SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. and Subsidiaries

Consolidated Half-Yearly Financial Statements and Consolidated Management Report corresponding to the six months ending 30 June 2015 (unaudited)

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Consolidated Half-Yearly Financial Statements (unaudited)

30 June 2015

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2015

(Euros)

ASSETS	Notes	30/06/2015	31/12/2014	LIABILITIES	Notes	30/06/2015	31/12/2014
NON-CURRENT ASSETS		**285,823,316**	**221,143,090**	**EQUITY**	**NOTE 11**	**275,284,293**	**270,410,768**
Tangible fixed assets		**358**	**412**	Capital		267,577,040	267,577,040
Plant and other tangible fixed assets		358	412	Legal Reserve		156,252	156,252
Real estate investments	**NOTE 7**	**283,908,076**	**219,960,746**	Reserves in consolidated companies		2,673,040	-9,117,017
Long-term financial investments	**NOTE 9**	**1,914,882**	**1,181,932**	Profit (loss) for the year attributed to the parent company		4,877,962	11,794,493
Other financial assets		1,914,882	1,181,932				
				NON-CURRENT LIABILITIES		**34,019,926**	**7,940,669**
				Subsidies	**NOTE 12**	**1,468,025**	**1,522,383**
				Long-term debts	**NOTE 13**	**32,551,901**	**6,418,286**
				Debts with credit institutions		28,440,276	4,616,144
				Other financial liabilities		4,111,625	1,802,142
CURRENT ASSETS		**35,156,360**	**59,738,809**	**CURRENT LIABILITIES**		**11,675,457**	**2,530,462**
Inventories		**266,554**	**9,196**	**Short-term debts**	**NOTE 13**	**10,210,140**	**1,356,332**
Advance payments to suppliers		266,554	9,196	Debts with credit institutions		10,210,140	1,356,200
Trade and other accounts receivable		**2,067,115**	**1,674,597**	Other financial liabilities		-	132
Accounts receivable for sales and services		1,329,545	992,930	**Short-term debts with associated companies**	**NOTE 18.2**	**4,689**	**19,201**
Other receivables		19,483	-	**Trade creditors and other accounts payable**		**1,460,629**	**1,154,929**
Other credits with the public administration	**NOTE 16**	718,087	681,667	Suppliers		731,380	438,119
Short-term investments in associated companies	**Notes 9 and 18.2**	**32,596,791**	**57,579,278**	Sundry creditors		6,195	1,534
Credits to associated companies		32,596,791	57,579,278	Other debts with the public administration	**NOTE 16**	411,713	192,946
Short-term financial investments		**-**	**120**	Advance payments from customers		311,340	522,330
Other financial assets		-	120				
Cash and cash equivalents		**225,900**	**475,618**				
Cash and bank		225,900	475,618				
TOTAL ASSETS		**320,979,676**	**280,881,899**	**TOTAL EQUITY AND LIABILITIES**		**320,979,676**	**280,881,899**

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Notes 1-23 to the attached hereto half-yearly financial statements are an integral part of the consolidated financial balance at 30 June 2015

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT AT 30 JUNE 2015

(Euros)

	Notes	30/06/2015	30/06/2014
CONTINUED OPERATIONS			
Net turnover	NOTE 17.1	**8,526,815**	**6,632,790**
Provision of services		8,526,815	6,632,790
Other operating income	NOTE 17.1	**524,374**	**-**
Non-core and other current management income		524,374	-
Procurements		**-605,772**	**-721,093**
Purchases		-	-
Work performed by other companies		-605,772	-721,093
Personnel expenses	NOTE 17.3	**-47,472**	**-45,223**
Wages, salaries and similar outgoings		-39,695	-38,502
National Insurance contributions		-7,777	-6,721
Other operating expenses		**-1,126,175**	**-588,061**
Outside services	NOTE 17.2	-479,597	-552,681
Taxes and similar levies	NOTE 17.2	-15,285	-13,558
Losses, impairment and changes in provisions for trade transactions	Notes 8 and 19	-631,294	-21,822
Fixed asset depreciation	NOTE 7	**-2,570,375**	**-2,236,031**
Allocation of non-financial fixed asset subsidies and others	NOTE 12	**54,358**	**62,503**
Impairment and gains (losses) on fixed asset and real estate investment disposals		**-329,210**	**-3,215,423**
Impairment and losses	NOTE 19	-297,909	-3,000,000
Gains (losses) on disposals and others	NOTE 7	-31,301	-215,423
Operating profit (loss)		**4,426,542**	**-110,538**
Financial income		**790,647**	**529,332**
From transferable securities and other financial instruments		790,647	529,332
In associated companies	NOTE 18.1	777,341	499,005
In third parties		13,306	30,327
Financial expenses		**-339,227**	**-59,758**
From related-party debts		-	-
From debts with third parties	NOTE 13	-339,227	-59,758
FINANCIAL PROFIT (LOSS)		**451,420**	**469,574**
CONSOLIDATED PROFIT (LOSS) BEFORE TAX		**4,877.962**	**359,036**
Tax on profits	NOTE 16	-	-3,210
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	NOTE 17.4	**4,877,962**	**355,826**
Profit (loss) attributed to non-controlling interests		**-**	**-**
PROFIT (LOSS) FOR THE YEAR ATTRIBUTED TO THE PARENT COMPANY		**4,877,962**	**355,826**
		-	
Earnings per share:			
Basic and diluted earnings per share	NOTE 17.5	1.10	0.08

Notes 1-23 described in the notes to the consolidated half-yearly financial statements attached hereto are an integral part of the consolidated financial balance at 30 June 2015

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT AT 30 JUNE 2015

(Euros)

	30/06/15	30/06/14
PROFIT (LOSS) OF THE PROFIT AND LOSS ACCOUNT (I)	**4,877,962**	**355,826**
TOTAL INCOME AND EXPENSES DIRECTLY ATTRIBUTED TO EQUITY (II)	-	-
TOTAL AMOUNTS TRANSFERRED TO PROFIT AND LOSS ACCOUNT (III)	-	-
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)	**4,877,962**	**355,826**
Attributable to Parent Company	4,877,962	355,826
Attributable to external partners	-	-

Notes 1-23 described in the notes to the consolidated half-yearly financial statements attached hereto are an integral part of the consolidated financial balance at 30 June 2015

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. and Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CORRESPONDING TO THE SIX MONTHS ENDING AT 30 JUNE 2015
(Euros)

		Parent Company Reserves				Reserves in Companies Consolidated by		
	Capital Social	Legal Reserve	Legal Reserve	Legal Consolidation	Years' Prev. Year	Integration Global	Years' for the Year	TOTAL
CLOSING BALANCE 31 DECEMBER 2013	**267,577,040**	**-**	**-**	**-**	**-1,228,592**	**-6,245,782**	**1,482,394**	**261,585,060**
Recognised total income and expense	**-**	**-**	**-**	**-**	**-**	**-**	**11,794,493**	**11,794,493**
Transactions with shareholders	**-**	**156,252**	**-2,877,950**	**-**	**1,228,592**	**6,716**	**-1,482,394**	**-2,968,784**
Profit (loss) carry-forward	-	156,252	-	2,968,784	1,228,592	-2,871,234	-1,482,394	-
- Distribution of dividends	-	-	-	-2,968,784	-	-	-	-2,968,784
- Other movements	-	-	-2,877,950	-	-	2,877,950	-	-
CLOSING BALANCE 31 DECEMBER 2014	**267,577,040**	**156,252**	**-2,877,950**	**-**	**-**	**-6,239,066**	**11,794,493**	**270,410,769**
Recognised total income and expense	**-**	**-**	**-**	**-**	**-**	**-**	**4,877,962**	**4,877,962**
Transactions with shareholders	**-**	**-**	**-**	**-**	**921,102**	**10,868,955**	**-11,794,493**	**-4,436**
Profit (loss) carry-forward	-	-	-	-	921,102	10,873,391	-11,794,493	-
- Distribution of dividends	-	-	-	-	-	-	-	-
- Extension of the perimeter to INVERETIRO	-	-	-	-	-	-4,436	-	-4,436
CLOSING BALANCE AT 30 JUNE 2015	**267,577,040**	**156,252**	**-2,877,950**	**-**	**921,102**	**4,629,889**	**4,877,962**	**275,284,295**

Notes 1-23 to the attached hereto half-yearly financial statements are an integral part of the consolidated financial balance at 30 June 2015

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2015

(Euros)

	Notes	30/06/2015	31/12/2014
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**7,351,887**	**15,713,024**
Profit (loss) before tax for the year		**4,877,962**	**11,794,493**
Adjustments to profit (loss):		**2,366,682**	**967,916**
Fixed asset depreciation (+)	**NOTE 7**	2,570,375	4,469,732
Changes in provisions for trade transactions (+/-)		631,294	57,545
Impairments and gains (losses) on fixed asset-write offs and disposals (+/-)	**Notes 6 and 19**	-329,210	-1,385,143
Financial income (-)	**NOTE 18.1**	-790,647	-2,166,621
Financial expenses (+)	**NOTE 13**	339,227	101,120
Allocation of subsidies (+/-)	**NOTE 12**	-54,358	-108,717
Changes in working capital		**-344,177**	**885,114**
Inventories (+/-)		-257,358	-9,196
Trade and other accounts receivable (+/-)		-392,518	799,289
Other current assets (+/-)		-	5,000
Trade creditors and other accounts payable (+/-)		305,700	90,021
Other cash flows from operating activities		**451,420**	**2,065,501**
Interest payments (-)	**NOTE 13**	-339,227	-101,120
Interest receivable (+)	**NOTE 18.1**	790,647	2,166,621
CASH FLOWS FROM INVESTMENT ACTIVITIES (II)		**-67,557,002**	**1,332,205**
Operating profit (loss)			
Investment payments		**-67,751,620**	**-528,292**
Real estate and tangible fixed asset investments	**NOTE 7**	-67,018,670	-516,610
Other financial assets	**NOTE 9**	-732,950	-11,682
Receivables from disposals		**194,618**	**1,860,497**
Real estate investments	**NOTE 7**	231,491	1,849,999
Other financial assets		-36,873	10,498
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**59,955,398**	**-17,263,074**
Dividend and other equity instrument payments		**-**	**-2,968,786**
Dividends	**Note 3**	-	-2,968,786
Financial liability instrument receivables and payables		**59,955,398**	**-14,294,288**
Repayment and redemption of debts with credit institutions		32,678,072	-1,009,379
Payments for loans granted to Group and associated companies	**NOTE 18.2**	24,982,487	-13,303,163
Debt issues with associated companies	**NOTE 18.2**	-14,512	19,201
Other financial liabilities		2,309,351	-947
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (I+II+III)		**-249,718**	**-217,845**
Cash or cash equivalents at beginning of the year		475,618	693,463
Cash or cash equivalents at year-end		225,900	475,618

Notes 1-23 to the half-yearly financial statements attached hereto are an integral part of the consolidated income statement for the six months ending on 30 June 2015

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. AND SUBSIDIARIES

Explanatory notes to the Consolidated Half-Yearly Financial Statements at 30 June 2015 (unaudited)

1. Origin and background

"SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.", (formerly called SAINT CROIX HOLDING IMMOBILIER, SOCIÉTÉ ANONYME" and hereinafter referred to as the "Parent Company") was incorporated on **1 December 2011** under Luxembourg law. Its registered address since its incorporation was at 9B, Boulevard Prince Henri, L-1724, Grand Duchy of Luxembourg and it was duly registered at the Luxembourg Companies Registry (Registre de Commerce et des Sociétés) under the number B165103. The Parent Company moved its registered address, the Company's effective place of management and central administration or headquarters, from 9B, Boulevard Prince Henri L-1724 Luxembourg, Grand Duchy of Luxembourg to Glorieta de Cuatro Caminos 6 and 7, 4th floor, E-28020, Madrid, Spain in 2014.

The Parent Company's activity includes holding interests in the capital of other companies, mainly Spanish companies known as "Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario" (Listed Real Estate Investment Trusts) (hereinafter "SOCIMIs") or in other companies, regardless of whether they are domiciled in Spain, which have corporate purposes that are similar to SOCIMIs and which are subject to distributing their profits in a way that is analogous or similar to the legal, tax or statutory policies set forth for Spanish SOCIMIs.

The Parent Company was incorporated in 2011 through an in-kind contribution, by means of which the shareholders of the two investee companies initially incorporated in 2009 contributed all their shares to the Company in the form of capital. This operation was based on a valuation commissioned by both investee companies' boards of directors. The valuation used for the operation was carried out based on the cost of the two investee companies' equity at 30 September 2011, as modified by adjustments to the fair value of their assets and liabilities, which gave rise to the final swap equation used in the Parent Company's incorporation. The Company acquired all the shares of the two investee companies through this share swap or contribution operation. The Parent Company was incorporated with 3,784,368 shares having a par value of 60.10 euros per share. Its resulting initial share capital therefore amounted to 227,440,517 euros.

Subsequently, on **15 December 2011**, the Parent Company's board of directors resolved to increase the Company's share capital by the amount of 40,136,522.90 euros by issuing 667,829 new shares at a par value of 60.10 euros per share. Said capital increase was offered to already existing shareholders and other external shareholders for subscription. Some of the already existing founder members or shareholders waived their preferential subscription rights, but two of them, PROMOCIONES Y CONSTRUCCIONES, PYC, PRYCONSA, S.A. and COGEIN, S.L., subscribed part of the capital increase (23,926,050.40 euros). New shareholders subscribed the rest of the capital increase (16,210,472.50 euros). All the Parent Company's shares were issued under Luxembourg law. After the aforementioned capital increase and therefore until today, the Company's share capital has amounted to 267,577,039.70 euros made up 4,452,197 shares at a par value of 60.10 euros per share. All the shares are of the same class. All the shares have the same voting rights. The Company may issue new shares in order to finance acquisitions or swap them in an acquisition transaction.

The Parent Company's shares (4,452,197 shares) representing its share capital were admitted to trading on the first regulated market of the Luxembourg Stock Exchange on **21 December 2011** and have been on its official listing since then. Said shares are included under the Euroclear system under the common code number 072069463. The ISIN Code of the

Company's shares is **LU0720694636** and their name identifier in the Luxembourg Stock Exchange (CBL) is **StCroixHldgImSo**.

The quoted market price of the shares of the parent company at **30 June 2015** is EUR 64.90 per share (EUR 61.40 per share on 31 December 2014).

Its **corporate purpose** includes the following activities:

- The holding of interests in the capital of other listed real estate investment trusts (hereinafter "SOCIMIs") or in the capital of other entities not domiciled in Spanish territory which have the same corporate purpose as SOCIMIs and which are subject to a similar scheme as the one laid down for SOCIMIs with regard to mandatory, legal or statutory policies on the distribution of profits.

- The holding of interests in the capital of other entities, whether or not they are domiciled in Spanish territory, which have as their main corporate purpose the acquisition of urban real estate assets for leasing and which are subject to the same scheme as that established for listed real estate investment trusts (SOCIMIs) concerning mandatory, legal or statutory policies on the distribution of profits and which meet the investment requirements laid down by Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts (hereinafter the "SOCIMI Act").

- The holding of shares or interests in collective real estate investment institutions governed by Act 35/2003 of 4 November on Collective Investment Institutions.

- The performance of other non-core or complementary financial and non-financial activities that generate revenues which together amount to less than the percentage the SOCIMI Act sets forth at any time for the company's revenue in each tax period, such as:

    - The acquisition and development of urban real estate for leasing. Development activities, including the refurbishment of buildings under the terms set forth by Act 37/1992 of 28 December on Value Added Tax.

    - The construction, development and sale of retail outlets, garages and housing units in both the free market and the officially protected or public market, and others related to said activity, such as the acquisition of land and the financing, development and subdivision into plots, along with the refurbishment of buildings.

    - The acquisition, plot subdivision, operation and sale of rural, agricultural, forestry and stock breeding properties and of any other real estate asset, along with the marketing of their products and other consumer goods.

    - The acquisition, holding and disposal of moveable property and fixed income and equity securities after having received, if applicable, the relevant administrative authorisation, along with the purchase and sale of works of art.

    - The management, administration and operation of hotels, aparthotels, student halls of residence and nursing homes for the elderly in any of the ways provided for by Law and in general of any kind of real estate where an economic activity is carried out.

    - The assignment of its own capital in exchange for the payment of interest or other kinds of consideration.

As regards the Subsidiary Company, Compañía Ibérica de Bienes Raíces 2009 SOCIMI, S.A.U., its corporate purpose consists of the acquisition and development of urban real estate assets for leasing, which includes the refurbishment of buildings, under the terms laid down by Law 37/1992 of 28 December, the Value Added Tax Law.

Change of registered address and effective headquarters

On **10 June 2014**, at an **Extraordinary General shareholders' Meeting,** all of the Parent Company's shareholders unanimously approved the following resolutions, among others:

- Transfer of its registered office, the Company's effective place of management and central administration or headquarters, from 9B, Boulevard Prince Henri L-1724 Luxembourg, Grand Duchy of Luxembourg to Glorieta de Cuatro Caminos 6 and 7, 4th floor, E-28020, Madrid, Spain;

- Change of Company's trade name from "SAINT CROIX HOLDING IMMOBILIER, S.A." to "SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.";

- Approval of the Company's interim financial statements at 31 May 2014;

- Amendment of the Company's Articles of Incorporation to adapt them to comply with Spanish law and approval of the new Articles of Incorporation and approval of the General Shareholders' Meeting Regulations;

- Approval of the change of members of the board of directors and auditor, as well as approval of their management;

- Appointment of the new members to the Company's board of directors in Spain for a six-year period;

- Appointment of the Company's new auditor in Spain;

- Appointment of the people who are to represent the Company in Spain before any authority so that they may do whatever they may deem necessary regarding administrative or tax proceedings of any kind in order to implement the measures thus approved concerning the change of registered address, the Company's effective place of management and central administration.

Another meeting of the board of directors was held in Madrid on **11 June 2014.** The main resolutions adopted there were as follows:

- The board of directors took note of the resolutions adopted by the Company's Extraordinary General Shareholders' Meeting held on 10 June 2014, which are set out above, and appointed the following new directors: (i) Chairman and Chief Executive Officer: Mr. Marco Colomer Barrigón; (ii) Director: Mr. Jose Luis Colomer Barrigón; (iii) Director: Celestino Martín Barrigón; and (iv) Non-member Secretary: Mr. José Juan Cano Resina.

- Approval of the Board of Directors' Regulations pursuant to Article 528 of the Corporate Enterprises Act.

- Setting up of an Audit Committee. According to the Article 12.1 and 13 of the Board of Directors' Regulations, a resolution was taken to set up an Audit Committee made up of three members who also have to be members of the board of directors. It was resolved to delegate the board of directors' internal control responsibility, internal auditing actions and risk management to this Audit Committee and in particular any responsibility set forth in Article 13.9 of the Board of Directors Regulations. It was also resolved to appoint Celestino Martín Barrigón as Chairman of the Audit Committee. A resolution was also taken to appoint José Luis Colomer Barrigón as Committee Secretary. Both offices were appointed for a six-year period.

- Marco Colomer Barrigón was empowered Marco Colomer Barrigón was empowered to act before the National Securities Market Commission (CNMV) in order to obtain the legal persons certificate (CIFRADOC), as set forth in the resolution issued by the Chairman of the CNMV on 16 November 2011 and authorising its use by the Company to fulfil the procedures and obligations laid down by the CNMV in accordance with the official registry of the CNMV.

- Marco Colomer Barrigón was empowered Marco Colomer Barrigón was empowered to act before the CNMV in order to obtain the legal persons certificate (CIFRADOC), as set forth in the resolution issued by the Chairman of the CNMV on 16 November 2011 and authorising its use to notify the CNMV of any relevant disclosure under the "RSS" (relevant or significant disclosure) and "CIG" (annual corporate governance report) codes in accordance with the official registry of the CNMV.

The Madrid Companies Registry duly registered the Company in Madrid, Spain on **15 October 2014**. This means, among other aspects, that the company has definitively obtained Spanish nationality. Its tax identification number is A-87093902.

Another **Extraordinary General Shareholders' Meeting** was held on **2 December 2014**, at which it was resolved to increase the number of members of the Board of Directors to five and appoint two new Independent Directors of the Company: Juan Carlos Ureta Domingo and Ofelia María Marín-Lozano Montón. Another meeting of the board of directors was held immediately after the Shareholders' Meeting was held. Among other matters, it was resolved at this meeting to approve a change in the Audit Committee composition and to set up an Appointments and Remuneration Committee, appointing the recently appointed Independent Directors to them.

2. Organisation of the Group

At the time of incorporation of the Parent Company, on **1 December 2011**, it owned 100% of the shares of two subsidiaries (SOCIMI), COMPAÑÍA IBÉRICA DE BIENES RAÍCES, 2009, SOCIMI, S.A.U. and COMPAÑÍA IBÉRICA DE RENTAS URBANAS, 2009, SOCIMI, S.A.U. At the time, the Group consisted of the three companies, the holding company and the two 100% owned subsidiaries; therefore, their consolidated accounts were presented by the global consolidation method.

After approval on **25 June 2013** of the merger of the two companies with effect from 1 January 2013, the Parent Company began to consolidate COMPAÑÍA IBÉRICA DE BIENES RAÍCES, 2009, SOCIMI, S.A.U. by global integration; in turn, said company held the assets and liabilities of the unresolved COMPAÑÍA IBÉRICA DE RENTAS URBANAS, 2009, SOCIMI, S.A.U., thus having no effect on the Group's total consolidation.

On **22 January 2015**, the company's Board of Directors approved the acquisition of 100% of the shares of INVERETIRO, S.L. for EUR 52 million, this amount being calculated based on the net debt market value of the company's assets (mainly real estate). The list of these assets is as follows:

- An office building, address Calle Titán 13, Madrid, consisting of 6,630.77 m2 above ground + 7,936.94 m2 below ground (currently rented to “Compañía Logística de Hidrocarburos, S.A. (CLH)”) and,

- Several retail outlets measuring 2,667.80 m2 above ground and 55.59 m2 of parking spaces at Calle Conde de Peñalver 16, Madrid (currently leased to ZARA Spain, S.A.).

The operation to acquire all the shares of the subsidiary was notarised on **27 March 2015** by Madrid notary Luis Pérez-Escolar Hernando. With this acquisition, it is now 100% owned by the Company, its business name having been changed to INVERETIRO, SOCIMI, S.A.U. and its articles of association having been adapted to match those of a real estate investment trust. The appraisal of the acquired company's assets, on which the transaction value was based, was conducted on 31 December 2014 by independent expert TINSA Tasaciones Inmobiliarias, S.A., following the valuation standards of the Royal Institution of Chartered Surveyors (RICS).

After this operation, the Group is now organised as follows:

	Figures at 30 June 2015
SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.	Parent Company Share capital: EUR 267,577,040 Assets: EUR 330,981,968 Equity: EUR 276,551,890 Investment in CIBRA equity: EUR 267,931,197 Investment in INVERETIRO equity: EUR 52,004,436 Financial debt: None
Cibra 2009 Socimi S.A.U.	100% owned company Share capital: EUR 257,160,000 Assets: EUR 299,487,657 Equity: EUR 265,553,202 Financial debt: EUR 12,761,812
InveRetiro SOCIMI, S.A.U.	100% owned company Share capital: EUR 44,992,853 Assets: EUR 73,701,611 Equity: EUR 45,996,675 Financial debt: EUR 25,733,916

3. Applicable legislation

Both companies are governed by Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts, as amended by Law 16/2012 of 27 December. Article 3 of said Law, as amended by the new Law, sets forth the investment requirements for this kind of companies, which are as follows:

1. SOCIMIs shall have at least 80 per cent of the value of their urban real estate assets allocated to leasing and to land for real estate development which are to be allocated to such purpose, provided that development is initiated within three years following its acquisition.

   The asset value shall be determined according to the yearly average of the separate quarterly balances and, in order to calculate such value, the Company may opt to replace the market value of the elements comprising said balances with their book value, which would then be applied to the entire year's balances. For this purpose, cash or credit rights arising from a transfer of said real estate assets or any interests realised in the same year or in previous years shall not be computed, as appropriate, provided, in the latter case, that the reinvestment time limit referred to in Article 6 of this Law has not elapsed.

2. Furthermore, at least eighty per cent of the tax period's income corresponding to each financial year, excluding income from the transfer of interests and real estate allocated to fulfilling its main corporate purpose, must come from the leasing of real estate and from dividends or interests in the profits from such interests once the maintenance period referred to in the following paragraph has elapsed.

   This percentage will be calculated from the consolidated profit if the company is the parent company of a group according to the criteria established in Article 42 of the Code of Commerce, regardless of residency and the obligation to publish intermediate consolidated financial statements. Such group shall solely be comprised of SOCIMIs and the rest of the entities referred to in paragraph 1, Article 2 of this Law.

3. The real estate assets which form part of the company's assets must be leased for at least three years. For the purposes of calculation, the time the real estate assets have been offered for lease shall be counted, up to a maximum of one year.

   The term shall be calculated:

   a) In the case of real estate assets that were included in the company's equity before the moment of opting for the scheme, from the start date of the first tax period in which the special tax scheme set forth in this Law applies, provided that was leased or offered for lease on said date. Otherwise, the provisions set forth in the following subsection shall apply.

   b) In the case of real estate assets developed or acquired subsequently by the company, from the date on which they were leased or offered for lease for the very first time.

In the case of shares or interests in the entities referred to in paragraph 1, Article 2 of this Law, they must be maintained in the company's assets for at least three years from the date of acquisition or, as appropriate, from the start of the first tax period in which the special tax scheme set forth in this Law applies.

As set forth by the First Transitional Provision of Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts, as amended by Law 16/2012 of 27 December, such companies may opt to apply the special tax scheme under the terms set forth in Article 8 of said Law, even where the requirements laid down therein have not been fulfilled, provided such requirements are met within two years of the date on which the company chooses to apply the scheme.

The Parent Company's Administrators deemed at year-end 2014 that the Group's two companies had fulfilled all the requirements laid down by the aforementioned Law.

As set forth by the First Transitional Provision of Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts, as amended by Law 16/2012 of 27 December, such companies may opt to apply the special tax scheme under the terms set forth in Article 8 of said Law, even where the requirements laid down therein have not been fulfilled, provided such requirements are met within two years of the date on which the company chooses to apply the scheme.

The failure to comply with this condition shall mean that the company will once again be taxed as per the general tax scheme for Corporation Tax, as from the tax period when the failure to comply comes about, except where it is corrected in the following year. Furthermore, along with the tax liability for such tax period, the Company shall be obliged to pay the difference between the tax liability for the tax resulting from the application of the general scheme and the tax liability effectively paid resulting from applying the special tax scheme in prior tax periods, without prejudice to any late payment interest, surcharges and penalties which may, as appropriate, apply.

In addition to the above, the amendment of Law 11/2009 of 26 October by Law 16/2012 of 27 December 2012 established the following specific changes:

a) More flexible criteria for the inclusion and maintenance of real estate assets: There is no lower limit on the number of real estate assets to be contributed at the SOCIMI's incorporation, except for housing units, of which at least eight must be contributed. Real estate assets no longer have to remain on the company's balance sheet for seven years but only for at least three years.

b) Reduction in capital requirements and freedom to leverage: The minimum capital required was reduced from 15 to 5 million euros, eliminating the restriction on the real estate investment vehicle's maximum borrowing.

c) Reduction in dividend payout: Until the Law came into force, 90% of the profits had to be distributed. This mandatory figure was reduced to 80% as from 1 January 2013.

The Corporation Tax rate for SOCIMIs is set at 0%. Nonetheless, where the dividends a SOCIMI distributes to its members holding an interest exceeding 5% are exempt or taxed at a rate below 10%, the SOCIMI will be subject to a special rate of 19%, which shall be deemed as the Corporation Tax liability on the amount of the dividends distributed to such members. If applicable, this special rate shall have to be paid by the SOCIMI within two months from the date the dividends are distributed.

4. Terms and conditions for the presentation of Intermediate Consolidated Financial Statements

4.1 Accounting principles

These consolidated financial statements for Saint Croix Holding Immobilier, SOCIMI, S.A. and its subsidiaries for the first two quarters of 2015 have been approved by the directors of the parent company at the meeting of the Board of Directors held on 29 July 2015. Furthermore, they have been prepared pursuant to the stipulations of the International Financial Reporting Standards (IAS 34 – Interim Financial Reporting) as adopted by the European Union, according to Regulation (EC) nº 1606/2002 of the European Parliament and European Council (hereinafter "IFR-EU").

In compliance with the IFR-EU in effect at the end of the second quarter of 2015, these financial statements show a faithful image of the Group's consolidated financial situation and assets at 30 June 2015 and of the results of its transactions, changes to its equity and consolidated cash flows that occurred in the Group during the six-month period ending on that date.

The Group's consolidated financial statements have been prepared from the accounting records kept by the parent company and its subsidiaries. Each company prepares its financial statements following the accounting principles and criteria in effect in the country in which it carries out operations so that in the consolidation process the necessary adjustments and reclassifications to homogenise said principles and criteria and match them to the IFR-EU have been made.

The consolidated annual accounts for 2014, prepared in accordance with the stipulations of the IFR-EU, were approved by the Annual General Shareholders' Meeting of Saint Croix Holding Immobilier, SOCIMI, S.A. held on 29 June 2015 and deposited with the Trade Register of Madrid.

Standards and interpretations effective in this period

In the first six months of 2015, the following mandatory rules and guides adopted by the European Union came into effect and, where applicable, have been used by the Group in the preparation of the consolidated interim financial statements:

- <u>New standards, amendments and interpretations which are mandatory for the year starting on 1 January 2014:</u>

New standards, amendments and interpretations approved for use in the European Union		**Obligatory from:**
IFRIC 21 Levies	The guide says that the levy must be recorded when the obligation that generates it occurs as provided for by legislation; for example, if the obligation occurs on 31 December, the liability should be provided for on that date, and no advance cost for it should be recorded on previous interim closures, whereas until now it has been customary to accrue/defer some of the levies falling within the scope.	17 June 2014
Improvements to IFRSs 2011-2013	Minor amendments to a series of standards.	1 January 2015
Amendment to IAS 19 – Employee contributions to defined provision plans	The impact will normally be limited; if certain requirements are met, it facilitates the deduction of these contributions from the cost of the service of the same period in which they are paid.	1 February 2015
IRFS improvements – 2010-2012	Minor amendments to a series of standards.	
Amendments to IAS 16 and IAS 38 – Acceptable methods for depreciation and amortisation	Clarification that revenue-based amortisation methods are not allowed, because they do not reflect the predicted consumption pattern of an asset's future economic benefits.	Pending EU adoption 1 January 2016
Amendment to IFRS 11 – Share acquisitions in joint operations	The amendment requires the acquisition method of IFRS 3 to be applied when the joint operation is a business. This had not been specifically dealt with before.	
IFRS improvements 2012-2014	They should have no significant impacts.	
Amendment to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its partner/joint business	A very important clarification regarding the result of these operations, as previously there had been a discrepancy between these rules. When a business is involved, there will be a total result; if the object of the transaction is assets, the result will be partial.	
Amendment to IAS 27 – Equity Method in Separate Financial Statements	The equity method will be allowed in an investor's separate financial statements. In the Spanish regulatory framework, this will have limited impact, as legal individuals are PGC.	
Amendment to IAS 16 and IAS 41 - Bearer Plants	A matter with an important sectorial impact. Bearer plants are to be booked at cost instead of at fair value.	
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment companies	Clarifications regarding the consolidation exception for investment companies.	
Amendments IAS 1: Disclosure initiative	Various clarifications with regard to disclosures (materiality, aggregation, order of notes, etc.)	
IFRS 15 Revenue from contracts with customers	The new revenue standard will transversely affect all industries and sectors to a greater or lesser degree. It will replace current standards IAS 18 and IAS 11, as well as interpretations in effect concerning revenue (IFRICs 13, 15 and 18 and SIC-31). The new IFRS 15 is much more restrictive and rule-based, as well as having a very different contract focus, so application of the new requirements may cause changes in the revenue profile.	Pending EU adoption 1 January 2017 Proposal delayed until 1 January 2018
IFRS 9 Financial Instruments	This new standard will replace the present IAS 39. IFRS 9 has been promulgated in parts and is now complete (Classification and Measurement, Hedge Accounting and Impairment). There have been important conceptual changes in all headings. It changes the model for classification and measurement of financial assets, the focus of which becomes the business model. The focus of the hedge accounting model is intended to align with economic management of risk and require fewer rules. And finally, the impairment model changes from the current losses incurred based model to a model of expected losses.	Pending EU adoption 1 January 2018

Application of these new standards and amendments has not had significant effects on the interim consolidated financial statements for the six months ending on 30 June 2015.

- Standards and interpretations issued and not in force:

On the date of formulation of these consolidated interim financial statements, the following standards and interpretations had been published by the IASB but had not yet come into effect, either because their effective date is later than the date of the consolidated financial statements, or because they had not yet been adopted by the European Union:

New standards, amendments and interpretations approved for use in the European Union		**Obligatory from:**
Approved for use in the European Union		
Amendment to IAS 19 - Defined Benefit Plans: Employee Contributions (published in November of 2013)	The amendment was issued to facilitate the possibility of deducting these contributions from the cost of the service in the same period in which they are paid if certain requirements are met.	1 February 2015
IFRS improvements 2010-2012 (published in December 2013)	Minor amendments to a series of standards.	
Not yet approved for use in the European Union on the date of publication of this document		
IFRS 15 Revenue from contracts with customers (published in May 2014)	New revenue recognition standard (replacing IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31).	1 January 2017
IFRS 9 Financial instruments (last stage published in July 2014)	Replaces the requirements on classification, measurement, recognition and removal in financial assets and liabilities accounts, hedge accounting and impairment of IAS 39.	1 January 2018
Amendments and/or interpretations		
Amendment to IAS 16 and IAS 38 Acceptable depreciation and amortisation methods (published in May 2014)	Clarifies the acceptable amortisation and depreciation methods for intangible and fixed assets, which do not include revenue based methods.	
Amendment to IFRS 11 Joint Arrangements on share acquisitions in joint arrangements (published in May 2014)	Specifies the way to book an acquisition of an interest in a joint operation the activity of which constitutes a business.	
IFRS improvements 2012-2014 (published in September 2014)	Minor amendments to a series of standards.	
Amendment to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (published in September 2014)	Clarification on the result of these transactions if they involve business or assets.	1 January 2016
Amendment to IAS 27 - The Equity Method in Separate Financial Statements (published in August 2014)	The equity method will be allowed in an investor's separate financial statements.	
Amendment to IAS 16 and IAS 41 - Bearer Plants (published in June 2014)	Bearer plants are to be booked at cost instead of at fair value.	
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities (December 2014)	Clarifications to the consolidation exception for investment entities	
Amendments IAS 1: Disclosure initiative (December 2014)	Various clarifications with regard to disclosures (materiality, aggregation, order of notes, etc.)	

The members of the Board of Directors of the Parent Company are assessing the potential impacts arising from the future application of the remaining standards to the Group's consolidated interim financial statements, although it is not expected that they will have very important effects.

4.2 Consolidation principles and companies included in the consolidation perimeter

Subsidiaries

Companies over which the Parent Company has the capacity to exercise control are deemed as subsidiaries. This capacity is manifested where the Company has the power to manage the financial and operating policies of an investee company in order to benefit from its activities. It is assumed such control exists where the Parent Company holds 50% or more of the voting rights in investee entities either directly or indirectly or, where the percentage is lower, if agreements exist with other shareholders of said companies which grant the Company control over them.

The financial statements of subsidiaries consolidated with those of the Parent Company by application of the global integration method. Consequently, all balances and effects of transactions carried out between the consolidated companies have been removed in the consolidation process.

When a Subsidiary Company is acquired, the Subsidiary Company's assets, liabilities and contingent liabilities are booked at their fair value on the acquisition date. Any excess in the acquisition cost compared to the fair value of the identifiable net assets acquired is recognised as goodwill. Any defect in the acquisition cost with regard to the fair value of the identifiable net assets acquired, in other words a discount on the acquisition, is charged to the year's profit or loss on the date of acquisition.

The subsidiaries included in the perimeter of consolidation integrated by the global integration method are as follows:

Euro								
Company	**Registered Office**	**Cost of the Investment and outstanding disbursements**	**Impairment**	**%**	**Corporate purpose**	**Share capital.**	**Other Equity Elements**	**Profit (Loss) for the year**
Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. (*)	Glorieta de Cuatro Caminos 6 and 7, Madrid	267,931,196	-	100.00%	Holding of real estate assets for rental (SOCIMI)	257,160,000	4,531,093	3,862,108
Inveretiro, SOCIMI, S.A.U.(*)	Glorieta de Cuatro Caminos 6 and 7, Madrid	52,004,436	-	100.00%	Holding of real estate assets for rental (SOCIMI)	44,992,853	231,260	1,235,082
TOTAL		**319,935,632**	-					

(*) Figures obtained from (unaudited) individual financial statements at 30 June 2015

Variations in the perimeter of consolidation 2015

On 22 January 2015, the Board of Directors of the Parent Company approved the acquisition of 100% of the shares in INVERETIRO, S.L. for EUR 52 million, an amount calculated based on the market value of the company's assets (mainly real estate), net of debt. With this acquisition, it is now 100% owned by the Company, its business name having been changed to INVERETIRO, SOCIMI, S.A.U. and its articles of association having been adapted to match those of a real estate investment trust. Valuation of the company's assets on the 31 December 2014, the basis for the value of the transaction, was carried out by the Independent expert TINSA Tasaciones Inmobiliarias, S.A. following the valuation standards of the Royal Institution of Chartered Surveyor (RICS).

4.3 Comparison of the information

The information contained in these explanatory notes related with the first two quarters of 2015 is presented for purposes of comparison with the information for 2014 (balance compared with figures for the 31 December 2014 and profit and loss account compared with figures at 30 June 2014).

4.4 Grouping of items

Certain items in the consolidated financial balance statement, consolidated profit and loss account, consolidated income statement, and consolidated cash flow statement are presented grouped together to facilitate comprehension, although when it is significant, the information is presented broken down in the corresponding explanatory notes to the consolidated financial statements.

4.5 Responsibility for the information and estimates made

The information contained in these explanatory notes to the consolidated financial statements is the responsibility of the directors of the Parent Company.

The estimates made by the Group's management and the consolidated entities' management to value some of the assets, liabilities, revenues, expenses and undertakings booked in the consolidated financial statements attached hereto have sometimes been used in the process of drawing up the consolidated financial statements.

These estimates essentially refer to:

- Valuation of possible losses due to impairment of certain assets (Notes 6.1 and 6.3).
- Useful life of real-estate assets (Note 6.1).
- Calculation of provisions (Note 6.7).

Despite the fact that these estimates were made on the basis of the best available information at the end of the first quarter of 2015, it is possible that future events may make it necessary to adjust them either upward or downward in upcoming financial years, which will be done, as appropriate, prospectively.

4.6 Currency

These consolidated financial statements are presented in euros, as it is the functional currency of the main economic environment in which the Group operates.

5. Distribution of the Parent Company's profit (loss)

The proposal for distribution of the Parent Company's 2014 profits presented by its directors to the shareholders and approved at the Annual General Meeting of Shareholders held on 29 June 2015, is as follows:

	Euro
Basis of distribution:	
Profit and Loss	921,102
Distribution:	
General Accounting Plan First Application Reserve Compensation	921,102

Considering that the balance for 2014 does not allow the General Accounting Plan first application reserve to be fully compensated, no dividend will be paid in 2015 against the profits from 2014.

6. Accounting standards and policies and valuation criteria applied

These are the main rules for recording figures and their valuation used by the group in the preparation of the consolidated financial statements for the first two quarters of 2014:

6.1 Real estate investments

The "Real estate investments" item on the consolidated balance sheet reflects the value of land, buildings and other constructions and fixtures that are held either to operate them under leases or to obtain a capital gain on their sale as a consequence of any increases that may come about in the future in their respective market prices.

These assets are initially valued at their original or production cost, which is subsequently reduced by their corresponding cumulative depreciation and impairment losses, if any.

The Group depreciates real estate investments following the straight-line method by applying annual depreciation percentages calculated on the basis of the respective assets' years of estimated useful life, as follows:

	Years of Estimated Useful Life
Buildings	50
Plant	15 - 20
Machinery	8
Other fixtures	20
Tools and furniture	10
Other fixed assets	6 - 10

As indicated above, the Group depreciates these assets in accordance with the aforementioned years of estimated useful life, considering as a basis for depreciation their historic cost values increased by new investments which will be made and which involve an increase in their added value or their estimated useful life.

Impairment in the value of real estate investments

Whenever evidence for impairment may exist, the Group proceeds to estimate through the so-called "Impairment Test" the possible existence of impairments which reduce the recoverable value of such assets to below their book value.

The recoverable amount is determined as the higher between net sale value and usage value. In any event, significant differences may arise between the fair value of the Group's real estate investments and the effective realisation value of said investments taking the situation of the real estate market into consideration.

Where an impairment loss is subsequently reverted, the asset's book value is increased up to the revised estimate of its recoverable value in such a way as to ensure that the increased book value does not exceed the book value that would have been determined if no impairment loss had been recognised in prior years. Such reversion of an impairment loss is recognised as income.

The Group carries out external, independent valuation of its assets at the end of every year. For this purpose, at the end of 2014, it commissioned a valuation of its assets from CBRE Valuation Advisory, S.A., an independent expert; the final report was published on 21 January 2015 to determine the reasonable values of all its real estate investment at the end of 2014. This valuation was carried out on the basis of the lesser of the replacement value and market rental value (which consists of capitalising the net income from each property and updating future flows. Acceptable discount rates were used to calculate fair value for a potential investor, which are in keeping with those used by the market for properties having similar characteristics and locations. The valuations were made in accordance with the Appraisal and Valuation Standards published by the United Kingdom's Royal Institute of Chartered Surveyors (RICS).

In the first half of 2015, the directors of the Parent Company consider that no significant changes have occurred in either the variables used in said valuation on closure of 2014 by the Independent expert law in the contents nor conditions of the lease contracts in effect used in said valuation, and so consider that the market values of the Group's assets at the end of the first half of 2015 are similar to those at the end of 2014.

According to the appraisals made, the fair value of the real estate investments at the end of 2014 revealed an unbooked latent capital gain (by comparing the updated gross market fair market value and the net book value) of EUR 48,080,867 which was primarily due to the retail outlets located at Gran Vía 34 in Madrid, Calle Caleruega in Madrid and the Hotel Barceló Isla Canela.

The gross asset value of its real estate investments on closure of the second quarter of 2015 taking the three new investments made into account comes to EUR 334,441,266 (EUR 268,041,613 in 2014). This means unrealised capital gains at the end of the second quarter of 2015 of EUR 50,533,190 (EUR 48,080,867 at the end of 2014).

6.2 Leases

Leases are classified as financial leases whenever it can be deduced from the lease agreements that the risks and benefits inherent to owning the asset which is the purpose of the agreement are substantially transferred to the lessee. All other leases are classified as operating leases. The Group has no financial leases at the end of the second quarter of 2015 nor for the financial year 2014.

Operating leases

The expenses arising from the operating lease agreements are charged to consolidated profit or loss in the financial year in which they accrue.

Likewise, any acquisition costs of the leased asset are reflected on the consolidated balance sheet in accordance with their nature increased by the amount of any costs which may be directly stemming from the agreement, which are recognised as an expense over the term of the agreement term by applying the same criterion used to recognise revenue resulting from the lease.

Any charge or payment that may be made when entering into an operating lease is dealt with as an advance charge or payment and charged to income over the lease's term as the profits of the leased asset are progressively assigned or received.

6.3. Financial instruments

6.3.1 Financial assets

Classification-

The financial assets owned by the Group are classified into the following categories:

a) Loans and receivables: Financial assets resulting from the sale of assets or the provision of services for the Company's trade operations, or any that do not have their origin in trade operations, are not equity instruments or derivatives and whose charges are of a fixed or determinable amount and are not traded in an active market.

b) Surety and guarantees posted by the Company in compliance with contractual clauses of the different leases booked.

Initial valuation -

Financial assets are initially booked at the fair value of the consideration handed over plus any transaction costs that can be directly attributable to them.

Subsequent valuation -

Loans, receivables and investments held to maturity are valued at their depreciated cost.

At least at the close of the year, the Group conducts an impairment test on any financial assets not booked at fair value. It is deemed that objective evidence for impairment exists if an asset's recoverable value is less than its book value. When this comes about, the impairment is booked in the consolidated income statement.

More specifically, the criterion used by the Group to calculate the corresponding value corrections concerning trade receivables and other accounts receivable, if any, consists of making an annual allowance in the balances of a certain seasoning or in those in which circumstances come about that would reasonably allow one to classify them as non-performing.

The Group writes off financial assets when they expire or when the rights over cash flows from the financial asset in question have been assigned and the risks and benefits inherent to their ownership have been substantially transferred.

Alternatively, the Group does not write off financial assets in financial asset assignments where the risks and benefits inherent to their ownership are substantially retained, recognising a financial liability equivalent to the consideration received.

6.3.2 Financial liabilities

Financial liabilities include any debits and payables the Group has resulting from the purchase of goods and services from the company's trade operations, or also any that do not have a trade-related origin which cannot be considered as derivative financial instruments.

Debits and payables are initially valued at the fair value of the consideration received, adjusted by any transaction costs that can be directly attributed to them. Subsequently, such liabilities are valued in accordance with their depreciated cost.

The Group writes off financial liabilities when the obligations they have generated expire.

6.4 Classification of balances into current and non-current balances

Current assets are deemed to be any assets linked to the normal operating cycle, which in general terms is considered to be a year, along with any other assets whose maturity, disposal or realisation is expected to come about in the short term from the date of the close of the year, along with cash and cash equivalents. Any assets which do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are linked to the normal operating cycle and, in general terms, include all obligations whose maturity or extinction will come about in the short term. Otherwise, they are classified as non-current liabilities.

6.5 Tax on profits

After its amendment by Law 16/2012 of 27 December, the special tax scheme for SOCIMIs is based on a zero per cent Corporation Tax rate, provided certain requirements are met. Among these, it is worth highlighting the requirement that at least 80% of assets must be comprised of urban properties designated for leasing which are fully owned or acquired through interests in companies that meet the same investment and distribution of results requirements, be they Spanish or foreign, whether or not they are listed on organised markets. Likewise, the main sources of income of these entities must come from the property market, be it from leases, the subsequent sale of real estate after a minimum maintenance period or the income from interests in entities having similar characteristics. Nonetheless, the tax is accrued proportionally to the payout of dividends carried out by the company. Any dividends received by the partners are exempt, except where the beneficiary is a legal person subject to Corporation Tax or a permanent establishment belonging to a foreign entity, in which case a deduction has been established for the total tax liability, so that such income is taxed at the partner's tax rate. However, the rest of income will not be taxed while it is not paid out to the members.

As stipulated by the Ninth Transitional Provision of Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts, as amended by Law 16/2012 of 27 December, the entity will be subject to a special 19% tax rate on the full amount of the dividends or profits distributed to members whose interest in the entity's capital is equivalent to or greater than five percent, where such dividends at the registered office of its members are exempted from tax or taxed at a rate below ten per cent. The foregoing notwithstanding, the special tax rate shall not apply where the dividends or profit sharing are received by other SOCIMIs, regardless of what their percentage holding may be.

The Group's Parent Company has applied a levy of 0% to the dividends distributed to its shareholders, as these comply with the previous condition.

6.6. INCOME AND EXPENSES

Income and expenses are booked on an accrual basis, that is to say, when the real flow of goods and services they represent comes about irrespective of the moment when the monetary or financial flows arising from them are produced. Such income is valued at the fair value of the consideration received, deducting any discounts and taxes.

The recognition of income from sales comes about at the moment the significant risks and benefits inherent to ownership of the asset sold have been transferred without maintaining day-to-day management over such asset, or retaining effective control over it.

Any interest received from financial assets is recognised by using the effective interest rate method and dividends are recognised when the shareholder's entitlement to receive them is declared. In any event, the interest and dividends from financial assets accrued subsequent to the moment of acquisition are recognised as income in the profit and loss account.

The income from real estate leases is booked on the basis of its accrual and the difference, if any, between the invoicing carried out and the income recognised in keeping with this criterion is booked in the "Accrual adjustments" item.

6.7 Provisions and contingencies

In formulating the consolidated financial statements, the directors of the Parent Company distinguish between:

a) Provisions: Credit balances which cover current obligations arising from past events whose cancellation will probably lead to an outflow of resources, but which cannot be determined as to their amount and/or moment of cancellation.

b) Contingent liabilities: Possible obligations arising as a consequence of past events, whose future materialisation is conditional upon whether or not one or more future events which are beyond the Group's control take place.

The consolidated financial statements reflect all the provisions regarding which the likelihood of having to face an obligation is estimated to be higher than not having to do so. Contingent liabilities are not included in the consolidated financial statements. Information about them, however, is provided in the notes to the consolidated financial statements to the extent by which they are not deemed as remote possibilities.

Provisions are valued at the current value of the best possible estimate of the necessary amount to cancel or transfer the obligation, taking into account available information on the event and its consequences, and booking any adjustments that may arise due to the updating of such provisions as a financial expense as they accrue.

6.8 Severance indemnities

In accordance with prevailing legislation, the Group is required to pay severance indemnities to employees it makes redundant under certain conditions. Thus, any severance indemnities susceptible to being reasonably quantified are booked as an expense in the financial year in which the dismissal decision is taken and valid expectations are created among third parties. No dismissals were foreseen that would make it necessary to create such an item at 30 June 2015.

6.9 Environmental equity elements

Environmental equity elements are deemed to be any assets which are used in a long-lasting manner in the Group's operations and whose purpose is to minimise environmental impacts and to protect and improve the environment, including reducing or eliminating future pollution.

By their very nature, the Group's operations do not have any significant environmental impacts.

6.10 Subsidies, donations and bequests

In order to book subsidies, donations and bequests received from third parties other than the owners, the Group follows the following criteria:

a) Non-reimbursable capital subsidies, donations and bequests: These are valued at the fair value of the amount or asset granted, depending on whether they are of a monetary nature or not. They are charged to the consolidated income statement in proportion to the depreciation allowance allocated in the period for subsidised elements or, as appropriate, when their disposal or value correction due to impairment comes about.

b) Reimbursable subsidies: As long as they are deemed as reimbursable, they are booked as liabilities.

6.11 Related-party transactions

The Group performs all its transactions with related parties at market prices. Moreover, transfer prices are properly documented. Hence, the Parent Company's Administrators consider that there are no significant risks which could give rise to considerable liabilities in the future due to this aspect.

7. Real estate investments

The movement occurring under this heading of the consolidated financial statements at 30 June 2015, and the most important information affecting this section in the first six months of 2015 and for the year 2014, are as follows:

2015 (6 months)

	Euro				
	Balance as at 31/12/2014	**Additions**	**Variation Perimeter**	**Write-offs/ Reversals**	**Balance as at 30/06/2015**
Cost:					
Real estate for leases	271,661,340	14,756,946	52,261,723	-231,491	338,448,518
Total cost	**271,661,340**	**14,756,946**	**52,261,723**	**-231,491**	**338,448,518**
Cumulative depreciation:					
Real estate for leases	-26,237,589	-2,292,904	-552,134	5,190	-29,077,437
Total cumulative depreciation	**-26,237,589**	**-2,292,904**	**-552,134**	**5,190**	**-29,077,437**
Impairment:					
Real estate for leases	-25,463,005	-		-	-25,463,005
Total impairment	**-25,463,005**	**-**	**-**	**-**	**-25,463,005**
Net real estate investments	**219,960,746**	**12,464,042**	**51,709,589**	**-226,301**	**283,908,076**

2014

	Euro			
	Balance as at 31/12/2013	**Additions**	**Write-offs/ Reversals**	**Balance as at 31/12/2014**
Cost:				
Real estate for leases	273,329,406	516,167	-2,184,233	271,661,340
Total cost	**273,329,406**	**516,167**	**-2,184,233**	**271,661,340**
Cumulative depreciation:				
Real estate for leases	-21,799,904	-4,469,704	32,019	-26,237,589
Total cumulative depreciation	**-21,799,904**	**-4,469,704**	**32,019**	**-26,237,589**
Impairment:				
Real estate for leases	-27,150,363	-1,958,476	3,645,834	-25,463,005
Total impairment	**-27,150,363**	**-1,958,476**	**3,645,834**	**-25,463,005**
Net real estate investments	**224,379,139**	**-5,912,013**	**1,493,620**	**219,960,746**

Real estate investments (gross): At 30 June 2015, the Group's gross real estate investment came to EUR 338,448,518 (EUR 271,661,340 in 2014). This represents an increase in the balance between the two periods of EUR 66,787,178, mainly due to:

- **Investments made in 2015:** Investments amounting to EUR 67,018,670 have been made this year (EUR 516,169 in 2014). The investment made mainly corresponds to:

    - Remodelling carried out in hotels to the amount of EUR 600,994: Hotel Playa Canela (EUR 478,307), Hotel Meliá Atlántico (EUR 31,598), Hotel Isla Canela Golf (EUR 42,838), Hotel Barceló (EUR 9,782), Hotel Tryp Cibeles (EUR 13,283) and Hotel Tryp Atocha (EUR 25,186).

    - On 27 February 2015, COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U acquired a logistics warehouse in Daganzo de Arriba, Madrid, with 13,810 m2 built on a 27,165 m2 lot with the possibility of building 5,200 m2, for EUR 13,600,000 paid in cash. The warehouse is currently leased to TELEPIZZA, S.A. by virtue of a mandatory long-term lease contract, which expires in May 2027, being extendable. The total cost of the operation including the costs of acquisition of it came to EUR 13,722,813.

    - On 5 May 2015, the Parent Company paid EUR 500,000 as a down payment for the purchase of a retail outlet on the Gran Vía in Madrid. The total price of the purchase will be EUR 13 million and it will be effective within one year and six months, as long as the property is delivered under the conditions agreed.

- **Variations in the perimeter of consolidation:** On 27 March 2015, the Parent Company acquired 100% of the shares of INVERETIRO, SOCIMI, S.A.U. for EUR 52 million. This transaction represents the addition of the following assets valued at these gross prices to the Company consolidated real estate assets: an office building, address Calle Titán 13, Madrid, consisting of 6,630.77 m2 above ground + 7,936.94 m2 below ground (currently rented to "Compañía Logística de Hidrocarburos, S.A. (CLH)") the book cost of which comes to EUR 26,240,597 and (ii) several retail outlets with an area of 2,667.80 m2 above ground + 55.59 m2 of parking spaces, at Conde de Peñalver 16, Madrid (currently rented to "ZARA España, S.A.") The book cost of which comes to EUR 18,782,719. This operation has generated a commercial fund attributable to its assets to the amount of EUR 7,238,407 which has been registered as a higher cost for consolidation purposes and will be based on the estimated useful life of the buildings.

- **Disposals made in 2015:** In 2015, a loft in Sanchinarro VII was sold at a loss of EUR 31,301 which is included under the heading "Profit and Loss from sales and other concepts" in the consolidated profit and loss account for the two quarters ending at 30 June 2015.

Cumulative depreciation: At the close of the second quarter of 2015, the balance of the cumulative depreciation of real estate investment came to EUR 29,077,437 (EUR 26,237,589 in December 2014). The movement in the year was due to the cost of depreciation of real estate investments in the first six months of 2015 which came to EUR 2,570,375 (EUR 2,236,031 in the first two quarters of 2014) and incorporation of the cumulative depreciation of the real estate investments derived from the acquisition of INVERETIRO, SOCIMI, S.A.U., which came to EUR 274,662.

Cumulative impairment: In the first half of 2015, the directors of the Parent Company consider that no significant changes have occurred in either the variables used in said valuation on closure of 2014 by the Independent expert law in the contents nor conditions of the lease contracts in effect used in said valuation, and so consider that the market values of the Group's assets at the end of the first half of 2015 are similar to those at the end of 2014.

According to the appraisals made, the fair value of the real estate investments revealed an unbooked latent capital gain (by comparing the updated gross fair market value and the net book value) of EUR 50,533,190, which was primarily due to the retail outlets located at Gran Vía 34 in Madrid, Calle Caleruega in Madrid, the Hotel Barceló Isla Canela and the Hotel Tryp Cibeles in Madrid..

The gross asset value of the real-estate investments at the close of the second quarter 2015 taking the three new investments into account comes to EUR 334,441,266 (EUR 268,041,613 in 2014), representing unrealised capital gains of EUR 50,533,190 at 30 June 2015 (EUR 48,080,867 at the close of 2014).

Real estate assets	GAV (Euros)	
	30/06/2015	**31/12/2014**
Hotels	134,790,755	134,450,199
Offices	76,456,543	44,935,562
Sales	108,983,170	88,655,852
Industrial	13,710,811	-
Others	499,988	-
TOTAL	**334,441,266**	**268,041,613**

The breakdown of floor space in square metres above ground level of the real estate investments owned by the group was:

Real estate assets	Floor area in m2 above ground level	
	30/06/2015	**31/12/2014**
Hotels	87,960	87,960
Offices	23,669	17,038
Sales	20,442	19,204
Industrial	13,810	-
TOTAL	**145,881**	**124,202**

At 30 June 2015, the mean level of occupation of the Group's assets dedicated to leasing is 89.92% (87.56% at close of 2014) based on the square metres leased, the breakdown being as follows:

Real estate assets	% occupation	
	30/06/2015	31/12/2014
Hotels	100.00%	100.00%
Offices	62.71%	45.74%
Sales	71.26%	68.22%
Industrial	100.00%	-
TOTAL	**89.92%**	**87.56%**

The real estate investments described above are mainly located in Madrid, Castellón, Cáceres and Isla Canela in the province of Huelva.

In the Group's portfolio of leased assets, there are five hotels located in Isla Canela in the province of Huelva which were affected by mortgage guarantees at 30 June 2015 amounting to EUR 26,353,031 corresponding to five bank mortgage loans granted to Isla Canela, S.A., which has become the sole debtor of these guarantee obligations, thereby leaving Compañía Ibérica de Bienes Raíces 2009 SOCIMI, S.A. as the owner of the aforementioned registered properties, but not as the debtor thereof. The breakdown of the mortgage loan balance pending maturity and repayment at 30 June 2015 by assets is as follows:

Property	Euro
Hotel Meliá Atlántico	11,131,532
Hotel Barceló Isla Canela	8,995,176
Hotel Iberostar Isla Canela	3,200,000
Hotel Playa Canela	2,615,368
Hotel Isla Canela Golf	410,935
Total amount mortgages pending expiry on hotels	**26,353,031**

On 1 January 2010, Isla Canela, S.A. and the Subsidiary Company entered into a "Service Provision Agreement with Mortgage Guarantee", by means of which the latter provides the former with the mortgage guarantee service consisting of the fact that the hotels owned by the latter will respond for repayment by the former of the mortgage loans taken out from the institutions in accordance with the arrangements agreed upon in their mortgage contracts until each of the mortgage loans agreed upon is definitively repaid. Isla Canela, S.A. undertakes to pay any depreciation instalments and ancillary costs that may arise punctually until the loans guaranteed with a mortgage are redeemed. Due to the provision of the service described above, Isla Canela, S.A. pays the Subsidiary Company a fee; this an annual lump-sum amount equivalent to 0.25% of the average annual outstanding balance of the mortgage loans calculated on 31 December each year, which is invoiced and paid on the last day of each calendar year. This amount may be amended annually through an agreement between the parties to adapt to it the average market prices paid by the Subsidiary Company for the provision of bank guarantees (bank guarantees and surety bonds) by financial institutions.

The rental income from the Group's real estate investments at 30 June 2015 and in 2014 amounted to EUR 9,051,188 and EUR 6,632,790, respectively.

At the end of June 2015, there was no kind of constraint on making new real estate investments, or on collecting the income arising from them or concerning the resources that could be obtained from a possible disposal.

At the end of June 2015, the Group had fully depreciated real estate investment elements that were still in use to the amount of EUR 4,680,402 (the same amount as at the end of 2014).

There were no real estate investment purchase undertakings or elements outside Spanish territory at 30 June 2015.

8. Operating leases

The Group had reached agreements with lessees on the following minimal rental instalments in accordance with prevailing agreements at the end of the second quarter of 2015 and in 2014, without taking into account the passing on of common expenses, future increases in the consumer price index or any rent reviews agreed upon in their contracts.

The most significant operating leases stem from lease agreements on the real estate assets on which their operations are based. A breakdown of such minimum rental instalments is set out below:

Operating leases Minimum instalments	Euro	
	Nominal value 30/06/2015	Nominal value 30/06/2014
Less than a year	21,906,012	13,995,021
Between two and five years	102,422,908	52,098,870
More than five years	64,344,192	31,065,004
TOTAL	**188,673,112**	**97,158,895**

9. Other financial assets and investments in related companies

These are the balances of the accounts under this heading at the end of the second quarter of 2015 and at the end of 2014:

Financial assets Nature / Category	Euro	
	30/06/2015	31/12/2014
	Loans and receivables	
Other financial assets	1,914,882	1,181,932
Long-term / Non-current	**1,914,882**	**1,181,932**
Credits to associated companies	32,596,791	57,579,278
Short-term / Current	**32,596,791**	**57,579,278**
Total	**34,511,673**	**58,761,210**

The heading "Other non-current financial assets" includes the deposits received from customers deposited with the IVIMA (Housing Institute of Madrid) that correspond to the rentals indicated in Note 8, which, on 30 June 2015, came to EUR 1,914,882 (EUR 1,181,932 at year-end 2014).

The Group generates a cash surplus from current operations arising from its main activity, as set forth in the corporate purpose of the Parent Company and its Subsidiary Company. As a result, the Company has reached several financing agreements in this regard with related parties under market conditions in order to take maximum advantage of its positive cash flows. This credit to related companies is recorded under the heading "Short-term investment with related companies" of the consolidated financial balance statement at June 2015 attached hereto, the balance of which comes to EUR 32,592,102 (EUR 57,579,278 at year-end 2014).

The movements in the "Short-term loans to associated companies" and the "Other non-current financial assets" items during 2015 and 2014 are as follows:

	Euro			
	31/12/2014	Additions	Write-offs	30/06/2015
Credits to associated companies	57,579,278	-	-24,982,487	32,596,791
Other financial assets	1,181,932	732,950	-	1,914,882
TOTAL	**58,761,210**	**732,950**	**-24,982,487**	**34,511,673**

	Euro		
	31/12/2013	Additions	31/12/2014
Credits to associated companies	44,276,115	13,303,163	57,579,278
Other financial assets	1,170,250	11,682	1,181,932
TOTAL	**45,446,365**	**13,314,845**	**58,761,210**

The change in the "Credits to related companies" heading basically corresponds to the cash pooling accounts the related companies have with Promociones and Construcciones, PYC, PRYCONSA, S.A. (Note 18.2).

Furthermore, the change in the Other Long-Term Financial Assets heading corresponds to the normal movement arising from lease contract guarantees and deposits.

The breakdown by due dates of the entries that comprise the "Other non-current financial assets" heading at 30 December 2015 is as follows:

	Euro				
	2016	2017	2018	2019 and later	TOTAL
Guarantees and deposits	24,071	27,132	38,360	1,825,319	1,914,882
TOTAL	**24,071**	**27,132**	**38,360**	**1,825,319**	**1,914,882**

10. Information on the nature and level of risks affecting financial instruments

The management of the Group's financial risks is centralised in Financial Management and in Grupo PYCONSA's policies, which has established the necessary mechanisms to control exposure to changes in exchange rates, along with credit and liquidity risks. The main financial risks having an impact on the Group are set out below:

a) Credit risk

The Group's main financial assets are cash flow and cash balances, trade creditors and other accounts receivable in investments. These account for the Group's maximum exposure to credit risk as regards financial assets. The Group's credit risk is mainly attributable to its trade debts, which are shown net of any provisions for insolvencies estimated on the basis of prior years' experience and their valuation under the current economic climate. The Group loans its excess liquidity to related companies which are very solvent, thereby guaranteeing the repayment of the funds thus loaned.

b) Liquidity risk

Taking into account the current situation of the financial market and the estimates made by the Parent Company's Administrators on the Group's cash generating capacity, the Group estimates it has enough capacity to obtain financing from third parties were it necessary to make new investments. Consequently, there is no evidence that the Group will encounter liquidity problems in the medium term. Liquidity is guaranteed by the nature of the investments made and lessees' high credit ratings, as well as by the collection guarantees set forth in prevailing agreements.

c) Exchange rate risk

As regards the Group's exchange rate risk at 31 December 2014, it did not have any assets or liabilities in foreign currencies. Hence, there is no risk in this regard.

Interest rate risk

The Group has two long-term loans financing long-term assets, as well as short-term working capital financing facilities. The risk of interest rate fluctuations is very low since the Group is not highly exposed to debt. The Group's policy on interest rates consists of not taking out interest rate hedges through hedging financial instruments, swaps, etc. since any change in interest rates would have an immaterial effect on the Group's results, taking into account its low debt levels and today's very low interest rates.

d) Real estate business risks

Changes in the economic situation at both local and international levels, occupation and employment growth rates, interest rates, tax legislation and consumer confidence have a significant impact on the real estate markets. Any unfavourable change in any of these or in other economic, demographic or social variables in Europe, and Spain in particular, could lead to a reduction in real estate activity in these countries. The cyclical nature of the economy has been statistically proven, as have the existence of microeconomic and macroeconomic aspects that directly or indirectly affect the way the real estate market's performs, particularly the rentals which make up the Group's main investment activity.

11. Total equity and shareholders' equity

a) Authorised capital

At 30 June 2015, the Parent Company's subscribed share capital was comprised of 4,452,197 registered shares at a par value of EUR 60.10 euros each. All these shares belong to a single class and series and all have been fully subscribed and paid up, which means that the Parent Company's notarised share capital amounts to EUR 267,577,040.

All the shares making up the share capital are entitled to the same rights, although there are certain restrictions on their transferability in the Articles of Incorporation (preferential purchase rights).

All the Parent Company's shares have been admitted to trading on the Luxembourg Stock Exchange since 21 December 2011. The share price at 30 June 2015 and the average share price in the last quarter of 2015 were EUR 64.90 and EUR 64.82 per share, respectively. The shares are registered shares and are represented by means of book entries. They are constituted as such by virtue of their registration in the corresponding share register.

The shareholders shall be subject to the obligations set forth in Articles 10 and comply with the SOCIMI Act. Any shareholders whose interest in the entity's share capital is equivalent to or greater than five per cent and who receive dividends or a share-out of profits are obliged to give the company notice of the tax rate on the dividends received within ten days, counting from the date after the day they are received.

The companies holding an interest in the Parent Company's share capital equivalent to or greater than 10% at 30 June 2015 were as follows:

Shareholder	Number of Shares	Percentage Interest
PROMOCIONES Y CONSTRUCCIONES, PYC, PRYCONSA, S.A.	498,201	11.19%

Parent Company Reserves

- **Legal Reserve**

According to the Consolidated Text of the Corporate Enterprises Act, a figure equivalent to 10% of the profit for the year has to be allocated to the legal reserve until the balance of this reserve reaches at least 20% of share capital. The legal reserve may be used to increase capital by using the proportion of its balance which exceeds 10% of the already increased capital.

With the exception of the aforementioned use, and whilst it does not exceed 20% of the share capital, this reserve may only be used to offset losses, and only when there are no other sufficient available reserves to do so.

At 30 June 2015, the legal reserve of the Parent Company was not fully constituted, its balance on that date being EUR 156,252.

- **General Accounting Plan first application reserves**

The balance of this heading at 30 June 2015 corresponds to the negative reserve of first application of the General Accounting Plan, to the amount of EUR 1,956,848 (EUR 4,211,445 at 31 December 2014). During the six-month period ending 30 June 2015, the Parent Company made a positive adjustment to these reserves to the amount of EUR 1,333,495 as a result of adjusting the origin of the reserve as well as distribution of the Parent Company's positive balance for the year 2014 which came to EUR 921,102.

b) Reserves in consolidated companies

The breakdown of the reserves in consolidated companies by global integration at 30 June 2015 and 31 December 2014 is as follows:

Company	Euro	
	30/06/2015	**31/12/2014**
Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U.	4,634,324	-4,905,572
Inveretiro, SOCIMI, S.A.U.	-4,436	-
TOTAL	**4,629,888**	**-4,905,572**

c) Distribution of profits

SOCIMIs are governed by the special tax scheme set forth in Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts, as amended by Law 16/2012 of 27 December. Once all the trading obligations that may correspond to them are fulfilled, such companies are obliged to distribute to their shareholders the profits obtained in the year. Such distribution must be resolved as set out below within the six months following the end of each financial year:

a) All the profits from dividends or profits distributed by the entities referred to in paragraph 1, Article 2 of this Law.

b) At least 50 per cent of the profits resulting from the transfer of the real estate assets and shares or interests referred to in paragraph 1, Article 2 of said Law which are carried out once the periods referred to in paragraph 3, Article 3 of this Law have elapsed and which are allocated to fulfilling its main corporate purpose. The rest of such profits must be reinvested in other real estate assets or interests included under the corporate purpose within three years following the date of transfer. Failing this, such profits must be fully distributed jointly with the profits, if any, of the financial year in which the reinvestment period finalises. Should the elements subject to reinvestment be transferred before the maintenance period elapses, any profits therefrom must be fully distributed jointly with the profits, if any, of the financial year in which they have been transferred. The distribution obligation does not cover the proportion of profits, if any, charged to financial years in which the Company did not pay taxes under the special tax scheme set forth by the aforementioned Act.

c) At least 80 per cent of the rest of the profits obtained.

Where the distribution of dividends is charged to the reserves from the profits of a year in which the special tax scheme has been applied, the distribution of such dividends must necessarily fulfil the resolution referred to in the preceding paragraph.

The legal reserve of any companies which have opted to apply the special tax scheme set forth in this Act may not exceed twenty per cent of their share capital. The articles of these companies may not establish any other unavailable reserve other than the legal reserve.

Capital management

The Group is essentially financed with shareholders' equity. Only in the case of new investments may the Group make use of the credit markets to finance these acquisitions or obtain financing from related companies.

The Group's companies have undertaken to distribute at least 80% of their distributable profits in the form of dividends to their shareholders pursuant to the existing legal obligation laid down by Law 11/2009, as amended by Law 16/2012.

12. Capital subsidies

The changes in this heading in the first six months of 2015 and in 2014 were as follows:

2015 (1st half)

	Euro		
	31/12/2014	**Applications**	**30/06/2015**
Capital subsidies	1,522,383	-54,358	1,468,025
TOTAL	**1,522,383**	**-54,358**	**1,468,025**

2014 (1st half)

	Euro		
	31/12/2013	**Applications**	**30/06/2014**
Capital subsidies	1,631,099	-54,359	1,576,740
TOTAL	**1,631,099**	**-54,359**	**1,576,740**

The subsidies granted to the Group in previous years correspond to the following items: Subsidy granted by the Directorate-General of Regional Economic Incentives amounting of 3,180,000 euros for the development of the area. The following should be highlighted within this group of subsidies:

- Subsidy granted by the Directorate-General of Regional Economic Incentives amounting to 1,550,000 euros corresponding to 10% of the investment made to build a hotel in Ayamonte, Huelva.

- Subsidy granted by the Directorate-General of Regional Economic Incentives amounting to 1,106,000 euros corresponding to 10% of the investment made to build a hotel in Ayamonte, Huelva.

- Subsidy granted by the Directorate-General of Regional Economic Incentives amounting to 490,000 euros corresponding to 14% of the investment made to build a hotel in Ayamonte, Huelva.

- Subsidy granted by the Directorate-General of Regional Economic Incentives amounting to 34,000 euros in order to improve the facilities of the Hotel Barceló Isla Canela located in Ayamonte, Huelva.

Apart from the subsidy for the Hotel Barceló Isla Canela, which was granted in the 2011, the aforementioned subsidies were transferred to the Group from Isla Canela, S.A. based on the partial division agreement which gave rise to the Subsidiary Company, since all of them were allocated to the activity subject to the transfer. Taking into account that the partial division transaction mentioned above was performed with accounting effects as of 1 January 2009, the Subsidiary Company has booked the subsidies thus transferred in income since then.

Hence, in the first half of 2015, income amounting to EUR 54,358 was booked as income under the "Assignment of non-financing fixed asset subsidies" heading of the consolidated income statement attached hereto (EUR 54,359 in the first half of 2014).

13. Current and non-current liabilities

These are the balances of the accounts under these headings at the end of the first half of 2015 and at the end of 2014:

	Euro	
	30/06/2015	**31/12/2014**
Long-term debts with credit institutions	28,440,276	4,616,144
Other financial liabilities	4,111,625	1,802,142
Total long-term financial debts	**32,551,901**	**6,418,286**
Short-term debts with credit institutions	10,210,140	1,356,200
Other financial liabilities	-	132
Total short-term financial debts	**10,210,140**	**1,356,332**
TOTAL	**42,762,041**	**7,774,618**

The “Long-term debt to credit entities” and “Short-term debt to credit entities” headings correspond to the following:

- Mortgage-backed loans taken by the related companies to Caixabank and Banco Santander. These mortgages correspond to loans taken to finance investment in certain retail outlets acquired in 2011 in Castellón (EUR 5,200,387) and retail outlets and an office building all located in Madrid financed on 17 April 2015 (EUR 25,733,916).

- Short-term revolving credit line policies expiring on 12 November 2015 with Banca March (EUR 3 million) and 16 January 2016 with Bankinter (EUR 5 million). At 30 June 2015, the balance used of the two credit policies was EUR 7,561,424 (EUR 0 at the end of 2014).

The financial expenses arising from debts with credit institutions at 30 June 2015 amounted to EUR 339,227 (EUR 59,758 at 30 June 2014) and are booked under the "Financial expenses" heading of the consolidated income statement account attached hereto.

The interest rates on the loans are set under market conditions plus a fixed spread.

The "Guarantees and deposits" item reflects the guarantees received from clients connected with the leases set out in Note 8. The balance of this item at 30 June 2015 was EUR 4,111,625 (EUR 1,802,142 at the end of 2014).

The breakdown by due dates at 30 June 2015 is as follows:

	Euro					
	2015	2016	2017	2018	2019 and later	TOTAL
Debts with credit institutions	2,494,027	2,510,924	2,330,259	2,083,808	19,021,258	28,440,276
Long-term guarantees	-	-	-	-	4,111,625	4,111,625
TOTAL	**2,494,027**	**2,510,924**	**2,330,259**	**2,083,808**	**23,132,883**	**32,551,901**

14. Disclosure on supplier payment deferrals

As regards the disclosure required by the Third Additional Provision of Law 15/2010 of 5 July, the outstanding unpaid balance with suppliers at 30 June 2015, as at 2014 year-end had accumulated a slight payment delay beyond the legal deadline established for payment. The information on payment deferrals to suppliers in 2015 (first half) and 2014 is as follows:

Payments Made and Outstanding At Year-end	**2015**		**2014**	
	Euro	**%**	**Euro**	**%**
Payments made within the maximum legal deadline	650,112	49%	1,297,683	53%
Other	669,767	51%	1,139,834	47%
Total payments in year	**1,319,879**	**100%**	**2,437,517**	**100%**
Deferrals at year-end exceeding the maximum deadline	**365,249**		**425,302**	

The maximum legal deadline for payment that applied in 2015 and 2014 to the Group's companies in accordance with Law 3/2004 of 29 December setting forth the measures to combat late payment in commercial transactions was 60 days. Said Law was amended by Law 11/2013 of 26 July, which sets forth a maximum deadline of 30 days from its entry into force, except where there is an agreement between the parties to set a maximum deadline of 60 days.

The information provided above refers to suppliers and creditors which by their very nature are trade creditors for debts with suppliers of goods and services. It therefore includes the data on the "Sundry suppliers and creditors" item of current liabilities in the consolidated balance sheet at 30 June 2015 and 31 December 2014.

15. Guarantees undertaken with third parties

At 30 June 2015 and 31 December 2014, the Group had no guarantees extended to third parties.

The foregoing notwithstanding, as mentioned in Note 7, the five hotels owned by the Group which are located in Isla Canela in Ayamonte, Huelva are subject to mortgage guarantees amounting to 26,353,031 euros corresponding to five banks loans granted to Isla Canela, S.A., which has become the sole debtor of the obligations thereof. This amount corresponds to the outstanding balance at 31 December 2015 of the five mortgage loans mentioned, which correspond to each of the properties. In this regard, the Group entered into a mortgage guarantee agreement with Isla Canela, S.A., as mentioned in Note 7, to ensure the repayment by said related company of the mortgage loans on the hotels owned by the Group until the loans are finally redeemed. The Group receives a commission fee equivalent to 0.25% of the average outstanding balance of the mortgage loans thus guaranteed.

16. Public Administrations and Tax Situation

16.1. Current balances with the public administration

The breakdown of the current balances with the public administration is as follows:

Debit balances

	Euro	
	30/06/2015	31/12/2014
Value-Added Tax return owed by Internal Revenue	19,691	-
Inland Revenue, other withholdings	698,396	681,667
TOTAL	**718,087**	**681,667**

The Internal Revenue's main debt to the Group at 30 June 2015 corresponds to retentions made on capital interest of the Group's financing system and on dividends, as at 31 December 2014.

Credit balances

	Euro	
	30/06/2015	31/12/2014
Inland Revenue, Personal Income Tax creditor	-	11,021
Inland Revenue, VAT creditor	400,219	180,585
Social Security	1,343	1,340
Inland Revenue, other withholdings	10,152	-
TOTAL	**411,713**	**192,946**

16.2. Reconciliation of the accounting profit/loss and the tax base

Reconciliation of the accounting profit/loss and the company tax base of the Parent Company is as follows:

2015 (6 months)

Item	Euro
Profit (Loss) before tax (Parent Company)	10,775.456
Tax base	**10,775,456**
Total tax liability (0%)	**-**

2014

Item	Euro
Profit (Loss) before tax (Parent Company)	921,102
Tax base	**921,102**
Total tax liability (0%)	**-**

16.3. Reconciliation between the accounting profit and corporation tax expenses

Reconciliation of the accounting profit/loss and the company tax base of the Parent Company is as follows:

2015 (6 months)

Item	Euro
Profit (Loss) before tax (Parent Company)	10,775,456
Tax base	10,775,456
Tax (0%)	-
Tax expenses recognised in the profit and loss account	**-**

No permanent or temporary differences came about in 2014 in the tax base calculation. The tax base therefore corresponds to the pre-tax accounting profit.

2014

Item	Euro
Profit (Loss) before tax (Parent Company)	921,102
Tax base	921,102
Tax (0%)	-
Tax expenses recognised in the profit and loss account	**-**

No permanent or temporary differences came about in the first two quarters of 2015 and 2014 in the tax base calculation. The tax base therefore corresponds to the pre-tax accounting profit.

16.4. Financial years pending verification and inspection actions

In 2013, the Parent Company was domiciled in Luxembourg for taxation purposes. With the change of address, the Parent Company settled all its taxes in said country, although all years since it was incorporated remain open to inspection. Consequently, all the financial years since the Parent Company's move which occurred on 15 October 2014 are open to inspection in Spain.

In accordance with prevailing legislation in Spain, taxes cannot be considered to have been definitively settled until the returns filed have been inspected by the tax authorities or until the four-year statute of limitations period has elapsed. At the end of the second quarter 2015, all taxes paid by subsidiaries over the last four years are open to inspection. The Parent Company's directors consider that settlements of the aforementioned taxes have been properly filed. Hence, although discrepancies may arise regarding tax treatment given to operations due to interpretation of prevailing regulations, any liabilities that may eventually result therefrom, should they come about, will not significantly affect the consolidated annual accounts attached hereto.

16.5. Reporting requirements arising from SOCIMI status, Law 11/2009, as amended by Law 16/2012

This information on both Parent Company as well as its Subsidiary Company is contained in Appendices 1 and 2 attached hereto.

17. Earnings and expenses

17.1 Net turnover and other operating income.

The breakdown of these items at 30 June 2015 and 2014 is as follows:

	Euro	
	30/06/2015	**30/06/2014**
Hotels	3,596,594	3,276,588
Offices	1,998,096	947,065
Sales	2,982,740	2,409,137
Industrial	440,790	-
Provision of sundry services	32,968	8,145
Operating subsidies	54,358	54,358
TOTAL	**9,105,546**	**6,695,293**

The Group's entire turnover in the first two quarters of 2015 and 2014 was generated in Spain.

17.2 External charges for services, taxes and similar levies

The breakdown of these items at 30 June 2015 and 2014 is as follows:

	Euro	
	30/06/2015	**30/06/2014**
Rents and levies	15,550	15,550
Repairs and maintenance	12,224	8,285
Independent professional services	171,947	288,207
Insurance policies	86,420	56,197
Banking services and similar	835	380
Advertising, publicity and public relations	363	4,847
Supplies	14,699	11,549
Other services	177,560	96,593
Taxes and similar levies	15,285	98,247
TOTAL	**494,882**	**579,855**

17.3 Wages, salaries and National Insurance contributions

The balance of this item at 30 June 2015 and 2014 was comprised as follows:

	Euro	
	30/06/2015	**30/06/2014**
Wages and salaries:		
Wages, salaries and similar outgoings	39,695	38,502
National Insurance contributions:		
National Insurance contributions incurred by the company	5,571	6,669
Other social expenses	2,205	52
Total	**47,472**	**45,223**

17.4 Contribution to consolidated profit (loss)

The contribution to the consolidated profit (loss) by Companies is as follows:

	Euro	
	30/06/2015	30/06/2014
SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.	-98,971	-255,972
Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U.	3,862,108	611,737
Inveretiro, SOCIMI, S.A.U.	1,114,825	-
Total	**4,877,962**	**355,765**

17.5 Earnings per share

The net profit (loss) attributable to the shareholders is calculated through the weighted average of the number of common shares in the year:

	Euro	
	30/06/2015	30/06/2014
Net profit (loss) attributable to Parent Company	4,877,962	355,826
Weighted average number of shares	4,452,197	4,452,197
Earnings per share	**1.10**	**0.08**

18. Related-party transactions

18.1 Related-party transactions

The operations with related companies at 30 June 2015 were as follows:

2015 (6 months)

	Euro		
	30/06/2015		
	Rental	Financial Income/(Costs)	Services
COGEIN, S.L.	-	284,062	-
Promociones and Construcciones, PYC, Pryconsa, S.A.	-15,550	455,480	-10,750
ISLA CANELA, S.A.	-	37,800	-
TOTAL	**-15,550**	**777,342**	**-10,750**

2014 (6 months)

	Euro		
	30/06/2014		
	Rental	Financial Income/(Costs)	Services
COGEIN, S.L.	-	436,696	-
Promociones and Construcciones, PYC, Pryconsa, S.A.	-15,550	20,809	-
ISLA CANELA, S.A.	-	41,500	-37,250
TOTAL	**-15,550**	**499,005**	**-37,250**

18.2 Balances with related companies

The balances with related companies at 30 June 2015 and 31 December 2014 are as follows:

2015

	Euro	
	30/06/2015	
	Loans extended to related companies	Loans extended to related companies
ISLA CANELA, S.A.	60,011	-
COGEIN, S.L.	-	4,689
PROMOCIONES Y CONSTRUCCIONES, PYC, PRYCONSA, S.A.	32,536,780	-
Total	**32,596,791**	**4,689**

2014

	Euro	
	31/12/2014	
	Loans extended to related companies	Loans extended to related companies
ISLA CANELA, S.A.	-	19,201
COGEIN, S.L.	42,609,183	-
PROMOCIONES Y CONSTRUCCIONES, PYC, PRYCONSA, S.A.	14,970,095	-
TOTAL	**57,579,278**	**19,201**

The agreements currently in force the Group companies have with related companies are as follows:

- On 1 January 2010, Isla Canela, S.A. and Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. entered into a "Service Provision Agreement with Mortgage Guarantee", by means of which the latter will provide the former with the mortgage guarantee service whereby the hotels owned by the latter will respond for repayment by the former of the mortgage loans taken out from the institutions in accordance with the arrangements agreed upon in their articles of incorporation deeds until each of the mortgage loans entered into is definitively redeemed. Isla Canela, S.A. undertakes to pay any depreciation instalments and ancillary costs that may arise punctually until the loans guaranteed with a mortgage are redeemed. Due to the provision of the service described above, Isla Canela, S.A. will pay Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. a fee consisting of an annual lump-sum amount equivalent to 0.25% of the average annual outstanding balance of the mortgage loans calculated on 31 December each year, which will be invoiced and paid on the last day of each calendar year. This amount may be amended annually through an agreement between the parties to adapt to it the average market prices paid by the Company for the provision of bank guarantees (surety and banking insurance) by financial institutions. The revenue accrued for this in 2015 was EUR 37,200 (EUR 41,455 in the first half of 2014) which is included under the heading of financial revenue at 30 June 2015.

- In 2010, Isla Canela, S.A. and Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. entered into a financing agreement by means of which the latter would finance the former under market conditions with the excess liquidity it generates as a result for performing its activity, provided its financing needs are covered. The financing agreement is for a term is of three years and it may automatically be renewed for three-year terms. The financial conditions for the agreement set forth the accrual of interest equivalent to the quarterly EURIBOR rate plus a spread similar to the average spread said entity pays as a result of the mortgage loans it holds. The agreement is reciprocal. In other words, the financing can be generated in either way under the same terms and conditions. The revenue accrued for this in 2015 was EUR 600 (EUR 45 in the first half of 2014) which is included under the heading of financial revenue at 30 June 2015.

- On 1 June 2012, Isla Canela S.A. and Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. entered into a technical services provision agreement for the maintenance of the hotels owned by Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. Pursuant to the aforementioned agreement, Isla Canela, S.A. provides the Subsidiary Company with an integrated preventive maintenance service for the hotels owned by Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. in exchange for economic consideration equivalent to 74,500 euros per year, which will rise according to the CPI on an annual basis. The agreement is annual but may be tacitly extended by the parties on an annual basis, although either of the parties may terminate it at any time. In 2015, no expense has been accrued for this (EUR 37,250 in the first half of 2014).

- In addition to the technical services agreement mentioned in the point above, there is an addendum through which Isla Canela, S.A. provides Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. with a corrective refurbishment works management service for the hotels owned by the latter and whose preventive maintenance is carried out by Isla Canela, S.A. Under this addendum, this entity acts as the works manager in the hotels' refurbishment. The consideration it receives in exchange for this service amounts to 5% of remuneration calculated on the value of the refurbishments performed under the framework of said agreement. No expense has been accrued for this in 2015.

- In 2010, Promociones y Construcciones, PYC, PRYCONSA, S.A. and Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. entered into a financing agreement by means of which the latter would finance the former under market conditions with the excess liquidity it generates as a result for performing its activity, provided its financing needs are covered. The financing agreement is for a term is of three years and it may automatically be renewed for three-year terms. The financial conditions set forth in the agreement imply the accrual of interest equivalent to the quarterly EURIBOR rate plus a market spread. The agreement is reciprocal. In other words, the financing can be generated in either way under the same terms and conditions. The accrued interest entered in the Group's consolidated profit and loss account at 30 June 2015 came to EUR 455,480 (EUR 20,809 in the first half of 2014).

- On 1 January 2010, Promociones y Construcciones, PYC, PRYCONSA, S.A. and Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. entered into a sundry services provision agreement by means of which the former provides mainly administration services to the latter, among others. In principle, the agreement is for a term of ten years and it may be tacitly renewed on an annual basis. The annual amount of the contract amounts to 30,000 euros, which will be reviewed in line with the annual CPI. The amount accrued in 2015 as a result of this contract is EUR 15,550 (EUR 15,550 in the first half of 2014) entered at 30 June 2015 under the " Other operating costs" heading in the Group's consolidated profit and loss account for the first half of 2015.

- In 2010, COGEIN, S.L. and Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. entered into a financing agreement whereby the latter would finance the former under market conditions with the excess liquidity it generates as a result for performing its activity, provided its financing needs are covered. The financing agreement is for a term is of two years and it may automatically be renewed for two-year terms. The financial conditions in the agreement imply the accrual of interest at the legally established rate on the average annual balance of the debt existing between the parties. The agreement is reciprocal. In other words, the financing can be generated in either way under the same terms and conditions. The interest accrued and booked in the Group's consolidated income statement at 30 June 2015 amounted to EUR 284,062 as financial income EUR 436,696 in the first two quarters of 2014).

- On 11 June 2014, the Parent Company entered into a service provision agreement with one of its significant shareholders, Promociones y Construcciones, PYC, PRYCONSA, S.A., whereby the latter would provide the Parent Company with an integrated management assistance service for legal, administrative and tax services, in addition to granting the use of space. The agreement is open-ended. The costs accruing in 2015 amount to EUR 8,750 (EUR 0 in 2014), which are booked under the "Operating expenses" heading of the consolidated profit and loss account.

- On 23 April 2015, Promociones and Construcciones, PYC, PRYCONSA, S.A. and Compañía Ibérica de Bienes Raíces , SOCIMI, S.A.U. entered into a sundry services provision agreement by means of which the former provides mainly administration services to the latter, among others. In principle, the agreement is for a term of ten years and it may be tacitly renewed on an annual basis. The annual amount of the contract amounts to EUR 8,000, which will be revised according to the variation in the annual retail price index. The amount accrued in 2015 as a result of this contract is EUR 2,000 (EUR 0 in the first two quarters of 2014) entered at 31st of June 2015 under the "Other operating costs" heading in the Group's consolidated profit and loss account for the first half of 2015.

18.3 Remuneration for the Board of Directors and senior management

In the first half of 2015 and 2014, remuneration has been paid to the members of the Board of Directors and senior management of Saint Croix Holding Immobilier, SOCIMI, S.A. as follows:

	Euro	
	30/06/2015	**30/06/2014**
Expenses	10,000	1,600
TOTAL	**10,000**	**1,600**

At 30 June 2015 and at the end of 2014, there were no advances or credits or any other kind of pension or life insurance guarantees or obligations in connection with current or former members of the Board of Directors.

The number of Company Directors by gender in 2015 and 2014 was as follows:

30/06/2015			30/06/2014		
Men	**Women**	**TOTAL**	**Men**	**Women**	**TOTAL**
4	1	5	2	1	3

18.4 Disclosure on situations of conflicts of interest involving Administrators

At the end of the first half of 2015, neither the members of the Board of Directors of Saint Croix Holding Immobilier, SOCIMI, S.A. or the parties related to them, as laid down pursuant to the Corporate Enterprises Act, had reported to the other members of the Board of Directors any direct or indirect conflict of interest with those of the Parent Company.

19. Other contingent liabilities

At the close of the second quarter 2015, the following information is of interest:

- **Vincci Hoteles, S.A.:** In 2011, Vincci Hoteles, S.A., the lessee of the Hotel Vincci Selección Canela Golf (today Hotel Isla Canela Golf) vacated the property and failed to pay the quarterly rent due on 15 October 2011. The Group was therefore obliged to activate the necessary contractual and legal mechanisms as a result of the lessee's breach of contract. In 2013, the Group enforced the guarantee put up by the lessee, entering the income corresponding to the period up to the date of the end of the contract under the "Net turnover - Real estate asset operations" heading in the consolidated income statement for that year. The amount of the guarantee in excess of that and amounting to EUR 179,094 was entered under "Other operating income - Non-core and other current management income" in the consolidated income statement for 2013. Moreover, given that the Parent Company's directors believe that Vincci Hoteles, S.A. had breached its obligation to pay rent, use the real estate asset and the term of the aforementioned agreement, the Group claimed additional compensation amounting to EUR 947,732 by a court action brought on 26 December 2012. The claim was accepted by the Madrid Court of First Instance No. 69 under Ordinary Proceedings 974/2013 and it was contested and a counterclaim filed by Vincci Hoteles on 30 December 2013. In said counterclaim, a claim was made against the Group amounting to EUR 1,794,154. A preliminary hearing was held on 3 December 2014 and the trial was scheduled for 13 and 14 May 2015. Following the sentence dated 9 June 2015, an interim agreement was signed on 25 June with Vincci Hoteles, S.A. whereby the subsidiary (Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U.) has paid the amount of EUR 300,000 as the final balance and settlement for this case which is definitively closed. This amount was entered in the Group's consolidated profit and loss account at 30 June 2015 under the “Impairment and balance from disposal of mobilisations and real estate investments” heading.

- On 20 January 2015, COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A. was informed of the claim lodged by UNEDISA (Unidad Editorial, S.A.) concerning the building at Calle Pradillo 42 by virtue of which it was required: (i) that the lease agreement of 27 February 2009 be declared as terminated on 1 March 2014; (ii) that UNEDISA should be declared not bound to pay compensation amounting to 1,676,870 euros, which coincides with the amount of the guarantee which had already been enforced by the Company; and (iii) that the Company be sentenced to pay costs. The amount at issue in the proceedings has been set at 1,676,870 euros. On 17 February 2015, the subsidiary answered the claim, lodging a counterclaim, which was answered by UNEDISA in writing on 17 April 2015, the preliminary hearing being set for 9 September 2015. At 30 June 2015, this lessee had an unpaid rent to the value of EUR 631,294 entered under the customers heading and fully provided for in the Group's consolidated profit and loss account at 30 June 2015 under the “ Losses, impairment and variation in provisions for commercial operations” heading.

- On 27 January 2015, the Company was notified by the Inland Revenue in reply to the notice it had given on 11 November 2014 stating that it wished to continue benefiting from the tax benefits referred to by Article 8 of Law 11/2009 of 26 October (Official State Gazette of 27 October) governing Listed Real Estate Investment Trusts. According to the aforementioned Article, the option has to be adopted by the General Shareholders Meeting and notice thereof has to be given to the Inland Revenue Office corresponding to the entity's tax domicile before the last three months prior to the end of the tax period. According to the Inland Revenue, the Company's notice sent the notification after the deadline, thereby preventing the SOCIMI tax scheme being applied in said tax period.2014 On 10 February 2015, the Company presented the relevant appeal to the Inland Revenue, in which it confirmed its position that it had opted for the special SOCIMI tax scheme validly. On 5 March 2015, the Administration sentenced that the Company's application was not accepted, an appeal being made against this on 30 March 2015, which was disallowed by the Administration in sentence of 29 April, notified the following 4 May 2015, against which a court claim was lodged on 3 June. The Company's Board of Directors considers is that that Company has adequately complied with the procedure in due time and manner and therefore, in spite of the Company having moved its business address and effective seat of management outside Spain, it should continue to apply the SOCIMI tax scheme in 2014. In the highly unlikely event that the claim is rejected, the effect on the Parent Company's assets would be of little significance.

20. Other information

20.1 Personnel

The average number of people employed at 30 June 2015 and 2014 broken down by job category is as follows:

Categories	30/06/2015	30/06/2014
Management	-	-
Administrative staff	1	1
Operator staff	-	-
TOTAL	**1**	**1**

Likewise, the distribution by gender at the end of 30 June 2015 and 2014 broken down by category was as follows:

Categories	30/06/2015		30/06/2014	
	Men	**Women**	**Men**	**Women**
Directors (*)	4	1	2	1
Management	-	-	1	-
Technical staff and middle management	1	-	-	-
Administrative staff	-	-	-	-
Operator staff	-	-	-	-
TOTAL	**5**	**1**	**3**	**1**

21. Corporate Governance

a) Composition of the Board of Directors:

Name	Appointment	Position	Nature
Marco Colomer Barrigón	10 June 2014	Chairman and Managing Director	Executive
Jose Luis Colomer Barrigón	10 June 2014	Director	Proprietary (*)
Celestino Martin Barrigón	10 June 2014	Director	Independent
Juan Carlos Ureta Domingo	2 December 2014.	Director	Independent
Ofelia María Marín-Lozano Montón	2 December 2014.	Lead Independent Director	Independent
Jose Juan Cano Resina	11 June 2014	Non-Board Member Secretary	

(*) Shares belonging to the board member

b) Composition of the Audit Committee:

Name	Appointment	Position
Juan Carlos Ureta Domingo	2 December 2014	Chairman
Jose Luis Colomer Barrigón	24 February 2015	Board Member
Celestino Martin Barrigón	24 February 2015	Officer and Secretary

c) Composition of the Appointments and Remunerations Commission:

Name	Appointment	Position
Ofelia María Marín-Lozano Montón	2 December 2014	Chairman
Celestino Martin Barrigón	2 December 2014	Board Member
Jose Luis Colomer Barrigón	2 December 2014	Officer and Secretary

22. Stock Exchange evolution

	Euro		
	30/06/2015	31/12/2014	+/-
Nominal value	60.10	60.10	-
Trading value	**64.90**	**61.40**	**+5.70%**

23. Subsequent disclosures

The next significant events has occurred between 30 June 2015 and the date of approval of the consolidated semi-annual financial statements:

- As at 14 July 2015, the Subsidiary, COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U., 100% owned by SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A., has formalized in a public deed and before the notary public of Madrid Mr Luis Perez-Escolar Hernando the sale of a Real Estate Property (Hotel use) located at 83 Atocha and 10-12 Moratin Street in Madrid (Spain) currently leased to MELIÁ HOTELS INTERNACIONAL, S.A.. The amount of the transaction amounted to EUR 27,750,000.

Appendix 1

Information on the Parent Company (Saint Croix Holding Immobilier, SOCIMI, S.A.)

Description	2015
a) Reserves from years prior to the application of the tax scheme set forth in Law 11/2009, as amended by Law 16/2012 of 27 December.	As is set out in Note 1, the Company was incorporated on 1 December 2011 in Luxembourg without having allocated any prior year's profits to reserves.
b) Reserves of each financial year in which the special tax scheme set forth in said Law applies • Profits from income subject to the general tax rate • Profits from income subject to tax at a rate of 19% • Profits from income subject to tax at a rate of 0%	• Profits in 2014 allocated to reserves: EUR 921,102 - - • Profits in 2014 allocated to reserves: EUR 921,102
c) Dividends paid out and charged to profits of each financial year in which the tax scheme set forth in this Act can be applied • Dividends from income subject to the general tax rate • Dividends from income subject to taxation at 18% (2009) and 19% (2010 to 2012). • Dividends from income subject to tax at the a rate of 0%	- - - -
d) Dividends paid out and charged to reserves • Dividends charged to reserves subject to taxation at the general tax rate. • Dividends charged to the reserves subject to taxation at 19% • Dividends charged to the reserves subject to taxation at 0%	- - - -
e) Date of the dividend payout resolution referred to by items c) and d) above	-
f) Acquisition date of the properties allocated to lease which generate income subject to this special scheme	-
g) Acquisition date of interests in the capital of the entities referred to in paragraph 1, Article 2 of this Law.	-
h) Identification of the assets calculated within the eighty per cent referred to by paragraph 1, Article 3 of this Act	Shares in Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. and Inveretiro, SOCIMI, S.A.U. amount to EUR 266,597,702
i) Reserves from years in which the special tax scheme set forth in this Act has applied and have been drawn down during the tax period, but not for distribution or to offset losses. The financial year from which said reserves come should be indicated.	-

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Appendix 2

Information on the Subsidiary (Compañía Ibérica de Bienes Raíces 2009 SOCIMI, S.A.)

Description	2015
a) Reserves from years prior to the application of the tax scheme set forth in Law 11/2009, as amended by Law 16/2012 of 27 December.	The Company was incorporated for accounting purposes in January 2009 with a share capital of 103,840,000 euros. It had therefore not applied any previous years' profit to reserves.
b) Reserves of each financial year in which the special tax scheme set forth in said Law applies	• Profits in 2009 allocated to reserves: EUR 936,358 • Profits in 2010 allocated to reserves: EUR 871,431 • Profits in 2011 allocated to reserves: EUR 1,000,888 • Profits in 2012 allocated to reserves: EUR 43,627 • Profits in 2013 allocated to reserves: EUR 470,286 • Profits in 2014 allocated to reserves: EUR 1,208,269
• Profits from income subject to the general tax rate	-
• Profits from income subject to tax at a rate of 19%	• Profits in 2009 allocated to reserves: EUR 936,358 • Profits in 2010 allocated to reserves: EUR 871,431 • Profits in 2011 allocated to reserves: EUR 1,000,888 • Profits in 2012 allocated to reserves: EUR 43,627
• Profits from income subject to tax at a rate of 0%	• Profits in 2013 allocated to reserves: EUR 470,286 • Profits in 2014 allocated to reserves: EUR 1,209,269
c) Dividends paid out and charged to profits of each financial year in which the tax scheme set forth in this Act can be applied	• Distribution of dividends in 2009: EUR 3,382,919 • Distribution of dividends in 2010: EUR 3,121,886 • Distribution of dividends in 2011: EUR 3,585,669 • Distribution of dividends in 2012: EUR 156,295 • Distribution of dividends in 2013: EUR 1,209,306 • Distribution of dividends in 2014: EUR 10,874,427
• Dividends from income subject to the general tax rate	-
• Dividends from income subject to taxation at 18% (2009) and 19% (2010 to 2012).	• Distribution of dividends in 2009: EUR 3,382,919 • Distribution of dividends in 2010: EUR 3,121,886 • Distribution of dividends in 2011: EUR 3,585,669 • Distribution of dividends in 2012: EUR 156,295
• Dividends from income subject to tax at the a rate of 0%	• Distribution of dividends in 2013: EUR 1,209,306 • Distribution of dividends in 2014: EUR 10,874,427
d) Dividends paid out and charged to reserves	-
• Dividends charged to reserves subject to taxation at the general tax rate.	-
• Dividends charged to the reserves subject to taxation at 19%	-
• Dividends charged to the reserves subject to taxation at 0%	-

Description	2015
e) Date of the dividend payout resolution referred to by items c) and d) above	• 2009 Dividends: 29 June 2010 • 2010 Dividends: 30 June 2011 • 2011 Dividends: 28 June 2012 • 2012 Dividends: 20 June 2013 • 2013 Dividends: 30 June 2014 • 2014 Dividends: 22 June 2015
f) Acquisition date of the properties allocated to lease which generate income subject to this special scheme	The real estate assets that have been owned by the Company as from 29/12/2009 Due to the partial division that resulted in the creation of the Subsidiaries, the dates of ownership are the following: • Hotel Isla Canela Golf: 28/12/2007 • Hotel Barceló Isla Canela: 06/07/1998 • Hotel Iberostar Isla Canela: 01/07/2002 • Hotel Playa Canela: 16/05/2002 • Hotel Meliá Atlántico: 25/05/2000 • Marina Isla Canela Shopping Mall: 17/10/2000 • Property on Calle Gran Vía, : 19/10/1987 • Retail outlets at Calle Caleruega: 30/12/2011 The following real estate investments, which were acquired from the related company PROMOCIONES Y CONSTRUCCIONES, PYC, PRYCONSA, S.A. were made in 2012: • Offices Sanchinarro V: 30/10/2012 • Offices Sanchinarro VI: 29/11/2012 • Offices Sanchinarro VII: 29/11/2012 • Vallecas Comercial I: 30/10/2012 • Vallecas Comercial II: 30/10/2012 • Offices Coslada III: 29/11/2012 The merger with Compañía Ibérica de Rentas Urbanas 2009 SOCIMI, S.A.U resulting from its take-over took place in 2013. The company therefore included all the assets from the company taken over on its balance sheet without any associated tax effects. • Hotel Tryp Atocha: 26/12/2001 • Hotel Tryp Cibeles: 16/05/2002 • Retail outlet on Calle Rutillo: 06/04/2000 • Retail outlet at Gran Vía 34 (1+2): 16/05/2002 • Retail outlet at Gran Vía 34 (3): 16/05/2002 • Retail outlet on Dulcinea: 21/09/1995 • Building on Calle Pradillo: 27/02/2009 • Retail outlet at Albalá 7: 26/09/2003 • Offices at Gran Vía 1, 1st and 2nd Floor Right: 15/10/1993 • Gran Vía, 1, 1st Floor Left: 10/02/1998 • Building on C/ San Antón, Cáceres: 15/06/2011 • Building on Plaza España, Castellón: 29/12/2011

Description	2015
	In 2015, the following have been acquired: • An industrial warehouse in Daganzo de Arriba: 27/02/2015
g) Acquisition date of interests in the capital of the entities referred to in paragraph 1, Article 2 of this Law.	-
h) Identification of the assets calculated within the eighty per cent referred to by paragraph 1, Article 3 of this Act	The details of the real estate assets (including works in progress) and their gross carrying cost including assets in construction (EUR 232.20 million), in millions of euros, are as follows: • Marina Isla Canela Shopping Mall: 2.07 • Barceló Isla Canela: 20.55 • Meliá Atlántico: 28.29 • Playa Canela: 13.77 • Iberostar Isla Canela: 21.16 • Isla Canela Golf: 3.62 • Gran Vía 1, 2nd Floor Left: 1.58 • Caleruega: 0.96 • Sanchinarro V: 0.18 • Sanchinarro VI: 7.69 • Sanchinarro VII: 6.04 • Vallecas Comercial I: 3.24 • Vallecas Comercial II: 3.64 • Coslada III: 5.61 • Tryp Cibeles: 18.39 • Tryp Atocha: 21.94 • Gran Vía 34: 19.68 • Pradillo 42: 16.43 • Albalá 7: 2.62 • Gran Vía 1, 1st Floor Left: 2.18 • Gran Vía 1, 2nd Floor Right: 1.76 • Gran Vía 1, 1st Floor Right: 1.84 • Rutilo: 1.01 • Dulcinea: 1.35 • San Antón: 3.00 • Plaza España: 9.43 • Daganzo de Arriba: 13.67
i) Reserves from years in which the special tax scheme set forth in this Act has applied and have been drawn down during the tax period, but not for distribution or to offset losses. The financial year from which said reserves come should be indicated.	-

Information on the Subsidiary (Inveretiro, SOCIMI, S.A.U.)

Description	2015
a) Reserves from years prior to the application of the tax scheme set forth in Law 11/2009, as amended by Law 16/2012 of 27 December.	The Company's reserves at 31 December 2014 came to EUR 1,003,822.
b) Reserves of each financial year in which the special tax scheme set forth in said Law applies	-
• Profits from income subject to the general tax rate	-
• Profits from income subject to tax at a rate of 19%	-
• Profits from income subject to tax at a rate of 0%	-
c) Dividends paid out and charged to profits of each financial year in which the tax scheme set forth in this Act can be applied	-
• Dividends from income subject to the general tax rate	-
• Dividends from income subject to taxation at 18% (2009) and 19% (2010 to 2012).	-
• Dividends from income subject to tax at the a rate of 0%	-
d) Dividends paid out and charged to reserves	-
• Dividends charged to reserves subject to taxation at the general tax rate.	-
• Dividends charged to the reserves subject to taxation at 19%	-
• Dividends charged to the reserves subject to taxation at 0%	-
e) Date of the dividend payout resolution referred to by items c) and d) above	-
f) Acquisition date of the properties allocated to lease which generate income subject to this special scheme	• Titán 13: 12/02/2014 • Conde Peñalver 16: 29/11/13
g) Acquisition date of interests in the capital of the entities referred to in paragraph 1, Article 2 of this Law.	-
h) Identification of the assets calculated within the eighty per cent referred to by paragraph 1, Article 3 of this Act	The details of the real estate assets (including works in progress) and their gross carrying cost including assets in construction (EUR 51.71 million), in millions of euros, are as follows: • Titán 13: 31.43 • Conde Peñalver 16: 20.28
i) Reserves from years in which the special tax scheme set forth in this Act has applied and have been drawn down during the tax period, but not for distribution or to offset losses. The financial year from which said reserves come should be indicated.	-

Consolidated Management Report
30 June 2015

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. AND SUBSIDIARIES

Consolidated management report for the six-month period ending 30 June 2015

1. Explanation of the consolidated figures at 30 June 2015

A breakdown of the main consolidated figures at 30 June 2015 compared to 30 June 2014 is provided below:

Balance Sheet	Euro		
	30/06/2015	**31/12/2014**	**+ / -**
• Real estate investments (gross)	338,448,518	271,661,342	66,787,176
• Cumulative depreciation	-29,077,436	-26,237,590	-2,839,846
• Cumulative impairment	-25,463,006	-25,463,006	-
Net real estate investments	283,908,076	219,960,746	63,947,330
Financial investments in associated companies	32,596,791	57,579,278	-24,982,487
Equity	275,284,293	270,410,768	4,873,525
Net financial debt	38,424,516	5,496,726	32,927,790

Income statement	Euro		
	30/06/2015	**30/06/2014**	**+ / -**
Income	9,051,188	6,632,790	2,418,398
Net margin	8,097,281	5,361,152	2,736,129
% of revenue	**89.46%**	**80.83%**	**8.63%**
EBITDA	**7,605,044**	**5,300,235**	**2,304,808**
% of revenue	**84.02%**	**79.91%**	**4.11%**
Depreciation and amortisation (net)	-3,232,859	-5,465,072	2,232,213
Allocation of subsidies	54,358	54,298	60
Financial profit (loss)	451,420	469,575	-18,155
EBT	**4,877,962**	**359,036**	**4,518,925**
% of revenue	**53.89%**	**5.41%**	**48.48%**
Corporation tax	-	-3,210	3,210
Net profit (loss)	**4,877,962**	**355,826**	**4,522,135**
% of revenue	**53.89%**	**5.36%**	**48.53%**

EPRA Indicators

EPRA	Euro			
	30/06/2015	**Per share**	**31/12/2014**	**Per share**
Earning	5,958,722	1.34	10,466,895	2.35
NAV	367,906,766	82.63	326,021,086	73.23
NNNAV	327,285,508	73.51	319,904,018	71.85
Cost ratio	12.68%		13.62%	
Vacancy rate	4.51%		6.12%	
Net Initial Yield	5.85%		5.69%	

Real estate investments (gross): At 30 June 2015, the Group's gross real estate investment came to EUR 338,448,518 (EUR 271,661,342 in 2014). This represents a year-on-year increase amounting to EUR 66,787,176 largely attributable to:

- Remodelling carried out in hotels to the amount of EUR 600,994: Hotel Playa Canela (EUR 478,307), Hotel Meliá Atlántico (EUR 31,598), Hotel Isla Canela Golf (EUR 42,838), Hotel Barceló (EUR 9,782), Hotel Tryp Cibeles (EUR 13,283) and Hotel Tryp Atocha (EUR 25,186).

- On 27 February 2015, COMPAÑÍA IBÉRICA DE BIENES RAÍCES , SOCIMI, S.A.U acquired a logistics warehouse in Daganzo de Arriba, Madrid, with 13,810 m2 built on a 27,165 m2 lot with the possibility of building 5,200 m2, for EUR 13,600,000 paid in cash. The warehouse is currently leased to TELEPIZZA, S.A. by virtue of a mandatory long-term lease contract, which expires in May 2027, being extendable. The total cost of the operation including the costs of acquisition of it came to EUR 13,722,813.

- On 27 March 2015, the Parent Company acquired 100% of the shares in INVERETIRO, SOCIMI, S.A.U., for EUR 52 million. This transaction represents the addition of the following assets valued at these gross prices to the Company consolidated real estate assets: an office building, address Calle Titán 13, Madrid, consisting of 6,630.77 m2 above ground + 7,936.94 m2 below ground (currently rented to “Compañía Logística de Hidrocarburos, S.A. (CLH)”) the book cost of which comes to EUR 26,240,597 and (ii) several retail outlets with an area of 2,667,80 m2 above ground + 55.59 m2 of parking spaces, at Conde de Peñalver 16, Madrid (currently rented to “ZARA España, S.A.”). The book cost of which comes to EUR 18,782,719. This operation has generated a commercial fund attributable to its assets to the amount of EUR 7,238,407 which has been registered as a higher cost for consolidation purposes and will be based on the estimated useful life of the buildings.

- On 5 May 2015, the Parent Company paid EUR 500,000 as a down payment for the purchase of a retail outlet on the Gran Vía in Madrid. The total price of the purchase will be EUR 13 million and it will be effective within one year and six months, as long as the property is delivered under the conditions agreed.

- **Disposals made in 2015:** In 2015, a loft has been sold in Sanchinarro VII at a loss of EUR 31,301.

Cumulative depreciation: At 30 June 2015, the cumulative depreciation balance amounted to a EUR 29,077,436 (EUR 26,237,590 in 2014). The movements in the year were due to real estate investment depreciation costs in 2015 which amounted to EUR 2,845,038 (EUR 4,469,704 in 2014) and to the effect of real estate investment write-offs (EUR 5,190).

Cumulative impairment: In 2015, the amount of cumulative impairments on real estate investments has not changed. The Group has its real estate assets valued by independent experts at the end of every year. At 30 June 2015 no significant facts have occurred in the conditions of lease contracts in effect which make it necessary to change their value, which is therefore EUR 25,463,006, the same as at the end of 2014.

Net real estate investments: As a result of the foregoing, at 30 June 2015, the Group's net real estate investment comes to EUR 283,908,076 (EUR 219,960,746 in 2014).

Investments in associated companies: The Group generates liquidity as a result of its real estate leasing activity. The surplus funds are loaned out to associate companies under market conditions. The net balance of loans to associated companies at 30 June 2015 came to EUR 32,596,791 (EUR 57,579,278 in 2014).

The breakdown is as follows:

Debtor/Creditor	Euro	Item
PROMOCIONES Y CONSTRUCCIONES, PYC, PRYCONSA, S.A.	32,536,780	Financing associates' working capital
ISLA CANELA, S.A.	60,011	Financing associates' working capital
TOTAL	**32,596,791**	

Net financial debt: The Group had a net financial debt with credit institutions at 30 June 2015 amounting to EUR 38,424,516 (EUR 5,496,726 in 2014), a year-on-year increase of EUR 32,927,790. The Group's debt corresponds to 4 mortgages with banks (two with Caixa Bank and two with Santander). The purpose of this finance is to finance the investment in real estate assets for retail use in Castellón that were required in 2011, and a retail outlet and an office in Madrid acquired by one of the subsidiaries and financed on 17 April 2015. At 30 June 2015, the total amount pending amortisation stood at EUR 30,934,303. Furthermore, the Group has credit line policies contracted with Banca March and Bankinter for a combined amount of EUR 7,561,425.

Taking into account the financing from the group related companies, the net financial debt (Bank and non-bank) amounts to 5,827,725 euros (-52,082,552 euros in 2014). The difference between periods is basically due to the acquisition, in the year 2015, of the new Subsidiary that is already part of the consolidation perimeter of the Group (INVERETIRO, SOCIMI, S.A.U.).

Equity: At 30 June 2015, the Group reported a positive equity of EUR 275,284,293 compared with EUR 270,410,768 at the end of the previous year. The increase of EUR 4,873,525 corresponds to (i) profits in 2015 totalling EUR 4,877,962; and (ii) the negative effect of the consolidation reserves to the amount of EUR 4,436 as a result of the incorporation of INVERETIRO SOCIMI, S.A.U. in the Group's consolidation perimeter.

Dividends:

Dividends of the Subsidiary Companies to the Parent Company in 2015:

1. The net profit of COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U., at 31 December 2014 was EUR 12,082,697. As its annual general meeting held on 22 June 2015, its board approved payment to the Parent Company of a dividend for 2014 to the total amount of EUR 10,874,427. The breakdown of the distribution of profits is as follows:

Distribution of net profit in 2014	Euro
Profit at 31 December 2014	**12,082,697**
• Legal Reserve	1,208,270
• Dividends (to be paid before 22 July 2015)	10,874,427

2. INVERETIRO, SOCIMI, S.A.U. was not inscribed in the SOCIMI tax scheme at 31 December 2014 and had negative reserves to the amount of EUR 1,882,512. This is the proposed distribution of the profits for the year 2014 to the amount of EUR 1,563,417:

Distribution of net profit in 2014	Euro
Profit at 31 December 2014	**1,563,417**
• Compensation for Losses in Previous Years	1,563,417

Dividends paid out by the Parent Company to shareholders in 2015:

The profit obtained by the Parent Company in 2015 was EUR 921,102. At the time of approving the distribution of 2014 profit approved at the Company's Annual General Meeting of Shareholders held on 29 June 2015, the Parent Company had a General Accounting Plan negative reserve of first application to the amount of EUR 2,877,950. The breakdown of the distribution of profits is as follows:

Distribution of net profit in 2014	Euro
Profit at 31 December 2014	**921,102**
• Negative Reserve Compensation by application of the General Counting Plan	921,102

Income: At 30 June 2015, the Group has obtained income of EUR 9,051,188 (EUR 6,632,790 in the first half of 2014) which represents a year-on-year increase of EUR 2,418,398 (36%). All 2015 income is attributable to real estate leasing activities, apart from EUR 32,968 euros (EUR 8,145 euros in the first half of 2014), which came from services.

At 30 June 2015, the Group's **EBITDA** was positive and amounted to EUR 8,097,281 (EUR 5,361,152 in the first half of 2014), or 89% of income, compared with 81% for 2014, representing an increase of 9 percentage points.

At 30 June 2015, the Group's **EBITDA** was positive and amounted to EUR 7,605,044 (EUR 5,300,235 in the first half of 2014), or 84% of income, compared with 80% for 2014, representing an increase of 4 percentage points.

Depreciation: At 30 June 2015, the amortisation costs of real estate investment stood at EUR 2,570,265 (EUR 2,236,031 in the first half of 2014).

Impairment/Reversal: At 30 June 2015, the Group has not recorded any impairment of real estate assets, but has entered losses to the amount of EUR 631,294 associated with the investment in Pradillo 42 (UNEDISA) and losses for sales of real estate assets to the amount of EUR 31,301. In 2014, provisions of EUR 3 million and losses attributable to real estate assets of EUR 229,041 were recorded.

Allocation of subsidies: At 30 June 2015, the Subsidiary allocated income from capital subsidies to profit (loss) amounting to EUR 54,358 (EUR 54,298 in the first half of 2014). These subsidies are connected with the ownership of the hotels in Ayamonte, Huelva.

Financial profit (loss): The Group generated a financial profit amounting to EUR 451,420 in 2015 (EUR 469,575 in 2014). This was essentially a result of the policy of financing related companies out of the cash surplus. These figures are divided into: (i) income from related companies amounting to EUR 777,341 (EUR 499,005 in the first half of 2014); (ii) income from third parties amounting to EUR 13,306 (EUR 30,327 in the first half of 2014) and (iii) financial costs due to bank debt amounting to EUR 339,227 (EUR 59,758 in the first half of 2014).

Net profit (loss): At 30 June 2015, the Group had obtained a positive consolidated net profit of EUR 4,877,962 compared with EUR 355,826 in the first half of 2014, i.e. an improvement of EUR 4,522,135.

2. Valuation of real estate assets

The Group carries out external, independent valuation of its assets at the end of every year. For this purpose, at the end of 2014, it commissioned a valuation of its assets from CBRE Valuation Advisory, S.A., an independent expert; the final report was published on 21 January 2015 to determine the reasonable values of all its real estate investment at the end of 2014. This valuation was carried out on the basis of the lesser of the replacement value and market rental value (which consists of capitalising the net income from each property and updating future flows. Acceptable discount rates were used to calculate fair value for a potential investor, which are in keeping with those used by the market for properties having similar characteristics and locations. The valuations were made in accordance with the Appraisal and Valuation Standards published by the United Kingdom's Royal Institute of Chartered Surveyors (RICS).

In the first half of 2015, the directors of the Parent Company consider that no significant changes have occurred in either the variables used in said valuation on closure of 2014 by the Independent expert law in the contents nor conditions of the lease contracts in effect used in said valuation, and so consider that the market values of the Group's assets at the end of the first half of 2015 are similar to those at the end of 2014.

According to the appraisals made, the fair value of the real estate investments at the end of 2014 revealed an unbooked latent capital gain (by comparing the updated gross market fair market value and the net book value) of EUR 48,080,867 which was primarily due to the retail outlets located at Gran Vía 34 in Madrid, Calle Caleruega in Madrid and the Hotel Barceló Isla Canela.

The gross asset value of the real-estate investments at the end of the first half of 2015, taking the three new investments into account, comes to EUR 334,441,266 (EUR 268,041,613 in 2014), representing unrealised capital gains of EUR 50,533,190 at 30 June 2015 (EUR 48,080,867 at the end of 2014).

Real estate assets	GAV (Euros)	
	30/06/2015	31/12/2014
Hotels	134,790,755	134,450,199
Offices	76,456,543	44,935,562
Sales	108,983,170	88,655,852
Industrial	13,710,811	-
Others	499,988	-
TOTAL	**334,441,266**	**268,041,613**

3. Segmented reporting

The Group identifies its operating segments based on internal reports on the Group's components which are the bases for regular reviews, discussion and assessment by the Parent Company's Administrators, since they are the highest decision-making authority with the power to allocate resources to the segments and assess their performance.

The segments identified in this way in 2015 are as follows:

- Hotels
- Offices
- Sales
- Industrial
- Others

The segment reporting shown below is based on the monthly reports drawn up by the Group's Management and is generated by the same computer application used to obtain all the Group's accounting data. In this regard, the Group does not report its assets and liabilities in a segmented way, since this information is not required by the Group's Management for the purposes of the management reports it uses for its decision making.

For its part, ordinary income corresponds to income directly attributable to the segment plus a relevant proportion of the Group's general income that can be attributed to it using fair rules of distribution.

The expenses for each segment are determined by the expenses arising from its operating activities that are directly attributable to it plus the corresponding proportion of the expenses that can be attributed to the segment by using fair rules of distribution.

Segmented consolidated income statement

2015 (6 months)

30/06/2015	Euro					
	Hotels	Offices	Sales	Industrial	Others	TOTAL
Income	3,596,594	1,998,096	2,982,740	440,790	32,968	9,051,188
Indirect costs	-680,529	-133,867	-79,371	-20,793	-39,347	-953,907
Net Margin	**2,916,065**	**1,864,228**	**2,903,369**	**419,998**	**-6,379**	**8,097,281**
Overheads	-333,954	-18,863	-28,159	-4,161	-107,100	-492,238
EBITDA	**2,582,111**	**1,845,365**	**2,875.210**	**415,836**	**-113,479**	**7,605,044**
% of income	**71.79%**	**92.36%**	**96.39%**	**94.34%**	**-344.21%**	**84.02%**
Depreciation	-1,462,458	-545,205	-515,673	-46,168	-760	-2,570,265
Subsidies	54,358	-	-	-	-	54,358
Profits (losses) on asset disposals	-	-31,301	-	-	-	-31,301
Impairment/Reversal	-	-631,294	-	-	-	-631,294
Financial profit (loss)	9,613	-136,564	-88,673	-	667,044	451,420
EBT	**1,183,623**	**501,002**	**2,270,863**	**369,668**	**552,805**	**4,877,962**
Corporation tax	-	-	-	-	-	-
Net profit (loss)	**1,183,623**	**501,002**	**2,270,863**	**369,668**	**552,805**	**4,877,962**
% of income	**32.91%**	**25.07%**	**76.13%**	**83.86%**	**1676.78%**	**53.89%**

2014 (6 months)

30/06/2014	Euro					
	Hotels	Offices	Sales	Industrial	Others	TOTAL
Income	3,276,588	947,065	2,409,137	-	-	6,632,790
Indirect costs	-928,571	-140,004	-203,063	-	-	-1,271.638
Net Margin	**2,348,017**	**807,061**	**2,206,074**	**-**	**-**	**5,361,152**
Overheads	-	-	-	-	-60,917	-60,917
EBITDA	**2,348,017**	**807,061**	**2,206,074**	**-**	**-60,917**	**5,300,235**
% of income	**71.66%**	**85.22%**	**91.57%**	**-**	**-**	**79.91%**
Depreciation	-1,469,375	-320,815	-445,841	-	-	-2,236,031
Subsidies	54,298	-	-	-	-	54,298
Profits (losses) on asset disposals	-	-	-	-	-	-
Impairment/Reversal	-	-2,511,847	-717,194	-	-	-3,229,041
Financial profit (loss)	210,656	62,269	155,015	-	41,635	469,575
EBT	**1,143,596**	**-1,963,332**	**1,198,054**	**-**	**-19,282**	**359,036**
Corporation tax	-	-	-	-	-3,210	-3,210
Net profit (loss)	**1,143,596**	**-1,963,332**	**1,198,054**	**-**	**-22,492**	**355,826**
% of income	**34.90%**	**-207.31%**	**49.73%**	**-**	**-**	**5.36%**

The breakdown of the **income and net carrying cost** for real estate assets heading, including tangible fixed assets under construction, at 30 June 2015 compared to 31 December 2014 is as follows:

	Euro					
	30/06/2015			30/06/2014		31/12/2014
	Income	%	Net Book	Income	%	Net Book
Hotels	3,596,594	39.74%	127,732,552	3,276,588	49.40%	128,682,866
Offices	1,998,096	22.08%	75,790,367	947,065	14.28%	44,935,562
Sales	2,982,740	32.95%	66,210,364	2,409,137	36.32%	46,342,319
Industrial	440,790	4.87%	13,674,805	-	-	-
Others	32,968	0.36%	499,988	-	-	-
Total income	**9,051,188**	**100.00%**	**283,908,076**	**6,632,790**	**100.00%**	**219,960,747**

From a geographic point of view, most income is generated in Madrid and Huelva (both in Spain). In this respect, Madrid has increased its contribution to total revenue by 8 percentage points (67%), Huelva has fallen by 5 points (26%) and Castellón has fallen by 3 points (7%). Cáceres did not obtain any income in 2015.

It must be noted that, at 30 June 2015, 40% of revenue was generated by hotel assets (49% in 2014), 22% by offices (14% in 2014) 33% by retail outlets and the remaining 5% by industrial properties. At the end of June 2015, hotels were fully rented, as in 2014; 63% of offices were leased in 2014 (45% in 2014). In 2014, 71% of the retail outlets were leased (68% in 2014). The Group's target for this year was to achieve a mean occupational level of 90% and this has already been attained.

The breakdown of the contribution to **income from a geographic** standpoint is as follows:

Area	Euro			
	30/06/2015		30/06/2014	
	Income	%	Income	%
Madrid	6,020,509	66.52%	3,927,081	59.21%
Huelva	2,362,957	26.11%	2,037,988	30.73%
Castellón	667,722	7.38%	667,722	10.07%
Cáceres	-	-	-	-
Total	**9,051,188**	**100.00%**	**6,632,790**	**100.00%**

As shown in the table above, most of the Group's activity focused on Madrid and Huelva (93% in 2015 compared to 90% in 2014) and the 67%:26% ratio between Madrid and Huelva was maintained. There was no income in Cáceres in the first half of 2015 since the lease agreement for the only asset located in this province was terminated early at the end of 2013 and, to date, it has not been leased again.

Furthermore, highlighting the changes in **occupation rates** by type of asset from the **standpoint of asset types** is worth particular note: At 30 June 2015, the mean level of occupation of the Group's assets for rent is 89.92% (87.56% at the end of 2014, 87.41% at 30 June 2014) based on the area in square metres leased, the breakdown of which was as follows:

Real estate assets	% occupation		Floor area in m2 above ground level	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Hotels	100.00%	100.00%	87,960	87,960
Offices	62.71%	45.74%	23,669	17,038
Sales	71.26%	68.22%	20,442	19,204
Industrial	100.00%	-	13,810	-
TOTAL	**89.92%**	**87.56%**	**145,881**	**124,202**

The evolution of the Group's real estate assets occupation rate is highly stable and its solvency strengthened on account of the quality of its clients, lease agreements and new buildings.

Removing the effect of the new real-estate investments, the variations in income from one period to the next are as follows:

	Euro		Variation in %	
	30/06/2015	30/06/2014	"Growth"	"Like for Like Growth"
Hotels	3,596,594	3,276,588	10%	10%
Offices	1,998,096	947,065	111%	1%
Sales	2,982,740	2,409,137	24%	-1%
Industrial	440,790	-	n/a	-
Others	32,968	-	n/a	-
Total	**9,051,188**	**6,632,790**	**36%**	**5%**

4. Real estate investments

The main agreements at 30 June 2015 were as follows:

- **Hotel Meliá Atlántico, Isla Canela, Huelva:** a four-star beachfront hotel with 359 rooms (718 beds) leased to Meliá Hotels International, S.A. from April 2013 according to the lease agreement entered into in May 2012. The lease agreement came into force in April 2013 for a ten-year period (May 2022) and the parties may terminate it in 2017 without incurring any penalties, provided certain conditions are met. The agreement provides for annual increases in line with the CPI.

- **Hotel Barceló Isla Canela, Isla Canela, Huelva:** a four-star beachfront hotel with 351 rooms (702 beds) leased to Barceló Arrendamientos Hoteleros, S.L. The agreement came into force on 1 March 2006 and terminates on 31 October 2026. It may be extended at the parties' discretion. In addition, the parties may rescind the agreement without incurring any penalties in 2017. As regards future rents, the agreement provides for increases in line with annual CPI rates.

- **Hotel Tryp Atocha, Madrid:** a four-star hotel in the Calle Atocha with 150 rooms and operated by Sol Meliá. The lease agreement came into force on 4 June 1999 and terminated on 4 June 2009. It was subsequently extended until 24 March 2022 and may be extended at the parties' discretion. The agreement provides for annual increases in line with the CPI.

- **Hotel Iberostar, Isla Canela, Huelva:** a four-star beachfront hotel with 300 rooms (600 beds) leased to Hispano Alemana de Management Hotelero, S.A. The agreement came into force on 1 December 2007 and was extended in 2012 until 31 October 2022. It may be extended at the parties' discretion. The agreement provides for annual increases in line with the CPI.

- **Hotel Tryp Cibeles, Madrid:** A four-star hotel located at Mesonero Romanos, 13 (Gran Vía-Madrid) with 132 rooms. Operated by Sol Meliá. The agreement came into force on 10 February 1998 and terminated on 10 October 2008. It was subsequently extended until 15 March 2020 and may be extended at the parties' discretion. The agreement provides for annual increases in line with the CPI.

- **Hotel Playa Canela, Isla Canela, Huelva:** a four-star beachfront hotel with 202 rooms (404 beds) leased to Grupo Hoteles Playa, S.A. The agreement came into force on 15 July 2002 and terminates on 31 October 2022. It may be extended at the parties' discretion. The agreement provides for annual increases in line with the CPI.

- **Hotel Isla Canela Golf, Isla Canela, Huelva:** a four-star hotel located on a golf course with 58 rooms (116 beds). The Company signed a lease with a related (associated) party, Isla Canela, S.A. This company is currently operating the hotel under a lease agreement. The agreement was entered into on 31 December 2012 and activities were to commence on 14 January 2013 until 31 December 2014, when the parties agreed on an extension 31 December 2017. Once this period has elapsed, the agreement may once again be extended for three-year periods, provided that the parties reach an agreement prior to this. The agreement provides for annual increases in line with the CPI.

- **Building at Pradillo 42, Madrid:** The agreement came into force on 27 February 2009 and terminates on 27 February 2019. It may be extended at the parties' discretion. The agreement sets forth annual CPI increases. The lessee, UNEDISA, informed the Company of its intention to terminate the agreement by sending a letter dated 3 February 2014. As from said date, the lessee breached the agreement by failing to fulfil its contractual obligations, such as: (i) Paying the rent due in March 2014; (ii) delivering a bank guarantee to the Company in order to guarantee the annual rental payment and; (iii) paying an additional deposit required by the agreement currently in force. After these breaches, the Company demanded the bank that guarantees the payments to enforce the bank guarantee. The tenant responded by directly paying the amount required (EUR 1,839,981). The Company has been applying said amount, paid in advance to cover monthly rents until full compensation was made, which occurred in February 2015. From then on, the Company continued to invoice the tenant for outstanding monthly rent. At 30 June 2015, this tenant has outstanding rent to the amount of EUR 631,294, entered under the customers heading and fully provided for.

- **Retail outlets at Gran Vía 34, Madrid:** two retail outlets located at Calle Gran Vía 34 operated by Inditex (Zara). The agreement came into force on 24 April 2000 and terminates on 3 October 2025. It may be extended at the parties' discretion and may be cancelled without any penalties in 2020. The agreement provides for annual increases in line with the CPI.

- **Retail outlets in Plaza de España 5, Castellón:** operated by Inditex (Zara). The agreement came into force on 1 July 2007 and terminates on 18 November 2023. It may be extended at the parties' discretion. The agreement provides for annual increases in line with the CPI.

- **Retail outlets at San Antón 25 and 27, Cáceres:** two retail outlets and eight units for residential use. The retail outlets were operated by PUNTO ROMA in 2013. Although the agreement came into force on 15 July 2005 and terminated on 15 December 2035, the Company and the lessee agreed to terminate it in advance at the end of 2013. The retail outlets have not yet been leased again.

- **Retail outlets at Albalá 7, Madrid:** retail outlets. Operated under the lease by the El Árbol Group. The agreement came into force on 31 July 2002 and terminates on 31 July 2027. The lessee may rescind the lease agreement in 2016 without incurring any penalties, provided it gives twelve months' prior notice thereof. The agreement provides for annual increases in line with the CPI.

- **Retail outlets at Dulcinea 4, Madrid:** Retail outlets. Operated under lease agreement by JAVISA SPORT, S.L. The agreement came into force on 17 February 2003 and terminates on 17 February 2018. It may be extended at the parties' discretion. The agreement provides for annual increases in line with the CPI.

- **Marina Isla Canela Shopping Mall, Isla Canela, Huelva:** operated under a lease arrangement by several lessees.

- **Retail outlet located at Calle Gran Vía 1, 1st Floor Left, Madrid**: Since 15 January 2015 the property has been leased to Hiponemes y Atalanta, S.L. The contract was signed on 23 December 2014, came into effect on 14 January 2015 and will remain in effect until 14 January 2019.

- **Offices at Gran Vía 1, 2nd Floor Right and Left, Madrid:** Two offices for tertiary office use. Since 27 February 2015 they have been leased to Drago Broadcast Services, S.L. with an initial duration until 31 March 2018.

- **Gran Vía 1, 1st Floor Right, Madrid:** an office for tertiary office use operated under a leasing arrangement by Arkadin Spain Servicios de Teleconferencia, S.L. The agreement was entered into on 28 October 2011 and will remain in effect until 28 February 2017.

- **Five retail outlets located at Calle Caleruega 66, Madrid**, the current tenant of which is Begope Restauración, S.L. The agreement was entered into on 1 December 2011 and will remain in force until 1 December 2026.

- **31 offices and 31 garage parking spaces located at Calle Tineo 2 and 4, Madrid (Vallecas Comercial I)** which are operated under a leasing arrangement by several lessees.

- **Three retail outlets and 48 garage parking spaces located at Calle Valderebollo 1 and 3, Madrid (Vallecas Comercial II)** which are operated under a leasing arrangement by Inversión y Gestión Acebo 2000, S.L. The agreement was entered into on 11 July 2012 and will remain in force until 1 December 2022.

- **One office and one garage parking space located at Calle Manuel Pombo Angulo 14, 16 and 18, Madrid (Sanchinarro V)**. At the end of the current period, the property had not been let.

- **42 offices and 42 garage parking spaces located at Calle Manuel Pombo Angulo 6, 8, 10 and 12, Madrid (Sanchinarro V)**. At the end of the current period, the property was partially let to various tenants.

- **33 offices and 33 garage parking spaces located at Calle Manuel Pombo Angulo 20, 22, and 24, Madrid (Sanchinarro V).** At the end of the current period, the property was partially let to various tenants.

- **32 offices and 32 garage parking spaces located at Avda. Constitución 85, Coslada, Madrid (Coslada III).** The property is partially let to various tenants.

- **Four retail outlets located at Calle Rutilo 21, 23 and 25, Madrid:** retail outlets. Operated under a lease agreement with DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. (DIA). The agreement came into force on 5 October 2000 and terminates on 5 October 2020. The lessee may rescind the lease agreement on the termination date by giving twelve months' prior notice thereof. The agreement provides for annual increases in line with the CPI.

- **1 industrial warehouse in Daganzo de Arriba, Madrid:** Industrial warehouse currently let to TELEPIZZA, S.A. The agreement began on 18 May 2007 for an initial period of 10 years, modified on 1 December 2011 whereby the duration of the contract was extended to 20 years and therefore it expires on 18 May 2027. The agreement provides for annual increases in line with the CPI.

- **3 retail outlets and 5 garage parking spaces at Calle Conde de Peñalver 16, Madrid:** retail outlets. Operated under a lease with ZARA ESPAÑA, S.A. The agreement was signed on 28 December 2004, came into effect on 1 January 2005, lasts until 1 January 2027 and is mandatory until 31 December 2018. The agreement provides for annual increases in line with the CPI.

- **1 office building at Titán 13, Madrid:** Office building currently leased to COMPAÑÍA LOGÍSTICA DE HIDROCARBUROS, S.A. (CLH). The agreement began on 5 March 2007 and was modified by an annex dated 17 June 2014. The agreement expires on 31 January 2024 and is obligatory and extendable for 2 new periods of 5 years each. The lessee may rescind the lease agreement on the termination date by giving twelve months' prior notice thereof.

Due to the recent reduction in expected yields in prime areas, the Subsidiary is seeking new diversified medium and long-term investment opportunities that would allow it to combine high yields in sectors where it is not currently present with yields of around 5 - 6% and high-quality tenants, as well as a number of added value real estate asset transformation operations for subsequent operation under a leasing scheme. The Group will maintain the income it currently expects to obtain from the lease agreements that are now in force. The Subsidiary's dividend policy will ensure income for the Parent Company in the future.

In view of the activity performed by the Group with real estate assets leased over the long term, the directors' forecasts are positive based on the existence of long-term agreements with high-quality lessees in both the Spanish hotel industry and in the Office, Commercial and Industrial sectors, which ensure the Group's viability in the medium term, along with new retail outlet lease agreements with lessees possessing outstanding solvency ratings.

Earnings per share at 30 June 2015

The breakdown of the Parent Company's earnings per share is as follows:

	Euro	
	30/06/2015	30/06/2014
Net profit (loss) attributable to Parent Company	4,877,962	355,826
Weighted average number of shares	4,452,197	4,452,197
Earnings per share	**1.10**	**0.08**

As has been said, no dividends are to be paid in 2015 corresponding to the Parents Company's income in 2014 as a result of the negative reserve generated by applying the General Accounting Plan caused by the Company's relocation to Spain ending in 2014. The dividend per share breakdown is as follows:

	Euro	
	2015	2014
Gross dividend to shareholders	-	2,968,786
Average number of common shares in circulation	4,452,197	4,452,197
Gross dividend per share	**-**	**0.67**

The dividend for 2013 of 2,968,786 euros was paid out on 10 July 2014. Despite the parent company obtained a positive result in the year 2014 amounting to 921,102 euros, its Ordinary General Shareholders Meeting held on 29 June 2015 approved the distribution of all of the positive outcome of the year to partially compensate the negative reserve of first application of the Spanish General Accounting Standards registered as a result of the finalization of the process of transfer of the registered office and effective management of the Company in Spain during the year 2014.

5. Acquisition of treasury shares

At 30 June 2015, the Parent Company did not hold any treasury shares in portfolio.

6. Main risks affecting the Group

The management of the Group's financial risks is centralised in Financial Management and in Grupo PYCONSA's policies, which has established the necessary mechanisms to control exposure to changes in exchange rates, along with credit and liquidity risks. The main financial risks having an impact on the Group are set out below:

- **Credit risk**

The Group's main financial assets are cash flow and cash balances, trade creditors and other accounts receivable in investments. These account for the Group's maximum exposure to credit risk as regards financial assets. The Group's credit risk is mainly attributable to its trade debts, which are shown net of any provisions for insolvencies estimated on the basis of prior years' experience and their valuation under the current economic climate. The Group loans its excess liquidity to related companies which are very solvent, thereby guaranteeing the repayment of the funds thus loaned.

- **Liquidity risk**

Taking into account the current situation of the financial market and the estimates made by the Parent Company's Administrators on the Group's cash generating capacity, the Group estimates it has enough capacity to obtain financing from third parties were it necessary to make new investments. Consequently, there is no evidence that the Group will encounter liquidity problems in the medium term. Liquidity is guaranteed by the nature of the investments made and lessees' high credit ratings, as well as by the collection guarantees set forth in prevailing agreements.

- **Exchange rate risk**

As regards the Group's exchange rate risk at 31 December 2014, it did not have any assets or liabilities in foreign currencies. Hence, there is no risk in this regard.

- **Interest rate risk**

The Group has two long-term loans financing long-term assets, as well as short-term working capital financing facilities. The risk of interest rate fluctuations is very low since the Group is not highly exposed to debt. The Group's policy on interest rates consists of not taking out interest rate hedges through hedging financial instruments, swaps, etc. since any change in interest rates would have an immaterial effect on the Group's results, taking into account its low debt levels and today's very low interest rates.

- **Real estate business risks**

Changes in the economic situation at both local and international levels, occupation and employment growth rates, interest rates, tax legislation and consumer confidence have a significant impact on the real estate markets. Any unfavourable change in any of these or in other economic, demographic or social variables in Europe, and Spain in particular, could lead to a reduction in real estate activity in these countries. The cyclical nature of the economy has been statistically proven, as have the existence of microeconomic and macroeconomic aspects that directly or indirectly affect the way the real estate market's performs, particularly the rentals which make up the Group's main investment activity.

Other market risks to which the Group is exposed include:

- **Regulatory risks:** The Group is subjected to comply with several general and specific legal provisions in force (legal, accounting, environmental, employment, tax, data protection provisions, among others) which apply to it. Any regulatory changes that come about in the future may have a positive or negative effect on the Group.

- **Tourism risk**: A significant part of the Group's assets (mainly hotels) are connected to the tourism industry. Any fall in tourism activities in the cities where these hotels are located could have a negative effect on their use and occupation rates. As a result, this could have a negative effect on the yield and performance of these assets if tenants renegotiate current lease agreements.

Lastly, it is important to take into account that the Group is exposed to other risks: (i) environmental risks; (ii) occupational health and safety risks; and (iii) occupational hazard prevention risks.

7. Outlook for 2015

The Board of Directors considers that 2015 will continue to be positive with regard to dividends obtained by subsidiaries and objectives reached. The directors' forecasts are positive, taking into account the investee companies' long-term lease agreements with top-quality lessees in the hotel industry and in the office, retail and industrial sectors, which guarantee the business's viability in the medium and long term, as well as the new retail outlet lease agreements with lessees that have outstanding solvency ratings.

8. Subsequent disclosures

The next significant events has occurred between 30 June 2015 and the date of approval of the consolidated semi-annual financial statements:

- As at 14 July 2015, the Subsidiary, COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U., 100% owned by SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A., has formalized in a public deed and before the notary public of Madrid Mr Luis Perez-Escolar

Hernando the sale of a Real Estate Property (Hotel use) located at 83 Atocha and 10-12 Moratin Street in Madrid (Spain) currently leased to MELIÁ HOTELS INTERNACIONAL, S.A.. The amount of the transaction amounted to EUR 27,750,000.

Directors' Declaration of Responsibility

For the purposes of Article 8 of Royal Decree 1362/2007, 19 October, we, the members of the Board of Directors of the Parent Company, declare that, to the best of our knowledge, the Interim Consolidated Financial Statements at 30 June 2015 of SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A., and Subsidiaries, prepared according to the applicable accounting principles, offer a faithful image of the assets, financial situation and balance of the issuer and of the companies comprised in its consolidation considered as a whole, and that the Consolidated Management Report at 30 June 2015 also includes a faithful analysis of the issuer's progress, business results and position and those of the companies included in its consolidation considered as a whole, in addition to the description of the main risks and uncertainties with which they are faced.

Madrid, 29 July 2015

Mr. Marco Colomer Barrigón
(Chairman and Chief Executive Officer)

Mr. Juan Carlos Ureta Domingo
(Director)

Mr. Jose Luis Colomer Barrigón
(Director)

Ofelia Marín-Lozano Montón
(Director)

Mr. Celestino Martín Barrigón
(Director)

Mr. José Juan Cano Resina
(Non-member Secretary)

SAINT CROIX
HOLDING IMMOBILIER,
SOCIMI, S.A.

Record of Preparation of Consolidated Half-Yearly Financial Statements

These interim consolidated financial statements have been prepared by the Board of Directors of the Parent Company and approved at its meeting of 29 July 2015. Said consolidated half-yearly financial statements and the consolidated half-yearly management report appear on 65 sheets of ordinary paper, numbered from 1 to 65, inclusively, all of which are signed by the Board Secretary and the last sheet being signed by all the Directors.

The undersigned, in their capacity as the Parent Company's Administrators, do hereby state that no item in the Parent Company's books has been omitted which should be included in this document, apart from the environmental information required under the Ministry of Justice Order of 8 October 2001.

Madrid, 29 July 2015

Mr. Marco Colomer Barrigón
(Chairman and Chief Executive Officer)

Mr. Juan Carlos Ureta Domingo
(Director)

Mr. Jose Luis Colomer Barrigón
(Director)

Ofelia Marín-Lozano Montón
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