risks may have a material adverse effect on the business, net assets, financial condition, results of operations, net profits and prospects of the Group.

Financial Risks

The Group may not be able to extend its existing credit arrangements, refinance its debt on substantially similar terms when it matures or obtain acquisition financing on financially attractive terms as and when needed.

The Group may require additional funds to finance or refinance its debt, capital expenditures, future acquisitions and working capital requirements. The Group may likewise need to borrow additional funds or to raise additional equity or debt capital. The extent of the Group's future capital requirements will depend on many factors which may be beyond the Group's control, and its ability to meet its capital requirements will depend on its future operating performance and ability to generate cash flows. Additional sources of financing may include equity, hybrid debt/equity, debt financing or other arrangements. The Issuer believes that its debt structure, with an overall LTV of 37% as of 30 September 2017 (33% on a pro-forma basis, including the equity capital increase in October 2017), is conservative and provides the Group with adequate flexibility as to future financings. There can be no assurance, however, that the Group will be able to obtain

additional financing on acceptable terms when required. If the Group does not generate sufficient cash flows or if the Group is unable to obtain sufficient funds from future equity or debt financings or at acceptable interest rates, the Group may not be able to pay its debts as they come due or to fund its other liquidity needs. The occurrence of any of these factors would limit the Group's operating flexibility, and may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

A rise in general interest rate levels could increase the Group's financing costs. When it attempts to mitigate interest rate risk by entering into hedging agreements, the Group also becomes exposed to the risks associated with the valuation of hedge instruments and these hedges' counterparties.

As at 30 September 2017, the total carrying amount of the Group's total financial debt was approximately €4.6 billion and the Group's total net financial debt (total financial debt less cash and liquid assets) was approximately €4.1 billion, or €3.7 billion including the equity capital increase in October 2017.

When concluding financing agreements or extending such agreements, the Group depends on its ability to agree on terms for interest payments that will not impair its desired profit and amortisation schedules. In general, rising market interest rates would lead to higher financing costs in the future and so may have a material adverse effect on the business, financial condition and results of operations of the Group. The Group regularly enters into financing agreements with variable interest rates while hedging such variable interest rate with customary market hedging instruments, such as interest swaps or caps. The hedging instruments that the Group uses, however, may not be completely effective, and the Group may be unable to enter into necessary extensions or renegotiations of its financing agreements or hedging instruments at their current interest rate terms, including associated costs, or to the extent planned.

In addition, the hedging agreements the Group enters into generally do not completely counterbalance a potential change in interest rates, and as a result even with hedging agreements in place, interest rate fluctuations may have a negative impact on the Group's equity. In addition, the Group is exposed to the risk that its hedging counterparties will not perform their obligations as established by the hedging agreements into which the Group has entered. Hedging counterparties may default on their obligations towards the Group due to lack of liquidity, operational failure, bankruptcy or other reasons.

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

A downgrade or withdrawal of the Issuer's current credit rating or of GCP's current credit rating may impact the ability of the Group to obtain financing or issue further debt and may have a negative impact on the Group's debt costs and on the share price of the Issuer and/or GCP.

As of the date of this Prospectus, the Issuer is assigned a "BBB+" credit rating with stable outlook by S&P, and GCP is assigned an investment grade credit rating of "Baa2" with a positive outlook from Moody's Investors Service Limited ("**Moody's**") and an investment grade credit rating of "BBB+" with a stable outlook from S&P.

The credit ratings of the Issuer and/or GCP may be downgraded or withdrawn in the future as a result of factors that are beyond the Issuer's control, such as a deterioration in the real estate or financial markets, or due to weakened financial performance by the Issuer, GCP or the Group. Any negative change in the credit rating of the Issuer or GCP may make future financing and debt issuances by the Issuer and other members of the Group more difficult and expensive, and may require the Issuer and other members of the Group to, among other things, pay higher interest rates and/or provide increased collateral or other security if they are able to access additional financing at all. A downgrade or withdrawal of the credit ratings of the Issuer and/or GCP may also result in a breach of certain financial covenants in their respective credit lines, financing arrangements and/or debt issuances, and may have a material adverse effect on their respective businesses. A downgrade or withdrawal of the credit ratings of the Issuer and/or GCP may also result in a significant decline in the share price of the Issuer and/or GCP, and in the case of a decline of the share price GCP, may result in a significant loss to the Issuer due to the decrease in value of its investment in GCP.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. See also "*Ratings may not reflect all risks and are subject to change*".

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The redemption or early redemption of the Issuer's outstanding bonds may result in a substantial payment obligation for the Issuer.

The Notes and other bond issuances by the Issuer contain provisions that provide for the redemption or early redemption of the bonds in certain situations.

The Issuer's other bond issuances may also be redeemed prior to their final maturity date in certain situations. In general, the bonds may be redeemed in whole but not in part by the Issuer

at its discretion subject to the payment of the principal amount of the bonds and in certain cases the present value of the remaining interest payments on the bonds, discounted by a certain benchmark yield. The Issuer may also generally redeem the outstanding bonds in an issuance if purchases (and corresponding cancellations) and/or redemptions and/or conversions (if applicable) have been effected in respect of more than 80% of the aggregate principal amount originally issued of the series. The Issuer may also redeem the bonds in the event that the Issuer would be obliged to pay additional taxes as a result of changes in Luxembourg tax law. The holders of the bonds are also entitled to demand redemption of the bonds in certain situations, including as a result of a change of control of the Issuer.

The redemption or early redemption of any bonds may result in a substantial payment obligation for the Issuer and may require the Issuer to take steps to meet their redemption obligations, including borrowing additional funds. Redemptions or early redemptions of the Issuer's bonds may have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Issuer's cash flow requirements and possible future interest payments are dependent on the profitability of the Group or must be met with borrowed funds or by selling property.

The Issuer is the parent of the Group and conducts its business primarily through other members of the Group. In order to service the Issuer's and Group's debt (principal and interest), the Group needs to continue to achieve positive cash flows from operating activities. The Group generally generates such cash flow from rental and operating income (as described in the Issuer's consolidated financial statements) and from proceeds from disposals. If the Group is unable to generate positive cash flows from its operating activities in the future, the Group could be forced to sell properties irrespective of the market situation and possibly on terms unfavourable to the Group or be forced to borrow money on financially unattractive terms in order to meet its obligations.

The Issuer accounts for its interest in GCP as investment in equity-accounted investees, and does not consolidate the results of GCP. While the value of the Issuer's interest in GCP may increase based on GCP's financial performance, resulting in additional income being recorded for the Issuer, the Issuer will not realize cash from its interest in GCP unless it sells its interest or GCP pays dividends to its shareholders. The values of the shares of GCP are subject to market fluctuations, which the Issuer cannot control, and its ability to sell the shares of GCP that it holds may be limited. In addition, any sales of shares of GCP by the Issuer or other members of the Group may have a negative impact on the value of the shares of GCP. Because the Issuer is not a majority shareholder in GCP, the Issuer cannot guarantee that dividends will be declared by GCP. Accordingly, there is no guarantee that the growth or performance of GCP will result in

additional cash income for the Issuer. For more information, see "*Risks Related to the Business of the Group—The Issuer is not a majority shareholder in GCP, and the shareholders of GCP may take resolutions or implement measures that are not supported by the Issuer or that are contrary to the Group's strategy, policies or objectives. GCP's business is subject to a number of risks, and GCP may not manage or develop its business properly.*"

The occurrence of any of these risks may have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits or prospects of the Group.

There are risks of foreclosure if the borrowing entities in the Group do not fulfil their obligations under loans granted by banks. A breach of covenants or undertakings under loan agreements, such as a change of control within the Group or a material decline in the collateral securing the loan, could result in substantial payment obligations for the Group and could lead to the enforcement of the related collateral including sales at prices substantially below fair value.

The Group has raised capital in the past through loans and bond issuances and will likely continue to do so in the future. The receivables resulting from loans granted by banks for the purpose of acquiring and/or redeveloping properties are usually secured by first-ranking land charges in favour of the lending bank. If the relevant entity of the Group does not fulfil its obligations under the loan, e.g. repayment of receivables when they become due, or a potential breach of covenants or undertakings is not cured within the cure period, such entity could be forced to sell the respective security under time pressure or on unfavourable conditions, or the lending bank may be entitled to enforce its interest in the security, any of which may lead to a sale of the security at prices substantially below fair value.

In order to increase its financial flexibility, the Group routinely enters into credit facilities of various types. As security for these credit facilities, the Group regularly pledges the shares of GCP that it holds or controls. These credit facilities may include provisions with respect to mandatory prepayments and/or cancellations in the event of a change of control or in the case of the occurrence of certain events or triggers with respect to the pledged securities, including a decline in share price.

Loan agreements between banks and entities of the Group usually provide for financial covenants or undertakings. If the relevant entity is in breach of such covenants or undertakings, the lender may terminate the affected loan agreements. In addition, certain of the Group's loan agreements require that the Group receive the lender's approval in connection with any change in tenant or new rental agreement for the relevant properties. While the Group generally maintains good relationships with its lending partners, there is no guarantee that the Group's lenders in such circumstances will grant their approval for tenant changes that the Group would like to make, which may limit the Group's ability to manage certain of its properties.

Most of the loan agreements of entities of the Group with banks contain standard change of control clauses enabling the respective lender to terminate the loan agreement in case of a change of control without the lender's consent. Under a considerable portion of the loan agreements the respective lender may terminate the loan agreement if (a) the Issuer is no longer (directly or indirectly) the majority shareholder of the respective borrower or (b) the property management of the respective property is no longer performed by a member of the Group. If a loan agreement is terminated due to the aforementioned reasons, the outstanding amounts (principal and interest) under the affected loan agreements are immediately due and payable.

The occurrence of any of the foregoing factors may have a material adverse effect on the business, financial condition, results of operations, net profits, cash flows and prospects of the affected entity and the Group.

The Group has grown rapidly since 2012, and there is no guarantee that the Issuer and the Group will be able to manage future growth successfully. The Issuer's and the Group's historical earnings and other historical financial results are not necessarily predictive of future earnings or other financial results of the Issuer or the Group.

The financial information included in this Prospectus and the financial statements of the Issuer incorporated by reference in this Prospectus relate to the past performance of the Issuer and the Group. The Group has grown rapidly since 2012, and the future development of the Group could deviate significantly from past results due to a large number of internal and external factors. There is no guarantee that the Issuer and the Group have the capacity to adequately manage and handle their future growth. The Group's risk management, IT, property management and other operational systems may be unable to handle growth of the Issuer and the Group, and the Issuer and the Group may be unable to acquire the employees, operating capacity and other resources that it needs to handle its growth in the future.

In addition, because of the rapid growth of the Issuer and the Group, the historical earnings, historical dividends and other historical financial data of the Issuer and the Group are not necessarily predictive of future earnings or other financial results for the Issuer or the Group. The information presented in this Prospectus often involves forward-looking statements based on estimates and assumptions of the Group. There can be no assurance that these estimates and assumptions will be accurate, reasonable or correct in every market condition, and the Group may fail to accurately predict future developments.

The Group will from time to time invest in short term traded securities, primarily to generate returns from excess cash. There can be no guarantee that the Group will not suffer losses related to these investments, which may cause its financial results to fluctuate.

Risks Relating to the Shareholding Structure of the Issuer

Avisco Group Plc is able to exercise significant influence over matters resolved by the Issuer's general meeting of shareholders, and its interests may not always be aligned with the interests of other shareholders.

Avisco Group Plc, through its wholly- and majority-owned subsidiaries, currently holds or controls 40.3% of the shares of the Issuer. For more information, see "*Description of the Issuer—Shareholding Structure*". As a result, Avisco Group Plc could adopt and implement resolutions to be adopted by the general meeting of the Issuer's shareholders which require a simple majority or which have even higher majority requirements solely through the exercise of its own voting rights. Furthermore, Avisco Group Plc could prevent a general meeting of the Issuer's shareholders from adopting resolutions, including resolutions which require a qualified majority of the votes cast. There can be no guarantee that the interests or actions of Avisco Group Plc will be aligned with the interests or actions of other shareholders in the Issuer.

Avisco Group Plc regularly pledges the shares of the Issuer that it holds or controls as security for credit facilities of various types, which may include facilities provided by the Dealers or their affiliates. These credit facilities may include provisions with respect to mandatory prepayments and/or cancellations in the event of a change of control or in the case of the occurrence of certain events or triggers with respect to the pledged securities, including a decline in share price.

If any large shareholders of the Issuer were to sell substantial amounts of their shareholdings on the public exchange or if market participants were to become convinced that such sales might occur, this may have a material adverse effect on the market price of the shares of the Issuer.

Legal and Regulatory Risks

The Group's business is subject to the general legal environment in Germany, the Netherlands and the other Portfolio Regions, any of which may change to the Group's detriment.

The Group's business is subject to the general legal framework applicable to real estate in Germany, the Netherlands and the other Portfolio Regions. This framework includes a variety of laws and regulations, including civil, corporate, tax, planning, zoning, environmental, privacy and data protection, health and safety and other laws, regulations and/or requirements, as well as specific laws in the Portfolio Regions, such as German and Dutch tenancy law, and special provisions under other laws, including construction laws, historic preservation laws, social legislation, real estate taxation and other public laws. The Group may be required to pay penalties and/or lose required permits or licenses for non-compliance with any such laws, regulations and/or other requirements of local, regional and national authorities to which it is

subject, as well as the authorities of the European Union. In addition, the general election in Germany in 2017 could increase the risk of legal or regulatory change in Germany in the coming years. Any changes to German, Dutch, European or other laws applicable to the Portfolio Regions, including changes with retrospective effect, or changes in the interpretation or application of existing laws may have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

In addition, the Issuer is incorporated in Luxembourg and the Group conducts its business through companies that are located in a number of jurisdictions, including without limitation Cyprus, Germany, Luxembourg and the Netherlands. Certain members of the Group may be formed, incorporated or registered in jurisdictions where the Group does not, or does not yet, hold property. Any change in the legal, tax or regulatory environments in any of these jurisdictions, including changes with retrospective effect, or changes in the interpretation or application of existing laws could have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

Although the Group takes steps to keep itself informed of potential changes to the legal, tax and regulatory environments in which operates and where its members are formed, incorporated or registered, there is no guarantee that the Group will become aware of such changes in a timely fashion. Any such changes or any misjudgement, miscalculation, failure or inability of the Group to react to such changes may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group is subject to tenant protection laws in Germany, the Netherlands and the other Portfolio Regions. These laws may limit among other things the ability to evict tenants, the levels of rent increases and the ability to pass on modernisation costs. Moreover, further regulatory developments are likely.

The Group is subject to tenant protection laws in Germany, the Netherlands and the other Portfolio Regions. These laws may limit, in some cases substantially, the Group's ability to engage in certain actions with respect to the properties that it owns, including without limitation with respect to the eviction of tenants, levels of rent increases and the ability to pass on modernisation costs. These laws may change in the future, and any such changes may in turn adversely affect the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

In Germany and the Netherlands, the landlord-tenant relationship is subject to a significant level of statutory regulation which generally provides for far-reaching economic and social protections for tenants under residential leases. For example, landlords may only terminate residential lease agreements if there is a legitimate interest in doing so.

In Germany, landlords may not increase residential rents under existing leases by more than an aggregate of 20% compared to locally prevailing comparative rent levels over a three-year period (the capping limit). This capping limit may be reduced by certain municipalities to 15% over a three-year period. So far, twelve German state governments (*Landesregierungen*) (Bavaria, Baden-Wuerttemberg, Berlin, Brandenburg, Bremen, Hamburg, Hesse, Lower-Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saxony and Schleswig-Holstein) have adopted regulations to reduce the capping limit, and other state governments may do the same. The limitations on rent increases arising from the capping limit may impair the value of the affected properties, which may have a significant negative impact on the value of the Group Portfolio.

Further statutory limitations on the rent for new lease agreements were introduced by the German Tenancy Law Amendment Act (*Mietrechtsnovellierungsgesetz*) which came into effect in June 2015, and according to which newly agreed rents may only be increased by a maximum of ten per cent above the relevant locally prevailing comparative rent level (*ortsübliche Vergleichsmiete*), unless the rent level agreed with the previous tenant was higher (known as the rent brake (*Mietpreisbremse*)).

Complications may arise if the relevant municipalities do not produce or publish rent indices in a timely fashion or at all, something which they are not required to do. If municipalities publish rent indices, they are required to update their rent indices every two years. If municipalities publish qualified rent indices they must adjust these for market trends every two years and produce a new qualified rent index at least every four years. Some municipalities consistently take longer to update their rent indices, making it difficult for landlords to adjust rents to prevailing market levels. If municipalities do not publish rent indices in a timely fashion or at all, landlords may be required to commission independent surveyor reports in order to assess appropriate rent levels and corresponding rent adjustments, which may result in additional costs or delays in increasing rents and limit the ability of landlords to increase rent levels at all. While the parties to a tenancy agreement may voluntarily agree on rent increases, such increases may not accurately reflect market rates and could be subject to challenge based on the publication of rent indices in the future.

Landlords in Germany are also subject to certain requirements with respect to modernisation of their properties and are limited in their ability to pass on these costs to residential tenants. In the event of modernisation through which (i) substantial energy savings are achieved (energy-related modernisation measures, *energetische Modernisierung*) or (ii) substantial reductions in water consumption are produced or (iii) substantial increases in the utility value (*Gebrauchswert*) of the rented property are achieved or (iv) permanent improvements in housing conditions are achieved or for (v) modernisation measures that are undertaken due to circumstances for which the landlord is not responsible and which do not qualify as maintenance measures, costs may be passed on to the tenants by way of an increase of the annual rent in the amount of 11% of the

cost incurred (less the costs that would have been incurred for maintenance measures required in any case), unless the tenant can prove that the rent increase constitutes undue hardship. The German federal government is currently considering restricting such increases to a significantly lower percentage of the total costs of modernization work and to the period necessary to amortize the costs. Under certain circumstances, tenants have a special right of termination after a rent increase.

In the Netherlands, rent control laws impose restrictions on landlords regarding rent increases if such relevant properties are subject to social housing rules. Rent increases in these situations are effectively limited to annual inflation.

The Group Portfolio is impacted by these and other regulations, and the growth of the Group Portfolio, including rent levels, vacancy rates and WALTs, may be limited by such regulations. In addition, residential real estate in Germany continues to be a highly sensitive political topic and further regulatory developments in this area are likely.

In the Netherlands, the lease of retail and hotel property is subject to certain mandatory laws regarding tenant protection. As a rule, the lease of retail property requires an initial lease period of at least 5 years, with an automatic extension up to 10 years in total. There are only limited possibilities for the landlord to terminate the lease after the first 5 years. Retail leases for a period of 2 years or shorter are excluded from this rule. The applicability of this legal regime limits the ability of the Group to terminate leases and it adversely affects the Group's flexibility to terminate, extend or amend retail lease agreements.

Furthermore, laws in some jurisdictions may grant some tenants a periodic right to terminate a lease before it expires, which may affect among other things occupancy rates and rent levels in the Group Portfolio.

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group's tenants in Germany could attempt to prematurely terminate their lease agreements based upon strict formal requirements under German law for long-term leases which could lead to a reduction or loss of rental income.

Certain of the real estate properties in the Group Portfolio, and in particular in the Commercial Portfolio, are subject to long-term lease agreements. Pursuant to German law, long-term lease agreements can be terminated prior to their contractually agreed expiration date if certain formal requirements are not complied with. These include the requirement that there is a document that contains all the material terms of the lease agreement, including all attachments and

amendments, and is signed by both parties. Although the details of the applicable formal requirements are assessed differently by various German courts, most courts and legal commentators agree that such requirements are, in principle, to be interpreted strictly. Certain of the lease agreements in relation to the properties in the Group Portfolio may not satisfy these requirements. Consequently, some of the Group's tenants might attempt to invoke alleged noncompliance with these formal requirements (or other requirements to be met by a landlord) in order to procure an early termination of their lease or force a favorable renegotiation of the terms of their lease, to the detriment of the Group.

Premature loss of tenants and the ensuing loss of rental income, a failure to renew lease agreements, at all or at favourable conditions, and uncertainties regarding the validity of long-term lease agreements have a material adverse effect on the Group's business, net assets, financial conditions, cash flows or results of operations.

The growth of the Group Portfolio may be limited by German, Dutch and other laws, including laws with respect to environmental modernization, restrictions on modernization alternatives and other regulations. Moreover, further regulatory developments are likely.

Any change to German, Dutch or other laws applicable to the Portfolio Regions, including the laws of the European Union, may have an impact on the Group Portfolio, and the growth of the Group Portfolio, including rent levels, vacancy rates and WALTs, may be limited by such changes. These laws and any changes to them may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

Based on environmental EU Directives, that have been implemented in the laws of Germany, the Netherlands and certain other Portfolio Regions, the landlord or the seller of a property will be required to present an energy certificate (*Energieausweis* in German and *energielabel* in Dutch) before concluding a new lease or sale and purchase agreement, respectively. Where a property is offered (for sale or lease) via commercial media, the energy performance rating of such property is also to be indicated in accordance with the available energy certificate. Penalties may apply when such energy certificate cannot be presented.

Also, owners of properties with a centralized water facility are required to take measures to prevent the legionella bacteria, for instance by periodical testing. Further, owners of properties are required to separate drinking water from fire-fighting water by establishing and maintaining separate lines for these systems. In addition, owners are required to equip residential units with smoke detectors, starting from 1 January 2017 in North Rhine-Westphalia and Saarland for all buildings, and starting from 1 January 2017 in Berlin for new buildings and from 1 January 2020 for existing buildings.

In Germany, other heightened environmental laws may cause additional costs for the Group. Under the German Ordinance on Energy Saving (*Energieeinsparverordnung*, "**EnEV**"), which was revised with effect from 1 May 2014, the landlord is responsible for making investments in renovation work for the purpose of reducing the energy consumption (including through heat insulation). In certain circumstances, thermal renovation of the building in question will be necessary. For example, landlords are required to renovate the roofs of their let properties so as to meet minimum heat insulation standards.

In the case of listed historical buildings or monuments in Germany, the Netherlands or the other Portfolio Regions, laws or regulations regarding the protection of historical buildings may entail increased expenditures on maintenance and modernization procedures or may restrict the ability of the landlord or owner to carry out certain modernization, improvement or maintenance measures. Such laws or regulations may have a negative impact on the Group's ability to sell or let such properties or to use them as security for financing purposes.

Any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group is exposed to the risks of ground leases in Germany and the Netherlands

Certain of the properties in the Group Portfolio are located in Germany and the Netherlands on ground leases, where legal title to the land and the property are separated. In general, financing and sales in connection with properties located on ground leases are more difficult due to the restrictions typically found in ground leases, and the conditions of the ground lease agreements, such as their terms and payment obligations, are key parameters that impact the value of these properties. The ground lease agreements may contain provisions leading to the exceptional result of the loss of the ground leased property if the Group is in material breach of the ground lease agreement. Furthermore, the Group may face changes in the terms and conditions of the ground lease agreement, for example with respect to payment obligations to the owner of the land. Unfavourable changes to the ground lease agreements or relevant regulations may limit the Group's ability to sell or refinance the properties, which are subject to ground leases, and may thereby decrease its value, or require the Group to write down the assets value as recorded on the Group's consolidated balance sheet.

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group's use of standardised documents, clauses and agreements could lead to additional legal risks.

The Group maintains legal relationships with a large number of persons, primarily tenants and also employees of the Group. In this context, the Group frequently uses standardised documents, clauses and agreements. If such documents, clauses or agreements are found to be invalid, in whole or in part, statutory provisions or judicial interpretations which are unfavourable to the Group may be substituted for such documents, clauses or agreements, which may in turn affect a large number of the documents, clauses and agreements used by the Group. It is impossible to fully protect the Group against risks from the use of such standardised documents, clauses and agreements due to the frequent changes to the legal frameworks in the Portfolio Regions, particularly court decisions relating to general terms and conditions of business.

In Germany, for example, the German Federal Court of Justice (*Bundesgerichtshof*) has ruled that standard clauses in letting contracts are invalid if they obligate the tenant to carry out cosmetic repairs (*Schönheitsreparaturen*) within a fixed schedule or to fully renovate the apartment at the end of the letting term (*Endrenovierung*) or if they provide for compensation regarding ratios (*Quotenabgeltung*). The invalidity of such clauses results in the landlord being responsible for the repair and maintenance and being required to bear all related costs. If the tenant carries out such repair and maintenance works without actually being obliged to do so, the landlord might be required to compensate the tenant for the corresponding costs. Even in the case of agreements prepared on the basis of legal advice, it is impossible for the Group to avoid problems of this nature in advance or in the future, because changes could occur in the legal framework, particularly case law, making it impossible for the Group to avoid the ensuing legal disadvantages. Although these rulings were originally applied only to residential real estate, additional court rulings have extended them to commercial real estate.

The occurrence of any of these factors may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The risk management and compliance systems of the Group may prove to be partially or completely insufficient or fail, and unknown, unrecognised, underestimated or unexpected risks may materialise, any of which could lead to government investigations and significant reputation, financial or other consequences. The Group may fail to adequately account for potential liabilities or risk exposures.

The Group has put in place risk management and compliance systems that it believes are suitable to its business, and the Group continues to develop and update its risk management and compliance systems in order to monitor market risk, liquidity and financial risk, operational risk, organisational risk and the risk of reputational damage. There is no guarantee, however, that the Group's risk management or compliance systems are in fact sufficient to manage the risks faced

by the Group. The Group may be faced with risks that were previously unknown, unrecognized, underestimated or unconsidered, and its risk management or compliance systems may function incorrectly or fail. Inappropriate risk management or compliance measures may cause irregularities leading to among other things cash losses or delays in development of the Group, or to official investigations or third-party claims against the Group, which in turn could have significant financial, reputational and other consequences.

The Group books provisions for potential liabilities such as tax liabilities, litigation exposure and bad debt. These provisions are based on management's assumptions, estimates and judgments, and there is no guarantee that the provisions taken by the Group adequately account for the Group's potential or actual liabilities or risk exposures. Failure to take adequate provisions against potential liabilities could have significant financial, reputational and other consequences for the Issuer or the Group.

The occurrence of any of these risks could have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits, reputation and prospects.

The Group could incur liability in connection with properties, interests in companies or other assets that it sells.

When the Group sells properties, interests in companies that hold real estate or other assets, it is typically required to make representations, warranties, covenants and negative declarations of knowledge to purchasers with respect to certain characteristics of such properties, interests or assets. The resulting obligations of the Group may continue to exist for a number of years after the Group sells such properties, interests or assets. Among other things, the Group could be subject to claims for damages from purchasers who assert that the representations or warranties that the Group made to them were untrue, or that the Group failed to meet its obligations under the relevant sale agreement. The Group could become involved in lengthy and expensive legal disputes with purchasers and could be required to make significant payments for restitution, damages or to settle disputes.

As a seller of properties, interests in companies or other assets, the Group is also subject to other restrictions in Germany, the Netherlands and the other Portfolio Regions. Failure to comply with these requirements may expose the Group to legal, administrative or regulatory proceedings, sanctions or penalties. Legal or settlement costs, including the costs of defending lawsuits, whether justified or not, as well as potential damages associated with liability for properties, interests in companies or other assets that the Group has sold may have an adverse effect on the cash flows, financial condition and results of operations of the Group.

The occurrence of any of these factors may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

Entities of the Group may be subject to litigation, administrative proceedings and similar claims.

Entities of the Group have been and will likely continue to be subject to various administrative and legal proceedings in the ordinary course of business. Such proceedings often relate to matters such as outstanding rent payments and the termination of lease agreements, but may from time to time involve larger scale litigation or disputes. These proceedings, even for routine matters, can be lengthy and expensive and involve substantial resources at the Group. In addition, larger or unexpected proceedings may distract or delay management from implementing the Group's business strategy.

The Group may also be subject to litigation in connection with agreements entered into by the Issuer or members of the Group relating to the purchase and/or sale of property, interests in companies or other assets, or other activities of the Group. It is impossible for the Group to predict if and when significant litigation or administrative or legal proceedings may occur.

The occurrence of any of these factors may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The Group could be exposed to restitution claims in Germany.

According to the German Act on Unsettled Property Issues (*Gesetz zur Regelung offener Vermögensfragen*), persons who were expropriated of property within the former German Democratic Republic ("**GDR**") can claim restitution or compensation under certain conditions, in particular if the property was seized without compensation or less compensation than citizens of the GDR were entitled to. The German Act on Unsettled Property Issues is also applicable to persons who lost property due to racist, political, religious or ideological reasons between 1933 and 1945. Although the notification deadline under the German Act of Unsettled Property Issues, subject to certain exemptions, expired at the end of 1992, the aforementioned restitution and compensation claims cannot be entirely excluded. If any such claims were asserted in respect of an entity of the Group regarding properties owned by the Group, the Group would be severely limited in its ability to manage such properties and may even be forced to transfer such properties to successful claimants without adequate compensation. Any such limitations or compulsory transfers of properties could have a material adverse effect on the business, net assets, cash flows, financial condition and results of operations of the Group.

Tax Risks

The Group is subject to the tax environment in Luxembourg, Cyprus, Germany, the Netherlands and the other Portfolio Regions. The Group's tax burden may increase as a consequence of current or future tax assessments, tax audits or court proceedings based on changes in tax laws or changes in the application or interpretation thereof.

The Group is subject to the tax environment in Luxembourg, Cyprus, Germany, the Netherlands and the other Portfolio Regions. The Group's tax burden depends on various aspects of tax laws, as well as their application and interpretation. Amendments to tax laws may have a retroactive effect, and the application or interpretation of tax laws by tax authorities or courts may change. Furthermore, court decisions are occasionally limited to their specific facts by tax authorities. Any of these developments may increase or alter the Group's tax burden.

A number of factors may also impact the Group's tax situation. The Group is required to file tax declarations in Luxembourg, Cyprus, Germany, the Netherlands and the other Portfolio Regions, and any tax assessments that deviate from the Group's tax declarations may increase or alter the Group's tax obligations. The members of the Group are regularly subject to tax audits by the competent tax authorities which may result in increases in the Group's tax obligations or penalties and fines. The Group may also be subject to administrative or judicial proceedings with respect to its tax declarations, and may incur substantial time and effort in addressing and resolving tax issues.

In addition, changes in tax legislation, administrative practice or case law, which are possible at any time and may occur on short notice, could have adverse tax consequences for the Group. The applicable tax rates, for example with respect to property tax, property transfer tax or capital gains tax, may also change rapidly and with short notice. Changes in real estate transfer taxes may also negatively affect the value of the Group Portfolio. Additionally, changes could be made to the ability to depreciate owned real estate. Any of these changes may have an adverse effect on the attractiveness of commercial and residential real estate. Despite a general principle prohibiting retroactive application, amendments to applicable laws, orders and regulations can have retroactive effect. Additionally, divergent statutory interpretations by the tax authorities or the courts are possible. Any changes to the Luxembourg, Cyprus, German or Dutch tax regimes, or to the tax regimes in the other Portfolio Regions, may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

The structure of the Group is influenced by the general tax environment in Germany, the Netherlands, Luxembourg, Cyprus and the other Portfolio Regions, and changes in the tax environment in these countries may increase the tax burden of the Group.

In addition to the Issuer, which is established in Luxembourg, the Group consists of more than 300 companies and together with GCP consists of more than 800 companies. These companies have registered offices primarily in Germany, Cyprus, the Netherlands and Luxembourg. The companies in the Group are subject to the tax laws of their jurisdictions of registration and the jurisdictions where they conduct business. PCI has its registered office in Cyprus. Most of the Group's German property companies are held through Cypriot subsidiaries which themselves are held by one of the Issuer's aforementioned subsidiaries or investees. GCP has its registered office in Luxembourg.

Thus, the structure of the Group provides for various tax aspects, including cross-border taxation issues governed by double-tax treaties between Cyprus, Germany, the Netherlands and Luxembourg. It cannot be excluded that tax authorities in Cyprus, Germany, the Netherlands, or Luxembourg may not share the view of the tax assessment of the Group which could lead to additional tax burdens for the Group in any of these countries. Also, the tax laws in any of these jurisdictions or double-tax treaties between these countries might change in the future, even with retroactive effect, which could cause additional tax burdens for the Group.

For Dutch corporate income tax purposes, real estate may be depreciated only for as long as the tax book value does not fall below the 'threshold value'. This threshold value of properties that are held as portfolio investment equals the value provided in the Law on Valuation of Real Estate (*Wet Waardering Onroerende Zaken* or "**WOZ**"), known as the WOZ value. With respect to real estate that is not portfolio investment (e.g. an own building used within an enterprise) different depreciation rules apply. Although the WOZ value is meant to approximate the fair market value of the real estate property, in practice there may be a significant difference between the WOZ value and the actual fair market value. The WOZ value is determined annually by the municipality where the property is situated. If the threshold value increases, tax depreciation that had been previously claimed, is not recaptured.

Upon the disposal of real estate and under strict conditions, a company may apply for a reinvestment reserve provided that the taxpayer has a clear intention of replacing the disposed business assets with business assets that perform a similar function within the enterprise. Under the reinvestment reserve provisions, the tax book profit arising from the disposal of real estate may technically be carried forward and offset against the acquisition cost of a reinvestment asset. The reinvestment reserve only applies for qualifying business assets used in an enterprise (i.e., no shares, portfolio assets or inventory).

The occurrence of any of these factors could have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits, reputation and prospects.

The Group is exposed to real estate transfer taxes and value added taxes.

Increases in the applicable real estate transfer tax rates for the properties in the Group Portfolio could negative impact the Group Portfolio by, among other things, reducing the value of and the proceeds from a sale of the affected properties or by reducing purchase demand for the affected properties or by reducing the valuation of the affected properties in the Group Portfolio.

The Group currently holds real estate in Germany and shares in companies which own real estate in Germany. In Germany, the transfer of real estate or of a 95% or greater direct/indirect interest in a company that owns real estate triggers a potential liability for real estate transfer taxes. In these cases, the real estate transfer tax generally equals the purchase price or the sum of the values for real estate transfer tax purposes according to the German Valuation Act (*Bewertungsgesetz*) multiplied by the tax rate, as applicable. At the national level in Germany, the legal framework of real estate transfer tax is provided for in the German Real Estate Transfer Tax Act (*Gründerwerbsteuergesetz*; "**GrEStG**"), at the level of the Federal States, however, the real estate transfer tax rate varies by Federal State, currently within a range of 3.5% to 6.5%. The relevant tax bases (*Bemessungsgrundlagen*) for real estate transfer tax purposes have recently been changed. This may generally lead to a higher real estate transfer tax burden than under previously applicable laws, in particular for share unifications or other transactions pursuant to section 1 paras. 2a, 3, 3a GrEStG. Such legislative change was based on a decision by the German Federal Constitutional Court (*Bundesverfassungsgericht*) which, inter alia, requested that the legislator implement valuation methods that lead to values which mirror the values of the relevant property realistically (*realitätsgerecht*). According to the recently amended real estate transfer tax law, such amendments are applicable to acquisitions (*Erwerbsvorgänge*) realized after 31 December 2008. For the tax bases being relevant for share unifications or other transactions pursuant to section 1 paras. 2a, 3, 3a GrEStG, the amended real estate transfer tax law refers to the relevant values for inheritance tax purposes. Under such rules, tax bases shall, inter alia, be derived from future earnings based on the actual leases and be adjusted by certain deductions and additions based on a specific method pursuant to the German Valuation Act, provided inter alia that such leases do not deviate from third party leases for more than 20%. In any event, the taxpayer may establish a lower fair market value (*gemeiner Wert*) (section 198 of the German Valuation Act).

Because of the complexity of the real estate transfer tax laws in Germany, the Group may from time to time seek to acquire properties with less than a 95% stake in the ownership company. This may result in an increased complexity of the transaction and stronger minority rights of the

associate parties. As a consequence, transaction costs and future administrative expenses for the newly acquired property would generally rise, too.

In relation to acquisition of existing real estate located in the Netherlands, Real Estate Transfer Tax ("**RETT**") will be due. The RETT rate is 2% for residential real estate and 6% for non-residential real estate and is levied over the value of the acquired property. Residential real estate is real estate that at the time of its transfer is intended for occupation by private individuals. The definition of residential real estate has been and is the subject of extensive debate and litigation. Where tax payers have claimed the 2% rate, the tax authorities may increase to 6% plus interest and possibly penalties if the property cannot, or not wholly, be classified as residential.

Dutch RETT may also be due in case of the acquisition of shares in a company of which the majority of assets consist of real estate in the Netherlands. This is the case if all of the following requirements are met:

- the stock is acquired in a Dutch legal entity with its equity divided into shares, or an entity incorporated under the laws of another state that has the same characteristics of such a Dutch legal entity;
- the stock is acquired in a legal entity of which, at the time of the acquisition or at any time in the preceding year, the assets consist or consisted of 50 per cent or more of real estate, and at least 30 per cent of all assets consist of real estate in the Netherlands;
- the activities pertaining to the real estate consist, at the time of the acquisition or at any time in the preceding year, of 70 per cent or more of the acquisition, disposal or exploitation of that real estate; and
- the buyer directly or indirectly acquires an interest of at least one-third in the entity's capital, including any interest the buyer may already directly or indirectly hold.

The Dutch RETT and Value Added Tax ("**VAT**") treatment of ground leases (*erfpacht*) follow specific regulations to calculate the tax base and to determine whether the establishment or acquisition of the ground lease qualifies as a supply of services or goods for VAT purposes. In order to prevent an adverse outcome, the establishment and acquisition of ground leases should be carefully considered.

The transfer of real estate is generally exempt from VAT in the Netherlands, unless the transfer concerns newly developed real estate, such as construction sites and (part of) buildings including the surrounding terrain, prior to, on or within a period of two years after the moment of first use of the buildings concerned. Should a transfer of newly developed real estate indeed be subject to VAT, an exemption generally applies for RETT, but not always. Under certain circumstances, the

renovation of real estate can be to such an extent that it can be deemed newly developed real estate.

In the event of an asset transaction, such as an acquisition of real estate, where a so-called "totality of goods" is acquired, the acquisition may be considered as a non-taxable transfer for Dutch VAT purposes. As VAT is assessed on the basis of the tax payer's own assessment the application of such exemption may not be recognized by the tax authorities.

The occurrence of any of these factors could have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits, reputation and prospects.

Risk Factors Relating to the Notes

*An investment in the Notes involves certain risks associated with the characteristics, specification and type of the Notes which could lead to substantial losses that holders of the Notes (" **Holders** ") would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Risks regarding the Notes include the following risks:*

The Notes may not be a suitable investment for all Investors.

The Notes are complex financial instruments. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- possess sufficient knowledge and experience in financial and business matters to make a meaningful evaluation of the chances and risks of an investment in the Notes and the information contained in, or incorporated by reference into this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate such chances and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of the financial markets;
- be capable of bearing the economic risk of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- know that it may not be possible to dispose of the Notes for a substantial period of time, if at all, and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect a potential investor's investment and ability to bear the applicable risks.

The investments of certain investors are subject to investment laws or regulations or, respectively, the supervision or regulation by certain authorities. Each potential investor should consult with a financial advisor, if and to what extent: (a) the Notes are an investment suitable for it to make; (b) the Notes may serve as collateral for different types of debt financing; and (c) other limitations on the purchase or pledge of the Notes apply. Financial institutions should consult with their legal advisor or their appropriate regulatory authority in order to assess the suitable classification of the Notes with respect to the applicable rules on risk capital or similar provisions.

The Notes are undated securities in which an investment constitutes a financial risk for an indefinite period.

The Issuer is under no obligation to redeem the Notes. The Holders have no right to call for redemption of the Notes. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period and may not recover their investment in the foreseeable future, if at all.

If a loan is used to finance the acquisition of the Notes, the loan may significantly increase the risk of a loss.

If a loan is used to finance the acquisition of Notes by a potential investor and the Notes subsequently go into default, or if the trading price diminishes significantly, the investor may not only have to face a potential loss on its investment, but will also have to repay the loan and pay interest thereon. A loan may significantly increase the risk of a loss. Potential investors should not assume that they will be able to repay the loan or pay interest thereon from the profits of an investment in the Notes. Instead, potential investors should assess their financial situation prior to an investment in the Notes, as to whether they are able to pay interest on the loan, repay the loan on demand, and the possibility that they may suffer losses instead of realising gains.

An investment in the Notes may be subject to inflation risks.

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Notes. If the inflation rate were to increase and match or exceed the nominal yield, the real yield of the Notes would be zero or even negative.

Exchange rate risks and exchange controls.

The Notes are denominated in Euro. Potential investors should bear in mind that an investment in the Notes involves currency risks. This presents certain risks relating to currency conversions if a Holder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes, and (iii) the Investor's Currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Holders may receive less interest or principal than expected, or no interest or principal at all.

The Holders are exposed to risks relating to fixed interest rate notes.

The Notes bear interest at a fixed rate to but excluding the First Call Date. A holder of a fixed interest rate note carries the risk that the price of such note may fall as a result of changes in the current interest rate on the capital markets (the "**Market Interest Rate**"). While the nominal interest rate of a note with a fixed interest rate is fixed in advance for the entire duration or during a certain period, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of a note with a fixed interest rate also changes – but in the opposite direction. If the Market Interest Rate increases, the price of a note with a fixed interest rate typically falls until the yield of such note approximately equals the Market Interest Rate. If the Market Interest Rate decreases, the price of a fixed interest rate note typically increases, until the yield of such note is approximately equal to the Market Interest Rate. Potential investors should be aware that movements of the Market Interest Rate can adversely affect the market price of the Notes and can lead to losses for Holders if they sell their Notes.

The Holders are exposed to risks relating to the reset of interest rates linked to the 5-year swap rate.

From and including the First Call Date to but excluding the date on which the Issuer redeems the Notes in whole pursuant to § 6 of the Terms and Conditions, the Notes bear interest at a rate which will be determined on each Reset Date at the 5-year Swap Rate for the relevant Reset Period plus the relevant Margin for the relevant Interest Period. Potential investors should be aware that the performance of the 5-year Swap Rate and the interest income on the Notes cannot be anticipated. Due to varying interest income, potential investors are not able to determine a definite yield of the Notes at the time they purchase them, therefore their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, Holders are exposed to the reinvestment risk if Market Interest Rates decline. That is, Holders may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Potential investors in the Notes should bear in mind that neither the current nor the historical level of the 5-year swap rate is an indication of the future development of such 5-year swap rate during the term of the Notes.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the Market Interest Rate, as the Market Interest Rate fluctuates. During each of these periods, the Holders are exposed to the risks as described under "*Risk factors*—

Risk Factors Relating to the Notes— The Holders are exposed to risks relating to fixed interest rate notes".

Risks associated with the reform of EURIBOR and other interest rate benchmarks.

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices such as the annual swap rate for swap transactions which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**"), to which the distributions on the Notes will, from and including the First Call Date, be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented.

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which fully applies since 1 January 2018. According to the Benchmark Regulation, a Benchmark may only be used if its administrator obtains authorisation or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Art. 30 Benchmark Regulation), the administrator is recognised (Art. 32 Benchmark Regulation) or the benchmarks is endorsed (Art. 33 Benchmark Regulation) (subject to applicable transitional provisions). If this is not the case, the Notes could be impacted.

The Benchmark Regulation could have a material impact on the Notes in any of the following circumstances:

- the Benchmark for determining the relevant Reset Reference Rate could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the 'equivalence' conditions, is not 'recognised' pending such a decision and is not 'endorsed' for such purpose. In such event, the Notes could be impacted; and
- the methodology or other terms of the benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the Reset Reference Rate of the Notes, including Independent Adviser determination of the rate or level of such benchmark.

Under the terms and conditions, if the Screen Page is unavailable or if the Reset Reference Rate does not appear on the Screen Page, the Calculation Agent shall, subject to the Terms and

Conditions, request the principal office of up to five leading swap dealers in the interbank market to provide the Calculation Agent with its Mid-Market Swap Quotation. If at least three Mid Swap Rate Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two Mid Swap Rate Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one Mid Swap Rate Quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no Mid Swap Rate Quotation is provided, the Reset Reference Bank Rate will be equal to the last available 5-year mid swap rate for euro swap transactions, expressed as an annual rate, on the Reuters screen ICESWAP2 page.

If the Calculation Agent determines that the Screen Page and/or the Reset Reference Rate is not available as at the relevant Reset Rate Determination Date because EURIBOR is no longer being calculated or administered, then the benchmark replacement provisions set forth in the Terms and Conditions will apply.

Uncertainty as to the continuation of the Reset Reference Rate and/or the EURIBOR and the rate that would be applicable if the Reset Reference Rate and/or the EURIBOR were discontinued may adversely affect the trading market and the value of the Notes. At this time, it is not possible to predict what the effect of these developments will be or what the impact on the value of the Notes will be.

In addition to the aforementioned proposal, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Although it is uncertain whether or to what extent any of the above-mentioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of any Notes or the distributions which will, as from and including the First Call Date, be linked to the relevant Benchmark,

investors should be aware that any changes to the relevant Benchmark may have a material adverse effect on the value of the Notes.

Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments.

Any person who purchases Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. The worse the creditworthiness of the Issuer, the higher the risk of a loss (see also "*— Risks relating to the Issuer*" above). A materialisation of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of this opinion if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the same industry as the Issuer adversely changes. If any of these risks occur, third parties may only be willing to purchase the Notes for a lower price than before the materialisation of said risk, or not at all. The market value of the Notes may therefore decrease and investors could lose some or all of their investment.

Interest payments under the Notes may be deferred at the option of the Issuer.

Holders should be aware that interest may not be due and payable (*fällig*) on the scheduled Interest Payment Date, and that the payment of the resulting Arrears of Interest is subject to certain further conditions. Failure to pay interest as a result of an interest deferral will not constitute a default of the Issuer or a breach of any other obligations under the Notes or for any other purposes. Holders will not receive any additional interest or compensation for the deferral of payment. In particular, the resulting Arrears of Interest will not bear interest. Furthermore, such event, *inter alia*, may have an impact on the price at which a Holder will be able to sell his Notes (See also "*Risk factors - The trading market for debt securities may be volatile and may be adversely impacted by many events*".)

The Holders' only remedy against the Issuer is the institution of legal proceedings to enforce payment or to file an application for insolvency proceedings.

The only remedy against the Issuer available to the Holders for recovery of amounts which have become due in respect of the Notes will be the institution of legal proceedings to enforce payment of the amounts or to file an application for the institution of insolvency proceedings. On an insolvency or liquidation of the Issuer, any Holder may only declare its Notes due and payable

and may claim the amounts due and payable under the Notes, after the Issuer has discharged or secured in full (*i.e.*, not only with a quota) all claims that rank senior to the Notes.

The Notes do not include express events of default or a cross default.

Holders should be aware that the Terms and Conditions do not contain any express event of default provisions. There will also not be any cross default under the Notes. Thus, there is only limited protection for Holders against a deterioration of the Issuer's financial condition.

The Notes do not contain any financial covenants.

Neither the Issuer nor any of its subsidiaries will be restricted from incurring additional unsecured debt or other liabilities, including senior debt under the Terms and Conditions. If the Issuer incurs additional debt or liabilities, the Issuer's ability to pay its obligations under the Notes could be adversely affected. In addition, under the Notes, the Issuer will not be restricted from paying dividends or issuing or repurchasing its other securities. Holders will not be protected under the Terms and Conditions in the event of a highly-leveraged transaction, a reorganisation or a restructuring, merger or similar transaction that may adversely affect Holders.

There is no limitation on issuing further debt ranking senior to, or pari passu with, the Notes.

There is no restriction on the amount of debt which the Issuer may issue ranking senior or *pari passu* to the obligations under or in connection with the Notes. Such issuance of further debt may reduce the amount recoverable by the Holders upon insolvency or liquidation of the Issuer or may increase the likelihood that the Issuer is required or permitted to defer payments of interest under the Notes.

There is a risk that the Notes are qualified as equity of the Issuer for Luxembourg tax purposes.

Luxembourg tax law generally follows Luxembourg civil (or commercial) law and Luxembourg GAAP when it comes to determining the nature of an instrument. Instruments such as the Notes that are considered as debt for Luxembourg legal and Luxembourg GAAP purposes are thus as a general rule also considered debt for Luxembourg tax purposes. As a result thereof, payments of interest made on such instruments should (i) be deductible for Luxembourg corporate income tax and (ii) not be subject to Luxembourg withholding tax; the principal amount of such instruments should further be deductible for Luxembourg net wealth tax purposes.

Nevertheless, in certain circumstances and on the basis of legal and factual elements, it may be that the economic reality differs from the legal documentation adopted, in which case, the tax analysis of the equity or debt qualification of a financial instrument must follow the "economic

substance over legal form” approach. In accordance with this economic approach or “*wirtschaftliche Betrachtungsweise*”, any analysis of the equity or debt qualification of an instrument must cover key features such as interest, maturity, voting rights, subordination, participation in the borrower’s profits and transferability, no single element being decisive. Since the Notes are deeply subordinated (to all creditors) and have a perpetual term (i.e., no pre-defined maturity), they have characteristics which economically are usually associated with equity. On the other hand, the Notes rank senior to the shares and do not give any voting rights to their Holders. Furthermore, given that the Notes have a fixed (though resettable) interest rate and that interest becomes due and payable irrespective of the financial performance of the Issuer, the remuneration of the Notes should not be considered to be dependent on the profit of the Issuer. In light of this lack of *affectio societatis*, there are good arguments to consider that the debt characteristics prevail and that the Notes should not be considered equity for Luxembourg tax purposes. Accordingly, interest payments on the Notes should in principle be deductible and payments of interest on the Notes should not be subject to Luxembourg dividend withholding tax. The characterisation of the Notes as debt instruments is also in line with past market practice.

However, the Issuer has sought advice and is of the view that there is a remote risk that, in light of the absence of a fixed maturity under the Notes, the Notes are qualified as equity of the Issuer for Luxembourg tax purposes and accordingly there is a remote risk that payments of interest under the Notes is (i) not deductible for Luxembourg corporate income tax purposes and (ii) subject to Luxembourg dividend withholding tax; there further is a risk that (iii) the principal amount of such Notes is no longer deductible for Luxembourg net wealth tax purposes.

To obtain certainty on the debt classification of the Notes for Luxembourg tax purposes, the Issuer may decide to request a ruling from the Luxembourg tax authorities. Any such ruling would not be obtained prior to the issuance of the Notes. Given that the specific features of every single transaction are reviewed by the Luxembourg tax authorities, it cannot be ascertained that the Ruling Commission adheres to the position previously adopted by the Luxembourg tax authorities with respect to characterisation of the Notes as debt instruments. Absent a final ruling, there is therefore a risk that the Notes are qualified as equity of the Issuer for Luxembourg tax purposes.

Investors should note that, in the event of a change in the official interpretation of a Luxembourg law or regulation resulting in the payment of interest under the Notes being no longer deductible for corporate income tax purposes or payments under the Notes becoming subject to withholding tax, a Tax Deductibility Event or an Early redemption following a Rating Event, an Accounting Event or a Tax Deductibility Event (within the meaning of §6 (Redemption, purchases and cancellation) of the Terms and Conditions may occur, enabling the Issuer to call for an early redemption (See also "*Risk factors - The income under the Notes may be reduced by taxes*" and "*Risk factors - If the Notes are redeemed, a Holder of such Notes is exposed to the risk of a lower yield than expected*".)

The Notes are subordinated to senior and subordinated obligations of the Issuer.

The obligations of the Issuer under the Notes will be unsecured subordinated obligations of the Issuer which in an insolvency or liquidation of the Issuer rank pari passu among themselves and with certain other obligations of the Issuer, subordinated to all present and future unsubordinated and subordinated obligations of the Issuer and senior only to the Issuer's share capital and similar present or future instruments. According to the Terms and Conditions, in an insolvency or liquidation of the Issuer, no payments under the Notes will be made to the Holders unless the Issuer has discharged or secured in full (*i.e.*, not only with a quota) all claims that rank senior to the Notes.

In a liquidation, insolvency or any other proceeding for the avoidance of insolvency of the Issuer, the Holders may recover proportionately less than the holders of the notes of unsubordinated or subordinated obligations of the Issuer or may recover nothing at all. Potential investors should take into consideration that liabilities ranking senior to the Notes may also arise out of events that are not reflected on the Issuer's balance sheet, including, without limitation, the issuance of guarantees or other payment undertakings. Claims of beneficiaries under such guarantees or other payment undertakings will, in liquidation or insolvency proceedings of the Issuer, become unsubordinated or subordinated liabilities and will therefore be paid in full before payments are made to the Holders.

If the Notes are redeemed, a Holder of such Notes is exposed to the risk of a lower yield than expected.

The Issuer may redeem all outstanding Notes (i) on or during a period of 90 days prior to the First Call Date or any Interest Payment Date thereafter, or (ii) for reason of minimal outstanding amount, or (iii) if the Issuer is obligated to pay additional amounts in respect to the Notes due to withholding or deduction or on account of any current or future taxes or any other dues imposed, levied, collected, or withheld by or on behalf of a Relevant Taxing Jurisdiction, or for its account or from or for the account of an area municipality authorised to raise taxes or an agency in a Relevant Taxing Jurisdiction, or (iv) if interest payable in respect of the Notes is no longer fully income tax deductible, or (v) if the funds raised through the issuance of the Notes must not or must no longer be recorded as "equity" of the Issuer, or (vi) if any rating agency eligible under the Terms and Conditions determines to assign a lower category of "equity credit" to the Notes as a result of an amendment, clarification or change to the equity credit criteria of such rating agency effective after the Issue Date, or (vii) upon the occurrence of a Change of Control (as defined in § 6(6) of the Terms and Conditions).

If the Notes are redeemed, a Holder is exposed to the risk that due to such redemption its investment will have a lower than expected yield. In such circumstances, the investor might

possibly not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

There may be no active public trading market for the Notes.

The Notes will be admitted to the Official List of the Irish Stock Exchange and to trading on the Main Securities Market. Application has been made for the Notes to be admitted to the Irish Stock Exchange's Official List and to trading on the Main Securities Market. Investors should note that securities to be admitted to the Main Securities Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.

There can be no assurance regarding the future development of a market for the Notes or the ability of Holders to sell their Notes or the price at which Holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, Aroundtown's operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as recommendations of securities analysts. The liquidity of, and the trading market for, the Notes may also be adversely affected by declines in the market for debt securities generally. Such a decline may affect any liquidity and trading of the Notes independent of Aroundtown's financial performance and prospects. In an illiquid market, Holders might not be able to sell Notes at fair market prices, or at all. The possibility to sell Notes might additionally be restricted by country specific reasons. A potential investor must therefore be prepared to hold the Notes for an unspecified time period.

The development of market prices of the Notes depends on various factors.

The market value of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by the credit rating of the Issuer and a number of other factors including market interest and rate of return.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in Germany as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Germany, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. Accordingly, the price at which a Holder will be

able to sell his Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Holder.

Potential investors assume the risk that the credit spread of the Issuer changes (credit spread risk).

A credit spread is the margin payable by the Issuer to the Holder as a premium for the assumed credit risk of the Issuer. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price.

Factors influencing the credit spread include, among other things, the creditworthiness and rating of the Issuer, probability of default, recovery rate, remaining term to maturity of obligations under any collateralisation or guarantee and declarations as to any preferred payment or subordination. The liquidity situation, the general level of interest rates, overall economic developments, and the currency in which the relevant obligation is denominated may also have a positive or negative effect.

Potential investors are exposed to the risk that the credit spread of the Issuer widens, resulting in a decrease in the price of the Notes.

Ratings may not reflect all risks and are subject to change.

Ratings assigned to the Issuer by rating agencies are among other things an indicator of the Issuer's ability to meet its obligations under the Notes in a timely manner. The lower the assigned rating is on the respective scale the higher the respective rating agency assesses the risk that obligations will not be met at all or not be met in a timely manner. The market value of the Notes from time to time is likely to be dependent upon the level of credit rating assigned to the long-term debt of the Issuer. Rating agencies may change, suspend or withdraw their ratings at short notice. A rating's change, suspension or withdrawal may affect the price and the market value of the outstanding Notes. A Holder may thus incur financial disadvantages as he may not be able to sell the Notes at fair market value.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market and additional factors discussed herein, and other factors that may affect the value of the Notes. In addition, Moody's, S&P, Fitch or any other rating agency may change their respective methodologies for rating securities with features similar to the Notes in the future, including with respect to the equity or debt treatment of the Notes. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be

subsequently lowered, this may have a negative impact on the trading price of the Notes, and may in certain cases have an impact on the rating of the Issuer. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Incidental costs related in particular to the purchase and sale of Notes may have a significant impact on the profit potential of the Notes.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs).

In addition to such costs directly related to the purchase of Notes (direct costs), investors must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes. These additional costs may significantly reduce or eliminate any profit from holding the Notes.

Because the Global Notes are held by or on behalf of Euroclear SA/NV and Clearstream Banking S.A., potential investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by the Global Notes. These will be deposited with a common depository for Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**CBL**"). Investors will not be entitled to receive definitive notes. Euroclear and CBL will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and CBL and the Issuer will discharge its payment obligations under the Notes by making payments to, or to the order of, the Clearing System (as defined in § 1(4) of the Terms and Conditions) for distribution to their account holders. A holder of a beneficial interest in the Global Notes must rely on the procedures of Euroclear and CBL to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interests in, the Global Notes.

No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Prospectus.

The Terms and Conditions are based on the laws of Germany in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in German law or administrative practice or the official application or interpretation of German law after the date of this Prospectus.

Were the German choice of law provision in the Notes not respected by the relevant courts in Germany and were such courts to decide that Luxembourg law is the appropriate governing law for the Notes, then any provision in the Notes that is inconsistent with Luxembourg law could be deemed to be unenforceable.

A potential investor may not rely on the Issuer, the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, whether its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A potential investor may not rely on the Issuer, the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Without independent review and advice, a potential investor may not adequately understand the risks inherent with an investment in the Notes and may lose parts or all of its capital invested without taking such or other risks into consideration before investing in the Notes.

The Terms and Conditions, including the terms of payment of principal and interest, can be amended by a Holders' resolution and any such resolution will be binding for all Holders. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding.

The Terms and Conditions may be amended or other measures relating to the Notes may be taken by majority resolution of the Holders. The voting process under the Terms and Conditions will be governed in accordance with the German Debenture Bond Act

(*Schuldverschreibungsgesetz*, "**SchVG**"), pursuant to which the required participation of Holder votes (quorum) is principally set at 50% of the aggregate principal amount of outstanding Notes. In case there is no sufficient quorum, there is no minimum quorum requirement in a second meeting (unless the resolution to be passed requires a qualified majority, in which case Holders representing at least 25% of outstanding Notes by principal amount must participate in the meeting or voting). As the relevant majority for Holders' resolutions is generally based on votes cast, rather than on principal amount of the Notes outstanding, the aggregate principal amount required to vote in favour of an amendment will vary based on the Holders' votes participating. Therefore, a Holder is subject to the risk of being outvoted by a majority resolution of such Holders and losing rights towards the Issuer against his will in the event that Holders holding a sufficient aggregate principal amount of the Notes participate in the vote and agree to amend the Terms and Conditions or on other matters relating to the Notes by majority vote in accordance with the Terms and Conditions and the SchVG.

Since no Noteholders' Representative will be appointed as from the Issue Date, it will be more difficult for Holders to take collective action with respect to the Notes.

No initial Noteholders' Representative will be appointed under the Terms and Conditions. Any appointment of a Noteholders' Representative of the Notes post issuance of the Notes will, therefore, require a majority resolution of the Holders.

If a Noteholders' Representative has been appointed by majority resolution of the Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, if such right was passed to the Noteholders' Representative by majority vote. In such case, the Noteholders' Representative becomes exclusively responsible to claim and enforce the rights of all of the Holders.

The Holders have no voting rights.

The Notes are non-voting with respect to general meetings of the Issuer. Consequently, the Holders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such Arrears of Interest or any other decisions by the Issuer's shareholders concerning the capital structure or any other matters relating to the Issuer.

The income under the Notes may be reduced by taxes.

Potential investors should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely on the tax discussions contained in this Prospectus but to ask for

their own tax advisor's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor.

Payments on the Notes may be subject to U.S. withholding tax under the Foreign Account Tax Compliance Act.

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 and the U.S. Foreign Account Tax Compliance Act, commonly known as "**FATCA**", a "foreign financial institution" may be required to withhold a 30% withholding tax on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Luxembourg) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 (intended date) and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). As long as the rules for the implementation and the definition of "foreign passthru payments" are not written, it is impossible to determine what impact, if any, this withholding will have on Holder of the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, Holders will not receive any Additional Amounts (as defined in the Terms and Conditions) in respect of such withholding, and Holders will therefore receive less than the amount that they would otherwise have received on such Notes. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

Risks related to the Common Reporting Standard

The common reporting standard framework was first released by the Organisation for Economic Co-operation and Development ("**OECD**") in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD, including the Common Reporting Standard ("**CRS**"). As of 12 May 2016 and per the status issued by the OECD on 19 August 2016, 84 jurisdictions, including Luxembourg, signed the multilateral competent authority

agreement, which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. More than 40 jurisdictions, including Luxembourg, have committed to a specific and ambitious timetable leading to the first automatic exchanges in 2017 (early adopters). Under CRS, financial institutions resident in a CRS country would be required to report, according to a due diligence standard, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which include trusts and foundations) with tax residency in another CRS country. CRS includes a requirement to look through passive entities to report on the relevant controlling persons.

As of 1 January 2016, CRS and EU Council Directive 2014/107/EU have been implemented in Luxembourg law (by the Luxembourg law dated 18 December 2015 on the Common Reporting Standard (*loi relative à l'échange automatique de renseignements relatifs aux comptes financiers en matière fiscale*)). As a result, the Issuer is required to comply with identification obligations starting in 2016, with reporting having begun in 2017. Holders of Notes may be required to provide additional information to the Issuer to enable it to satisfy its identification obligations under the Luxembourg implementation of the CRS. Prospective investors are advised to seek their own professional advice in relation to the CRS and EU Council Directive 2014/107/EU. Not complying with the CRS rules may be sanctioned by fines imposed upon the Issuer. Furthermore, it cannot be ruled out that as a sanction against failure to comply with the CRS rules, a withholding tax will be introduced similar to the withholding tax imposed for non-compliance with FATCA regulations.

The Financial Transactions Tax could apply to certain dealings in the Notes.

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a directive for a Financial Transaction Tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. In December 2015 Estonia withdrew from the group of states willing to introduce the FTT.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

The FTT proposal remains subject to negotiation between the participating EU member states. It may therefore be altered prior to any implementation. Additional EU member states may decide to participate. Therefore, it is currently uncertain whether and when the proposed FTT will be enacted by the participating EU member states and when it will take effect with regard to dealings

in the Notes. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

INFORMATION INCORPORATED BY REFERENCE

The pages set out in the "*Table of documents incorporated by reference*" below which are extracted from the following documents shall be deemed to be incorporated in, and to form part of, this Prospectus: (a) the audited consolidated financial statements of the Issuer as at and for the financial years ended 31 December 2016 (the "**2016 Consolidated Financial Statements**") and 31 December 2015 (the "**2015 Consolidated Financial Statements**") and (b) the unaudited condensed interim consolidated financial statements of the Issuer as at and for the nine-month period ended on 30 September 2017 (the "**Q3 2017 Condensed Interim Consolidated Financial Statements**") and together with the 2015 Consolidated Financial Statements and the 2016 Consolidated Financial Statements, the "**Consolidated Financial Statements**") each prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**").

Such documents are incorporated into, and form part of, this Prospectus, save that: (a) any statement contained therein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise); and (b) any information contained in the aforementioned annual financial statements, but not included in the cross-reference tables set out below, is not incorporated by reference in this Prospectus because such information is either not relevant for investors or is covered elsewhere in this Prospectus.

Table of Documents Incorporated by Reference

Aroundtown SA

Q3 2017 Condensed Interim Consolidated Financial Statements

Interim Consolidated Statement of Comprehensive Income	pages 68 - 69
Interim Consolidated Statement of Financial Position	pages 70 - 71
Interim Consolidated Statement of Changes in Equity	pages 72 - 73
Interim Consolidated Statement of Cash Flows.....	pages 74 - 75
Condensed Notes	pages 76 - 95
Board of Directors' Report	pages 02 - 65

2016 Consolidated Financial Statements

Consolidated Statement of Comprehensive Income	pages 72 - 73
Consolidated Statement of Financial Position	pages 74 - 75
Consolidated Statement of Changes in Equity	pages 76 - 77
Consolidated Statement of Cash Flows.....	pages 78 - 79

Notes	pages 80 - 114
Independent Auditor's Report	pages 68 - 71
EPRA Performance Measures	pages 60 - 65
Board of Directors' Report	pages 2 - 59

2015 Consolidated Financial Statements

Consolidated Statement of Comprehensive Income	pages 48 - 49
Consolidated Statement of Financial Position	pages 50 - 51
Consolidated Statement of Changes in Equity	pages 52 - 53
Consolidated Statement of Cash Flows.....	pages 54 - 55
Notes	pages 56 - 86
Independent Auditor's Report	pages 46 - 47
Board of Directors' Report	pages 2 - 45

Copies of documents incorporated by reference in this Prospectus are published on the website of the Issuer (<http://aroundtownholdings.com/downloads.html>).

Any websites referred to in this Prospectus are for informational purposes only and do not form part of this Prospectus.

Alternative Performance Measures

The Issuer present certain non-IFRS financial information in this Prospectus. The Issuer uses this financial information because they believe that they are of use for their investors. According to the ESMA guidelines on Alternative Performance Measures (“**APM**”), the Issuer considers the following information presented in this Prospectus as APMs: Adjusted EBITDA (earnings before interest, tax, depreciation and amortization excluding capital gains and revaluations and disposal gain), FFO I (funds from operations), Net Financial Debt (total financial debt less cash and liquid assets), LTV (loan-to value ratio), EPRA NAV (net asset value pursuant to the European Public Real Estate Association) and EPRA NNNNAV (triple net asset value pursuant to the European Public Real Estate Association) All alternative performance measures used by the Issuer relate to their or Aroundtown's past performance. The Issuer believes that these measures are useful in evaluating Aroundtown's operational performance, the net value of Aroundtown's portfolio, the level of indebtedness and of cash profits generated from operations by Aroundtown, because a number of companies, in particular in the real estate sector, also publish these figures. However, none of the aforementioned performance measures are financial measures defined under IFRS and none of these performance measures is suitable to replace financial information such as total assets, total equity, total liabilities, rental and operating income, operating profit, profit for the year, net cash provided by operating activities or net cash used in finance activities or other line items in Aroundtown’s consolidated balance sheet, consolidated comprehensive statement of

consolidated income and consolidated cash flow statement which have been prepared in accordance with IFRS. The alternative performance measures used by Aroundtown do not necessarily state if Aroundtown has sufficient cash flow or liquidity and might not be suitable as performance indicators for the past operative result of Aroundtown. The alternative performance measures are not suitable to predict a future performance. Because not all companies in the real estate sector use the same performance indicators and also might calculate them differently, the display of the alternative performance measures by Aroundtown is not necessarily suitable to be compared with similar performance indicators of other companies. For a reconciliation of certain of the APMs referred to above, their components as well as their basis of calculation see the following pages of the Q3 2017 Condensed Interim Consolidated Financial Statements and the 2016 Financial Statements incorporated by reference to this Prospectus:

Q3 2017 Condensed Interim Consolidated Financial Statements	Page 55 (Adjusted EBITDA)
	Page 56 (FFO I)
	Page 60 (Net Financial Debt)
	Page 61 (LTV)
	Page 62 (EPRA NAV)
2016 Financial Statements	Page 63 (EPRA NNNAV)

TERMS AND CONDITIONS OF THE NOTES

TERMS AND CONDITIONS

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

- (1) *Currency; Denomination.* This issue of Notes (the **Notes**) of Aroundtown SA, a public limited liability company (*société anonyme*) established under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B 217868 (the **Issuer**), is being issued in Euro (**EUR**) in the aggregate principal amount of EUR 400,000,000 (in words: four hundred million euros) in denominations of EUR 100,000 (the **Specified Denomination**) on 17 January 2018 (the **Issue Date**).
- (2) *Form.* The Notes are being issued in bearer form.
- (3) *Temporary Global Note – Exchange.*
- (a) The Notes are initially represented by a temporary global note (the **Temporary Global Note**) without coupons. The Temporary Global Note will be exchangeable for Notes in Specified Denominations represented by a permanent global note (the **Permanent Global Note**) and, together with the Temporary Global Note, the **Global Notes**) without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the

EMISSIONSBEDINGUNGEN

§ 1

WÄHRUNG, STÜCKELUNG, FORM, BESTIMMTE DEFINITIONEN

- (1) *Währung, Stückelung.* Diese Emission von Schuldverschreibungen (die **Schuldverschreibungen**) der Aroundtown SA, einer Aktiengesellschaft (*société anonyme*) nach Luxemburger Recht mit eingetragenem Sitz 1, Avenue du Bois, L-1251 Luxemburg, Großherzogtum Luxemburg und eingetragen in das Luxemburger Handels- und Gesellschaftsregister (*Registre de Commerce et des Sociétés*) unter Nummer B 217868 (die **Emittentin**) wird am 17. Januar 2018 (der **Begebungstag**) in Euro (**EUR**) im Gesamtnennbetrag von EUR 400.000.000 (in Worten: vierhundert Millionen Euro) in einer Stückelung von EUR 100.000 (die **Festgelegte Stückelung**) begeben.
- (2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.
- (3) *Vorläufige Globalurkunde – Austausch.*
- (a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die **Vorläufige Globalurkunde**) ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen Schuldverschreibungen in den Festgelegten Stückelungen, die durch eine Dauerglobalurkunde (die **Dauerglobalurkunde**) und, zusammen mit der Vorläufigen Globalurkunde, die **Globalurkunden**) ohne Zinsscheine verbrieft sind, ausgetauscht. Die Vorläufige

Principal Paying Agent. Definitive certificates representing individual Notes and interest coupons will not be issued.

- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the **Exchange Date**) not later than 180 days after the Issue Date of the Notes. The Exchange Date shall not be earlier than 40 days after the Issue Date. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the Issue Date of the Notes will be treated as a request to exchange the Temporary Global Note pursuant to this § 1(3)(b). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 1(6)).

Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Hauptzahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

- (b) Die Vorläufige Globalurkunde wird an einem Tag (der **Austauschtag**) gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Begebungstag der Schuldverschreibungen liegt. Der Austausch tag wird nicht weniger als 40 Tage nach dem Begebungstag liegen. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Solange die Schuldverschreibungen durch eine Vorläufige Globalurkunde verbrieft sind, werden Zinszahlungen erst nach Vorlage solcher Bescheinigungen vorgenommen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem

Begebungstag der Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, die Vorläufige Globalurkunde gemäß diesem § 1(3)(b) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie in § 1(6) definiert) geliefert werden.

- (4) *Clearing System.* Each Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. **Clearing System** means the following: Clearstream Banking S.A., Luxembourg (**CBL**) and Euroclear Bank SA/NV, Brussels (**Euroclear**) and any successor in such capacity.
- (5) *Holder of Notes.* **Holder** means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.
- (6) *United States.* For the purposes of these Terms and Conditions, **United States** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

§ 2

STATUS, PROHIBITION OF SET-OFF

- (1) *Status.* The obligations under the Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer

- (4) *Clearingsystem.* Jede Globalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. **Clearingsystem** bedeutet folgendes: Clearstream Banking S.A., Luxemburg (**CBL**) und Euroclear Bank SA/NV, Brüssel (**Euroclear**) sowie jeder Funktionsnachfolger.
- (5) *Gläubiger von Schuldverschreibungen.* **Gläubiger** bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.
- (6) *Vereinigte Staaten.* Für die Zwecke dieser Emissionsbedingungen bezeichnet **Vereinigte Staaten** die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

§ 2

STATUS, AUFRECHNUNGSVERBOT

- (1) *Status.* Die Schuldverschreibungen begründen unmittelbare, unbedingte nicht besicherte und nachrangige

and in the event of the winding-up, dissolution, liquidation, bankruptcy or similar proceedings of the Issuer rank:

- (a) senior only to the Junior Obligations of the Issuer,
- (b) *pari passu* among themselves and with any Parity Obligations of the Issuer, and
- (c) junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of applicable laws or as expressly provided for by the terms of the relevant instrument.

(2) *Insolvency or Liquidation of the Issuer.* In the event of the winding-up, dissolution, liquidation, bankruptcy or similar proceedings of the Issuer, no payments under the Notes shall be made to the Holders unless all claims that, pursuant to § 2(1), rank senior to the Notes (condition precedent) have been discharged or secured in full (i.e. not only with a quota).

(3) *Prohibition of Set-off.* No Holder may set-off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against the Holders against any of its obligations under the Notes.

Verbindlichkeiten der Emittentin, die im Fall der Abwicklung, Auflösung, Liquidation, Insolvenz der Emittentin oder in ähnlichen Verfahren:

- (a) nur Nachrangigen Verbindlichkeiten der Emittentin im Rang vorgehen,
- (b) untereinander und mit jeder Gleichrangigen Verbindlichkeit der Emittentin im Rang gleich stehen, und
- (c) allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit maßgebliche zwingende gesetzliche Vorschriften nichts anderes vorschreiben bzw. die Bedingungen des betreffenden Instruments ausdrücklich etwas anderes vorsehen.

(2) *Insolvenz oder Liquidation der Emittentin.* Im Fall der Abwicklung, Auflösung, Liquidation oder Insolvenz der Emittentin oder im Fall von ähnlichen Verfahren steht jedwede Zahlung unter den Schuldverschreibungen an die Gläubiger unter dem Vorbehalt, dass zuvor sämtliche Verpflichtungen auf gegenüber den Schuldverschreibungen gemäß § 2(1) vorrangigen Verbindlichkeiten zur Gänze (d. h. nicht nur quotenmäßig) bezahlt oder sichergestellt wurden.

(3) *Aufrechnungsverbot.* Die Gläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Gläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen.

Junior Obligations means (i) the ordinary shares and preferred shares (if any) of the Issuer, (ii) any present or future share of any other class of shares of the Issuer, (iii) any other present or future security, registered security or other instrument of the Issuer under which the Issuer's obligations rank or are expressed to rank *pari passu* with the ordinary shares or the preferred shares (if any) of the Issuer and (iv) any present or future security, registered security or other instrument which is issued by a Subsidiary and guaranteed by the Issuer or for which the Issuer has otherwise assumed liability where the Issuer's obligations under such guarantee or other assumptions of liability rank or are expressed to rank *pari passu* with the instruments described under (i), (ii) and (iii).

Parity Obligations means any present or future obligation which (i) is issued by the Issuer and the obligations under which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes, or (ii) benefits from a guarantee or support agreement that ranks or is expressed to rank *pari passu* with the Issuer's obligations under the Notes.

Person means any individual, corporation,

Nachrangige Verbindlichkeiten bezeichnet (i) die Stammaktien und etwaige Vorzugsaktien der Emittentin, (ii) jede gegenwärtigen oder zukünftigen Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedes andere gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von der Emittentin begeben ist und bei dem die daraus folgenden Verbindlichkeiten der Emittentin mit den Stammaktien oder etwaigen Vorzugsaktien der Emittentin gleichrangig oder als gleichrangig vereinbart sind und (iv) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder jedes andere Instrument, das von einer Tochtergesellschaft begeben und von der Emittentin dergestalt garantiert ist oder für das die Emittentin dergestalt die Haftung übernommen hat, dass die betreffenden Verbindlichkeiten der Emittentin aus der maßgeblichen Garantie oder Haftungsübernahme mit den unter (i), (ii) und (iii) genannten Instrumenten gleichrangig oder als gleichrangig vereinbart sind.

Gleichrangige Verbindlichkeiten bezeichnet jede bestehende und zukünftige Verbindlichkeit, die (i) von der Emittentin begeben wurde und die gleichrangig im Verhältnis zu den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen ist oder ausdrücklich als gleichrangig vereinbart ist oder die (ii) von einer Emittentin oder Haftungsübernahme profitiert, bei der die Verbindlichkeiten der Emittentin aus der betreffenden Garantie oder Haftungsübernahme mit den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen gleichrangig oder als gleichrangig vereinbart sind.

Person bezeichnet natürliche

partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government (or any agency or political subdivision thereof) or other entity.

Subsidiary means any corporation, partnership, company or other enterprise in which the Issuer directly or indirectly holds in the aggregate more than 50% of the capital or the voting rights.

§ 3

INTEREST

- (1) *Interest Accrual.* The Notes shall bear interest on their principal amount
- (a) from (and including) the Issue Date to (but excluding) 17 January 2024 (the **First Call Date**) at the rate of 2.125 % per annum, and
- (b) from (and including) the First Call Date to (but excluding) the date on which the Issuer redeems the Notes in whole pursuant to § 6 at the relevant Reset Rate of Interest for the Interest Period.

Interest shall be payable annually in arrears on 17 January in each year (each such date, an **Interest Payment Date**) and will be due and payable (*fällig*) in accordance with the conditions set out in § 5. The first payment of interest shall be made on 17 January 2019.

Personen, Körperschaften, Personengesellschaften, Joint Ventures, Vereinigungen, Aktiengesellschaften, Trusts, nicht rechtsfähige Vereinigungen, Gesellschaften mit beschränkter Haftung, staatliche Stellen (oder Behörden oder Gebietskörperschaften) oder sonstige Rechtsträger.

Tochtergesellschaft bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen oder jede andere Person an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.

§ 3

VERZINSUNG

- (1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar
- (a) vom Begebungstag (einschließlich) bis zum 17. Januar 2024 (der **Erste Rückzahlungstermin**) (ausschließlich) mit jährlich 2,125 %, und
- (b) vom Ersten Rückzahlungstermin (einschließlich) bis zu dem Tag, an dem die Emittentin die Schuldverschreibungen gemäß § 6 vollständig zurückzahlt, (ausschließlich), mit dem jeweiligen Reset-Zinssatz für die jeweilige Zinsperiode.

Die Zinsen sind nachträglich am 17. Januar eines jeden Jahres zahlbar (jeweils ein **Zinszahlungstag**) und werden nach Maßgabe der in § 5 dargelegten Bedingungen fällig. Die erste Zinszahlung erfolgt am 17. Januar 2019.

Reset Rate of Interest means the Reset Reference Rate for the relevant Reset Period in which the relevant Interest Period falls, plus the relevant Margin for the relevant Interest Period.

The **5-year Swap Rate** for the relevant Reset Period will be determined by the Calculation Agent on the Reset Rate Determination Date prior to the relevant Reset Date on which the relevant Reset Period commences (the **Reference Reset Date**) and will be the annual swap rate which is fixed at 11:00 a.m. (Frankfurt time) and is expressed as a percentage per annum for euro swap transactions with a maturity of 5 years which appears on the Screen Page on the relevant on the Reset Rate Determination Date at or around 11:00 a.m. (Frankfurt time). In the event that any of the information required for the purposes of the determination of the 5-year Swap Rate does not appear on the Screen Page on the relevant Reset Rate Determination Date, the Reset Reference Bank Rate on that Reset Rate Determination Date as determined by the Calculation Agent.

Reset Reference Bank Rate means the percentage rate determined by the Calculation Agent on the basis of the Mid Swap Rate Quotations provided by up to five leading swap dealers in the interbank market (the **Reference Banks**) to the Calculation Agent at approximately 11.00 a.m. (Frankfurt time) on the Reset Rate Determination Date. If at least three Mid Swap Rate Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two Mid Swap Rate Quotations are provided, the

Reset-Zinssatz bezeichnet den jeweiligen Reset-Referenzsatz für den jeweiligen Reset-Zeitraum, in den die jeweilige Zinsperiode fällt, zuzüglich der relevanten Marge für die jeweilige Zinsperiode.

Der **5-Jahres-Swapsatz** für den jeweiligen Reset-Zeitraum wird von der Berechnungsstelle am Reset-Referenzsatz-Bestimmungstag vor dem jeweiligen Reset-Termin zu dem der jeweilige Reset-Zeitraum beginnt (der **Referenz-Reset-Termin**) bestimmt und ist der um 11:00 Uhr (Frankfurter Zeit) gefixte, als Prozentsatz ausgedrückte Swapsatz per annum bezüglich in Euro denominierter Swap-Transaktionen mit einer Laufzeit von 5 Jahren, der auf der Bildschirmseite am jeweiligen Referenzsatz-Bestimmungstag gegen 11:00 Uhr (Frankfurter Zeit) angezeigt wird. Falls eine für die Festlegung des 5-Jahres-Swapsatzes benötigte Information am jeweiligen Reset-Termin nicht auf der Bildschirmseite erscheint, der Reset-Referenzbankensatz an diesem Reset-Termin wie durch die Berechnungsstelle festgelegt.

Der **Reset-Referenzbankensatz** ist der Prozentsatz, der auf Basis der Mid Swapsatz-Quotierungen, die der Berechnungsstelle ungefähr um 11:00 Uhr (Frankfurter Zeit) von bis zu fünf führenden Swap-Händlern im Interbankenhandel (die **Referenzbanken**) gestellt werden, am Reset-Termin von der Berechnungsstelle festgelegt wird. Wenn mindestens drei Mid Swapsatz-Quotierungen genannt werden, wird der Reset-Referenzbankensatz das arithmetische Mittel der Mid Swapsatz-Quotierungen unter Ausschluss der höchsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen,

Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one Mid Swap Rate Quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no Mid Swap Rate Quotation is provided, the Reset Reference Bank Rate will be equal to the last available 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the Screen Page.

Where **Mid Swap Rate Quotations** means the arithmetic mean of the bid and offered rates for the annual fixed rate leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which transaction (x) has a term of 5 years and commencing on the relevant Reset Date, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-months EURIBOR rate (calculated on an Actual/360 day count basis).

Screen Page means Reuters Screen Page ICESWAP2. If the Screen Page permanently ceases to quote the 5-year Swap Rate but such quotation is available from another page selected by the Issuer in

einer der höchsten Quotierungen) und der niedrigsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen) sein. Falls nur zwei Mid Swapsatz-Quotierungen zur Verfügung gestellt werden, ist der Reset-Referenzbankensatz das rechnerische Mittel der zur Verfügung gestellten Quotierungen. Falls nur eine Mid Swapsatz-Quotierung zur Verfügung gestellt wird, ist der Reset-Referenzbankensatz die zur Verfügung gestellte Quotierung. Falls keine Mid Swapsatz-Quotierung zur Verfügung gestellt wird, ist der Reset-Referenzbankensatz der letzte Mid Swap-Satz für Euro-Swap-Transaktionen mit einer Laufzeit von 5 Jahren, ausgedrückt auf jährlicher Basis, der auf der Bildschirmseite verfügbar ist.

Dabei bezeichnet **Mid Swapsatz-Quotierungen** das arithmetische Mittel der nachgefragten und angebotenen Prozentsätze für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tage-Berechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (x) die eine 5-jährige Laufzeit hat und am jeweiligen Reset-Termin beginnt, (y) die auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im Swap-Markt entspricht, und (z) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tage-Berechnungsbasis).

Bildschirmseite bezeichnet die Reuters Bildschirmseite ICESWAP2. Hat die Bildschirmseite dauerhaft aufgehört, den 5-Jahres-Swapsatz anzugeben, ist diese Quotierung

equitable discretion (the **Replacement Screen Page**), the Replacement Screen Page must be used for the purpose of the calculation of the 5-year Swap Rate.

Interest Period means each period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

Margin means:

- (a) in respect of each Interest Period from and including the First Call Date to but excluding 17 January 2029 (the **First Step-up Date**): 200 basis points *per annum* (the **Initial Margin**);
- (b) in respect of each Interest Period from and including the First Step-up Date to but excluding 17 January 2044 (the **Second Step-up Date**): 225 basis points *per annum* (being equal to the Initial Margin plus a step-up of 25 basis points); and
- (c) in respect of each Interest Period from and including the Second Step-up Date to but excluding the date on which the Issuer redeems the Notes in whole pursuant to § 6 300 basis points *per annum* (being equal to the Initial Margin plus a step-up of 100 basis points).

jedoch auf einer anderen von der Emittentin nach billigem Ermessen ausgewählten Bildschirmseite verfügbar (die **Ersatzbildschirmseite**), wird die Ersatzbildschirmseite zum Zweck der Festlegung des 5-Jahres-Swapsatzes eingesetzt.

Zinsperiode bezeichnet jeweils den Zeitraum vom Begebungstag (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).

Marge bedeutet:

- (a) für jede Zinsperiode ab dem Ersten Rückzahlungstermin (einschließlich) bis zum 17. Januar 2029 (der **Erste Step-up-Termin**): 200 Basispunkte *per annum* (die **Ursprüngliche Marge**);
- (b) für jede Zinsperiode ab dem Ersten Step-up-Termin (einschließlich) bis zum 17. Januar 2044 (der **Zweite Step-up-Termin**): 225 Basispunkte *per annum* (dies entspricht der Ursprünglichen Marge zuzüglich eines Step-up von 25 Basispunkten); und
- (c) für jede Zinsperiode ab dem Zweiten Step-up-Termin (einschließlich) bis zu dem Tag, an dem die Emittentin die Schuldverschreibungen gemäß § 6 vollständig zurückzahlt (ausschließlich), 300 Basispunkte *per annum* (dies entspricht der Ursprünglichen Marge zuzüglich eines Step-up von 100 Basispunkten).

Representative Amount means an amount that is representative for a single transaction in the swap market at the relevant time.

Reset Date means the First Call Date and each fifth anniversary of the First Call Date.

Reset Period means each period from and including the First Call Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

Reset Rate Determination Date means the second Business Day prior to the relevant Reset Date.

Reset Reference Rate means the relevant 5- year Swap Rate for the relevant Reset Period, as determined by the Calculation Agent.

- (2) **Determination and Notification of Reset Rate of Interest.** The Calculation Agent will, on the Reset Rate Determination Date, determine the Reset Rate of Interest.

The Calculation Agent will cause each Reset Rate of Interest to be notified to the Issuer and to the Holders and the Principal Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, and to the Holders in accordance with § 13 as soon as possible after their determination, but in no event later than the fourth Business Day after its determination.

If the Calculation Agent determines that the Screen Page and/or the Reset

Repräsentative Höhe bedeutet die Höhe einer einzelnen Transaktion, die zur jeweiligen Zeit im Swap-Markt typisch ist.

Reset-Termin bezeichnet den Ersten Rückzahlungstermin und jeden fünften Jahrestag des Ersten Rückzahlungstermins.

Reset-Zeitraum bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum ersten Reset-Termin (ausschließlich) und nachfolgend ab jedem Reset-Termin (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Termin (ausschließlich).

Reset-Referenzsatz-Bestimmungstag ist der zweite Geschäftstag vor dem jeweiligen Reset-Termin.

Reset-Referenzsatz ist der jeweilige 5-Jahres-Swapsatz für den jeweiligen Reset-Zeitraum, wie er von der Berechnungsstelle festgestellt wird.

- (2) **Feststellungen und Bekanntgabe von Reset-Zinssatz.** Die Berechnungsstelle wird den Reset-Zinssatz für die Schuldverschreibungen am Reset-Referenzsatz-Bestimmungstag bestimmen.

Die Berechnungsstelle wird veranlassen, dass der jeweilige Reset-Zinssatz der Emittentin sowie den Gläubigern und der Hauptzahlstelle sowie jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, gemäß § 13 baldmöglichst, aber keinesfalls später als am vierten auf die Bestimmung jeweils folgenden Geschäftstag mitgeteilt werden.

Wenn die Berechnungsstelle feststellt, dass die Bildschirmseite und/oder der

Reference Rate is not available as at the relevant Reset Rate Determination Date because EURIBOR is no longer being calculated or administered, the Issuer will appoint in its sole discretion an independent financial adviser to determine an appropriate alternative Screen Page and/or an appropriate alternative Reset Reference Rate, and the decision of the independent financial adviser will be binding (in the absence of manifest error) on the Issuer, the Calculation Agent and the Holders.

Reset-Referenzsatz an dem betreffenden Reset-Referenzsatz-Bestimmungstag nicht zur Verfügung steht, weil der EURIBOR nicht weiter berechnet oder betrieben wird, wird die Emittentin im eigenen Ermessen einen unabhängigen Sachverständigen damit beauftragen, eine angemessene alternative Bildschirmseite und/oder einen angemessenen alternativen Reset-Referenzsatz festzustellen, wobei die Feststellungen des unabhängigen Sachverständigen für die Emittentin, die Berechnungsstelle und die Anleihegläubiger bindend sind (sofern nicht ein offensichtlicher Irrtum vorliegt).

(3) *Interest following the Occurrence of a Change of Control Event.* If a Change of Control Event (as defined in § 6(6)) occurs and the Issuer does not redeem the Notes in whole in accordance with § 6(6), the interest rate applicable to the Notes will be subject to an additional 500 basis points *per annum* above the otherwise applicable rate of interest from the Change of Control Effective Date (as defined in § 6(6)).

(3) *Verzinsung nach Eintritt eines Kontrollwechsel-Ereignisses.* Wenn ein Kontrollwechsel-Ereignis (wie in § 6(6) definiert) eintritt und die Emittentin die Schuldverschreibungen nicht insgesamt gemäß § 6(6) zurückzahlt, erhöht sich der für die Zinszahlung auf die Schuldverschreibungen ansonsten anwendbare Zinssatz ab dem Kontrollwechsel-Stichtag (wie in § 6(6) definiert) um zusätzliche 500 Basispunkte *per annum*.

(4) *Calculation of Interest for Periods of less than one Year.* If interest is to be calculated for a period of less than a full year, it shall be calculated on the basis of the Day Count Fraction (as defined below). The number of Interest Payment Dates per calendar year (each a **Determination Date**) is 1.

(4) *Berechnung der Zinsen für Zeiträume von weniger als einem Jahr.* Sofern Zinsen für einen Zeitraum von weniger als einem vollen Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachfolgend definiert). Die Anzahl der Zinszahlungstage je Kalenderjahr (jeweils ein **Feststellungstermin**) beträgt 1.

(5) *Day Count Fraction. Day Count Fraction* means, in respect of the calculation of an amount of interest on any Note for any period of time (the **Calculation Period**):

(5) *Zinstagequotient. Zinstagequotient* bezeichnet in Bezug auf die Berechnung von Zinsbeträgen auf die Schuldverschreibungen für einen beliebigen Zeitraum (der **Zinsberechnungszeitraum**):

(a) if the Calculation Period (from and including the first day of such period but excluding the last) is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of days in such Calculation Period (from and including the first day of such period but excluding the last) divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; or

(b) if the Calculation Period (from and including the first day of such period but excluding the last) is longer than the Determination Period during which the Calculation Period ends, the sum of: (A) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year and (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year.

(a) wenn der Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraums) kürzer ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt oder ihr entspricht, die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraums) geteilt durch das Produkt aus (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr; oder

(b) wenn der Zinsberechnungszeitraum (einschließlich des ersten aber ausschließlich des letzten Tages dieses Zeitraums) länger ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, die Summe aus (A) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt aus (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr und (B) der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt aus (1) der Anzahl der Tage in

dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine in einem Kalenderjahr.

Determination Period means the period from (and including) a Determination Date (or, in the case of the first Determination Date, from (and including) the Issue Date) to, (but excluding) the next Determination Date.

Feststellungsperiode ist der Zeitraum ab einem Feststellungstermin (einschließlich desselben) (oder, im Fall des ersten Feststellungstermins, vom Begebungstag (einschließlich)) bis zum nächsten Feststellungstermin (ausschließlich).

- (6) *Cessation of Interest Accrual.* The Notes will cease to bear interest from the beginning of the day on which their principal amount is due for repayment. If the Issuer fails to make any payment of principal under the Notes when due, the Notes will cease to bear interest from the beginning of the day on which such payment is actually made. In such case the applicable rate of interest will be determined pursuant to § 3(1).

- (6) *Zinslaufende.* Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem ihr Kapitalbetrag zur Rückzahlung fällig wird. Sollte die Emittentin eine Zahlung von Kapital auf die Schuldverschreibungen bei Fälligkeit nicht leisten, endet die Verzinsung der Schuldverschreibungen mit Beginn des Tages, an dem die Zahlung tatsächlich erfolgt. Der in einem solchen Fall jeweils anzuwendende Zinssatz wird gemäß § 3(1) bestimmt.

§ 4

PAYMENTS

- (1) *Payments of Principal and Interest.* Payments of principal and interest in respect of Notes, as and when due in accordance with §§ 5 and 6, as applicable, shall be made to the Principal Paying Agent for forwarding to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, in accordance with § 5(1), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).

§ 4

ZAHLUNGEN

- (1) *Zahlungen von Kapital und Zinsen.* Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen bei Fälligkeit erfolgt nach Maßgabe des § 5 bzw. § 6 an die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

Die Zahlung von Zinsen auf die Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe des § 5(1) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1(3)(b).

- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in Euro.
- (3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (4) *Business Day.* If the date for payment of any amount in respect of any Note is not a Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt am Main and Luxembourg and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET2) are operational to effect payments.

- (5) *References to Principal and Interest.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the principal amount and the Specified Denomination per Note, the Early Redemption Amount, Additional Amounts and any other premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Arrears of Interest or any Additional Amounts which may be payable under § 8.

- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher oder sonstiger gesetzlicher Regelungen und Vorschriften werden auf die Schuldverschreibungen fällige Zahlungen in Euro geleistet.
- (3) *Erfüllung.* Die Emittentin werden durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.
- (4) *Geschäftstag.* Fällt der Tag der Fälligkeit einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, so hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Ort und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Geschäftstag bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Banken in Frankfurt am Main und Luxemburg für den allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearingsystem sowie alle maßgeblichen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) betriebsbereit sind, um Zahlungen vorzunehmen.

- (5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Nennbetrag und die Festgelegte Stückelung je Schuldverschreibung, den Vorzeitigen Rückzahlungsbetrag, Zusätzliche Beträge und alle Aufschläge oder sonstigen auf die Schuldverschreibungen oder im Zusammenhang damit gegebenenfalls zahlbaren Beträge. Bezugnahmen in diesen Emissionsbedingungen auf

Zinsen auf die Schuldverschreibungen schließen, soweit anwendbar, sämtliche gegebenenfalls Aufgeschobene Zinszahlungen oder gemäß § 8 zahlbaren Zusätzlichen Beträge ein.

- (6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Frankfurt am Main principal or interest not claimed by Holders within twelve months after any specified payment date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

- (6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Kapital- oder Zinsbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach einem bestimmten Zahlungstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.

§ 5

DUE DATE FOR INTEREST PAYMENTS, DEFERRAL OF INTEREST PAYMENTS, PAYMENT OF ARREARS OF INTEREST

- (1) *Due Date for Interest Payments; Optional Interest Deferral.*
- (a) Interest accrued during an Interest Period will be due and payable (*fällig*) on the relevant Interest Payment Date, unless the Issuer elects, by giving notice to the Holders not less than 10 Business Days prior the relevant Interest Payment Date in accordance with § 13, to defer the relevant payment of interest (in whole but not in part).

If the Issuer elects not to pay accrued interest on an Interest Payment Date, then it will not have any obligation to pay such

§ 5

FÄLLIGKEIT VON ZINSAUHLUNGEN, AUFSCHUB VON ZINSAUHLUNGEN, ZAHLUNG AUFGESCHOBENER ZINSAUHLUNGEN

- (1) *Fälligkeit von Zinszahlungen; wahlweiser Zinsaufschub.*
- (a) Zinsen, die während einer Zinsperiode aufgelaufen sind, werden an dem betreffenden Zinszahlungstag fällig, sofern sich die Emittentin nicht durch eine Bekanntmachung an die Gläubiger gemäß § 13 innerhalb einer Frist von nicht weniger als 10 Geschäftstagen vor dem betreffenden Zinszahlungstag dazu entscheidet, die betreffende Zinszahlung (insgesamt, jedoch nicht teilweise) auszusetzen.

Wenn sich die Emittentin an einem Zinszahlungstag zur Nichtzahlung aufgelaufener Zinsen entscheidet, dann ist sie

interest on such Interest Payment Date. Any such non-payment of interest will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Interest not due and payable in accordance with this § 5(1)(a) will constitute arrears of interest (**Arrears of Interest**).

(b) Arrears of Interest will not bear interest.

(2) **Optional Settlement of Arrears of Interest.** The Issuer will be entitled to pay outstanding Arrears of Interest (in whole but not in part) at any time by giving notice to the Holders not less than 10 Business Days before such voluntary payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.

(3) **Mandatory Payment of Arrears of Interest.** The Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the earliest of the following calendar days (each a **Mandatory Settlement Date**):

(a) the calendar day falling 10 Business Days after the day on which a dividend, other distribution or other payment was validly resolved on,

nicht verpflichtet, an dem betreffenden Zinszahlungstag Zinsen zu zahlen. Eine Nichtzahlung von Zinsen aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund der Schuldverschreibungen oder für sonstige Zwecke.

Nach Maßgabe dieses § 5(1)(a) nicht fällig gewordene Zinsen sind aufgeschobene Zinszahlungen (**Aufgeschobene Zinszahlungen**).

(b) Aufgeschobene Zinszahlungen werden nicht verzinst.

(2) **Freiwillige Zahlung von Aufgeschobenen Zinszahlungen.** Die Emittentin ist berechtigt, ausstehende Aufgeschobene Zinszahlungen jederzeit insgesamt, jedoch nicht teilweise nach Bekanntmachung an die Gläubiger unter Einhaltung einer Frist von nicht weniger als 10 Geschäftstagen vor einer freiwilligen Zinszahlung, wobei eine solche Bekanntmachung (i) den Betrag an Aufgeschobenen Zinszahlungen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Termin enthalten muss.

(3) **Pflicht zur Zahlung von Aufgeschobenen Zinszahlungen.** Die Emittentin ist verpflichtet, Aufgeschobene Zinszahlungen insgesamt und nicht nur teilweise am ersten der folgenden Kalendertage zu zahlen (jeweils ein **Pflichtnachzahlungstag**):

(a) am Kalendertag, der 10 Geschäftstage nach dem Tag liegt, an dem eine Dividende oder sonstige Ausschüttung

declared, paid, or made in respect of Junior Obligations or Parity Obligations (except where such dividend, other distribution or payment was required in respect of employee share schemes);

- (b) the calendar day falling 10 Business Days after the day on which the Issuer or any Subsidiary has redeemed, repurchased or otherwise acquired Junior Obligations or Parity Obligations (except where such redemption or repurchase was required in respect of employee share schemes);
- (c) the calendar day on which the Notes are redeemed;
- (d) the next Interest Payment Date on which the Issuer pays interest on the Notes scheduled to be paid on such Interest Payment Date; or
- (e) the calendar day after an order is made for the winding-up, dissolution, liquidation or bankruptcy of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganization or restructuring while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer);

oder sonstige Zahlung in Bezug auf Nachrangige Verbindlichkeiten der Emittentin, Nachrangige Verbindlichkeiten oder Gleichrangige Verbindlichkeiten erklärt, beschlossen, gezahlt oder geleistet wurde (außer in dem Fall, dass die Dividende oder sonstige Ausschüttung oder Zahlung unter einem Mitarbeiterbeteiligungsprogramm erforderlich war);

- (b) am Kalendertag, der 10 Geschäftstage nach dem Tag liegt, an dem die Emittentin oder eine Tochtergesellschaft Nachrangige Verbindlichkeiten oder Gleichrangige Verbindlichkeiten zurückgekauft, zurückgezahlt oder anderweitig erworben hat (außer in dem Fall, dass die Rückzahlung oder der Rückkauf unter einem Mitarbeiterbeteiligungsprogramm erforderlich war);
- (c) am Kalendertag, an dem die Schuldverschreibungen zurückgezahlt wurden;
- (d) am nächsten Zinszahlungstag, an dem Emittentin Zinsen auf die Schuldverschreibungen zahlt; oder
- (e) am Kalendertag nach dem ein Beschluss zur Auflösung, Abwicklung, Liquidation oder Insolvenz der Emittentin ergangen ist (aber nur, wenn dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht und die Emittentin bzw. die Emittentin noch zahlungsfähig sind und

die übernehmende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt);

provided that

- (x) in the cases (a) and (b) above, no Mandatory Settlement Date occurs if the Issuer or any Subsidiary is obliged under the terms and conditions of such parity or junior obligations to make such payment, such redemption, such repurchase or such other acquisition; and
- (y) in the case (b) above no Mandatory Settlement Date occurs if the Issuer or any Subsidiary repurchases or otherwise acquires any Parity Obligations in whole or in part in a public tender offer or public exchange offer at a purchase price per Parity Obligation below its par value.

§ 6

REDEMPTION, PURCHASES AND CANCELLATION

- (1) *No Scheduled Redemption.* The Notes have no final maturity date and shall not be redeemed except in accordance with the provisions set out in this § 6.
- (2) *Redemption at the Option of the Issuer.* The Issuer may call the Notes for redemption (in whole but not in part) with effect as of the date failing 30 days (including) after the publication of a call notice pursuant to § 13, provided that the Issuer shall publish such call notice not less than 30 days nor more than 120 days before the First Call Date or any Interest

mit der Maßgabe, dass

- (x) in den vorgenannten Fällen (a) und (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder eine Tochtergesellschaft nach Maßgabe der Emissionsbedingungen der betreffenden gleichrangige oder nachrangige Verbindlichkeiten zu der Zahlung, zu der Rückzahlung, zu dem Rückkauf oder zu dem anderweitigen Erwerb verpflichtet ist; und
- (y) im vorgenannten Fall (b) kein Pflichtnachzahlungstag vorliegt, wenn die Emittentin oder eine Tochtergesellschaft Gleichrangige Verbindlichkeiten nach einem öffentlichen Rückkaufangebot oder öffentlichen Umtauschangebot zu einem unter dem Nennwert je Gleichrangiger Verbindlichkeit liegenden Kaufpreis zurückkauft oder anderweitig erwirbt.

§ 6

RÜCKZAHLUNG, ANKAUF UND ENTWERTUNG

- (1) *Keine Endfälligkeit.* Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden nicht zurückgezahlt, außer in Übereinstimmung mit den Bestimmungen dieses § 6.
- (2) *Rückzahlung nach Wahl der Emittentin.* Die Emittentin ist berechtigt die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zum 30. Tag (einschließlich) nach der Veröffentlichung der Kündigungserklärung gemäß § 13 zu kündigen, wobei die Emittentin die Kündigungserklärung nicht weniger als

Payment Date thereafter. In the case such call notice is given, the Issuer shall redeem the Notes at an amount per Note equal to the Specified Denomination plus any interest accrued on the Note to but excluding the date of redemption but yet unpaid and any Arrears of Interest payable pursuant to § 5(3) on the specified redemption date.

- (3) *Early redemption following a Rating Event, an Accounting Event or a Tax Deductibility Event.* The Issuer may, subject to § 6(5) and upon giving not less than 30 nor more than 60 days' notice pursuant to § 13, call the Notes for early redemption (in whole but not in part) at any time if a Rating Event, an Accounting Event or a Tax Deductibility Event has occurred. In the case such call notice is given, the Issuer shall redeem the Notes at an amount per Note equal to 101% of the Specified Denomination plus any interest accrued on the Note to but excluding the date of redemption but yet unpaid and any Arrears of Interest payable pursuant to § 5(3) on the specified redemption date.

- (a) A **Rating Event** has occurred if the Issuer has received, and has provided the Principal Paying Agent

30 und nicht mehr als 120 Tage vor dem Ersten Rückzahlungstermin oder einem nachfolgenden Zinszahlungstag zu veröffentlichen hat. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung in Höhe der Festgelegten Stückelung zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

- (3) *Vorzeitige Rückzahlung nach Eintritt eines Ratingereignisses, eines Rechnungslegungsergebnisses oder eines Steuerereignisses.* Die Emittentin ist vorbehaltlich § 6(5) berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit vorzeitig zu kündigen, falls ein Ratingereignis, ein Rechnungslegungsergebnis oder ein Steuerereignis eingetreten ist. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zu einem Betrag je Schuldverschreibung in Höhe von 101 % der Festgelegten Stückelung zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

- (a) Ein **Ratingereignis** ist eingetreten, wenn die Emittentin von einer

with a copy of, written confirmation from any Rating Agency from whom the Issuer is assigned Solicited Ratings either directly or via a publication by such Rating Agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency effective after the Issue Date of the Notes (or, if later, effective after the date when the equity credit is assigned to the Notes by such Rating Agency for the first time), which amendment, clarification or change results in a lower equity credit for the Notes than the then respective equity credit assigned on the Issue Date, or if equity credit is not assigned to the Notes by the relevant Rating Agency on the Issue Date, at the date when the equity credit is assigned by such Rating Agency for the first time.

- (b) An **Accounting Event** has occurred if an accountancy firm of international standing, acting upon instructions of the Issuer, has

Ratingagentur, von der die Emittentin Beauftragte Ratings erhält, schriftlich benachrichtigt wurde (entweder direkt oder im Wege einer Veröffentlichung durch die betreffende Ratingagentur) und der Hauptzahlstelle davon eine Kopie zur Verfügung gestellt hat, dass eine Abänderung, Klarstellung oder Änderung der Kriterien für die Eigenkapitalanrechnung (*equity credit criteria*) dieser Ratingagentur eingetreten ist, die nach dem Begebungstag der Schuldverschreibungen in Kraft getreten ist (oder, falls dies später erfolgt ist, nach dem Tag, an dem die betreffende Ratingagentur den Schuldverschreibungen erstmals eine Eigenkapitalanrechnung (*equity credit*) zugewiesen hat und dazu führt, dass den Schuldverschreibungen eine niedrigere Eigenkapitalanrechnung (*equity credit*) zugewiesen wird als diejenige, die ihnen am Begebungstag zugewiesen wurde (oder, falls den Schuldverschreibungen von der betreffenden Ratingagentur am Begebungstag keine Eigenkapitalanrechnung (*equity credit*) zugewiesen wurde, an dem Tag, an dem die betreffende Ratingagentur den Schuldverschreibungen erstmals eine Eigenkapitalanrechnung (*equity credit*) zugewiesen hat.

- (b) Ein **Rechnungslegungsereignis** ist eingetreten, wenn eine international anerkannte

delivered a letter or report to the Issuer and the Principal Paying Agent, stating that as a result of a change in accounting principles (or the application thereof) since the Issue Date, the Notes may not or may no longer be recorded as "equity" in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of preparing the annual consolidated financial statements of the Issuer.

- (c) A **Tax Deductibility Event** has occurred if an opinion of a recognized law firm or accounting firm of international standing has been delivered to the Issuer and the Principal Paying Agent, stating that by reason of a change in the relevant Relevant Taxing Jurisdiction or regulation, or any change in the official application or interpretation of such law, becoming effective on or after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in payments of interest payable by the Issuer in respect of the Notes being no longer deductible for corporate income tax purposes in whole or in part, and such risk cannot be avoided by the use of reasonable measures available to the Issuer.

Wirtschaftsprüfungsgesellschaft , die im Auftrag der Emittentin handelt, der Emittentin und der Hauptzahlstelle einen Brief oder ein Gutachten übermittelt hat, wonach aufgrund einer Änderung der Rechnungslegungsgrundsätze (oder deren Auslegung) seit dem Begebungstag die Schuldverschreibungen nicht oder nicht mehr als "Eigenkapital" in den konsolidierten Jahres- oder Halbjahresabschlüssen der Emittentin gemäß IFRS bzw. anderen Rechnungslegungsstandards, die die Emittentin für die Erstellung ihrer konsolidierten Jahresabschlüsse anstelle der IFRS anwenden kann, ausgewiesen werden dürfen.

- (c) Ein **Steuerereignis** ist eingetreten, wenn die Emittentin und die Hauptzahlstelle ein Gutachten einer international anerkannten Rechtsanwaltskanzlei oder einer internationalen Wirtschaftsprüfungsgesellschaft erhalten haben, aus dem hervorgeht, dass an oder nach dem Begebungstag als Folge einer Änderung von Recht der jeweils Maßgeblichen Steuerjurisdiktion oder dessen offizieller Auslegung oder Anwendung die steuerliche Behandlung von Zinszahlungen, die von der Emittentin in Bezug auf die Schuldverschreibungen zahlbar sind, dergestalt geändert wurde, dass sie nicht mehr für die Zwecke der Körperschaftssteuer ganz oder teilweise abzugsfähig sind, und

dieses Risiko nicht durch das Ergreifen der Emittentin zumutbarer Maßnahmen vermeiden kann.

- (4) *Early redemption following a Gross-up Event or a Repurchase Event.* The Issuer may, subject to § 6(5) and upon giving not less than 30 nor more than 60 days' notice pursuant to § 13, call the Notes for early redemption (in whole but not in part) at any time if a Gross-up Event or a Repurchase Event has occurred. In the case such call notice is given, the Issuer shall redeem the Notes at an amount equal to the Specified Denomination plus any interest accrued on the Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Arrears of Interest payable pursuant to § 5(3) on the specified redemption date.

A **Gross-up Event** has occurred if (i) an opinion of a recognized law firm or accounting firm of international standing has been delivered to the Issuer and the Principal Paying Agent, stating that, by reason of any change in the law or regulation, or the official application or interpretation of the Relevant Taxing Jurisdiction (as defined in § 8) in respect of the Issuer affecting taxation or the obligation to pay duties of any kind, becoming effective on or after the Issue Date, the Issuer is required to pay Additional Amounts (as defined in § 8) on the next succeeding Interest Payment Date, and (ii) this obligation cannot be avoided by the use of reasonable measures available to the Issuer.

- (4) *Vorzeitige Rückzahlung nach Eintritt eines Gross-up Ereignisses oder eines Rückkauf-Ereignisses.* Die Emittentin ist vorbehaltlich § 6(5) berechtigt, durch Bekanntmachung gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit vorzeitig zu kündigen, wenn ein Gross-up Ereignis oder ein Rückkauf-Ereignis eingetreten ist. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen am festgelegten Rückzahlungstermin zu einem Betrag in Höhe der festgelegten Stückelung zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Ein **Gross-up Ereignis** ist eingetreten, wenn (i) die Emittentin und die Hauptzahlstelle ein Gutachten einer international anerkannten Rechtsanwaltskanzlei oder einer international anerkannten Wirtschaftsprüfungsgesellschaft erhalten haben, aus dem hervorgeht, dass die Emittentin an oder nach dem Begebungstag als Folge einer Änderung der Gesetze und Vorschriften oder der offiziellen Auslegung oder Anwendung der maßgeblichen Steuerjurisdiktion (wie in § 8 definiert) im Hinblick auf die Emittentin, die Steuern oder die Verpflichtung zur Zahlung von Abgaben jeglicher Art betreffen, am nächstfolgenden Zinszahlungstag zur

However, no such notice of early redemption due to the occurrence of a Gross-up Event may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes was then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

A **Repurchase Event** has occurred if 80% or more of the originally issued aggregate principal amount of the Notes (including further issues pursuant to § 11) have been redeemed or purchased and cancelled by the Issuer or any direct or indirect Subsidiary pursuant to the provisions of this § 6.

- (5) Any notice of redemption pursuant to §§ 6(3) or 6(4) shall set forth the underlying facts of the Issuer's right to early redemption and specify the date fixed for redemption. Prior to the publication of any notice of redemption pursuant to §§ 6(3) or 6(4), the Issuer shall deliver to the Principal Paying Agent an Officers' Certificate, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

Zahlung von Zusätzlichen Beträgen (wie in § 8 definiert) verpflichtet sein wird, und (ii) diese Verpflichtung nicht durch das Ergreifen der Emittentin zur Verfügung stehender zumutbarer Maßnahmen vermieden werden kann.

Eine Kündigung wegen des Eintritts eines Gross-up Ereignisses darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche Zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig wäre, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erklärt wird, die Verpflichtung zur Zahlung von Zusätzlichen Beträgen nicht mehr wirksam ist.

Ein **Rückkauf-Ereignis** ist eingetreten, wenn 80 % oder mehr des Gesamtnennbetrags der ursprünglich (ggf. unter Berücksichtigung einer Erhöhung gemäß § 11) begebenen Schuldverschreibungen nach diesem § 6 von der Emittentin oder einer direkten oder indirekten Tochtergesellschaft zurückgezahlt oder angekauft und eingezogen wurden.

- (5) Jede Bekanntmachung einer Kündigung gemäß §§ 6(3) oder 6(4) muss diejenigen Tatsachen enthalten, auf welche die Emittentin ihr Kündigungsrecht stützt, und den für die Rückzahlung festgelegten Tag angeben. Vor Bekanntmachung einer Kündigung gemäß §§ 6(3) oder 6(4) hat die Emittentin der Hauptzahlstelle eine Vorstandsbescheinigung vorzulegen, die feststellt, dass die Emittentin zur Kündigung berechtigt ist, und darlegt, dass die Voraussetzungen des Kündigungsrechts der Emittentin erfüllt sind.

(6) *Early Redemption following a Change of Control Event.*

- (a) If a Change of Control Event (as defined in § 6(6)(c)) occurs, the Issuer will fix the Change of Control Effective Date (as defined in § 6(6)(c)) and give notice in accordance with § 13 of the Change of Control Event and the Change of Control Effective Date within seven calendar days following the occurrence of a Change of Control Event (the **Change of Control Notice**).
- (b) If a Change of Control Event occurs, the Issuer may call the Notes for redemption (in whole but not in part) with effect as of the Change of Control Effective Date upon giving notice in accordance with the following paragraph. In the case such call notice is given, the Issuer shall redeem each Note at an amount equal to the Specified Denomination plus any interest accrued on the Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Arrears of Interest payable pursuant to § 5(3) on the Change of Control Effective Date.

The Issuer shall give not less than 45 days' notice to the Holders after publication of the Change of Control Notice in accordance with § 13 of an early redemption pursuant to this § 6(6).

(6) *Vorzeitige Rückzahlung nach Eintritt eines Kontrollwechsel-Ereignisses.*

- (a) Wenn ein Kontrollwechsel-Ereignis (wie in § 6(6)(c) definiert) eintritt, hat die Emittentin innerhalb von sieben Kalendertagen nach Eintritt eines Kontrollwechsel-Ereignisses den Kontrollwechsel-Stichtag (wie in § 6(6)(c) definiert) zu bestimmen und das Kontrollwechsel-Ereignis und den Kontrollwechsel-Stichtag gemäß § 13 anzuzeigen (die **Kontrollwechsel-Mitteilung**).
- (b) Wenn ein Kontrollwechsel-Ereignis eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) durch Erklärung gemäß dem nachstehenden Absatz mit Wirkung zu dem darin für die Rückzahlung festgelegten Tag zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin jede Schuldverschreibung am Kontrollwechsel-Stichtag zu einem Betrag in Höhe der Festgelegten Stückelung zuzüglich der bis zum Tag der Rückzahlung in Bezug auf die Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 5(3) fälligen Aufgeschobenen Zinszahlungen zurückzuzahlen.

Die Emittentin muss ihr Recht zur Rückzahlung gemäß diesem § 6(6) durch eine Bekanntmachung an die Gläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 45 Tagen nach

Bekanntmachung der
Kontrollwechsel-Mitteilung
ausüben.

(c) In this § 6(6):

A **Change of Control Event** occurs when a person or persons (in each case, other than Avisco Limited and/or Moricol Limited and/or Gabrilet Limited and/or persons that are, directly or indirectly, controlled by them, individually or jointly), acting together, acquire Control of the Issuer (a **Change of Control**), and at the time of the occurrence of a Change of Control, the Issuer carries (with the agreement of the Issuer) from any Rating Agency: (x) an investment grade credit rating (Baa3 by Moody's, BBB- by S&P, BBB- by Fitch, or equivalent, or better), and such rating from any Rating Agency is within 120 days of such time either downgraded to a non-investment grade credit rating (Ba1 by Moody's, BB+ by S&P, BB+ by Fitch or equivalent, or worse) or withdrawn and is not within such 120-day period subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of withdrawal) replaced by an investment grade credit rating from any other Rating Agency; or (y) a non-investment grade credit rating (Ba1 by Moody's, BB+ by S&P, BB+ by Fitch or equivalent, or worse), and such rating from any Rating Agency is within 120 days of such time downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such 120-day period subsequently upgraded to its earlier credit rating or better by such Rating Agency, provided that if at the time of the occurrence of the Change of

(c) In diesem § 6(6) gilt:

Ein **Kontrollwechsel-Ereignis** tritt ein, wenn eine Person oder mehrere Personen zusammen durch abgestimmtes Verhalten Kontrolle (dies gilt jeweils nicht für Avisco Limited und/oder Moricol Limited und/oder Gabrilet Limited und/oder Personen, die direkt oder indirekt, jeweils einzeln oder gemeinsam) über die Emittentin erlangen (ein **Kontrollwechsel**), und die Emittentin bei Eintritt des Kontrollwechsels über ein (mit Zustimmung der Emittentin erteiltes) Rating von einer Rating Agentur verfügt, entsprechend: (x) einem Investment Grade Rating (Baa3 von Moody's, BBB- von S&P, BBB- von Fitch oder gleichwertig oder besser) und dieses Rating von einer Rating Agentur innerhalb von 120 Tagen nach dem Kontrollwechsel zu einem non-investment Grade Rating (Ba1 von Moody's, BB+ von S&P, BB+ von Fitch oder gleichwertig oder schlechter) herabgestuft oder das Rating zurückgezogen wurde und nicht innerhalb dieser 120-Tagesperiode anschließend (im Falle einer Herabstufung) durch diese Rating Agentur wieder auf ein Investment Grade Rating heraufgestuft oder (im Falle einer Zurückziehung) durch das Investment Grade Rating einer anderen Rating Agentur ersetzt wurde; oder (y) einem non-

Control the Issuer carries a rating from more than one Rating Agency, at least one of which is investment grade, then subparagraph (x) will apply; and in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control.

If the rating designations employed by any Rating Agency are changed from those which are described in the paragraph above, the Issue shall determine the rating designations of the Rating Agency (as appropriate) as are most equivalent to the prior rating designations of the Rating Agency and the paragraph above shall be read accordingly.

investment Grade Rating (Ba1/BB+ oder gleichwertig oder schlechter) und dieses Rating durch eine Rating Agentur innerhalb von 120 Tagen nach Kontrollwechsel um eine oder mehrere Stufen (zur Erläuterung: Ba1 nach Ba2 entspricht einer Stufe) herabgestuft und nicht innerhalb dieser 120-Tagesperiode anschließend wieder auf das ursprüngliche oder ein besseres Rating durch diese Rating Agentur heraufgestuft wurde, wobei falls die Emittentin zum Zeitpunkt des Eintritts des Kontrollwechsels über ein Rating von mehr als einer Rating Agentur verfügt, von denen mindestens eines ein Investment Grade Rating ist, die Regelung unter (x) Anwendung findet; und im Zusammenhang mit einer der oben genannten Entscheidungen die betreffende Rating Agentur öffentlich bekannt macht oder gegenüber der Emittentin schriftlich bestätigt, dass diese Entscheidung ganz oder teilweise auf den Kontrollwechsel zurückzuführen ist.

Falls sich die von einer Rating Agentur verwendeten Rating Kategorien gegenüber denen, die in vorangegangenen Absatz angegeben wurden, ändern sollten, wird die Emittentin diejenigen Rating Kategorien der Rating Agentur bestimmen, die den früheren Rating Kategorien der Rating Agentur möglichst nahe kommen; der vorangegangene Absatz ist

Control means (i) the acquisition or control of more than 50 per cent. of the voting rights of the Issuer or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

Change of Control Effective Date means the date fixed by the Issuer in the Change of Control Notice, which

- (i) must be a Business Day;
- (ii) must fall not less than 45 days and not more than 60 days after publication of the Change of Control Notice; and
- (iii) must, if at the relevant time any Qualifying Debt Securities are outstanding, be at least one day after the date on which a put notice of the holders of the Qualifying Debt Securities due to the Change of Control (or a similar concept) becomes effective.

dann entsprechend auszulegen.

Kontrolle bedeutet: (i) der Erwerb oder die Kontrolle von mehr als 50 % der Stimmrechte der Emittentin, oder (ii) das Recht, alle oder die Mehrheit der Mitglieder des Vorstandes oder eines anderen Führungsgremiums der Emittentin zu benennen oder abzurufen, unabhängig davon, ob dieses Rechte direkt oder indirekt, mittels Besitz von Gesellschaftskapital oder von Stimmrechten, durch Vertrag oder auf andere Weise erworben wurde.

Kontrollwechsel-Stichtag bezeichnet den von der Emittentin in der Kontrollwechsel-Mitteilung festgelegten Tag, der

- (i) ein Geschäftstag sein muss
- (ii) nicht weniger als 45 Tage und nicht mehr als 60 Tage nach Bekanntmachung der Kontrollwechsel-Mitteilung liegen darf; und
- (iii) falls zum betreffenden Zeitpunkt Qualifizierte Fremdkapitalwertpapier e ausstehen, mindestens einen Tag nach dem Tag liegen muss, an dem eine Kündigung der Gläubiger der Qualifizierten Fremdkapitalwertpapier e aufgrund des Kontrollwechsel-Ereignisses (oder eines

ähnlichen Konzepts)
wirksam wird.

Qualifying Debt Securities means any current or future indebtedness that:

- (i) is in the form of, or represented by, a certificate of indebtedness or notes or other securities which are or are capable of being quoted, listed, dealt in or traded on a stock exchange or other recognised securities market, including Schuldscheine (whether or not initially distributed by way of private placement);
- (ii) is either issued directly by the Issuer or indirectly by any other entity and benefiting from a guarantee of the Issuer;
- (iii) is not subordinated; and
- (iv) benefits from a Solicited Rating.

Solicited Rating means a rating assigned by a Rating Agency with whom the Issuer has a contractual relationship under which the Qualifying Debt Securities are assigned a rating.

**Qualifizierte
Fremdkapitalwertpapiere**

bezeichnet jede gegenwärtige oder zukünftige Verbindlichkeit, die

- (i) durch Schuldscheine oder durch Schuldverschreibungen oder sonstige Wertpapiere, die an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert oder gehandelt werden oder werden können, verbrieft, verkörpert oder dokumentiert ist, einschließlich Schuldscheine (unabhängig davon ob diese ursprünglich im Rahmen einer Privatplatzierung platziert wurden);
- (ii) entweder direkt von der Emittentin begeben ist oder indirekt von einer anderen Gesellschaft unter der Garantie der Emittentin;
- (iii) nicht nachrangig ist; und
- (iv) ein Beauftragtes Rating aufweist.

Beauftragtes Rating bezeichnet ein Rating, das von einer Ratingagentur erteilt wird, mit der die Emittentin in einem Vertragsverhältnis steht, in dessen Rahmen die Ratingagentur ein Rating für die Qualifizierten Fremdkapitalwertpapiere erteilt.

(7) For the purposes of this § 6:

IFRS means the International Financial Reporting Standards as adopted by the European Union and as published by the International Accounting Standards Board, as in effect from time to time;

Officers' Certificate means a certificate signed by two members of the board of directors of the Issuer; and

Rating Agency means any of the following rating agencies: Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**), Moody's Investor Services Limited (**Moody's**) or Fitch Ratings Ltd. (**Fitch**) or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer.

(8) **Purchases.** The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.

(9) **Cancellation.** All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

(7) Für die Zwecke dieses § 6:

bezeichnet **IFRS** die nach der EU anwendbaren International Financial Reporting Standards des International Accounting Standards Board in jeweils geltender Fassung;

bezeichnet **Vorstandsbescheinigung** eine von zwei Mitgliedern des Vorstands der Emittentin unterzeichnete Bescheinigung; und

bezeichnet **Ratingagentur** jede der folgenden Ratingagenturen: Standard and Poor's Rating Services, eine Abteilung von The McGraw-Hill Companies, Inc. (**S&P**), Moody's Investor Services Limited (**Moody's**) oder Fitch Ratings Ltd. (**Fitch**) oder eine ihrer jeweiligen Nachfolgesellschaften oder jede andere von der Emittentin von Zeit zu Zeit bestimmte Ratingagentur vergleichbaren internationalen Ansehens.

(8) **Ankauf.** Die Emittentin sind berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.

(9) **Entwertung.** Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 7

PRINCIPAL PAYING AGENT AND CALCULATION AGENT

- (1) *Appointment, Specified Office.* The initial Principal Paying Agent and the initial Calculation Agent and their initial specified offices shall be:

Principal Paying Agent:

Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

Calculation Agent:

Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

The Principal Paying Agent and the Calculation Agent reserve the right at any time to change their specified offices to some other office in the same city.

- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or the Calculation Agent and to appoint another Principal Paying Agent or one or more additional paying agents or another Calculation Agent. The Issuer shall at all times maintain a Principal Paying Agent and a Calculation Agent. Any variation, termination, appointment or other change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 13.

§ 7

HAUPTZAHLSTELLE UND BERECHNUNGSSTELLE

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Hauptzahlstelle und die anfänglich bestellte Berechnungsstelle und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

Hauptzahlstelle:

Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
Vereinigtes Königreich

Berechnungsstelle:

Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
Vereinigtes Königreich

Die Hauptzahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere Geschäftsstelle in derselben Stadt zu ersetzen.

- (2) *Änderung oder Beendigung der Bestellung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Hauptzahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine andere Hauptzahlstellen oder eine oder mehrere zusätzliche Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Hauptzahlstelle und eine Berechnungsstelle unterhalten. Eine Änderung, Beendigung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern

- (3) *Agent of the Issuer.* The Principal Paying Agent and the Calculation Agent and any other paying agent appointed pursuant to subsection (2) act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

§ 8

TAXATION

All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of any jurisdiction in which the Issuer is organised, engaged in business, resident for tax purposes or generally subject to tax on a net income basis or through or from which payment on the Notes is made or any political subdivision or any authority thereof or therein having power to tax (each, a **Relevant Taxing Jurisdiction**), unless such withholding or deduction is required by law. If such withholding with respect to amounts payable in respect of the Notes is required by law, the Issuer will pay such additional amounts (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

die Gläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

- (3) *Erfüllungsgehilfe der Emittentin.* Die Hauptzahlstelle und die Berechnungsstelle und jede andere nach Absatz (2) bestellte Zahlstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

§ 8

BESTEUERUNG

Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen eines Landes, in dem die Emittentin gegründet wurde, geschäftstätig, steuerlich ansässig oder grundsätzlich mit ihren Nettoeinkünften steuerpflichtig ist oder über das oder aus dem Zahlungen auf die Schuldverschreibungen geleistet werden, oder einer steuererhebungsberechtigten Gebietskörperschaft oder Steuerbehörde dieses Landes (jeweils eine **Maßgebliche Steuerjurisdiktion**) im Wege des Abzugs oder Einhalts an der Quelle auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. Ist ein Einbehalt in Bezug auf zu zahlenden Beträge auf die Schuldverschreibungen gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die **Zusätzlichen Beträge**) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den

Gläubigern erhalten worden wären; eine Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht für solche Steuern oder Abgaben:

- (a) are payable by any Person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it, or
 - (b) are payable by reason of the Holder having, or having had, some personal or business connection with the Relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Relevant Taxing Jurisdiction, or
 - (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Grand Duchy of Luxembourg, the Federal Republic of Germany or the European Union or the Relevant Taxing Jurisdiction is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
 - (d) would not have been imposed or withheld but for the failure of the Holder or beneficial owner of Notes (including, for these
- (a) die von einer als Depotbank oder Inkassobeauftragter im Namen eines Gläubigers handelnden Person zu entrichten sind, oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin von den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt, oder
 - (b) die aufgrund einer bestehenden oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Maßgeblichen Steuerjurisdiktion zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Maßgeblichen Steuerjurisdiktion stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind, oder
 - (c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) zwischenstaatlicher Abkommen oder Vereinbarungen über deren Besteuerung, an denen das Großherzogtum Luxemburg, die Bundesrepublik Deutschland oder die Europäische Union oder der Maßgeblichen Steuerjurisdiktion beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die der Umsetzung dieser Richtlinie, Verordnung oder dieses Abkommens oder dieser Vereinbarung dient, diesen entspricht oder zur Anpassung an diese eingeführt wurde, abzuziehen oder einzubehalten sind, oder
 - (d) die nicht erhoben oder einbehalten worden wären, wenn es der Gläubiger oder der wirtschaftliche Eigentümer

purposes, any financial institution through which the Holder or beneficial owner holds the Notes or through which payment on the Notes is made), following a written request by or on behalf of the Issuer addressed to the Holder or beneficial owner (and made at a time that would enable the Holder or beneficial owner acting reasonably to comply with that request, and in all events, at least 30 days before any withholding or deduction would be required), to comply with any certification, identification, information or other reporting requirement whether required by statute, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction, that is a precondition to exemption from, or reduction in the rate of deduction or withholding of, taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the Holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction), but in each case, only to the extent the Holder or beneficial owner is legally entitled to provide such certification, information or documentation, or

- (e) are required to be withheld or deducted pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Code, or any fiscal or regulatory legislation, rules

der Schuldverschreibungen (für die vorliegenden Zwecke einschließlich Finanzinstitute, über die der Gläubiger oder wirtschaftliche Eigentümer die Schuldverschreibungen hält oder über die die Zahlungen auf die Schuldverschreibungen erfolgen) nicht unterlassen hätte, nach einer an den Gläubiger oder wirtschaftlichen Eigentümer gerichteten schriftlichen Aufforderung der Emittentin, oder in deren Namen (die so rechtzeitig erfolgt, dass der Gläubiger bzw. der wirtschaftliche Eigentümer dieser Aufforderung mit zumutbaren Anstrengungen nachkommen kann, in jedem Fall aber mindestens 30 Tage, bevor ein Einbehalt oder Abzug erforderlich wäre), einer aufgrund von Gesetzen, Abkommen, Verordnungen oder der Verwaltungspraxis in einer Maßgeblichen Steuerjurisdiktion vorgeschriebenen Bescheinigungs-, Identifizierungs-, Informations-, oder sonstigen Nachweispflicht nachzukommen, die Voraussetzung für eine Befreiung von in der Maßgeblichen Steuerjurisdiktion erhobenen Steuern oder eine Reduzierung der Höhe des Abzugs oder Einhalts solcher Steuern ist (u. a. eine Bescheinigung, dass der Gläubiger bzw. der wirtschaftliche Eigentümer nicht in der Maßgeblichen Steuerjurisdiktion ansässig ist), jedoch jeweils nur, soweit der Gläubiger bzw. der wirtschaftliche Eigentümer rechtlich berechtigt ist, die Bescheinigung, Information oder Dokumentation vorzulegen, oder

- (e) deren Einbehalt oder Abzug gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code von 1986 in der jeweils geltenden Fassung (der **Code**), gegenwärtigen oder künftigen gemäß dem Code erlassenen Regelungen oder seiner offiziellen Auslegung, einer gemäß Section

or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code, or

- (f) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 13, whichever occurs later, or
- (g) any combinations of items (a) through (f),

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Note.

For the avoidance of doubt, the withholding tax (*Kapitalertragsteuer*) currently levied in the Federal Republic of Germany at the level of the custodian bank and the solidarity surcharge (*Solidaritätszuschlag*) imposed thereon pursuant to tax law as in effect as of the Issue Date do not constitute a tax or duty as described above in

1471(b) des Code geschlossenen Vereinbarung oder gemäß steuerrechtlichen oder aufsichtsrechtlichen Gesetzen, Regelungen oder Verfahrensweisen, die gemäß im Zusammenhang mit der Umsetzung dieser Vorschriften des Code geschlossenen zwischenstaatlichen Vereinbarungen eingeführt wurden, erforderlich ist, oder

- (f) die wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 wirksam wird, oder
- (g) jegliche Kombination der Absätze (a) bis (f).

Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Schuldverschreibungen an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder Personengesellschaft oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer der Zahlung erhält, soweit nach den Gesetzen der Maßgeblichen Steuerjurisdiktion eine solche Zahlung für Steuerzwecke dem Einkommen des Begünstigten bzw. Gründers eines Treuhandvermögens oder eines Gesellschafters der Personengesellschaft zugerechnet würde, der jeweils selbst nicht zum Erhalt von Zusätzlichen Beträgen berechtigt gewesen wäre, wenn der Begünstigte, Gründer eines Treuhandvermögens, Gesellschafter oder wirtschaftliche Eigentümer selbst Gläubiger der Schuldverschreibungen wäre.

Zur Klarstellung wird festgehalten, dass die gegenwärtig in der Bundesrepublik Deutschland gemäß dem zum Begebungstag geltenden Steuerrecht auf der Ebene der Depotbank erhobene Kapitalertragsteuer und der darauf anfallende Solidaritätszuschlag keine Steuern oder Abgaben der vorstehend

respect of which Additional Amounts would be payable by the Issuer.

§ 9

PRESENTATION PERIOD

The presentation period provided in section 801 paragraph 1, sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.

§ 10

SUBSTITUTION, TRANSFER OF DOMICILE

(1) *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal or interest on any of the Notes is in default, at any time substitute for the Issuer any Affiliate as principal debtor in respect of all obligations arising from or in connection with these Notes (the **Substitute Debtor**) provided that:

- (a) the Substitute Debtor, in a manner legally effective, assumes all obligations of the Issuer in respect of the Notes;
- (b) none of the early redemption events specified in §§ 6(3) or 6(4) occurs as a consequence of the substitution of the Issuer by the Substitute Debtor;
- (c) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute

beschriebenen Art darstellen, für die von der Emittentin Zusätzliche Beträge zu zahlen wären.

§ 9

VORLEGUNGSFRIST

Die in § 801 Abs. 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

§ 10

ERSETZUNG, SITZVERLEGUNG

(1) *Ersetzung.* Die Emittentin ist berechtigt, wenn kein Zahlungsverzug hinsichtlich Kapital oder Zinsen auf die Schuldverschreibungen vorliegt, jederzeit ohne die Zustimmung der Gläubiger ein Verbundenes Unternehmen an ihrer Stelle als Hauptschuldnerin (die **Nachfolgeschuldnerin**) für alle Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin im Zusammenhang mit den Schuldverschreibungen rechtswirksam übernimmt;
- (b) kein in §§ 6(3) oder 6(4) genannter vorzeitiger Kündigungsgrund in Folge der Ersetzung der Emittentin durch die Nachfolgeschuldnerin eintritt;
- (c) die Nachfolgeschuldnerin und die Emittentin alle für die Ersetzung notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten haben, die Nachfolgeschuldnerin alle für die Erfüllung ihrer

Debtor of its obligations under the Notes and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor in respect of the Notes are valid and binding in accordance with their respective terms and enforceable by each Holder;

- (d) the Substitute Debtor can transfer to the Paying Agent in the currency required and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (e) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution; and
- (f) the Issuer shall have delivered to an agent appointed for that purpose one Opinion of Counsel for each jurisdiction affected of lawyers of

Verpflichtungen aus den Schuldverschreibungen notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten hat und weiterhin sämtliche dieser Genehmigungen und Zustimmungen in vollem Umfang gültig und wirksam sind und zudem die Verpflichtungen der Nachfolgeschuldnerin aus den Schuldverschreibungen gemäß ihren Bestimmungen wirksam und rechtsverbindlich und durch jeden Gläubiger durchsetzbar sind;

- (d) die Nachfolgeschuldnerin alle für die Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen erforderlichen Beträge in der erforderlichen Währung an die Zahlstelle überweisen kann, ohne zum Abzug oder Einbehalt von Steuern oder sonstigen Abgaben gleich welcher Art verpflichtet zu sein, die in dem Land erhoben werden, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz hat oder steuerlich ansässig ist;
- (e) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben, Festsetzungen oder behördlichen Lasten freizustellen, die einem Gläubiger im Zusammenhang mit der Ersetzung auferlegt werden; und
- (f) die Emittentin einem zu diesem Zweck bestellten Beauftragten ein Rechtsgutachten bezüglich jeder betroffenen

recognised standing to the effect that subparagraphs (a) to (e) above have been satisfied.

Rechtsordnung von anerkannten Rechtsanwälten vorgelegt hat, das bestätigt, dass die Bestimmungen in den vorstehenden Absätzen (a) bis (e) erfüllt wurden.

For purposes of this § 10:

Für die Zwecke dieses § 10 bezeichnet:

Affiliate means any affiliated company (*verbundenes Unternehmen*) within the meaning of section 15 of the German Stock Corporation Act (*Aktiengesetz*).

Verbundenes Unternehmen ein verbundenes Unternehmen im Sinne von § 15 Aktiengesetz (AktG).

Opinion of Counsel means a written opinion from legal counsel. The counsel may be an employee of, or counsel to, the Issuer.

Rechtsgutachten bezeichnet ein schriftliches Gutachten eines Rechtsberaters. Der Rechtsberater kann Mitarbeiter oder externer Rechtsberater der Emittentin sein.

(2) *Notice*. Any substitution of the Issuer pursuant to this § 10 and the date of effectiveness of such substitution shall be published in accordance with § 13.

(2) *Bekanntmachung*. Jede Ersetzung der Emittentin gemäß diesem § 10 sowie das Datum, an dem die Ersetzung wirksam wird, ist gemäß § 13 bekannt zu geben.

(3) *Change of References*. Upon effectiveness of the substitution any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the Relevant Taxing Jurisdiction with respect to the Issuer shall from then on be deemed to refer to the Relevant Taxing Jurisdiction with respect to the Substitute Debtor.

(3) *Änderung von Bezugnahmen*. Mit Wirksamwerden der Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf die Maßgebliche Steuerjurisdiktion im Hinblick auf die Emittentin gilt ab diesem Zeitpunkt als Bezugnahme auf die Maßgebliche Steuerjurisdiktion im Hinblick auf die Nachfolgeschuldnerin.

(4) *Release from Obligations*. Upon effective substitution of the Issuer as set forth in this § 10, the Issuer shall be released from any obligation arising from or in connection with the Notes.

(4) *Schuldbefreiung*. Nach wirksamer Ersetzung der Emittentin gemäß diesem § 10 ist die Emittentin von allen Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen befreit.

(5) *Further Substitution*. At any time after a substitution pursuant to § 10(1) above, the Substitute Debtor may, without the consent of the Holders, effect a further substitution *provided that* all the

(5) *Weitere Ersetzungen*. Die Nachfolgeschuldnerin ist jederzeit nach einer Ersetzung gemäß vorstehendem § 10(1) berechtigt, ohne die Zustimmung der Gläubiger eine

provisions specified in §§ 10(1) to 10(4) above shall apply, *mutatis mutandis*, and, without limitation, references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute Debtor.

- (6) *Transfer of Domicile.* A transfer of domicile of the Issuer to another country or territory is only permissible if the requirements set forth in § 10(1) and (2) above are complied with accordingly. The second half-sentence of § 10(3) sentence 1 shall apply *mutatis mutandis*.

§ 11

FURTHER ISSUES

Further Issues. The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Date and/or issue price) so as to form a single series with the Notes.

§ 12

AMENDMENTS TO THE TERMS AND CONDITIONS BY RESOLUTIONS OF HOLDERS, NOTEHOLDERS' REPRESENTATIVE

- (1) *Amendment of the Terms and Conditions.* The Issuer may agree with the Holders on amendments to the Terms and Conditions or on other matters by virtue of a majority resolution of the Holders pursuant to sections 5 *et seqq.* of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen* aus

weitere Ersetzung vorzunehmen, wobei alle Bestimmungen der vorstehenden §§ 10(1) bis 10(4) sinngemäß Anwendung finden und, ohne hierauf beschränkt zu sein, Bezugnahmen in diesen Emissionsbedingungen auf die Emittentin, sofern der Zusammenhang dies verlangt, als Bezugnahmen bzw. auch als Bezugnahmen auf jede weitere Nachfolgeschuldnerin gelten.

- (6) *Sitzverlegung.* Eine Verlegung des Sitzes der Emittentin in ein anderes Land oder Gebiet ist nur zulässig, wenn die vorstehend in §§ 10(1) und (2) genannten Anforderungen entsprechend erfüllt sind. § 10(3) zweiter Halbsatz des ersten Satzes findet entsprechende Anwendung.

§ 11

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN

Begebung weiterer Schuldverschreibungen. Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit in jeder Hinsicht gleicher Ausstattung (gegebenenfalls mit Ausnahme des jeweiligen Begebungstags und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

§ 12

ÄNDERUNGEN DER EMISSIONSBEDINGUNGEN DURCH BESCHLÜSSE DER GLÄUBIGER, GEMEINSAMER VERTRETER

- (1) *Änderung der Emissionsbedingungen.* Die Emittentin kann mit den Gläubigern Änderungen der Emissionsbedingungen oder sonstige Maßnahmen durch Mehrheitsbeschluss der Gläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen

Gesamtemissionen – SchVG), as amended from time to time. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 of the SchVG by resolutions passed by such majority of the votes of the Holders as stated under § 12(2) below. A duly passed majority resolution shall be binding equally upon all Holders. Resolutions of the Holders which result in the Notes no longer being recorded as "equity" in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to IFRS (as defined in § 6(7)) or any other accounting standards that may replace IFRS for the purposes of preparing the annual consolidated financial statements of the Issuer are invalid.

- (2) *Majority*. Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 of the SchVG, or relating to material other matters may only be passed by a majority of at least 75% of the voting rights participating in the vote (a **Qualified Majority**).
- (3) *Passing of resolutions*. The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with section 5 *et seq.* of the SchVG or by means of a vote without a meeting (*Abstimmung ohne*

aus Gesamtemissionen (**SchVG**) in seiner jeweils geltenden Fassung beschließen. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Emissionsbedingungen, einschließlich der in § 5 Abs. 3 SchVG vorgesehenen Maßnahmen durch Beschlüsse mit den in dem nachstehenden § 12(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger gleichermaßen verbindlich. Beschlüsse, die dazu führen, dass die Schuldverschreibungen nicht mehr als "Eigenkapital" in den geprüften Jahres- und Halbjahresabschlüssen der Emittentin, die im Einklang mit IFRS (wie in § 6(7) definiert) oder jedem anderen Buchhaltungsstandard, der IFRS bei der Erstellung der geprüften Jahres- und Halbjahresabschlüsse der Emittentin ersetzt, erstellt wurden, zu bilanzieren wären, sind unwirksam.

- (2) *Mehrheit*. Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Gläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Emissionsbedingungen, insbesondere in den Fällen des § 5 Abs. 3 Nr. 1 bis 9 SchVG, geändert wird, oder sonstige wesentliche Maßnahmen beschlossen werden, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine **Qualifizierte Mehrheit**).
- (3) *Beschlussfassung*. Die Gläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung

Versammlung) in accordance with section 18 and section 5 *et seq.* of the SchVG.

(4) *Meeting.* If resolutions of the Holders shall be made by means of a meeting the convening notice (*Einberufung*) will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Holders together with the convening notice. Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

(5) *Vote without a Meeting.* If resolutions of the Holders shall be made by means of a vote without a meeting the request for voting (*Aufforderung zur Stimmabgabe*) will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Holders together with the request for voting. The exercise of voting rights is

gemäß § 18 und § 5 ff. SchVG fassen.

(4) *Gläubigerversammlung.* Falls Beschlüsse der Gläubiger in einer Gläubigerversammlung gefasst werden, enthält die Bekanntmachung der Einberufung nähere Angaben zu den Beschlüssen und zu den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Bekanntmachung der Einberufung bekannt gemacht. Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

(5) *Abstimmung ohne Versammlung.* Falls Beschlüsse der Gläubiger im Wege einer Abstimmung ohne Versammlung gefasst werden, enthält die Aufforderung zur Stimmabgabe nähere Angaben zu den Beschlüssen und zu den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Aufforderung zur

subject to the Holders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

- (6) *Second Meeting.* If it is ascertained that no quorum exists for the meeting pursuant to § 12(4) or the vote without a meeting pursuant to § 12(5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with section 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 14(3)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not

Stimmabgabe bekannt gemacht. Die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Aufforderung zur Stimmabgabe mitgeteilten Adresse spätestens am dritten Tag vor Beginn des Abstimmungszeitraums zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.

- (6) *Zweite Versammlung.* Wird für die Gläubigerversammlung gemäß § 12(4) oder die Abstimmung ohne Versammlung gemäß § 12(5) die mangelnde Beschlussfähigkeit festgestellt, kann – im Fall der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 2 SchVG und – im Fall der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der zweiten Versammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der

transferable from and including the day such registration has been sent until and including the stated end of the meeting.

- (7) *Noteholders' Representative.* The Holders may by majority resolution provide for the appointment or dismissal of a noteholders' representative (the **Noteholders' Representative**), the duties and responsibilities and the powers of such Noteholders' Representative, the transfer of the rights of the Holders to the Noteholders' Representative and a limitation of liability of the Noteholders' Representative. Appointment of a Noteholders' Representative may only be passed by a Qualified Majority if such Noteholders' Representative is to be authorised to consent, in accordance with § 12(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.
- (8) *Publication.* Any notices concerning this § 12 shall be made exclusively pursuant to the provisions of the SchVG.

§ 13

NOTICES

- (1) *Publication.* All notices concerning the Notes, except as stipulated in § 12(8), will be made by means of electronic publication on the internet website of the stock exchange on which the Notes are listed. Any notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following

Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(3)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Versammlung (einschließlich) nicht übertragbar sind, nachweisen.

- (7) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der **Gemeinsame Vertreter**), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Emissionsbedingungen oder sonstigen wesentlichen Maßnahmen gemäß § 12(2) zuzustimmen.
- (8) *Veröffentlichung.* Bekanntmachungen betreffend diesen § 12 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

§ 13

MITTEILUNGEN

- (1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen, außer wie in § 12(8) vorgesehen, sind auf der Internetseite der derjenigen Wertpapierbörse, an der die Schuldverschreibungen zugelassen sind, elektronisch zu veröffentlichen. Jede derartige Mitteilung gilt mit dem dritten Tag nach

the date of the first such publication).

- (2) *Notification to Clearing System.* So long as the Notes are listed on any stock exchange, § 13(1) shall apply. In addition to publication as set forth in § 13(1) above, if the rules of the respective stock exchange so permit, or so long as the Notes are not listed on any stock exchange, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders.
- (3) *Notification to the Issuer.* Notices to be given by any Holder to the Issuer shall be made by means of a written declaration to be delivered by hand or registered mail to the Paying Agent.

§ 14

APPLICABLE LAW, PLACE OF JURISDICTION, ENFORCEMENT AND PROCESS AGENT

- (2) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by the laws of the Federal Republic of Germany, without giving effect to the principles of conflict of laws. The provisions of articles 470-3 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are excluded.

dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichungen mit dem dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.

- (2) *Mitteilungen an das Clearingsystem.* Solange Schuldverschreibungen an einer Wertpapierbörse notiert sind, findet § 13(1) Anwendung. Zusätzlich zu Mitteilungen nach § 13(1) und soweit die Regeln der jeweiligen Wertpapierbörse dies zulassen oder solange wie die Schuldverschreibungen an keiner Wertpapierbörse zugelassen sind, kann die Emittentin eine Veröffentlichung durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger vornehmen.
- (3) *Mitteilungen an die Emittentin.* Mitteilungen eines Gläubigers an die Emittentin haben in der Weise zu erfolgen, dass der Gläubiger der Zahlstelle eine entsprechende schriftliche Erklärung übergibt oder durch eingeschriebenen Brief übermittelt.

§ 14

ANWENDBARES RECHT, GERICHTSSTAND, GERICHTLICHE GELTENDMACHUNG UND ZUSTELLUNGSBEVOLLMÄCHTIGTER

- (1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich nach dem Recht der Bundesrepublik Deutschland, unter Ausschluss des internationalen Privatrechts. Die Anwendbarkeit der Vorschriften 470-3 bis 470-19 des luxemburgischen Gesetzes vom 10. August 1915 über die Handelsgesellschaften, in der jeweils gültigen Fassung, ist

ausgeschlossen.

- (3) *Submission to Jurisdiction.* Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the place of non-exclusive jurisdiction for any action or other legal proceedings in connection with the Notes shall be Frankfurt am Main.
- (4) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. For purposes of the foregoing, **Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.
- (2) *Gerichtsstand.* Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG ist Frankfurt am Main nicht ausschließlicher Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehende Klagen oder sonstige Verfahren.
- (3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin oder eine Garantin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person von dem Clearingsystem oder einer Verwahrstelle des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem

solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet **Depotbank** jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Depotgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems. Unbeschadet der vorstehenden Bestimmungen ist jeder Gläubiger berechtigt, seine Rechte aus diesen Schuldverschreibungen auch auf jede andere im Land des Verfahrens zulässige Weise geltend zu machen.

§ 15

LANGUAGE

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.

The following paragraphs in italics do not form part of the Terms and Conditions.

The Issuer intends (without thereby assuming a legal or contractual obligation) that they will redeem or repurchase the Notes only to the extent they are replaced with instruments with equivalent S&P equity credit. Such replacement would be provided during the 360-day period prior to the date of such redemption or repurchase. The net proceeds received by the Issuer or any Subsidiary from the sale to third party purchasers of securities which are assigned an S&P equity credit that is at least equal to the equity credit assigned to the Notes by S&P at their issuance will count as replacement.

§ 15

SPRACHE

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

Die folgenden Absätze in Kursivschrift sind nicht Bestandteil der Emissionsbedingungen.

Die Emittentin beabsichtigt (ohne dadurch eine Rechtspflicht zu übernehmen), die Schuldverschreibungen nur zurückzuzahlen oder zurückzukaufen, soweit sie durch Instrumente mit gleichwertiger S&P Eigenkapitalanrechnung ersetzt werden. Ein solcher Ersatz würde innerhalb von 360 Tagen vor dem Tag der Rückzahlung oder des Rückkaufs geschaffen werden. Als Ersatz gelten die Nettoerlöse, die die Emittentin oder eine Tochtergesellschaft aus dem Verkauf an Dritte von Wertpapieren erhält, die eine S&P Eigenkapitalanrechnung haben, die mindestens so hoch ist wie die ursprüngliche S&P Eigenkapitalanrechnung

The following exceptions apply as to the Issuer's replacement intention. The Notes are not required to be replaced:

- (i) if the rating assigned by S&P to the Issuer is at least BBB+ and the Issuer is comfortable that such rating would not fall below this level as a result of such redemption or repurchase, or
- (ii) in the case of repurchase of less than (x) 10% of the aggregate principal amount of the Notes originally issued in any period of 12 consecutive months or (y) 25% of the aggregate principal amount of the Notes originally issued in any period of 10 consecutive years is repurchased, or
- (iii) if the Notes are redeemed pursuant to a Rating Event, an Accounting Event, a Tax Deductibility Event, or a Gross-Up Event; or
- (iv) if the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase); or
- (v) if such redemption or repurchase occurs on or after the Second Step-up Date.

Terms used but not defined in the preceding paragraphs shall have the meaning set out in the Terms and Conditions.

der Schuldverschreibungen.

Es gelten jedoch folgende Ausnahmen in Bezug auf die Absicht der Emittentin. Es muss nicht für Ersatz gesorgt werden:

- (i) wenn das der Emittentin durch S&P erteilte Rating mindestens BBB+ beträgt und die Emittentin (je nach Fall) sich sicher ist, dass ein solches Rating infolge der Rückzahlung oder des Rückkaufs nicht unter diesen Wert fallen würde oder
- (ii) im Fall eines Rückkaufs von Schuldverschreibungen in Höhe von weniger als (x) 10% des ursprünglich ausgegebenen Gesamtnennbetrags der Schuldverschreibungen während einer Frist von 12 aufeinander folgenden Monaten oder (y) 25% des ursprünglich ausgegebenen Gesamtnennbetrags der Schuldverschreibungen während einer Frist von 10 aufeinander folgenden Jahren oder
- (iii) im Fall der Rückzahlung der Schuldverschreibungen gemäß einem Ratingereignis, einem Rechnungslegungereignis, einem Steuerereignis oder einem Gross-Up Ereignis erfolgt; oder
- (iv) wenn die Schuldverschreibungen keine Eigenkapitalanrechnung (oder eine solche von S&P zum Zeitpunkt der Rückzahlung oder des Rückkaufs dann verwendete gleichartige Klassifikation) aufweisen; oder
- (v) wenn die Rückzahlung oder der Rückkauf am oder nach dem Zweiten Step-up Termin erfolgt.

Begrifflichkeiten, die in den vorhergehenden Absätzen verwendet, aber nicht definiert werden, haben die gleiche Bedeutung wie in den Emissionsbedingungen.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used to fund Aroundtown's growth strategy, re-finance or repay existing debt, and/or for other corporate purposes.

DESCRIPTION OF THE ISSUER AND THE GROUP

Formation, Incorporation, Registered Office, Commercial Name, Financial Year

The Issuer is a public limited liability company (*société anonyme*) duly governed by the laws of the Grand Duchy of Luxembourg ("**Luxembourg**"), in particular the Luxembourg law of 10 August 1915 on commercial companies, as amended, and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under the registration number B217868. The Issuer was founded on 7 May 2004 in Cyprus under the name Redspot Media Limited. The commercial name of the Issuer is Aroundtown. The duration of the Issuer is unlimited.

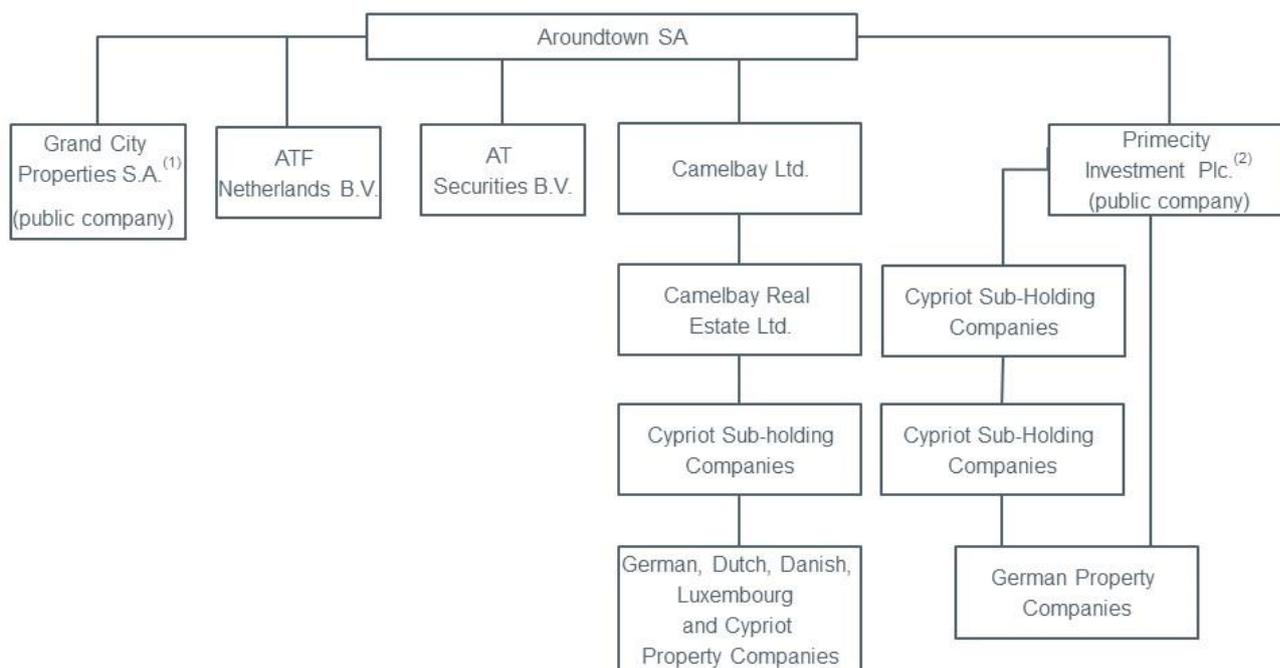
The address and registered office of the Issuer is at 1, Avenue du Bois, L-1251 Luxembourg. The telephone number of the Issuer's registered office is +352 285 7741.

Group Structure

The Issuer is the parent company of Aroundtown, which consists of more than 300 companies and together with the Group consists of more than 800 companies. These companies are located primarily in Germany, Luxembourg, the Netherlands and Cyprus. The Issuer conducts its business through itself and through the other members of Aroundtown.

The Issuer's shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) (ISIN: LU1673108939). The Issuer holds 98% of the shares in Primecity Investment PLC ("**PCI**"), which is listed on the Euronext Growth market segment of the Paris Euronext stock exchange (ISIN: CY0104972217). The Issuer also holds 37.6% of the shares in Grand City Properties S.A. ("**GCP**"), which are admitted to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) (ISIN: LU0775917882).

The following diagram sets forth the structure of Aroundtown in a simplified form as of the date of this Prospectus:



(1) The Issuer's 37.6% interest in GCP is held through its wholly owned subsidiary Edolaxia Group Limited, which is not shown in the diagram for simplification purposes. On 31 December 2014, GCP was deconsolidated from the Issuer's consolidated financial statements. The Issuer's interest in GCP is presented as investment in an equity-accounted investee. For more information, see page 32 in the 2015 Consolidated Financial Statements.

(2) The Issuer's interest in PCI is held through its fully-owned subsidiaries Alfortia Ltd. and Bluestyle Ltd., which are not shown in the diagram for simplification purposes.

Business Overview

The Issuer is a specialist real estate company, with a focus on value-add and income generating properties primarily in the German and Dutch real estate markets. Aroundtown invests in commercial and residential real estate assets which benefit from strong fundamentals and growth prospects.

Operating with a fully integrated real estate value chain, Aroundtown targets cash generating properties with upside potential in terms of rental income and/or occupancy, lease and tenant structure, cost level optimization and consequential value. Through an intensive property operational repositioning, Aroundtown seeks to further improve the portfolio results, creating

secure and strong cash flow generating characteristics and benefits from the internal growth potential. This enables the Issuer to create significant value in its portfolio.

History

The Issuer and Aroundtown have been active in the German real estate market since 2004, and have built a diversified and growing real estate portfolio consisting primarily of commercial real estate in Germany and the Netherlands and the Issuer's indirect interest in the property portfolio of GCP based on the Issuer's 37.6% interest in GCP, a publicly traded specialist real estate company which invests in the German residential real estate market. In October 2016, the Issuer announced that it intends, subject to market conditions, to increase its interest in GCP up to a 40% holding.

The Issuer was founded as a private limited liability company in Cyprus in May 2004 under the name Redspot Media Limited and changed its name to Aroundtown Property Holdings Limited in October 2004. In November 2014, the Issuer became a public limited liability company in Cyprus under the name Aroundtown Property Holdings plc. On 13 September 2017, the Issuer completed the transfer of its registered office and principal place of business from the Republic of Cyprus to the Grand Duchy of Luxembourg, without dissolution and with full corporate and legal continuance as a public limited liability company (*société anonyme*) under the name Aroundtown SA. The shares of the Issuer have been listed on the Paris Euronext stock exchange from June 2015 and were delisted from the Paris Euronext stock exchange on 5 December 2017. Aroundtown's shares are traded on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard). The shares of PCI have been listed on the Paris Euronext stock exchange since October 2014 and are currently admitted to trading on the Euronext Growth market segment of the Paris Euronext stock exchange. GCP's shares were included on the Open Market of the Frankfurt Stock Exchange in the Entry Standard segment in May 2012. In May 2017, GCP's shares were admitted to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard).

In December 2015, S&P assigned the Issuer an investment grade long term corporate credit rating of "BBB-", and in June 2016, S&P upgraded the Issuer's credit rating to "BBB" with a stable outlook. In December 2017 S&P further upgraded the Issuer's credit rating to "BBB+" with a stable outlook. In December 2016, S&P assigned the Issuer a short-term corporate credit rating of "A-2".

Since 2014, the Issuer has completed a number of capital markets transactions and raised over €8 billion, including gross proceeds from share capital increases and the issuance of perpetual notes, convertible bonds and straight bonds.

Since its listing on the Frankfurt Stock Exchange in 2012, GCP has successfully accessed the capital markets and issued shares and debt securities in an aggregate volume of €4.2 billion, including gross proceeds from share capital increases and the issuance of perpetual notes, convertible bonds and straight bonds.

Recent Developments

Since 30 September 2017, the Issuer's portfolio has increased to €9.3 billion, including acquisitions and signed deals as of the date of this prospectus. The portfolio increased by approximately €900 million, as a result of several acquisitions with an average NRI multiple of 18x.

On 5 December 2017, Aroundtown was delisted from Euronext Growth Paris. Aroundtown's shares remain fully traded on the Frankfurt Stock Exchange.

In December 2017, S&P assigned the Issuer an investment grade long term corporate credit rating of "BBB+".

The Issuer's most recent shareholders' annual general meeting was held on 11 December 2017 and resolved on the distribution of a cash dividend in the amount of €0.163 per share.

The Property Portfolio

Overview

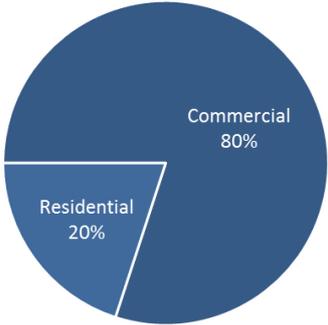
As at 30 September 2017, the Issuer assessed the total market value of its real estate portfolio at €8.4 billion (as compared to €5.0 billion as at 31 December 2016). As at 30 September 2017, and including acquisitions and signed deals to the date of this prospectus, the Issuer assessed the total market value of its real estate portfolio at €9.3 billion (excluding assets held for sale ("**AHFS**")). The increase since 31 December 2016 is based mainly on the acquisition of further properties.

As at 30 September 2017 and including acquisitions and signed deals to the date of this prospectus, Aroundtown's portfolio includes 5.05 million square meters of office, hotel, logistics/wholesale, retail and other real estate primarily in large urban areas in Germany, such as Berlin, North Rhine Westphalia ("**NRW**"), Munich, Hamburg, Frankfurt, Hannover, Stuttgart and Dresden, as well as in Amsterdam, Rotterdam and Utrecht in the Netherlands.

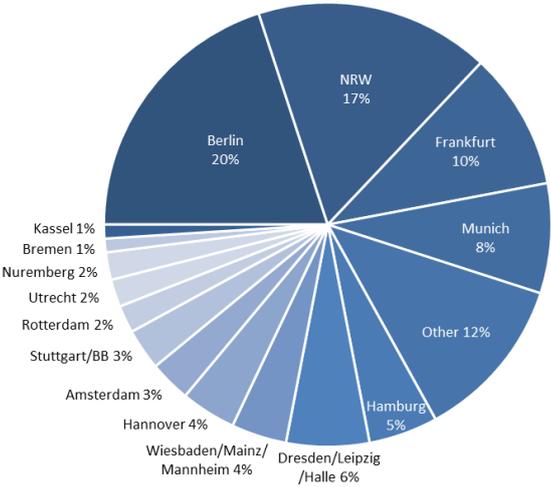
As of September 2017, GCP held approximately 86,000 units located in densely populated areas in Germany, such as NRW, Berlin, Dresden, Leipzig, Mannheim, Halle, Nuremberg, Munich, Mannheim, Frankfurt, Bremen, Hamburg and Hannover. As at September 2017, GCP assessed the total market value of its real estate portfolio at € 5.8 billion.

Unless otherwise indicated, the information presented in this Offering Circular regarding the property portfolio is based on the fair value assessment of the relevant properties as of the relevant date and includes, in addition to the Commercial Portfolio of Aroundtown, a proportional part of the property portfolio of GCP based on the Issuer's 37.6% interest in GCP. All information in this Offering Circular relating to GCP has been taken from information made publicly available by GCP. For more information regarding portfolio acquisitions, see “—Recent Developments”.

As of 30 September 2017, by value, 80% of the property portfolio consisted of Aroundtown's Commercial Portfolio and 20% of the property portfolio consisted of GCP's residential portfolio.



As of 30 September 2017, by value, 20 % of the combined portfolios were located in Berlin, 17 % in NRW, 10 % in Frankfurt, 8 % in Munich, 6 % in Dresden/Leipzig/Halle, 5 % in Hamburg, 4 % in Hannover and 3 % in Amsterdam, with the remainder in other locations.

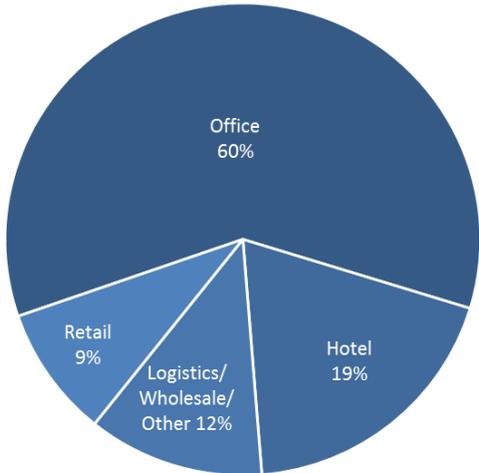


As of 30 September 2017, the total average monthly in-place rent in the combined portfolios was €7.9 per square meter, and the EPRA Vacancy Rate was 8.6 % as of the same date. As of 30 September 2017, including acquisitions and signed deals to the date of this prospectus, the total average monthly in-place rent of the combined portfolios was €8 per square meter and the EPRA Vacancy Rate was 9 %. As of 30 September 2017, including acquisitions and signed deals

to the date of this prospectus, the combined portfolios' estimated monthly annualised adjusted EBITDA run rate was €516 million.

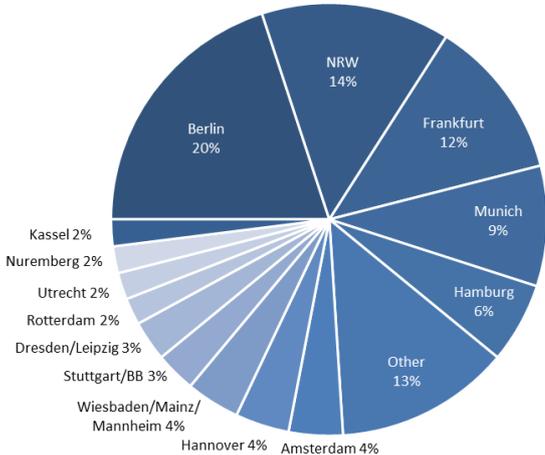
Commercial Portfolio

The Commercial Portfolio consists primarily of office, hotel, logistics/wholesale and other properties. As of 30 September 2017, by value, Aroundtown's Commercial Portfolio consisted of 60 % office properties, 19 % hotel assets, 12 % logistics, wholesale and other use properties and 9 % retail space.

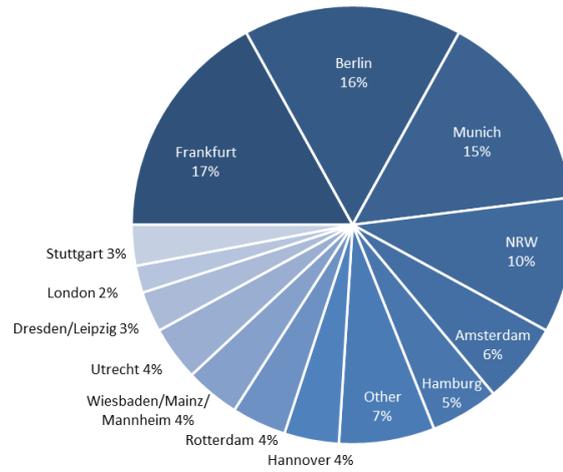


The Issuer believes that its Commercial Portfolio is geographically well distributed. As of 30 September 2017, by value, 20 % of the Commercial Portfolio was located in Berlin, 14 % in NRW, 12 % in Frankfurt, 9 % in Munich, 6 % in Hamburg, 4 % in Amsterdam and 4 % in Hannover, with the remainder in other locations. The tables below provide an overview of the geographical breakdown of the Commercial Portfolio, as well as a geographical breakdown of the office, hotel, logistics/wholesale/other and retail asset types in the Commercial Portfolio.

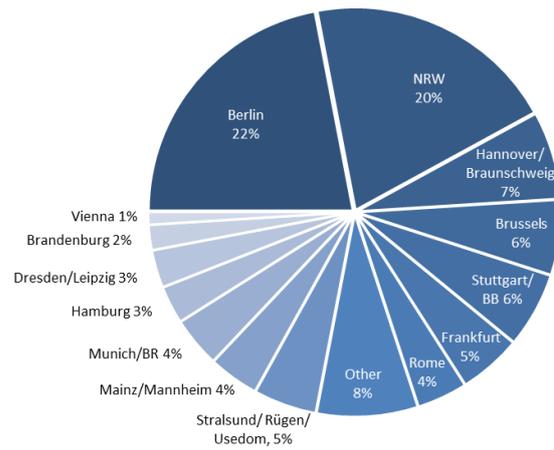
Commercial Portfolio Geographical Breakdown by Value



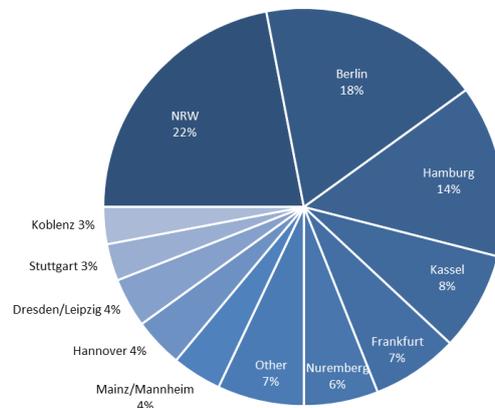
Office Geographical Breakdown by Value



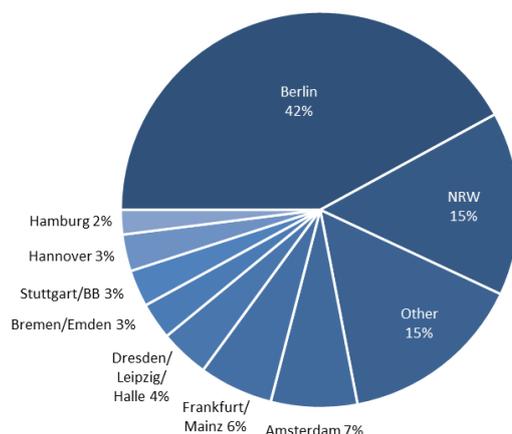
Hotel Geographical Breakdown by Value



Logistics/Wholesale/Other Geographical Breakdown by Value



Retail Geographical Breakdown by Value



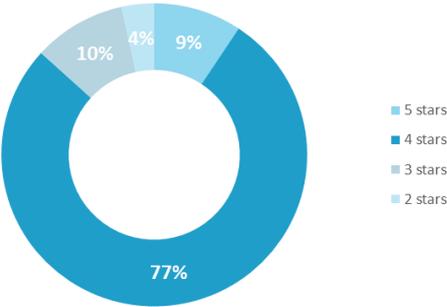
The Commercial Portfolio includes a comprehensive tenant base of over 2,600 tenants as of September 2017, including acquisitions and signed deals to the date of this prospectus, which is diversified over a wide range of market sectors. Primary tenants in the Commercial Portfolio include Metro Group, VBG Verwaltungs-Berufsgenossenschaft, Telekom, Deutsche Bahn, HypoVereinsbank, Deutsche Bundesbank, Clifford Chance, KPN NV, Deutsche Rentenversicherung, Siemens, AllianzBol.com, De Persgroep Jenoptik (ESQ GmbH) and others. As of September 2017, including acquisitions and signed deals to the date of this prospectus, the Commercial Portfolio generated an average monthly in-place rent of € 9.0 per square meter. The EPRA Vacancy Rate as of September 2017, including acquisitions and signed deals to the date of this prospectus, is 9.4 %. As of September 2017, including acquisitions and signed deals to the date of this prospectus deals, the WALT of the Commercial Portfolio was approximately 7 years.

As of September 2017, including acquisitions and signed deals to the date of this prospectus, the monthly annualised net rental income run rate for the Commercial Portfolio was € 512 million. The estimated FFO I run rate for the Commercial Portfolio as of September 2017, including acquisitions and signed deals to the date of this prospectus, was approximately € 292 million.

The Commercial Portfolio also includes hotel assets with a total value of € 1.6 billion as of 30 September 2017, consisting of 709 thousand square meters in key locations throughout Germany. Aroundtown's hotels are leased primarily on a long-term basis to third party commercial tenants.

The tenants of Aroundtown's hotel assets have entered into franchise agreements mainly with the following hotel brand franchisor enterprises: Wyndham, TRYP by Wyndham, Wyndham GARDEN, Days Inn, Intercontinental, Marriott, ibis, Sheraton, Carlson REZIDOR, Radisson Blue, ACCOR, Mercure, Best Western, Holiday Inn, Crowne Plaza, NH Hotel Group and Novum Group.

The majority of Aroundtown's hotel assets are categorized as “4 star” properties, which the Issuer believes allows them to meet the rising market demand for both business and leisure travel. Unless otherwise indicated, the figures in the chart below have been extracted from Aroundtown’s management information system, and are as of September 2017, including acquisitions and signed deals to the date of this prospectus



The following tables provide a breakdown of the Commercial Portfolio by asset type and by region.

Commercial Portfolio Breakdown by Asset Type

As of 30 September 2017

	Investment properties <i>(in millions of €)</i>	Area <i>(in 000' sqm)</i>	EPRA vacancy	Annualized net rent <i>(in millions of €)</i>	In-place rent per sqm <i>(in €)</i>	Value per sqm <i>(in €)</i>	Rental yield
Office	5,027	2,234	10.5%	270	10.7	2,250	5.4%
Hotel	1,566	709	3.7%	76	10.2	2,207	4.9%
Retail	783	482	12.6%	54	9.9	1,625	6.8%
Logistics /Wholesale/Other	1,024	1,166	4.4%	61	4.5	879	5.9%
Total September 2017	8,400	4,591	8.9%	461	8.9	1,829	5.5%
Total September 2017 including acquisitions and signed deals to the date of this prospectus	9,300	5,050	9.4%	512	9.0	1,832	5.5%

Commercial Portfolio Breakdown by Region

As of 30 September 2017

	Investment properties	Area	EPRA vacancy	Annualized net rent	In-place rent per sqm	Value per sqm	Rental yield
	<i>(in millions of €)</i>	<i>(in 000' sqm)</i>		<i>(in millions of €)</i>	<i>(in €)</i>	<i>(in €)</i>	
Berlin	1,658	663	7.9%	71	9.4	2,501	4.3%
NRW	1,164	900	9.4%	75	7.0	1,293	6.4%
Frankfurt	1,025	421	12.5%	52	11.3	2,435	5.1%
Munich	779	257	8.5%	34	11.0	3,027	4.3%
Hamburg	473	243	5.6%	22	8.0	1,945	4.7%
Amsterdam	337	126	10.9%	20	14.3	2,671	5.9%
Hannover	332	220	7.3%	20	7.9	1,506	5.9%
Wiesbaden/Mainz /Mannheim	305	152	7.0%	19	10.1	2,004	6.1%
Stuttgart/BB	268	143	1.5%	18	10.1	1,877	6.5%
Dresden/Leipzig	234	144	10.0%	13	8.4	1,630	5.7%
Rotterdam	199	105	7.7%	16	13.5	1,892	8.3%
Utrecht	189	85	4.6%	13	12.2	2,207	7.2%
Other	1,437	1,132	10.4%	88	7.5	1,271	6.1%
Total September 2017	8,400	4,591	8.9%	461	8.9	1,829	5.5%
Total September 2017 including acquisitions and signed deals to the date of this prospectus	9,300	5,050	9.4%	512	9.0	1,832	5.5%

GCP residential portfolio

As 30 September 2017, GCP assessed the total market value of its real estate portfolio at € 5.8 billion (as compared to € 4.8 billion as at 31 December 2016).

The following table provides an overview on certain key information for the GCP's real estate portfolio as of 30 September 2017. Unless otherwise indicated, the figures in the table have been extracted from GCP's website:

Value	Area	EPRA	Annualized	In-place
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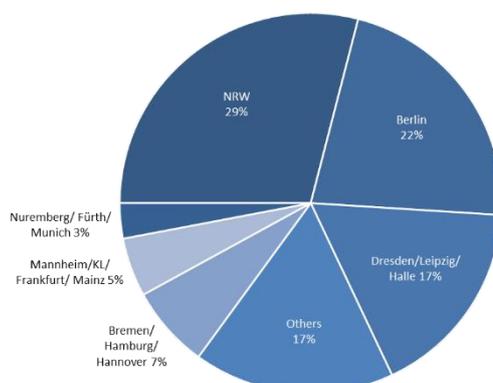
	<i>(in € million)</i>	<i>(in thousand sqm)</i>	vacancy	net rent <i>(in € million)</i>	rent per sqm <i>(in €)</i>
NRW	1,703	1,822	8.1%	109	5.3
Berlin	1,256	548	5.0%	47	7.3
Dresden/Leipzig/Halle	969	1,151	9.1%	61	4.9
Mannheim/KL/Frankfurt/Mainz	300	240	4.7%	17	6.0
Nuremberg/Fürth/Munich	195	102	4.1%	9	7.6
Bremen/Hamburg/Hannover	425	364	5.6%	25	5.9
Others	966	1,217	7.4%	70	5.4
Total September 2017	5,814	5,444	7.3%	338	5.5

As of September 2017, GCP's property portfolio generated an average monthly in-place rent of € 5.5 per square meter, with an EPRA Vacancy Rate of 7.3 %. The monthly annualised net rental income for GCP's property portfolio was € 338 million.

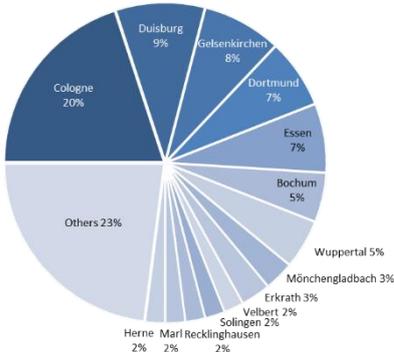
As of the third quarter of 2017, the quarterly annualised adjusted EBITDA of the GCP property portfolio was € 250 million and the quarterly annualized FFO I was € 181 million.

Regional distribution

GCP focuses on properties in densely populated areas in Germany. As of 30 September 2017, GCP's portfolio comprised 27,292 units situated in NRW, 7,479 units in Berlin, 20,048 units in Dresden, Leipzig and Halle, 3,947 units in Mannheim/Kaiserslautern, Frankfurt und Mainz, 1,471 units in Nuremberg, Fürth and Munich, 5,448 units in Bremen, Hamburg and Hannover and 20,377 units in other densely populated regions in Germany. The following chart shows GCP's real estate portfolio broken down by regions in percentages according to fair value:



As of 30 September 2017, GCP's portfolio comprised 27,292 units situated in NRW. The following chart shows the distribution of units within NRW in percentages according to fair value.

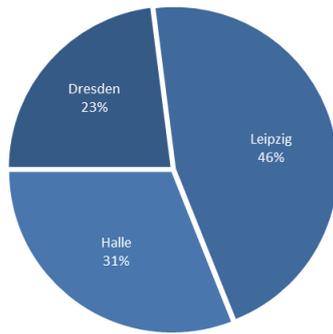


As of 30 September 2017, GCP's portfolio comprised 7,479 units situated in Berlin. The following table shows the distribution of units within Berlin.

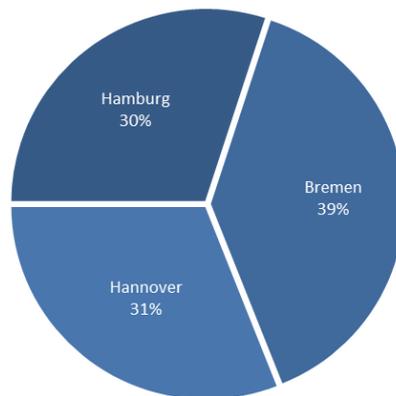


As of 30 September 2017, 70 % of the Berlin portfolio is located in top tier neighbourhoods such as Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Lichtenberg, Schöneberg, Neukölln, Schönefeld, Steglitz and Potsdam. The remaining 30 % is well located primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf.

As of 30 September 2017, GCP's portfolio comprised 20,048 units situated in the cities of Dresden, Leipzig and Halle. The following chart shows the distribution of units within Dresden, Leipzig and Halle in percentages according to fair value.



As of 30 September 2017, GCP's portfolio comprised 5,448 units situated in the cities of Bremen, Hamburg and Hannover. The following chart shows the distribution of units within Bremen, Hamburg and Hannover in percentages according to fair value.



Business Operations

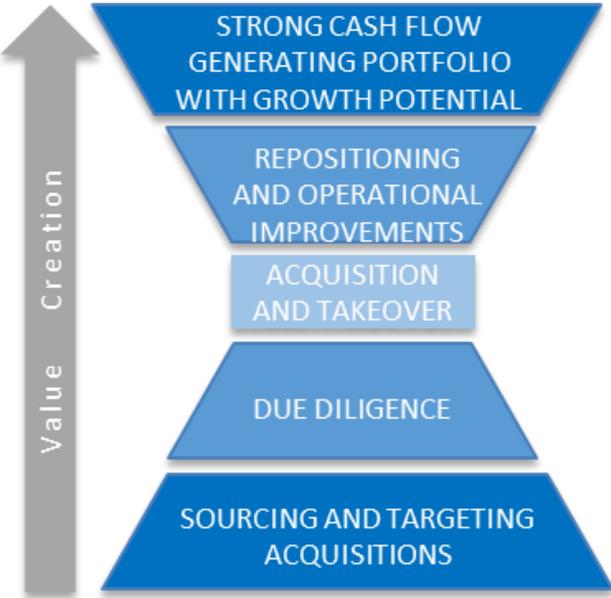
Overview

Aroundtown invests in commercial and residential real estate assets which it believes benefit from strong fundamentals and growth prospects. Aroundtown's focus is on major cities and metropolitan areas with positive demographic prospects. Aroundtown targets in particular cash generating properties with upside potential in terms of rental income and/or occupancy, lease and tenant structure, WALT, cost level optimization and resulting value.

Aroundtown manages the entire real estate value chain of its properties, across acquisition, letting, upkeep and refurbishment. Aroundtown believes that this integrated approach brings further efficiency benefits and a preferred landlord status to Aroundtown and fast response times to its tenants. While Aroundtown's portfolio management is centrally organised, Aroundtown's

asset management, sales and marketing activities are organised locally to better capture regional demand and necessities.

The following chart provides an overview on the business model of Aroundtown, and the following sections describe each step of Aroundtown's business model in more detail:



Sourcing and targeting acquisitions

Aroundtown focuses on value-add properties characterized primarily by below market rent levels and/or vacancy reduction potential. Aroundtown’s property sourcing success stems from its wide network as well as its reputation as a reliable real estate acquisition partner. Aroundtown sources deals from a large and diverse deal sourcing base, such as receivers, banks, loan funds, broker networks, distressed owners, private and institutional investors and court auctions. With significant experience in the real estate markets since 2004, Aroundtown believes that it benefits from a preferred buyer status across its sourcing network. Aroundtown follows the following acquisition criteria:

- Upside potential through operational improvements
- Cash flow generating assets
- Vacancy reduction potential
- Rent levels per sqm below market levels (under-rented properties)
- Acquisitions located in densely populated areas and commercially attractive cities
- Purchase price below replacement cost and below market values
- Potential to reduce the cost per sqm significantly through operational improvements

Due to the broad experience and knowledge of its management, Aroundtown is able to consider different possible uses for properties that it acquires, including altering the property's primary use in order to target specific supply shortages in the marketplace. Given the complexity of reclassification projects and the necessity of cross-segment experience in order to complete them, Aroundtown believes that its business model provides it with a strong and sustainable competitive advantage.

Due Diligence

After a potential property passes an initial screening, the property is further assessed in order to take into account the specific features of each project while ensuring that the acquisition is in line with Aroundtown's overall business strategy. Aroundtown believes that Aroundtown's experience in analysing properties with value creation potential, and in identifying both the potential risks and the upside potential of each property, results in fast, but thorough and reliable, screening procedures. During the due diligence phase, Aroundtown's construction team analyses potential capex requirements for the property. These are subsequently priced in the valuation process in order to provide a fair assessment of the property's value. A detailed business plan is created for each property in the due diligence phase, including an assessment of the portfolio fit and identification of possible tenants. Aroundtown believes that beginning to identify tenants prior to acquisition of the property not only decreases risk to Aroundtown but also accelerates the property takeover process. Further, possible rent increases and tenant restructuring are assessed in the due diligence process.

Acquisition and takeover

Aroundtown follows a thorough cross-organizational process in the due diligence phase which facilitates an efficient takeover once a property is acquired. Because liquidity plays a significant role in the acquisition of value-add properties, Aroundtown benefits from its solid liquidity position and its ability to acquire properties with existing resources and refinance the acquisition at a later stage. Aroundtown also benefits from a strong and experienced centralized in-house legal department, which, combined with close and longstanding relationships with external law firms, enables Aroundtown to complete multiple deals simultaneously.

Disposals

Aroundtown engages in disposals of properties which it considers as non-core properties or which in the Issuer's view have already realised their material potential.

Repositioning and operational improvements

Repositioning

The initial repositioning activities aim at minimizing the time until the profitability of the acquired properties is improved. Therefore, Aroundtown maps weaknesses and strengths of the property in the course of the due diligence phase and prepares a specific business plan for each property. The business plan input is integrated into Aroundtown's IT/software platform which enables the management to monitor all operational and financial parameters and to fully control the repositioning progress.

Marketing

Aroundtown develops a rental and marketing strategy for every property to optimize its usage and to fit it to the demand and supply in the respective markets. Targeted marketing activities are implemented to increase occupancy and thereby rental income. Aroundtown conducts comprehensive vacancy analysis including usability studies and creates letting concepts of vacant spaces in order to attract a large pool of tenants. Market and benchmark analysis enables the management to closely track macro and micro developments and decision making. Various marketing channels are combined to cover the broadest market possible, including negotiations with existing tenants (business plans, perspective and development expectations), online data bases, advertising billboards, regional and nationwide brokerage, governmental data bases (local economic promotion) and e-commerce. Further, in order to optimize contract negotiations Aroundtown uses promotion incentives and offers adaptations to tenants' future plans.

Vacancy reduction initiatives are adjusted to the specific type of property at hand. As to its commercial properties Aroundtown focuses its marketing activities on its network of internal and external, as well as local and nationwide, letting brokers, on the offering of promotional features and on the building of a reputation in the market for high service standards. For Aroundtown's hotel assets, operators are selected for the asset and a fixed long-term lease contract entered into once the hotel is repositioned.

As to the residential properties GCP targets relationship building with potential tenants and the local community by collaborating with local governments, supporting community building projects and advertising on key real estate platforms.

Lease management

Aroundtown conducts ongoing analysis regarding the WALT. Depending on factors such as market demand, gap to market rent or tenant structure Aroundtown either signs an extension of an individual lease contract in advance or lets the individual contract expire. Tenants are prospectively screened for credit worthiness (credit rating, business plan plausibility check, online

screening) and tenant structure adaptability (competition protection and tenant type mix). Aroundtown carries out hands-on collection management and prepares monthly collection reports on an asset level and on a per-tenant basis. Thereby, Aroundtown aims to solve problems before they arise. Possibilities for rent increase and tenant restructuring which have been assessed in the due diligence process are executed according to the property's business plan or adjusted if needed.

Operational improvements

Operational improvements Aroundtown initiates aim to increase the living quality or business environment for existing and future tenants and thereby to increase the demand for these repositioned properties. Once viable operational improvements have been identified, Aroundtown implements cost saving opportunities on a per unit basis, e.g. by making use of modern technologies such as consumption based meters. Aroundtown believes that these efforts combined with cost savings achieved through vacancy reductions and economies of scale enable Aroundtown to benefit from a significant improvement of the cost base and therefore higher profitability.

Tenant relationship management

Aroundtown emphasises strong relationships with its tenants to reduce tenant turnover rates and to predict and strengthen the tenant structure. Aroundtown aims to offer high quality services for both potential and existing tenants. Aroundtown pays strong attention to the industry in which its commercial tenants operate and to their individual success factors. Aroundtown also offers direct support to its tenants through add-on amenities for its rental properties such as parking facilities, space extensions to facilitate growth and smart space redesign to match modern office layouts. By providing the tenants with personal contact points to a local team, Aroundtown seeks to establish personal relationships between its property, the local teams and the tenants. The personal contact points allow Aroundtown to react promptly to problems and proactively prolonging existing contracts in order to optimize and secure long-term revenues. The local teams meet with the tenants on a regular basis. Aroundtown provides an open line of communication at all times and short reaction times to tenants' concerns to ensure short business interruptions. Tenant satisfaction is continuously analysed. Aroundtown believes that this localized one team contact point approach builds strong and long-term relationships with tenants.

With respect to its residential tenant base GCP regularly invests into community building projects such as playgrounds and community centres and provides a wide range of regional or centralized services including a service centre, which is available 24 hours a day and seven days a week.

Construction

Aroundtown considers smart capex and conversion planning with scrutiny on execution to be vital for the maximization of a property's potential. Aroundtown addresses capex needs to keep the properties at high standards and addresses the requirements of its existing and prospective tenants. Already during the due diligence phase Aroundtown prepares a business plan, which addresses the potential volume of capex required e.g. for refurbishment. Moreover, capital intensive improvements are discussed in close coordination with committed tenants allowing an efficient and cost effective implementation of the investments. The carried out investments are monitored by Aroundtown's experienced construction team. The financial feasibility of the proposed alterations is balanced against the lease term, rental income and property acquisition cost and the capacity to bear quick returns over the investment period.

Employees

As of the date of this prospectus, Aroundtown has approximately 300 employees.

Loan Agreements

The Group has entered into various loan agreements primarily for the purpose of financing the acquisition of properties in Aroundtown's portfolio. As of 30 September 2017, Aroundtown's outstanding aggregate total bank loan amount was approximately €1.7 billion. Since then, Aroundtown has prepaid over €600 million of bank debt.

The Group's loan agreements typically bear interest at fixed rates or at rates based on EURIBOR plus a spread, and the interest rates may in certain cases be hedged. Undrawn amounts under Aroundtown's credit facilities may be subject to a commitment fee. The Group's loan agreements are typically secured by pledges of property, including pledges of rental proceeds, shares of the relevant holding companies, and operational bank accounts, and contain customary representations and warranties, undertakings and events of default with respect to real estate financing (which are in turn typically subject to certain agreed exceptions and materiality carve-outs). A number of Aroundtown's loan agreements provide the lender with the right to terminate the loan if the Issuer no longer directly or indirectly (i) controls the relevant borrowing entity or (ii) manages the relevant property.

Corporate Purpose

The Issuer is a specialist real estate investment company which focuses on value-add properties primarily in the German and Dutch real estate markets. The objects for which the Issuer was established are set forth in article 4 of its articles of association (the "**Articles of Association**"). The Issuer's objects are (i) the acquisition, sale, administration, operation, letting or renting, in

any form by any means, whether directly or indirectly, of any real estate assets in both the Grand Duchy of Luxembourg and abroad; (ii) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, shares, rights and interests in, and obligations of, Luxembourg and foreign companies or other assets including but not limited to real estate assets; (iii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes, shares or units issued by Luxembourg or foreign investment funds or similar undertakings) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto; (iv) the acquisition and holding of interests, directly or indirectly, in any form whatsoever, in any Luxembourg or foreign entities, by way of, among others, the subscription or the acquisition of any securities and/or rights through participation, contribution, underwriting, firm purchase or option, patents, service marks, trademarks licences and other commercial or intellectual property rights, negotiation or in any other way; and (v) the ownership, administration, development and management of a portfolio of assets or interests (including, among other things, the assets and interests referred to in (i) through (iv) above).

The Issuer may borrow in any form. It may obtain any form of credit facility. The Issuer may issue bonds, notes, promissory notes, perpetual notes, certificates, shares, beneficiary parts, options, warrants and other debt or equity instruments, convertible or not. It may use financial derivatives or raise funds by any other means. The Issuer may use any techniques and instruments to efficiently manage its investments and to protect itself against credit risks, currency exchange exposure, interest rate risks and other risks. The Issuer may enter into, execute and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending or similar transactions.

The Issuer may also render any assistance, whether by means of financing, administration, marketing or any other kind of service, to its subsidiaries or companies in which it has a direct or indirect interest, even not substantial, and/or any company being a direct or indirect shareholder of the Issuer and/or any company belonging to the same group as the Issuer (the “**Connected Companies**”). A company shall be deemed to be part of the same group as the Issuer if such other company directly or indirectly owns, is owned by, is in control of, is controlled by, or is under common control with, or is controlled by a shareholder of, the Issuer, in each case whether beneficially or as trustee, guardian or as other fiduciary. A company shall be deemed to control another company if the controlling company possesses, directly or indirectly, all or substantially all of the share capital of the company or has the power to direct or cause the direction of the management or policies of the other company, whether through the ownership of voting securities, by contract or otherwise.

The Issuer may in particular: (i) lend funds including the proceeds of any borrowings or issues of securities to its Connected Companies; (ii) enter into any guarantee, pledge or any other form of

security, whether by personal covenant or by mortgage or charge upon all or part of the undertaking, property assets (present or future) or by all or any of such methods, for the performance of any contracts or obligations of the Issuer and of any of the Connected Companies, or any director, manager or other agent of the Issuer or any of the Connected Companies, within the limits of any applicable law provision; (iii) subordinate its claims in favour of third parties to secure the obligations of any Connected Companies; and (iv) render administrative and marketing assistance to its Connected Companies.

In addition to the foregoing, the Issuer may perform all legal, commercial, technical and financial transactions and, in general, all transactions which are necessary or useful to fulfil its corporate object as well as all transactions directly or indirectly connected with its purpose or which may favour its development.

Board of Directors and Other Bodies

General

The Issuer is administered and managed by a board of directors (the "**Board of Directors**", and each member of the Board of Directors, a "**Director**"). The Board of Directors is vested with the broadest powers to take any actions necessary or useful to fulfil the corporate objects of the Issuer save for actions reserved to the general meeting of shareholders in accordance with the Luxembourg law of 10 August 1915 on commercial companies, as amended (the "**Companies Law**") or by the Articles of Association. The powers of the Board of Directors, except for such powers that are expressly reserved by the Companies Law or the Articles of Association to the Board of Directors, may be delegated by a resolution of the Board of Directors to a management committee (*comité de direction*), consisting of several managers who may or may not be Directors or shareholders of the Issuer, a managing executive director (*directeur general*) or a daily manager. The Board of Directors may determine the scope of such delegation at its discretion. The Board of Directors may also give special powers for specific matters to one or more proxyholders, whether Directors, shareholders, managers or not.

The Board of Directors may choose amongst the Directors a chairperson and also appoint a secretary who need not be a member of the Board of Directors.

Pursuant to the Companies Law as well as the Articles of Association, the minimum number of Directors shall be at least three whereas the general meeting may determine a higher or maximum number. The general meeting resolves on the remuneration of the Directors.

The Directors may be dismissed with or without any cause at any time and at the sole discretion of the general meeting of the Issuer's shareholders.

In the event of a vacancy in the office of a Director, such vacancy may be filled on a temporary basis and for a period not exceeding the initial mandate of the replaced director by the remaining directors until the next general meeting of shareholders.

Members of the Board of Directors

The following table sets out information with respect to each of the members of the Board of Directors, including their positions within the Issuer as of the date of the Prospectus.

Name	Position
Mr. Andrew Wallis	Director
Mr. Oschrie Massatschi	Director
Ms. Jelena Afxentiou	Director
Mr. Frank Roseen	Director
Mr. Markus Leininger	Independent Director
Mr. Markus Kreuter	Independent Director
Dr. Axel Froese	Independent Director

The business address of the Directors is at 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg.

The members of the Board of Directors do not hold any positions in administrative, management or supervisory bodies outside Arountown which are significant with respect to the Issuer.

To the best knowledge of the Issuer, no potential conflicts of interest exist between any duties owed by the members of the Board of Directors to Arountown and the private interests and/or other duties of such persons.

The Issuer’s most recent shareholders’ extraordinary general meeting was held on 13 September 2017. The extraordinary general meeting approved the renewal of the mandate of Ms Jelena Afxentiou, Mr Andrew Wallis and Mr Oschrie Massatschi as directors and of Mr Markus Leininger as independent director and the appointment of three new members to the Board of Directors, namely Mr Frank Roseen, previously member of the advisory board, as director and Mr Markus Kreuter and Dr. Axel Froese, previously member of the advisory board, as independent directors.

The Issuer’s most recent shareholders’ annual general meeting held on 11 December 2017 resolved the distribution of a cash dividend in the amount of €0.163 per share, which was distributed on 14 December 2017.

Senior Management

The following table sets out information with respect to the senior management of the Issuer, as of the date of the Prospectus:

Name	Internal Position
Mr. Shmuel Mayo	Chief Executive Officer (CEO)
Mr. Eyal Ben David	Chief Financial Officer (CFO)

The main business addresses of the senior management of the Issuer are Wittestraße 30, Haus F, 13509 Berlin, Germany and Gustav Mahlerplein 121, 1082 MS Amsterdam, the Netherlands.

The CEO and CFO do not hold any positions in administrative, management or supervisory bodies outside Aroundtown which are significant with respect to the Issuer. The CEO and the CFO have no statutory powers under any applicable laws or the Articles of Association.

To the best knowledge of the Issuer, no potential conflicts of interest exist between any duties owed by the CEO and CFO and the private interests and/or other duties of such persons.

Advisory Board

The Board of Directors of the Issuer has established an advisory board. The task of the advisory board is to provide expert advice and assistance to the Board of Directors. The Board of Directors decides on the composition, tasks and term of the advisory board as well as the appointment and dismissal of its members. The advisory board has no statutory powers under the Company Law or the Articles of Association of the Issuer, but applies rules which have been adopted by the Board of Directors. However, the Issuer considers the advisory board to be an important source of guidance for the Board of Directors when making strategic decisions. The current members of the advisory board are Mr. Yakir Gabay (Chairman) and Mr. Claudio Jarczyk.

Audit Committee

The Board of Directors has established an Audit Committee. The Board of Directors decides on the composition, tasks and term of the Audit Committee as well as the appointment and dismissal of its members. The responsibilities of the Audit Committee relate to the integrity of the financial statements, including reporting to the Board of Directors on its activities and the adequacy of internal systems controlling the financial reporting processes and monitoring the accounting processes. The Audit Committee provides guidance to the Board of Directors on the auditing of the annual financial statements of the Issuer and, in particular, shall monitor the independence of the approved independent auditor, the additional services rendered by such auditor, the issuing of the audit mandate to the auditor, the determination of auditing focal points and the fee agreement

with the auditor. The current members of the Audit Committee are Mr. Markus Leininger (Chairman), Mr. Markus Kreuter and Dr. Axel Froese.

Risk Committee

The Board of Directors has established a Risk Committee for assisting and providing expert advice to the Board of Directors in fulfilling its oversight responsibilities, relating to the different types of risks, recommend a risk management structure including its organization and its process as well as assess and monitor effectiveness of the risk management. The Board of Directors decides on the composition, tasks and term of the Risk Committee and the appointment and dismissal of its members. The Risk Committee provides advice on actions of compliance, in particular by reviewing Aroundtown's procedures for detecting risk, the effectiveness of Aroundtown's risk management and internal control system and by assessing the scope and effectiveness of the systems established by the management to identify, assess and monitor risks. The current members of the Risk Committee are Mr. Andrew Wallis, Ms. Jelena Afxentiou, Mr. Markus Leininger, Mr. Markus Kreuter and Mr. Eyal Ben David.

Nomination Committee

The Board of Directors has established a Nomination Committee to identify suitable candidates for director positions and examine their skills and characteristics. The current members of the Nomination Committee are Mr. Markus Leininger, Mr. Markus Kreuter and Dr. Axel Froese.

Remuneration Committee

The Board of Directors has established a Remuneration Committee to determine and recommend to the Board the remuneration policy for the executive directors and senior management, including evaluation of short-term performance-related remuneration to senior executives. The current members of the Remuneration Committee are Mr. Markus Leininger, Mr. Markus Kreuter and Dr. Axel Froese.

Corporate Governance

As of the date of this Prospectus, the Issuer is not subject to any compulsory corporate governance code of conduct or respective statutory legal provisions.

Nevertheless, the Issuer intends to voluntarily comply with the "Ten Principles of Corporate Governance of the Luxembourg Stock Exchange" and is currently evaluating the necessary measures to implement the principles and recommendations of the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange.

Share Capital

As of the date of this Prospectus, the Issuer has a stated share capital in the amount of €9,478,086.41. The share capital is divided into 947,808,641 shares with a nominal value of €0.01 per share (the “**Shares**”). The share capital has been fully paid up. The Shares are in global form and deposited with Clearstream Frankfurt. Outstanding conversion rights under the Issuer’s outstanding convertible bonds may increase the share capital up to approximately 1,021,925,565 shares (based on the assumption that all outstanding convertible bonds were converted into shares of the Issuer at their respective current conversion prices).

The Issuer has an authorised capital. The authorised capital (including the subscribed capital) amounts to €20,000,000.00 (i.e. the corporate share capital of the Issuer may be increased by the Board of Directors from its present amount up to €20,000,000.00 by the creation and issuance of new shares with a par value of €0.01 each).

The Issuer's shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) (ISIN: LU1673108939).

Shareholding Structure

The table below sets out the information known to the Issuer with respect to the shareholding structure of the Issuer as at the date of this Prospectus. The shareholdings may have changed since the date on which the Issuer obtained knowledge of the shareholding.

<u>Shareholder</u>	<u>Direct ownership of the Issuer in%</u>
Avisco Group Plc*	40.3
Free float	59.7
Total	100

*The shareholdings of Avisco Group Plc are held through its wholly- and majority-owned subsidiaries, which have not been included in this table for simplification purposes.

Avisco Group Plc (the “**Principal Shareholder**”) holds or controls 40.3% of the voting rights of the Issuer. Depending on the level of shareholder attendance at the general meeting or extraordinary meetings of the Issuer’s shareholders, Avisco Group plc may be able to adopt and implement or prevent the adoption of resolutions which require a simple majority or even higher majorities solely through the exercise of its own votes in the Issuer. Furthermore, the Principal Shareholder may prevent a general meeting of the Issuer’s shareholders from adopting resolutions which require a qualified majority of the votes cast (see “*Risk Factors—Risks Relating*

to the Shareholding Structure of the Issuer—Avisco Group Plc is able to exercise significant influence over matters resolved by the Issuer's general meeting of shareholders, and its interests may not always be aligned with the interests of other shareholders").

To the best knowledge of the Issuer, as at the date of this Prospectus, there are no arrangements the operation of which may at a subsequent date result in a change of control in the Issuer.

Dividend Policy

In May 2017, the Board of Directors resolved to increase the payout ratio under the dividend policy to 65% of the Issuer's annual funds from operations ("**FFO I**") per share, which shall be distributed as annual dividends to the shareholders. The distribution of dividends is subject to a respective resolution of the shareholders' annual general meeting.

FFO I is a measure of Aroundtown's materialized bottom line operational profit, calculated by deducting current tax expenses and finance expenses from adjusted EBITDA.

The Issuer's most recent shareholders' annual general meeting held on 11 December 2017 resolved the distribution of a cash dividend in the amount of €0.163 per share.

Legal and Arbitration Proceedings

During the last twelve months, there have been no governmental, legal or arbitration proceedings brought against or affecting the Issuer, nor is the Issuer aware of any pending or threatened proceedings, which (in either case) may have or have had in the recent past significant effects on the Issuer and/or Aroundtown's financial position, profitability or results.

Statutory Auditors

The statutory auditors are appointed by the general meeting of shareholders for holding office from the conclusion of such meeting until the conclusion of the next annual general meeting.

As of the date of this Prospectus, KPMG Luxembourg, *société coopérative*, 39, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg is appointed as approved independent auditor (*cabinet de révision agréé*). Its mandate will automatically expire at the annual general meeting of the Issuer to be held in 2018. KPMG Luxembourg is a member of the *Institut des Réviseurs d'Entreprises*. The previous statutory auditor of the Issuer was KPMG Limited, Certified Accountants and Registered Auditors, Millenium Lion House, P.O. Box 40075, 6300 Larnaca, Cyprus.

The 2016 Consolidated Financial Statements and the 2015 Consolidated Financial Statements of the Issuer have been audited by KPMG Limited, which provided an unqualified auditor's report for each of these financial statements.

Credit Rating

The Issuer is assigned a "BBB+" rating with a stable outlook by S&P.

GCP is assigned a "BBB+" rating with a stable outlook by S&P and a "Baa1" rating with a stable outlook for GCP by Moody's.

The Notes are expected to be assigned a "BBB-" rating by S&P. The Issuer will announce any rating it receives from S&P for the Notes to the holders of the Notes as soon as practicable following the receipt of such a rating (which will include details of the rating).

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. See "*Risk Factors—Risk Factors Relating to the Notes—Ratings may not reflect all risks and are subject to change*".

The following information is taken from the websites of S&P and Moody's as of the date of this Prospectus and is provided solely for informational purposes.

"The credit rating opinions awarded by S&P range from the highest rating "AAA", which is defined as "extremely strong capacity to meet financial commitments" to the lowest rating "D", which is defined as "Payment default on financial commitments". S&P define a "BBB" rating for a long-term issuer as follows: "An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories." S&P define a "BBB" rating for a long-term issue obligation as follows: "An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories." S&P define a "BB" rating for a long-term issue obligation as follows: "An obligation rated 'BB' is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories."

"The global long-term rating scales awarded by Moody's range from the highest rating "Aaa", which is defined as "Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk." to the lowest rating "C", which is defined as "Obligations rated C are

the lowest rated and are typically in default, with little prospect for recovery of principal or interest." (Source: website Moody's). Moody's defines a "Baa" rating as follows: "Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms." Moody's defines a "Ba" rating as follows: "Obligations rated Ba are judged to be speculative and are subject to substantial credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms."

TAXATION

The following discussion of the tax consequences of an investment in the Notes is based on the laws in force on the date of this Prospectus. The Issuer emphasizes that tax implications can be subject to alteration due to future changes in law, possibly with retroactive or retrospective effect.

Although this discussion reflects the opinion of the Issuer, it should not be misunderstood as a guarantee in an area of law which is not free from doubt. Further, this discussion is not intended as the sole basis for an investment in the Notes as the individual tax position of the Holder needs to be investigated. Therefore, this statement is confined to a general discussion of certain German tax and Luxembourg tax consequences of an investment in the Notes.

Prospective Holders are recommended to consult their own tax advisors regarding the tax consequences of an investment in the Notes.

Responsibility of the Issuer for the withholding of taxes at source

The Issuer does not assume any responsibility for the withholding of taxes at source.

Federal Republic of Germany

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of the Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This discussion of the tax consequences of an investment in the Notes is based on the tax laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

Tax resident holders of the Notes

The section "**Tax Residents**" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management is located in Germany).

Withholding tax on ongoing payments and capital gains

Ongoing payments, such as interest payments, received by an individual Holder of the Notes will generally be subject to German withholding tax if the Notes are kept in a custodial account with a German branch of a German or non-German credit institution, a branch of a German or non-German German financial services institution, a German securities trading company or a German securities trading bank (each a "**Disbursing Agent**", *auszahlende Stelle*). The tax rate is 25 %

(plus 5.5% solidarity surcharge thereon, the total withholding being 26.375%) plus church tax, if applicable to an individual Holder. An electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax, if applicable to an individual Holder, will be collected by the Disbursing Agent by way of withholding unless the individual Holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the individual Holder will be assessed to church tax.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by an individual Holder provided the Notes have been held in a custodial account with a Disbursing Agent since the time of their acquisition. Where Notes are acquired and/or sold in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively. If interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately.

To the extent the Notes have not been kept in a custodial account with a Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375% (including solidarity surcharge, plus church tax, if applicable to an individual Holder) on 30% of the disposal proceeds (plus interest accrued on the Notes ("**Accrued Interest**", *Stückzinsen*), if any), unless the individual Holder or the previous account bank or financial service institution was able and allowed to provide evidence of the individual Holder's actual acquisition costs of the Notes to the Disbursing Agent.

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 18 January 2016 (as amended) a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not be treated like a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver shall not be tax-deductible. The German Federal Tax Court has recently rejected the view of the German tax authorities regarding the qualification of a bad debt-loss. A German lower fiscal court has recently confirmed the view of the German tax authorities regarding the qualification of a (voluntary) bad debt-loss in a final judgement. A disposal of the Notes might not be recognised according to the view of the tax authorities, if the received proceeds do not exceed the respective transaction costs or if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price. This view has however been challenged in 2014 by a final judgement of a German lower fiscal court. Where the Notes provide for instalment payments, such instalment payments shall always

qualify as taxable investment income, unless the terms and conditions of the Notes provide explicit information regarding redemption or partial redemption during the term of the Notes and the contractual parties comply with these terms and conditions.

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual Holder of the Notes via the Disbursing Agent (e.g. losses from the sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual Holder in the custodial account with the Disbursing Agent.

Individual Holders may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for jointly assessed individual Holders) for all investment income received in a given year. Upon the individual Holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation as Holder while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply to individual Holders where the Notes form part of a German trade or business, subject to further requirements being met.

The Issuer is not obliged under German law to withhold any withholding tax (*Kapitalertragsteuer*) on interest payments and upon the sale or redemption of the Notes.

Taxation of current income and capital gains

The personal income tax liability of an individual Holder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process, the individual Holder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable to an individual Holder). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30% of the disposal proceeds (rather than from the actual gain), an individual Holder may and according to the view of German tax authorities in case the actual gain is higher than 30 % of the

disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, an individual Holder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemised basis is not permitted.

Losses incurred with respect to the Notes can only be off-set against investment income of the individual Holder realised in the same or the following years.

Where Notes form part of a trade or business the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) and gains from the disposal, redemption, repayment or assignment of Notes must be taken into account as income. The respective Holder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Holder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Holder. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax.

Non-resident Holders of the Notes

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Holder or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "Tax resident holders of the Notes" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Substitution of the Issuer

If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for Notes issued by the Substitute Debtor and subject to similar taxation rules like the Notes. In particular, such a substitution could result in the recognition of a taxable gain or loss for any Holder of a Note.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Notes will generally arise under the laws of Germany, if *inter alia*, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, value added, capital transfer or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution as well as the purchase, sale or other disposal of the Notes. However, under certain circumstances entrepreneurs may choose liability to German value added tax with regard to the sale of the Notes to other entrepreneurs which would otherwise be tax exempt. Currently, net assets tax is not levied in Germany.

Grand Duchy of Luxembourg

Taxation of the Issuer

The Issuer will be considered a fiscal resident of Luxembourg from a Luxembourg tax law perspective and should therefore be able to obtain a residence certificate from the Luxembourg tax authorities.

The Issuer will be liable for Luxembourg corporation taxes. The current standard applicable rate in Luxembourg city, including corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) and solidarity taxes, is currently 26.01 per cent. Liability for such corporation taxes extends to the Issuer's worldwide profits including capital gains, subject to the provisions of any relevant double taxation treaty. The taxable income of the Issuer is computed by application of all rules of the Luxembourg income tax law of 4 December 1967, as amended (*loi concernant l'impôt sur le revenu*), as commented on and currently applied by the Luxembourg tax authorities.

Under certain conditions, dividends received by the Issuer from qualifying participations and capital gains realised by the Issuer on the sale of qualifying participations may be exempt from Luxembourg corporation taxes under the Luxembourg participation exemption regime. If the Notes qualify as debt under Luxembourg tax law the Issuer may further deduct from its taxable profits interest payments made to the holders of the Notes to the extent that such interest exceeds any exempt income derived from participations financed with the Notes and qualifying under the Luxembourg participation exemption regime. Furthermore, should the Notes finance qualifying participations under the Luxembourg participation exemption regime, any interest

having reduced the taxable basis of the Issuer may be subject to recapture upon disposal of the qualifying participations by reducing the exempt amount of capital gains.

A fixed registration duty (*droit fixe spécifique d'enregistrement*) of €75 is payable at the moment that the Articles are amended.

It is not compulsory that the Notes be filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes, in accordance therewith, except upon (a) voluntary registration of the Note with the *Administration de l'Enregistrement et des Domaines* in Luxembourg, or (b) if the Notes are physically attached (*annexé*) to a public deed or to any other document subject to mandatory registration in Luxembourg which results in the application of a fixed registration duty (of €12) or an ad valorem registration duty (of 0.24 per cent calculated on the amounts mentioned in the Notes).

Under certain conditions, the Issuer could be exempt from wealth tax (*impôt sur la fortune*) on certain assets, such as qualifying participations under the Luxembourg participation exemption regime. However, and as of 1 January 2016, the Issuer will in any case be liable for the minimum wealth tax of EUR 4,815 or a progressive minimum amount between EUR 535 and EUR 32,100, depending on the balance sheet total of the Issuer.

Taxation of the holders of the Notes

If the Notes qualify as debt under Luxembourg tax law:

Withholding tax

Non-resident Holders of the Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of the Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of the Notes.

Resident Holders of the Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Law**"), mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of the Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of the Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 20 per cent.

If the individual Holder holds the Notes in the course of the management of his or her private wealth, the aforementioned 20 per cent withholding tax will operate a full discharge of income tax due on such payments.

Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 20 per cent.

If the Notes qualify as equity under Luxembourg tax law:

A 15% dividend withholding tax may apply in certain circumstances.

Income Taxation

A holder of Notes who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Notes are attributable, is subject to Luxembourg income tax in respect of the interest paid or accrued on, or any other income derived from the Notes, except if the holder is acting in the course of the management of his/her private wealth and the 20 per cent withholding tax has been levied on such payments in accordance with the Law.

Under Luxembourg domestic tax law, gains realised by an individual holder of Notes, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, on the sale or disposal, in any form whatsoever, of Notes are not subject to Luxembourg income tax, provided this sale or disposal took place at least six months after the acquisition of the Notes. An individual holders of Notes, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, must however include the portion of the gain corresponding to accrued but unpaid interest in respect of the Notes in his taxable income, except if: (a) withholding tax has been levied on such payments in accordance with the Law; or (b) the individual holders of the Notes has opted for the application of a 20 per cent tax in full discharge of income tax in accordance with the Law, which applies if a payment of interest has been made or ascribed by a paying agent established in an EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than an EU Member State).

The 20 per cent withholding tax is the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the framework of their private wealth.

Gains realised by a corporate holder of Notes or by an individual holder of Notes, who acts in the course of the management of a professional or business undertaking, who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Notes are attributable, on the sale or disposal, in any form whatsoever, of Notes are subject to Luxembourg income tax and municipal business tax.

A Luxembourg holder of Notes that is governed by the law of 11 May 2007 on family estate companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 23 July 2016 relating to reserved alternative investment funds (the "RAIF Law"), provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned RAIF Law applies, will not be subject to any Luxembourg corporation taxes in respect of interest received or accrued on the Notes, or on gains realised on the sale or disposal, in any form whatsoever, of Notes.

Holders of Notes will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

Gains realised by a non-resident holder of Notes, who does not have a permanent establishment or fixed place of business in Luxembourg, to which the Notes are attributable, on the sale or disposal of Notes are not subject to Luxembourg income tax.

Wealth Tax

A corporate holder of Notes, whether resident of Luxembourg for tax purposes or maintaining a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the holder of Notes is governed by the law of 11 May 2007 on family estate companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, by the RAIF Law or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, or a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended.

An individual holder of Notes, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on Notes.

Other Taxes

Under present Luxembourg tax law, in the case where a holder of the Notes is a resident for tax purposes of Luxembourg at the time of his death, the Notes are included in his taxable estate, for

inheritance tax purposes and gift tax may be due on a gift or donation of Notes, if the gift is recorded in a Luxembourg deed.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 the U.S. Foreign Account Tax Compliance Act, commonly known as FATCA, a "foreign financial institution" may be required to withhold a 30% withholding tax on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Luxembourg) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 (intended date) and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under "*Conditions of the Notes— § 11 Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. As long as the rules for the implementation and the definition of "foreign passthru payments" are not written, it is impossible to determine what impact, if any, this withholding will have on Holder of the Notes.

While the Notes are in global form and held within Euroclear Bank SA/NV or Clearstream Banking S.A.(together the "**ICSDs**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer and any paying agent, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, Holders will not receive any Additional Amounts (as defined in the Terms and Conditions) in respect of such withholding, and Holders will therefore receive less than the amount that they would have otherwise have received on such Notes.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS ON HOW THESE RULES MAY APPLY TO PAYMENTS THEY MAY RECEIVE IN CONNECTION WITH THE NOTES.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated 12 January 2018 (the "**Subscription Agreement**") among the Issuer and the Managers, the Issuer has agreed to sell to the Managers, and the Managers have agreed, subject to certain customary closing conditions, to purchase, the Notes on 17 January 2018. The Issuer has furthermore agreed to pay certain commissions to the Managers and to reimburse the Managers for certain expenses incurred in connection with the issue of the Notes. Commissions may be payable by the Managers to certain third party intermediaries in connection with the initial sale and distribution of the Notes.

The Subscription Agreement provides that the Managers under certain circumstances will be entitled to terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

The Managers or their affiliates, including parent companies, engage, and may in the future engage, in investment banking, commercial banking (including the provision of loan facilities) and other related transactions with the Issuer and its affiliates and may perform services for them, for which the Managers or their respective affiliates have received or will receive customary fees and commissions, in each case in the ordinary course of business.

There are no interests of natural and legal persons involved in the issue, including conflicting ones, which are material to the issue.

Selling restrictions

General

Each Manager has acknowledged that no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Manager has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material relating to them.

United States of America and its territories

The Notes have not been and will not be registered under the Securities Act, and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. Each Manager has agreed that it will

not offer, sell or deliver any Notes within the United States or to U.S. persons, except as permitted by the Subscription Agreement.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by a Manager may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

The Notes are not being offered and may not be offered in the Netherlands other than to persons or entities who or which are qualified investors as defined in Section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Prohibition of Sales to EEA Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

- a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"); and

b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPS Regulation.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer/s' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer/s' target market assessment) and determining appropriate distribution channels.

GENERAL INFORMATION

Documents available

For as long as Notes are outstanding, copies of the following documents will be physically available free of charge, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of each paying agent. In addition, this Prospectus (together with any supplement, if any) will be available in electronic form on the website of the Irish Stock Exchange (www.ise.ie):

1. the articles of association of the Issuer;
2. this Prospectus;
3. the agency agreement relating to the Notes between the Issuer and The Bank of New York Mellon, London Branch as Principal Paying Agent;
4. the consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2015 and 31 December 2016 together with the audit reports prepared in connection therewith;
5. the unaudited condensed interim consolidated financial statements of the issuer for the nine-month period ended 30 September 2017; and
6. the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer (with an English translation thereof), in each case together with any audit or review reports prepared in connection therewith.);

Authorisation

The creation and issue of the Notes was authorised by resolution of the Board of Directors of the Issuer dated 9 January 2018.

No Material Adverse Change

There has been no material adverse change in the prospects of the Issuer since 31 December 2016 and there have been no significant changes in the financial or trading position of the Issuer and of Aroundtown since 30 September 2017.

Legend on Global Notes

Each Global Note will bear the following legend:

"Neither this note nor any related guarantee in respect thereof has been or will be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold in the United States of America (including the states and the District of Columbia) or its territories or possessions and other areas subject to its jurisdiction, unless an exemption from the registration requirements of the Securities Act is available.

Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended."

Listing and Admission to Trading

Application has been made for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on the Main Securities Market. The total expenses related to the admission of the Notes to trading on the Irish Stock Exchange's regulated market are expected to amount to approximately €5,000.

The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as Irish listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Main Securities Market for the purposes of the Prospectus Directive.

Indication of Yield

The yield in respect of the Notes from the Issue Date to the First Call Date is 2.456 % p.a., calculated on the basis of the issue price of the Notes. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method.

Notices to Noteholders

All notices regarding the Notes will be published (so long as the Notes are listed on the Irish Stock Exchange) on the website of the Irish Stock Exchange on www.ise.ie. The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders.

Clearing Systems and Security Codes

The Notes have been accepted for clearance through Euroclear and CBL.

The International Securities Identification Number (ISIN) for the Notes is XS1752984440, and the Common Code for the Notes is 175298444.

The address of Euroclear is 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of CBL is 42, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Names and Addresses

REGISTERED OFFICE OF THE ISSUER

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Grand Duchy of Luxembourg

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