MLP Group S.A. Capital Group

CONSOLIDATED HALF-YEAR REPORT
FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2015

This document is a translation.
Polish version prevails.

published pursuant to § 82 sec. 1 point 1 of the Decree of the Ministry of Finance date February 19, 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal No 33 item 259, with amendments)

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Contents of the Consolidated half-year report

I. Selected financial data of MLP Group S.A. Capital Group

Average exchange rates of Polish zlotys against Euro in the period covered by the interim condensed consolidated financial statements:

	30 June 2015	31 December 2014	30 June 2014
Average exchange rate during the period *	4,1341	4,1893	4,1784
Average exchange rate at the last day of the period	4,1944	4,2623	4,1609

** Arithmetic average of the average exchange rates published on the last day of each month in the reporting period.*

Main items of the interim condensed consolidated statement of financial position converted into euro:

as at	30 June 2015		31 December 2014	
	PLN thousand *(unaudited)*	EUR thousand *(unaudited)*	PLN thousand	EUR thousand
Non-current assets	1 064 764	253 854	1 053 501	247 167
Current assets	172 292	41 077	180 935	42 450
Total assets	**1 237 056**	**294 931**	**1 234 436**	**289 617**
Long-term liabilities	533 431	127 177	552 559	129 639
Short-term liabilities	112 078	26 721	123 995	29 090
Equity, including:	591 547	141 033	557 882	130 888
Share capital	4 529	1 080	4 529	1 063
Total equity and liabilities	**1 237 056**	**294 931**	**1 234 436**	**289 617**
Number of shares (in units)	18 113 255	18 113 255	18 113 255	18 113 255
The book value and diluted book value per share attributable to the owners of the Parent Company (in PLN/in EUR)	32,66	7,79	30,80	7,23

To translate the interim condensed consolidated statement of financial position the average exchange rate published by the National Bank of Poland (NBP) on the last day of the reporting period was used.

The main items of the interim condensed consolidated statement of profit or loss and other comprehensive income converted into euro:

for the period ended	30 June 2015		30 June 2014	
	PLN thousand *(unaudited)*	EUR thousand *(unaudited)*	PLN thousand *(unaudited)*	EUR thousand *(unaudited)*
Revenues	54 153	13 099	48 182	11 531
Other operating income	283	68	85	20
Gain/(Loss) on revaluation of investment property	(3 192)	(772)	29 088	6 962
Selling and administrative expenses	(19 302)	(4 669)	(19 391)	(4 641)
Operating profit	31 824	7 698	56 867	13 610
Profit before taxation	31 964	7 732	45 232	10 825
Net profit from continuing operations	**29 627**	**7 166**	**30 041**	**7 190**
Total comprehensive income	33 665	8 143	26 477	6 337
Net profit attributable to the owners of the Parent Company	29 627	7 166	30 041	7 190
Net profit and diluted net profit per share attributable to the owners of the Parent Company (in PLN/in EUR)	1,64	0,40	1,66	0,40

To translate the interim condensed consolidated profit or loss and other comprehensive income an average Euro exchange rate calculated as the arithmetic average of the average exchange rates published on the last day of each month in the reporting period by the National Bank of Poland (NBP) on that day was used.

The main items of the interim condensed consolidated statement of cash flows converted into Euro:

for the period ended	**30 June 2015**		**30 June 2014**	
	PLN thousand	**EUR thousand**	**PLN thousand**	**EUR thousand**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Net cash flow from operating activities	34 170	8 265	32 298	7 730
Cash flow from investing activities	(25 941)	(6 275)	(46 203)	(11 058)
Cash flow from financing activities	(7 744)	(1 873)	(19 302)	(4 619)
Total net cash flows	**485**	**117**	**(33 207)**	**(7 947)**

To translate the interim condensed consolidated statement of cash flows an average Euro exchange rate calculated as arithmetic average of the average exchange rates published on the last day of each month in the reporting period by the National Bank of Poland (NBP) on that day was used.

as at	**30 June 2015**		**31 December 2014**	
	PLN thousand	**EUR thousand**	**PLN thousand**	**EUR thousand**
Cash at the beginning of the period	51 801	12 153	83 787	20 203
Cash at the end of the period	52 291	12 467	51 801	12 153

To translate the above data of the interim condensed consolidated statement of cash flows the following exchange rates were used:

- for the position "Cash at the end of the period" the average exchange rate published by the National Bank of Poland (NBP) on the last day of the reporting period,
- for the position "Cash at the beginning of the period" the average exchange rate published by the National Bank of Poland (NBP) on the last day of the period preceding the reporting period.

Euro exchange rate on the last day of the reporting period ended 31 December 2013 was 4.1472 EUR/PLN.

MLP Group S.A.

The interim condensed consolidated financial statements

for the period of 6 months ended 30 June 2015

prepared in accordance with IAS 34 EU

II. The interim condensed consolidated financial statements

Approval of the interim condensed consolidated financial statements

On 21 August 2015 the Management Board of the Parent Company MLP Group S.A. approved the interim condensed consolidated financial statements ("consolidated financial statements", "condensed consolidated financial statements") of MLP Group S.A. Capital Group ("Group") for the period from 1 January 2015 to 30 June 2015 for publication.

The interim condensed consolidated financial statements for the period from 1 January 2015 to 30 June 2015 have been prepared in accordance with IAS 34 EU Interim Financial Reporting as approved by the European Union. Information in this report is presented in the following sequence:

1. Condensed consolidated statement of profit or loss and other comprehensive income for the period from 1 January 2015 to 30 June 2015, with a net profit of PLN 29,627 thousand.
2. Condensed consolidated statement of financial position as at 30 June 2015, with total assets and total liabilities and equity of PLN 1,237,056 thousand.
3. Condensed consolidated statement of cash flows for the period from 1 January 2015 to 30 June 2015, with a net cash increase of PLN 490 thousand.
4. Condensed statement of changes in consolidated equity for the period from 1 January 2015 to 30 June 2015, with an equity increase of PLN 33,665 thousand.
5. Explanatory information and explanations to the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements have been prepared in PLN thousand, unless otherwise stated.

Michael Shapiro
President of the Management Board

Radosław T. Krochta
Vice-President of the Management Board

Tomasz Zabost
Member of the Management Board

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

Condensed consolidated statement of profit or loss and other comprehensive income

for the period ended 30 June	**Note**	**2015** *(unaudited)*	**2014** *(unaudited)*
Revenues	4	54 153	48 182
Other operating income		283	85
Gain/(Loss) on revaluation of investment property	8	(3 192)	29 088
Selling and administrative expenses	5	(19 302)	(19 391)
Other operating costs		(118)	(1 097)
Operating profit		**31 824**	**56 867**
Financial income	6	10 721	1 756
Financial costs	6	(10 581)	(13 391)
Net financial income/(costs)		**140**	**(11 635)**
Profit before taxation		**31 964**	**45 232**
Corporate income tax	7	(2 337)	(15 191)
Net Profit		**29 627**	**30 041**
Other comprehensive income			
Effective portion of changes in the fair value relating to cash flow hedges		6 069	(3 407)
Valuation of financial instruments		(1 084)	(992)
Corporate income tax on other comprehensive income		(947)	835
Other net comprehensive income		**4 038**	**(3 564)**
Total comprehensive income		**33 665**	**26 477**
Net Profit attributable to:			
Owners of the Parent Company		29 627	30 041
Net profit		**29 627**	**30 041**
Comprehensive income attributable to:			
Owners of the Parent Company		33 665	26 477
Total comprehensive income		**33 665**	**26 477**
Earnings per share	15		
- Basic and diluted (in PLN) profit for the year attributable to the ordinary shareholders of the Parent Company		1,64	1,66

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

Condensed consolidated statement of financial position

	as at Note	30 June 2015 *(unaudited)*	31 December 2014
Non-current assets			
Tangible fixed assets		545	491
Intangible assets		10	10
Investment property	8	1 055 324	1 046 337
Other long-term investments	10	2 380	3 943
Other long-term assets		43	2
Deferred tax assets	9	6 462	2 718
Total non-current assets		**1 064 764**	**1 053 501**
Current assets			
Inventories		35	125
Short-term investments	10	88 299	97 829
Corporate income tax receivables	11	108	305
Trade and other receivables	11	31 559	30 875
Cash and cash equivalents	12	52 291	51 801
Total current assets		**172 292**	**180 935**
TOTAL ASSETS		**1 237 056**	**1 234 436**
Equity	14		
Share capital		4 529	4 529
Other capital reserve		81 384	81 384
Share premium		71 121	71 121
Reserve capital		153 963	153 963
Capital reserve from valuation of hedging instruments		(18 809)	(22 847)
Retained earnings		299 359	269 732
Total equity		**591 547**	**557 882**
Long-term liabilities			
Credits, loans and other debt instruments	16.1	392 946	409 343
Deferred tax liability	9	99 950	95 345
Other long-term liabilities	16.1	40 535	47 871
Total long-term liabilities		**533 431**	**552 559**
Short-term liabilities			
Credits, loans and other debt instruments	16.2	96 951	95 790
Payroll liabilities	17	1 289	1 432
Corporate income tax liabilities	18	1 333	728
Trade and other liabilities	18	12 505	26 045
Total short-term liabilities		**112 078**	**123 995**
Total liabilities		**645 509**	**676 554**
TOTAL EQUITY AND LIABILITIES		**1 237 056**	**1 234 436**

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

Condensed consolidated statement of cash flows

for the period ended 30 June	Note	2015 (unaudited)	2014 (unaudited)
Cash flows from operating activities			
Profit before taxation		**31 964**	**45 232**
Adjustments for:			
Depreciation and amortization		92	78
Change in fair value of investment property		3 192	(29 088)
Net interest		8 354	10 135
Foreign exchange losses/(gains)		(6 749)	1 458
Other		104	75
Changes in trade and other receivables		(594)	3 310
Changes in short-term and other liabilities		1 730	1 450
Redemption of the loan		(2 302)	-
Cash generated from operating activities		**35 791**	**32 650**
Income tax paid		(1 621)	(352)
Net cash from operating activities		**34 170**	**32 298**
Cash flows from investing activities			
Interest received		-	1 986
Purchase of investment property, tangible fixed assets and intangible assets		(25 977)	(48 189)
Disposal of intangible assets and tangible fixed assets		36	-
Cash from investing activities		**(25 941)**	**(46 203)**
Cash flows from financing activities			
Proceeds from credits and loans	13	29 351	8 668
Repayment of credits and loans	13	(26 012)	(16 842)
Interest paid		(11 083)	(11 128)
Cash from financing activities		**(7 744)**	**(19 302)**
Total cash flow		**485**	**(33 207)**
Cash and cash equivalents at the beginning of the period	12	**51 801**	**83 787**
Foreign exchange gains on cash and cash equivalents		5	18
Cash and cash equivalents at the end of the period	12	**52 291**	**50 598**
- including restricted cash and cash equivalents	12	*(15 884)*	*(9 346)*

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

Condensed statement of changes in consolidated equity

Equity attributable to Owners of the Parent Company

	Share capital	Other capital reserve	Share premium	Reserve capital	Capital reserve from valuation of hedging instruments	Retained earnings	Total equity
Equity as at 1 January 2014	**4 529**	**81 384**	**71 121**	**153 963**	**(17 093)**	**214 963**	**508 867**
Comprehensive income:							
Profit for the period*	-	-	-	-	-	30 041	**30 041**
Total other comprehensive income*	-	-	-	-	(3 564)	-	**(3 564)**
Total comprehensive income for the period ended 30 June 2014*	**-**	**-**	**-**	**-**	**(3 564)**	**30 041**	**26 477**
Equity as at 30 June 2014*	**4 529**	**81 384**	**71 121**	**153 963**	**(20 657)**	**245 004**	**535 344**
Equity as at 1 January 2015	**4 529**	**81 384**	**71 121**	**153 963**	**(22 847)**	**269 732**	**557 882**
Comprehensive income:							
Profit for the period*	-	-	-	-	-	29 627	**29 627**
Total other comprehensive income*	-	-	-	-	4 038	-	**4 038**
Total comprehensive income for the period ended 30 June 2015*	**-**	**-**	**-**	**-**	**4 038**	**29 627**	**33 665**
Equity as at 30 June 2015*	**4 529**	**81 384**	**71 121**	**153 963**	**(18 809)**	**299 359**	**591 547**

** unaudited data*

Explanatory information and explanations to the interim condensed consolidated financial statements

1. General information

1. 1 Information on the Parent Company

The Parent Company of the Group is MLP Group S.A. ("Company", "Parent Company", "Parent Entity", "Issuer"), which is a joint-stock company registered in Poland, shares of which are publicly traded. The Company headquarters is seated in Pruszków, 3-go Maja 8 Street.

The Parent Company was established as a result of a transformation of the state company Zakłady Naprawcze Taboru Kolejowego im. Bohaterów Warszawy seated in Pruszków into a joint stock company fully owned by the state. Notarial deed on transformation was drawn up on 18 February 1995. The company operates under the name of MLP Group S.A. by virtue of resolution of the Company's General Meeting of 27 June 2007.

Currently, the Company is registered in the National Court Register in the District Court for the Capital City of Warsaw, XIV Commercial Department under the National Court Register number of 0000053299.

As at the date of preparation of the interim condensed consolidated financial statements, the composition of the Parent Company Management and Supervisory Board is as follows:

The Management Board of the Parent Company:

- Michael Shapiro - President of the Management Board
- Radosław T. Krochta - Vice-President of the Management Board
- Tomasz Zabost [1)] - Member of the Management Board

[1)] On 14 January 2015, according to the resolution of the Supervisory Board Mr. Tomasz Zabost was appointed as a Member of the Management Board.

The Supervisory Board of the Parent Company:

- Shimshon Marfogel - President of the Supervisory Board
- Yosef Zvi Meir - Member of the Supervisory Board
- Eytan Levy - Vice-President of the Supervisory Board
- Guy Shapira [1)] - Member of the Supervisory Board
- Jacek Tucharz - Member of the Supervisory Board
- Maciej Matusiak - Member of the Supervisory Board

[1)] On 3 March 2015, Mr. Baruch Yehezkelov resigned from the position of Member of the Supervisory Board. For the position of Member of the Supervisory Board, Mr. Guy Shapira was appointed by one of the Company's shareholder - Miro B.V. - according to rights arising from Company Statute.

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

1. 2 Information about the Group

As at the end of the reporting period MLP Group S.A. Capital Group ("Capital Group", "Group") consists of MLP Group S.A. as the Parent Company and 19 subsidiaries.

The higher level parent company for the Capital Group is CAJAMARCA HOLLAND B.V. which is registered in the Netherlands, 2 Martinus Nijhofflaan, 2624 ES Delft.
The ultimate parent company of the Group is Israel Land Development Company Ltd., registered in Tel Aviv, Israel ("ILDC"). ILDC shares are listed on the Stock Exchange in Tel Aviv.

The core business of the Parent Company and its subsidiaries are: management, buying and selling of real estate, rental of real estate, the management of residential and non-residential properties, works related to the construction of buildings and other construction (see note 3).

As at 30 June 2015, MLP Group S.A. Capital Group consisted of the following entities:

		Direct and indirect share of the Parent Company in the equity		Direct and indirect share of the Parent Company in the voting rights	
Entity	**Country of registry**	**30 June 2015**	**31 December 2014**	**30 June 2015**	**31 December 2014**
MLP Pruszków I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków III Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków IV Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Moszna I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Lublin Sp. z o.o. [2)]	Poland	100%	100%	100%	100%
MLP Poznań II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
MLP Energy Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest Sud S.R.L. [1)]	Romania	100%	50%	-	-
MLP Property Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Teresin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań West Sp. z o.o. [3)]	Poland	100%	100%	100%	100%
MLP FIN Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Fin Spółka z ograniczoną odpowiedzialnością sp.k.	Poland	100%	-	100%	-

[1)] *The Group lost control over MLP Bucharest Sud S.R.L. in the second quarter of 2013.*

[2)] *On 2 February 2015 the company changed its name from MLP Poznań I Sp. z o.o. to MLP Lublin Sp. z o.o.*

[3)] *On 16 April 2015 the company changed its name from MLP Poznań Zachód Sp. z o.o. to MLP Poznań West Sp. z o.o.*

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

1. 3 Changes in the Group

On 12 February 2015 MLP Fin Sp. z o.o. w organizacji sp. k. was registered in the National Court Register.

In the period of six months ended 30 June 2015 there were no other changes in the structure of the MLP Group S.A. Capital Group.

The interim condensed consolidated financial statements for the period of 6 months ended 30 June 2015 includes financial statements of the Parent Company and subsidiaries controlled by the Parent Company ("the Group").

1. 4 The shareholding structure of the Parent Company

1. 4. 1 Structure of shareholders holding, directly or through subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders

Since the publication of the last quarterly report, the structure of Shareholders who hold, directly or through subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders has not changed and is as follows:

Shareholder	Number of shares and votes at the General Meeting of Shareholders	% share in the capital and votes at the General Meeting of Shareholders
MIRO B.V.	1 004 955	5,55%
GRACECUP TRADING LIMITED	1 094 388	6,04%
THESINGER LIMITED	1 920 475	10,60%
Other shareholders	3 773 595	20,83%
CAJAMARCA Holland BV	10 319 842	56,98%
Total	**18 113 255**	**100,00%**

1. 4. 2 Shares and rights to shares of the Parent Company owned by members of management and supervisory bodies

Michael Shapiro holds indirectly, through the wholly owned company MIRO B.V., 5.55% of this share capital of MLP Group S.A. and through 25% of the share capital held by MIRO B.V. in Cajamarca Holland B.V. economically participate in 14.24% of MLP Group S.A. share capital, which results in effective economic share of 19.80% in MLP Group S.A. share capital.

Members of the Supervisory Board do not directly hold shares of the Company.

2. Basis for the preparation of the interim condensed consolidated financial statements

2. 1 Statement of compliance

MLP Group S.A. Capital Group prepared the interim condensed consolidated financial statements in accordance with the accounting standards issued by the International Accounting Standards Board approved by the European Union, defined as the International Financial Reporting Standards ("IFRS EU"). The Group has applied all Standards and Interpretations adopted by the European Union except for the Standards and Interpretations referred to below that are awaiting approval of the European Union and the Standards and Interpretations that have been approved by the European Union, but not yet effective.

2. 2 Status of Standards Approval in the European Union

The Group plans to adopt published, but not yet legally binding as at the date of approval for publication of these interim condensed consolidated financial statements, standards and changes to standards and interpretations of IFRS published by the International Accounting Standards Board when they become effective.

Estimated impact of changes and new IFRS on future consolidated financial statements has been presented in the Consolidated Financial Statements for 2014 in note 2.2.

2. 3 Basis of the preparation of the financial statements

The interim condensed consolidated financial statements have been prepared assuming that the Group will continue to operate as a going concern in the foreseeable future and are convinced that there is no evidence indicating that the Group will not be able to continue its operations as a going concern.

These interim condensed consolidated financial statements have been prepared in accordance with accounting policies described in the Consolidated Financial Statements for the year 2014.

2. 4 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Polish zloty, rounded to the nearest thousand. Polish zloty is the Parent Company’s functional currency and the presentation currency of the consolidated financial statements.

2. 5 Use of estimates and judgments

Significant judgments in applying the Group's accounting policies and the key sources of estimation uncertainty made by the Management Board in these interim condensed consolidated financial statements were the same as described in the note 2 of the Consolidated Financial Statements for the year 2014.

The preparation of interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and assumptions are based on experience and other reasonable factors which provide the basis for the estimate of book value of assets and liabilities and which does not result directly from other sources. Actual results may differ from these estimates.

3. Segment reporting

The primary and sole activity of the MLP Group S.A. Capital Group is the construction and property management of logistic areas. Revenues of the Group comprise rental income and revaluation of investment property.

The Group operates in Poland. Until the loss of control over the subsidiary MLP Bucharest Sud S.R.L. the Group also operated in Romania. Based on the location of investment property the Group used to identify two operating segments: Poland and abroad. The criteria of location of assets was the same as criteria of location of customers. The operating segments were the same as the geographical segments. Currently, due to existence of one segment, all information regarding operations in the segment were presented in the condensed consolidated statement of profit or loss and other comprehensive income, as well as in the condensed consolidated statement of financial position.

As at 30 June 2015, and in the reporting period ended on that day, the Group has one operating segment - Poland.

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

4. Revenues

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Revenue from rental of properties	45 930	41 339
Other revenues	8 223	6 843
Total revenues	**54 153**	**48 182**
including revenues from related parties	-	*81*
Reinvoicing of utilities	7 762	6 541
Revenues from rental of apartments	18	16
Services provided to tenants	443	286
Other revenues	**8 223**	**6 843**

5. Selling and administrative expenses

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Depreciation and amortization	(92)	(78)
Materials and energy	(6 882)	(5 873)
External services	(4 927)	(6 581)
Taxes and charges	(5 895)	(5 502)
Payroll	(964)	(818)
Social security and other employee benefits	(168)	(153)
Other expenditures by kind	(374)	(386)
Total selling and administrative expenses	**(19 302)**	**(19 391)**

Selling and administrative expenses for the 6 month period ended 30 June 2015 amounted to PLN 19,302 thousand and were related mostly to costs of the maintenance of revenue-generating investment properties. Costs that are not directly related to those properties are depreciation costs of tangible fixed assets used for operating activity and not generating revenue from lease and property tax on undeveloped land.

6. Financial income and costs

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Interest on loans granted	1 261	1 252
Interest income on bank deposits	398	498
Foreign exchange differences net	6 749	-
Interest on receivables	11	6
Loan forgiven	2 302	-
Total financial income	**10 721**	**1 756**

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Interest on credits and loans	(5 937)	(5 919)
Other interest	(3)	(3)
Interest paid on SWAP	(5 987)	(5 873)
Interest results on cash flow hedge	1 331	128
Ineffective part of valuation of cash flow hedges	978	277
Foreign exchange differences net	-	(1 458)
Other financial expenses	(963)	(543)
Total financial costs	**(10 581)**	**(13 391)**

In March 2015, MLP Spółka z ograniczoną odpowiedzialnością SKA and MLP Pruszków IV Sp. z o.o. entered into a new floating-to-fix interest rate agreement. In addition, in May 2015 MLP Pruszków IV Sp. z o.o. entered additional floating-to-fix interest rate agreements. In the period of six months ended 30 June 2015, the Group recogonized cost of swap transaction as financial expenses i.e. ineffective part of swap valuation and interest resulting from this valuation. Foreign exchange differences are mainly a result of valuation of credits and loans denominated in EUR and USD as at the end of the reporting period.

7. Income tax

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Current income tax for the period	2 423	1 294
Origination / reversal of temporary differences	(86)	13 897
Income tax	**2 337**	**15 191**

Effective tax rate

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Profit before taxation	**31 964**	**45 232**
Current income tax on the basis of the enacted tax rate (19%)	*(6 073)*	*(8 594)*
Adjustment of deferred tax assets recognized in respect of impairment allowance	-	(4 031)
Recognition of deferred tax on shares	3 176	-
Unrecognised deferred tax assets	-	(728)
Difference due to the lack of taxation in MLP Sp. z o.o. SKA	647	-
Non-taxable costs	(87)	(1 838)
Current income tax	**(2 337)**	**(15 191)**

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

8. Investment property

as at	30 June 2015 *(unaudited)*	31 December 2014
Gross value at the beginning of the period	**1 046 337**	**930 708**
Additions	12 179	68 243
Change in the fair value	(3 192)	47 386
Gross value at the end of the period	**1 055 324**	**1 046 337**

Investment property includes warehouses and undeveloped land. The Group's revenues relate mainly to rental of warehouses.

Investment property divided into parks:

as at	30 June 2015 *(unaudited)*	31 December 2014
MLP Pruszków I Park		
Fair value of property - MLP Pruszków I	336 307	347 079
Perpetual usufruct - MLP Pruszków I	2 641	2 641
	338 948	**349 720**
MLP Pruszków II Park		
Fair value of property - MLP Pruszków II	263 794	251 109
Perpetual usufruct - MLP Pruszków II	2 620	2 620
	266 414	**253 729**
MLP Poznań Park		
Fair value of property - MLP Poznań	77 936	72 395
	77 936	**72 395**
MLP Lublin Park		
Fair value of property - MLP Lublin	33 337	28 984
	33 337	**28 984**
MLP Tychy Park		
Fair value of property - MLP Tychy	258 010	262 200
Perpetual usufruct - MLP Tychy	16	16
	258 026	**262 216**
MLP Bieruń Park		
Fair value of property - MLP Bieruń	77 600	77 356
	77 600	**77 356**
MLP Teresin Park		
Fair value of property - MLP Teresin	2 013	1 901
Additions	1 021	-
	3 034	**1 901**
MLP Energy - apartments	**29**	**36**
Gross value at the end of the period	**1 055 324**	**1 046 337**

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

Information regarding collateral on investment property is disclosed in note 20.

In accordance with the adopted accounting policy interest expense on investment loans in a part attributable to the unsettled capital expenditures are capitalized and increase the value of the property. Details are presented in the following table.

as at	30 June 2015 *(unaudited)*	31 December 2014
Capitalized interest expenses	433	791

Investment liabilities are presented in the following table.

as at	30 June 2015 *(unaudited)*	31 December 2014
Investment liabilities	5 053	19 111

8. 1 The Fair value of the Group's investment property

The fair value of investment property is based on reports of independent and qualified experts, who possess renowned professional qualifications, as well as, expertise in property valuation (based on input that are unobservable - level 3).

Property valuations have been prepared in accordance with Standards of Professional Appraisals Royal Institution of Chartered Surveyors (RICS). They are in accordance with International Valuation Standards (IVS) published by the International Valuation Standards Committee (IVSC).

Valuations were prepared based on the income approach method for the existing warehouses and for land with building permission and comparative method for undeveloped lands.

Because of different localizations and characteristics of investment properties, assumptions used by experts concerning yield rates are in the range 7.75%-8.75%.

Group performs valuations twice during the year: on 30 June and 31 December. The fair value of real estate including land reserves in reports of independent experts was recalculated on the basis of a comparative approach, presented in PLN. The fair value of other real estate in valuations is presented in EUR and recalculated to PLN based on the average exchange rate published by the National Bank of Poland (NBP) on the last day of the reporting period.

There was no change in the method of valuation in comparison with previous periods.

In the period of six months ended 30 June 2015, there were no reclassifications between the levels.

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

Information on fair value valuation using significant unobservable inputs (Level 3)

	Fair value as at 30 June 2015	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable data and the fair value
MLP Pruszków I Logistic Park					
(i) warehouse and office buildings	EUR 80 180 thousand	Income approach	Monthly rent per 1 sqm	3.22 - 3.30 EUR/sqm, (3.26 EUR/sqm)	The higher rent, the higher fair value
			Capitalization rate	7.75% - 8.50%, (7.98%)	The lower capitalization rate, the higher fair value
	EUR 80 180 thousand				
MLP Pruszków II Logistic Park					
(i) warehouse and office buildings	EUR 30 636 thousand	Income approach	Monthly rent per 1 sqm	2.28 - 3.69 EUR/sqm, (3.09 EUR/sqm)	The higher rent, the higher fair value
			Capitalization rate	7.75% - 8.50%, (7.86%)	The lower capitalization rate, the higher fair value
(ii) chimney	EUR 6 120 thousand	Income approach	Monthly rent	EUR 44.0 thousand - EUR 44.1 thousand, (EUR 44.0 thousand)	The higher rent, the higher fair value
			Capitalization rate	(8.50%)	The lower capitalization rate, the higher fair value
(iii) parking	EUR 1 101 thousand	Income approach	Monthly rent	EUR 7.9 thousand - EUR 10.4 thousand, (EUR 9.1 thousand)	The higher rent, the higher fair value
			Capitalization rate	(8.75%)	The lower capitalization rate, the higher fair value
(iv) surplus land	EUR 17 425 thousand	Comparative approach	Price for 1 sqm	44.58 EUR/sqm	The higher price for 1 sqm, the higher fair value
(v) warehouse and office buildings under construction	EUR 7 610 thousand	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher estimated construction costs, the lower fair value
	EUR 62 892 thousand				

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

	Fair value as at 30 June 2015	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable data and the fair value
MLP Poznań Logistic Park					
(i) warehouse and office buildings	EUR 12 472 thousand	Income approach	Monthly rent per 1 sqm	3.24 - 4.66 EUR/sqm, (4.16 EUR/sqm)	The higher rent, the higher fair value
			Capitalization rate	(7.77%)	The lower capitalization rate, the higher fair value
(ii) surplus land	EUR 1 819 thousand	Comparative approach	Price for 1 sqm	35.76 EUR/sqm	The higher price for 1 sqm, the higher fair value
(iii) land with building permit	EUR 4 290 thousand	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher estimated construction costs, the lower fair value
	EUR 18 581 thousand				
MLP Tychy Logistic Park					
(i) warehouse and office buildings	EUR 61 050 thousand	Income approach	Monthly rent per 1 sqm	4.96 - 6.36 EUR/sqm, (6.06 EUR/sqm)	The higher rent, the higher fair value
			Capitalization rate	(8.00%)	The lower capitalization rate, the higher fair value
(ii) surplus land	EUR 463 thousand	Comparative approach	Price for 1 sqm	31.95 EUR/sqm	The higher price for 1 sqm, the higher fair value
	EUR 61 513 thousand				

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

	Fair value as at 30 June 2015	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable data and the fair value
MLP Bieruń Logistic Park					
(i) warehouse and office buildings	EUR 17 281 thousand	Income approach	Monthly rent per 1 sqm	3.03 - 4.45 EUR/sqm, (3.58 EUR/sqm)	The higher rent, the higher fair value
			Capitalization rate	(7.75%)	The lower capitalization rate, the higher fair value
(ii) land with building permit	EUR 1 220 thousand	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher estimated construction costs, the lower fair value
	EUR 18 501 thousand				
MLP Lublin Logistic Park					
(i) warehouse and office buildings	EUR 5 448 thousand	Income approach	Monthly rent per 1 sqm	3.63 EUR/sqm	The higher rent, the higher fair value
			Capitalization rate	(8.00%)	The lower capitalization rate, the higher fair value
(ii) land with building permit	EUR 2 500 thousand	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher estimated construction costs, the lower fair value
	EUR 7 948 thousand				
MLP Teresin Logistic Park					
(i) surplus land	EUR 480 thousand	Comparative approach	Price for 1 sqm	7.87 EUR/sqm	The higher price for 1 sqm, the higher fair value
	EUR 480 thousand				

(a) Estimated capitalized net income: calculated on the basis of the estimated rents and capitalization rates

(b) Estimated cost of construction: the construction costs of the project estimated for this type of project

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

9. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net value	
as at	**30 June 2015** *(unaudited)*	**31 December 2014**	**30 June 2015** *(unaudited)*	**31 December 2014**	**30 June 2015** *(unaudited)*	**31 December 2014**
Investment property	-	-	106 048	105 047	106 048	105 047
Credits, loans granted and received	2 584	1 335	-	-	(2 584)	(1 335)
Derivatives	5 951	7 336	-	-	(5 951)	(7 336)
Other	3 878	3 503	-	-	(3 878)	(3 503)
Tax losses deductible in the future periods	147	246	-	-	(147)	(246)
Deferred tax assets / liabilities	**12 560**	**12 420**	**106 048**	**105 047**	**93 488**	**92 627**

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

	1 January 2014	changes recorded in profit or loss	changes recorded in other comprehensive income	31 December 2014
Investment property	91 097	13 950	-	**105 047**
Credits, loans granted and received	500	(1 835)	-	**(1 335)**
Derivatives	(6 201)	215	(1 350)	**(7 336)**
Other	(8 043)	4 540	-	**(3 503)**
Tax losses deductible in the future periods	(926)	680	-	**(246)**
	76 427	**17 550**	**(1 350)**	**92 627**

	1 January 2015	changes recorded in profit or loss *(unaudited)*	changes recorded in other comprehensive income *(unaudited)*	30 June 2015 *(unaudited)*
Investment property	105 047	1 001	-	**106 048**
Credits, loans granted and received	(1 335)	(1 249)	-	**(2 584)**
Derivatives	(7 336)	438	947	**(5 951)**
Other	(3 503)	(375)	-	**(3 878)**
Tax losses deductible in the future periods	(246)	99	-	**(147)**
	92 627	**(86)**	**947**	**93 488**

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

10. Other investments

as at	**30 June 2015** *(unaudited)*	**31 December 2014**
Other long-term financial assets	1 086	2 170
Long-term loans	1 294	1 773
Other long-term investments	**2 380**	**3 943**
Short-term loans	88 299	97 829
Short-term investments	**88 299**	**97 829**

11. Trade and other receivables

as at	**30 June 2015** *(unaudited)*	**31 December 2014**
Trade receivables	5 586	5 596
Investment settlements	309	297
Prepayments	1 642	1 974
Advanced payment for purchase of land	22 191	20 855
Accrued interest	843	788
Taxation and social security receivables	988	1 365
Trade and other receivables	**31 559**	**30 875**
Income tax receivables	108	305
Short-term receivables	**31 667**	**31 180**

Receivables due from related parties are disclosed in note 21.

The aging of trade and other receivables, as well as the amount of write-downs are presented in the below table.

as at	**30 June 2015***		**31 December 2014**	
	Gross receivables	**Write-offs**	**Gross receivables**	**Write-offs**
Current receivables:	2 182	-	3 028	-
Overdue:				
0 to 90 days	2 469	-	2 098	-
91 to 180 days	416	-	46	-
over 181 days	4 604	(4 085)	4 548	(4 124)
Total receivables	**9 671**	**(4 085)**	**9 720**	**(4 124)**

** Unaudited data*

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

12. Cash and cash equivalents

as at	**30 June 2015** *(unaudited)*	**31 December 2014**
Cash on hand	46	38
Cash in bank	13 229	9 282
Short-term deposits	39 016	42 481
Cash and cash equivalents in the condensed consolidated statement of financial position	**52 291**	**51 801**
Cash and cash equivalents in the condensed consolidated statement of cash flows	**52 291**	**51 801**
Restricted cash and cash equivalents	*(15 884)*	*(16 271)*

Cash in bank bears interest at variable interest rates, the amount of which depends on the interest rate of overnight bank deposits. Short-term deposits are concluded for varying periods, depending on the current Group demand for cash and earn interest at individually set interest rates.

Cash and cash equivalents in the interim condensed consolidated statement of financial position include cash on hand and bank deposits with maturity up to 3 months from the end of the reporting date.

The Group has restricted cash in the amount of PLN 15,884 thousand. This includes: cash in the amount of PLN 9,613 thousand, which were separated in accordance with the loan agreements to secure payment of principal and interest instalments; funds of PLN 5,899 thousand, constitute guarantees provided by the MLP Pruszków I Sp. z o. o. in favour of Hapoalim Bank; and PLN 372 thousand from the deposit retained from the tenant.

The amount of restricted cash decreased compared to the balance as at 31 December 2014 due to the fact that in the first half of 2015 a subsidiary of the Issuer - MLP Moszna I Sp. z o.o repaid the bank loan to DZ Bank AG S.A.

13. Cash flow related to loans granted and received

In the reporting period ended 30 June 2015 MLP Group S.A. and its subsidiary MLP Pruszków I Sp. z o.o. granted loans of PLN 150 thousand to Fenix Polska Sp. z o.o., while Fenix Polska Sp. z o.o. granted loans in the same amount to the companies from MLP Group S.A. Capital Group. In the interim condensed consolidated statement of cash flows, the Group presented cash flows related to the above mentioned operations at net value due to lack of cash flows as loans were granted by MLP Group S.A. and MLP Pruszków I Sp. z o. o. on behalf of Fenix Sp. z o. o.

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Cash flows from bank credits received	29 351	8 668
Cash flows from loans received	150	39 010
Total cash flows from bank credits and loans received	**29 501**	**47 678**
Elimination of loans received from Fenix Polska Sp. z o.o.	(150)	(39 010)
Total cash flows from bank credit and loans received	**29 351**	**8 668**
Total cash flows from bank credit and loans received presented in the condensed consolidated statement of cash flows	**29 351**	**8 668**

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Cash flows from bank credits repaid	(24 745)	(13 918)
Cash flows from loans repaid	(12 341)	(2 924)
Total cash flows from bank credits and loans repaid	**(37 086)**	**(16 842)**
Elimination of repaid loans received from Fenix Polska Sp. z o.o.	11 074	-
Total cash flows from bank credit and loans repaid	**(26 012)**	**(16 842)**
Total cash flows from bank credit and loans repaid presented in the condensed consolidated statement of cash flows	**(26 012)**	**(16 842)**

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Cash flows from loans granted	(150)	(39 010)
Elimination of loans granted to Fenix Polska Sp. z o.o.	150	39 010
Total cash flows from loans granted	**-**	**-**
Total cash flows from loans granted presented in the condensed consolidated statement of cash flows	**-**	**-**

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Cash flows from repaid loans granted	11 074	-
Elimination of repaid loans received from Fenix Polska Sp. z o.o.	(11 074)	-
Total cash flows from repaid loans granted	**-**	**-**
Total cash flows from repaid loans granted presented in the condensed consolidated statement of cash flows	**-**	**-**

14. Equity

14. 1 Share capital

Share capital *as at*	**30 June 2015** *(unaudited)*	**31 December 2014**
Ordinary shares of A series	11 440 000	11 440 000
Ordinary shares of B series	3 654 379	3 654 379
Ordinary shares of C series	3 018 876	3 018 876
	18 113 255	**18 113 255**
Par value of 1 share	0,25	0,25

As at 30 June 2015 the share capital of the parent company amounted to PLN 4,528,313.75 and was divided into 18,113,255 shares entitling to 18,113,225 votes on the General Meeting. The par value of all shares is PLN 0.25 and was fully paid.
In 2013 the Issuer increased its share capital by PLN 754,719 through issuance of new C series shares. The District Court for the Capital City Warsaw registered the capital increase on 29 October 2013.

In the 6 month period ended 30 June 2015 there were no changes in the share capital.

List of shareholders holding, directly or through subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders as of the date of approval of the financial statements is presented in note 1.4.1.

Share capital and reserve capital were formed by dividing state-owned enterprise ZNTK funds at the moment of transformation into a joint stock company in 1995. According to the existing law 15% of funds were allocated to share capital, while the rest, after covering the losses from previous years, was allocated to reserve capital. On 9 December 2009 the Meeting of Shareholders adopted a resolution to convert personal A and B series shares to A and B bearer shares. Moreover, in 2013 share capital was raised by PLN 755 thousand through the issuance of shares.

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

14. 2 Share premium

In the 6 month period ended 30 June 2015, there were no changes in equity for the "share premium".

15. Earnings per share

Earnings per share for each period is calculated by dividing the net profit attributable to the shareholders of the Parent Company for the period by the weighted average number of shares during the reporting period. Diluted earnings per share for each period is calculated by dividing the net profit for the period by the sum of the weighted average number of ordinary shares during the reporting period and all dilutive potential shares.

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Net profit for the period	**29 627**	**30 041**
Number of shares issued (in units)	18 113 255	18 113 255
Weighted average number of shares issued (in units)	18 113 255	18 113 255
Earnings per share attributable to the shareholders of the Parent Company for the period (in PLN per share):		
- basic	1,64	1,66
- diluted	1,64	1,66

In the presented periods there were no dilutive factors.

16. Credits, loans, other debt instruments

16. 1 Long-term liabilities

as at	**30 June 2015** *(unaudited)*	**31 December 2014**
Bank credits pledged on the Group's assets	368 606	373 124
Loans	24 340	36 219
Total long-term credits, loans, other debt instruments and other liabilities	**392 946**	**409 343**

as at	**30 June 2015** *(unaudited)*	**31 December 2014**
Finance lease liabilities	5 277	5 277
Liabilities concerning SWAP transactions	32 398	40 776
Investment deposits	1 495	359
Guarantees from tenants and others	1 365	1 459
Total other long-term liabilities	**40 535**	**47 871**

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

The Group classifies perpetual usufruct of land as a finance lease.

as at	**30 June 2015** *(unaudited)*	**31 December 2014**
Finance lease liabilities	5 277	5 277

16. 2 Short-term liabilities

as at	**30 June 2015** *(unaudited)*	**31 December 2014**
Short-term credits and short-term part of long term credits pledged on the Group's assets	24 472	24 484
Loans	72 479	71 306
Total short-term credits, loans and other debt instruments	**96 951**	**95 790**

Secured and unsecured loan liabilities result from transactions with both related and third parties.

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

16. 3 Credits, loans secured and unsecured on the Group's assets

	currency	effective rate (%)	*as at* 30 June 2015* maturity date	in currency	in PLN	*as at* 31 December 2014 maturity date	in currency	in PLN
Bank credits pledged on the Group assets:								
Investment loan mBank S.A.	EUR	Euribor 1M +margin	2018	2 353	9 869	2018	2 407	10 260
Investment loan mBank S.A.	EUR	Euribor 1M +margin	2021	2 729	11 446	-	-	-
Construction loan mBank S.A.	EUR	Euribor 1M +margin	2021	1 680	7 046	-	-	-
Investment loan Raiffeisen Bank Polska S.A	EUR	Euribor 1M +margin	2021	33 201	138 838	2021	32 351	137 435
Investment loan Raiffeisen Bank Polska S.A	EUR	Euribor 1M +margin	2017	33 295	139 575	2017	34 477	146 858
Investment loan Deutsche Bank PBC S.A	EUR	Euribor 3M+margin	2027	5 674	23 718	2027	5 901	25 068
Investment loan DZ Bank S.A	EUR	Euribor 3M+margin	2015	-	-	2020	2 949	12 494
Investment loan PKO BP S.A.	EUR	Euribor 3M+margin	2029	9 056	37 655	2029	8 924	37 695
Working capital loan (VAT) PKO BP S.A.	PLN	Wibor 1M+margin	-	-	-	2016	-	1 321
Investment loan ING Bank Śląski S.A.	EUR	Euribor 1M +margin	2020	4 329	18 107	2020	4 559	19 374
Investment loan ING Bank Śląski S.A.	EUR	Euribor 3M +margin	2020	1 627	6 824	2020	1 666	7 103
Total credits:					**393 078**			**397 608**

** Unaudited data*

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

16. 3 Credits, loans secured and unsecured on the Group's assets

	currency	effective rate (%)	*as at* maturity date	30 June 2015* in currency	in PLN	*as at* maturity date	31 December2014 in currency	in PLN
Loans unsecured on the Group's assets:								
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2015	-	11 532	2015	-	11 377
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2020	-	6 100	2020	-	6 018
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2015	-	31 935	2015	-	31 415
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2016	-	10 242	2015	-	10 078
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2017	-	15	2017	-	15
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2024	-	2 978	2024	-	13 940
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2029	-	5 117	2029	-	5 032
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2024	-	152	-	-	-
Fenix Polska S.A.	EUR	EURIBOR 3M+margin	2015	2 967	12 445	2015	2 938	12 546
Fenix Polska S.A.	EUR	EURIBOR 3M+margin	2029	2 192	9 196	2029	2 175	9 270
Fenix Polska S.A.	USD	LIBOR R USD +margin	2015	1 680	6 325	2015	1 679	5 890
Cajamarca Holland B.V.	USD	LIBOR R USD +margin	2016	208	782	2016	554	1 944
Total loans:					**96 819**			**107 525**
Total credits, loans secured and unsecured on the Group's assets					**489 897**			**505 133**

** Unaudited data*

The balances of loans received in foreign currency were translated at the following average exchange rates quoted by the NBP as at:

	30 June 2015	31 December 2014
exchange rate EUR/PLN	4,1944	4,2623
exchange rate USD/PLN	3,7645	3,5072

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

17. Payroll liabilities

as at	30 June 2015 *(unaudited)*	31 December 2014
Special funds	157	157
Cash settled share based payment	1 132	1 275
Payroll liabilities	**1 289**	**1 432**

According to the resolution of the Supervisory Board of MLP Group S.A. employees are covered by phantom shares program for 2014 - 2017.

Each entitled employee is granted a fixed number of phantom shares, that is dependent on achieving the established financial goals by the Group.

After approval of the financial statements by the General Meeting of Shareholders, the Supervisory Board will authorize a list of employees, with the number of phantom shares assigned to each employee. Equivalent of phantom shares will be paid in cash.

Until the date of publication of these interim condensed consolidated financial statements phantom shares for the previous financial year were paid in the amount of PLN 822 thousand.

Value of a single phantom share is based on current stock price of MLP Group S.A.

18. Trade and other liabilities

as at	30 June 2015 *(unaudited)*	31 December 2014
Trade liabilities	5 157	2 835
Deferred income	428	428
Taxation and social security liabilities	2 593	368
Uninvoiced costs	163	419
Investment liabilities, guarantees and others	4 164	19 438
Provision for purchase of MLP Bucharest Sud S.R.L. shares	-	2 557
Trade and other liabilities	**12 505**	**26 045**
Income tax liabilities	1 333	728
Short-term liabilities	**13 838**	**26 773**

Liabilities to related parties are disclosed in note 21.

The below table shows the aging structure of trade and other liabilities:

as at	30 June 2015 *(unaudited)*	31 December 2014
Current liabilities	10 802	19 429
Overdue from 0 to 90 days	796	7 375
Overdue from 91 to 180 days	622	196
Overdue over 181 days	124	67
Total trade and other liabilities	**12 344**	**27 067**

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

The above aging structure of liabilities also comprises long-term liabilities.

Trade liabilities are not subject to interest and are usually settled within 30 to 60 days. Other payables are non-interest bearing and have an average maturity of one month. The amount stemming from the difference between the VAT liabilities and receivables is paid to the appropriate tax authorities in the periods regulated in tax law. Interest liabilities are usually settled based on approved interest notes.

19. Financial instruments

19. 1 Valuation of financial instruments

The fair value of financial assets and financial liabilities as at 30 June 2015 and 31 December 2014 is equal to the value presented in the consolidated statement of financial position.

The following assumptions have been adopted for the fair value of financial instruments:

- **cash and cash equivalents**: the carrying amount of these financial instruments corresponds to fair value because of the short maturity,
- **trade receivables, other receivables, trade liabilities and accruals**: the carrying amount is comparable with fair value because of the short-term character of these instruments,
- **loans granted**: the carrying amount corresponds to fair value because of the floating rate which is comparable with market interest rates,
- **bank credit and loans taken**: the carrying amount of these instruments is comparable with fair value because of the floating rate, based on market rates,
- **swap valuation liabilities**: fair value determined on the basis of references to instruments quoted in an active market.

19. *1. 1 Financial assets*

as at	30 June 2015	31 December 2014
Available for sale financial assets:	*(unaudited)*	
Other financial instruments (level 3)	1 086	2 170
	1 086	**2 170**

as at	30 June 2015 *(unaudited)*	31 December 2014
Loans and receivables:		
Cash and cash equivalents (level 3)	52 291	51 801
Loans and receivables, including:		
Trade and other receivables (level 3)	6 738	6 681
Loans granted (level 3)	89 593	99 602
	148 622	**158 084**
Total financial assets	**149 708**	**160 254**

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

19. 1. 2 Financial liabilities

as at	30 June 2015 (unaudited)	31 December 2014
Hedging financial instruments:		
Liabilities concerning SWAP transactions (level 2)	32 398	40 776
	32 398	**40 776**
Liabilities valued at amortized cost:		
Bank loans (level 3)	393 078	397 608
Loans received (level 3)	96 819	107 525
Trade and other liabilities (level 3)	12 344	27 067
Finance lease liabilities (level 3)	5 277	5 277
	507 518	**537 477**
Total financial liabilities	**539 916**	**578 253**

The fair value of hedging financial instruments as at 30 June 2015 amounted to 32,398 thousand and is determined based on inputs other than quoted price that are either directly or indirectly observable (level 2). The information is provided by banks and is based on reference to instruments quoted in an active market.

In the reporting period ended 30 June 2015 there were no reclassifications between the levels.

19. 2 Other disclosures relating to financial instruments

Established collaterals

Information concerning established collaterals is disclosed in note 20.

Hedge accounting

The agreements concerning the change from the floating to fixed interest rates disclosed in the consolidated financial statements for the year 2014 (hedge accounting) have not changed in the period of six months ended 30 June 2015.

In addition on 6 March 2015 MLP Pruszków IV Sp. z o.o. signed an agreement which changes the interest rate from floating to fixed with mBank S.A. All future interest payments calculated on the basis of floating interest rate will be effectively replaced with fixed interest according to the schedule attached in the above mentioned agreement.

On 20 March 2015, MLP Spółka z ograniczoną odpowiedzialnością SKA signed an agreement which changes the interest rate from floating to fixed with Raiffeisen Bank Polska S.A. All future interest payments calculated on the basis of floating interest rate will be effectively replaced with fixed interest according to the schedule attached in the above mentioned agreement.

On 27 May 2015 MLP Pruszków IV Sp. z o.o. signed another two agreements which change the interest rate from floating to fixed with mBank S.A. All future interest payments calculated on the basis of floating interest rate will be effectively replaced with fixed interest according to the schedule attached in the above mentioned agreement.

Monthly cash flows are forecasted until 31 March 2020.

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

20. Contingent liabilities and pledges

Contingent liabilities and pledges disclosed in the consolidated financial statements for the year 2014 did not change during the first half of 2015 and remain effective on 30 June 2015.

In June 2015, a registered pledge on shares held by MLP Property Sp. z o. o. in MLP Lublin Sp. z o. o. was entered in the register of pledges as collateral for the bank PKO BP S.A. under the term of facility loan granted to the amount of EUR 19,220 thousand.

In addition, in July 2015, a registered pledge on shares held by MLP Poznań Sp. z o. o. in MLP Lublin Sp. z o.o. was entered in the register of pledges a as collateral for the bank PKO BP S.A. under the term of facility loan granted to the amount of EUR 19,220 thousand.

21. Related party transactions

21. 1 Trade and other receivables and liabilities

Related party balances related to the trade and other receivables and payables as at 30 June 2015 are as follows:

** Unaudited data*

	Trade receivables and other	Trade and other payables
Parent company		
The Israel Land Development Company Ltd., Tel-Aviv	35	-
	35	**-**
Key management personnel		
ROMI CONSULTING, Michael Shapiro	-	39
RTK CONSULTING, Radosław T. Krochta	-	37
PROFART, Tomasz Zabost	-	34
PEOB, Marcin Dobieszewski	-	22
Other key management personnel	-	53
	-	**185**
Total	**35**	**185**

* In the position "Trade and other payables" have not been included key management personnel remuneration and share-based payments that were disclosed in Note 23.

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

21. 2 Loans granted and received

Related party balances related to the loans granted and received as at 30 June 2015 are as follows:

** Unaudited data*	**Loans granted**	**Loans received**
Parent company		
CAJAMARCA HOLLAND B.V., Delft	-	782
Other related parties		
Fenix Polska Sp. z o.o.	89 587	96 037
Total	**89 587**	**96 819**

21. 3 Revenues and expenses

Related party transactions related to revenues and expenses for the 6 month period ended 30 June 2015 are as follows:

**Unaudited data*	**Purchase of services and salary cost**	**Interest income**	**Interest cost**
Parent company			
CAJAMARCA HOLLAND B.V., Delft	-	-	(36)
	-	**-**	**(36)**
Other related parties			
Fenix Polska Sp. z o.o.	-	1 261	(1 045)
	-	**1 261**	**(1 045)**
Key management personnel			
ROMI CONSULTING, Michael Shapiro	(198)	-	-
RTK CONSULTING, Radosław T. Krochta	(296)	-	-
PROFART, Tomasz Zabost	(204)	-	-
PEOB, Marcin Dobieszewski	(110)	-	-
Other key management personnel	(263)	-	-
	(1 071)	**-**	**-**
Total	**(1 071)**	**1 261**	**(1 081)**

For the period of six months ended 30 June 2015, the Group did not generate revenues from sales to related parties.

Fenix Polska Sp. z o.o. is a related party through Cajamarca Holland B.V. which as at 30 June 2015 owns 100% of shares in Fenix Polska Sp. z o.o. and 56.98% in the share capital of the Group.

22. Significant events during the financial period and subsequent events

- According to the resolution of the Supervisory Board dated 14 January 2015 Mr. Tomasz Zabost was appointed as a Member of the Management Board.
- On 3 March 2015, Mr. Baruch Yehezkelov resigned from the position of Member of the Supervisory Board. For the position of Member of the Supervisory Board, Mr. Guy Shapira was appointed by one of the Company's shareholder - Miro B.V. - according to rights arising from the Company Statute.
- On 5 March 2015, MLP Group S.A. entered into an agreement with Accurcius Ltd regarding the final amount to be paid for the shares in MLP Bucharest Sud S.R.L and on 6 March 2015 EUR 600 thousand was paid to Accurcius Ltd.
- On 13 April 2015, loan agreements between MLP Lublin Sp. z o.o. and PKO BP S.A. were signed, under which the bank granted the company the following loans:

  - Investment loan in changeable currency not exceeding the lower of the following amounts: (i) EUR 14,465,918; (ii) 75% of the net investment held by the Company; the interest rate of the credit is based on EURIBOR 3M plus margin defined in the credit agreement; interest should be paid on a monthly basis. The credit is granted for the period from the date of signing of the credit agreement to the date falling 180 months from the date of signing of the credit agreement, but not later than 30 June 2030.
  - Revolving credit in PLN to finance current liabilities related to VAT of PLN 3,000,000; the interest rate of the credit is based on WIBOR 1M plus margin defined in the credit agreement. The credit is granted for the period from the date of signing of the credit agreement to the date falling 30 months from the date of signing of the credit agreement, but not later than 30 August 2017.

  Credit collaterals are as follows:

  - A blank bill of exchange of the borrower with a blank promissory note agreement,
  - Debt deduction clause from the borrower's accounts held at the bank,
  - A mortgage up to the amount of EUR 25,502,396 on the borrower's right of ownership of real estate, securing the PKO BP S.A. credit repayment,
  - An assignment of cash claims from the property insurance agreement during the construction and after completion (throughout the credit period),
  - Registered pledge on all shares in MLP Lublin Sp. z o.o. and the borrower's commitment to make the future acquisition or purchase of shares in MLP Lublin Sp. z o.o. dependent from the buyer's consent to burden the shares with registered pledge to the bank,
  - An assignment of rights from lease agreements,
  - An assignment of cash claims from guarantees issued in favour of the borrower under the deposits from lease agreements,
  - A guarantee granted by MLP Group S.A. under the civil law for the full amount of the credit, valid until the decision concerning the mortgage registration is in force,
  - An assignment of cash claims from the management agreement concluded with MLP Group S.A., or other entity,
  - Registered and financial pledge on the borrower's accounts,
  - An assignment of claims regarding contract/contracts rights concluded with the general contractor and an assignment of cash from the successful execution guarantee,

- A deposit on the bank account as collateral of credit payments,
- Transfer of cash receivables from insurance policy for the loss of gross profit to the borrower,
- MLP Lublin Sp. z o.o. support agreement granted by the MLP Group S.A. in case of exceeding the investment costs of Phase I and Phase II. The MLP Group S.A. support agreement for Phase I will remain in force until the date on which the permission to use the Phase I will become final and a final report regarding this phase will be issued by an Independent Technical Advisor ("ITA"), which will include, among others, a confirmation of financial settlement with GC. MLP Group S.A. support agreement for stages under Phase II will remain in force until the date on which the permission to use the last stage of Phase II becomes final and a final report is issued by ITA regarding the entire investment.

The company MLP Lublin Sp. z o.o. will allocate the amounts obtained under the above mentioned credits to finance and refinance the costs of carrying out construction of the warehouse and logistic centre in Lublin.

The above described loan was launched at the beginning of August 2015 year.
Along with signing the credit agreements, MLP Group S.A. issued a guarantee for MLP Lublin Sp. z o.o. in respect of the following liabilities:

- on general terms in respect of the investment credit up to the amount of EUR 14,465,918 for the period until the date of validation of the mortgage entry,
- on general terms in respect of the working capital credit up to the amount of PLN 3,000,000 for the period until the date of validation of the mortgage entry.

- On 23 April 2015, the subsidiary of the Issuer - MLP Moszna I Sp. z o.o. concluded an agreement with bank DZ Bank AG S.A. regarding an early repayment of a credit. According to the concluded agreement, the floating-to-fixed interest rate swap agreement was terminated without any liabilities neither for the bank nor for the company. On 27 April 2015 the above mentioned credit was repaid by the company MLP Moszna I Sp. z o.o.
- On 25 June 2015 the General Meeting of Shareholders renewed mandates of members of the Supervisory Board of MLP Group SA. Personal composition remained unchanged.
- On 25 June 2015 the Supervisory Board of MLP Group SA appointed The Management Board for another term. Personal composition remained unchanged.

After the end of the reporting period, until the date of approval for the publication of these interim condensed consolidated financial statements, no other events occurred which were not but should have been included both in the accounting books of the reporting period and the condensed consolidated financial statements of the Group.

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

23. Remuneration paid or due to members of management and supervisory bodies

for the period ended 30 June	**2015** (unaudited)	**2014** (unaudited)
Remuneration of the Management Board:		
• **Remuneration and other benefits:**		
Michael Shapiro	198	201
Radosław T. Krochta	296	193
Dorota Jagodzińska-Sasson	-	145
Tomasz Zabost	204	-
Marcin Dobieszewski	110	-
	808	**539**
• **Cash settled share based payments**	432	-
	1 240	**539**

for the period ended 30 June	**2015** (unaudited)	**2014** (unaudited)
Remuneration of Supervisory Board:		
• **Remuneration and other benefits:**		
Maciej Matusiak	15	-
Jacek Tucharz	15	-
Eytan Levy	15	-
Shimshon Marfogel	15	-
Yosef Zvi Meir	15	-
Baruch Yehezkelov	5	-
Guy Shapira	10	-
	90	**-**
Total remuneration for Management Board and Supervisory Board members	**1 330**	**539**
Other Key Management Personnel		
• Remuneration and other benefits	263	50
• Cash settled share based payments	195	-
	458	**50**
Total remuneration for Management Board, Supervisory Board and Key Management Personnel	**1 788**	**589**

The above note presents remuneration of members of management and supervisory bodies and costs of services provided to subsidiaries of the Group and other Key Management Personnel, as well as the costs of services provided to other companies in the Group, and other management personnel.

In the first half of 2014, the Supervisory Board members did not receive remuneration for their function. Apart from the transactions presented in note 21 and above, Members of Management Board, Supervisory Board and other Key Management Personnel did not receive any other benefits from any of the entities of the Capital Group.

The interim condensed consolidated financial statements for the period ended 30 June 2015 (data in PLN thousand, unless otherwise stated)

24. Employment structure

for the period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Average employment in the period	23	24

25. Information regarding the issuance, redemption and repayment of debt and equity securities

In the 6 month period ended 30 June 2015 there were no events related to the issuance, redemption or repayment of debt and equity securities.

26. The Management Board's statement on published financial forecasts

The Management Board of MLP Group S.A. has not published any financial forecasts for 2015.

27. A brief description of achievements and failures in the period ended 30 June 2015

There were no significant achievements and failures other than those described in these condensed consolidated financial statements.

28. Seasonality and cyclicality

Group activities are not subject to seasonality or cyclicality.

29. Information relevant to the assessment of human resources, financial result of the Group and their changes and information, which are significant for assessing the possibility of achievement of commitments by the MLP Group S.A. Capital Group

Except for the information presented in this interim condensed consolidated financial statements for the 6 month period ended 30 June 2015, there is no other information relevant for the assessment of the human resources, financial result of the Group and their changes and information, which are significant for assessing the possibility of achievement of commitments by the MLP Group S.A. Capital Group.

Michael Shapiro
President of the Management Board

Tomasz Zabost
Member of the Management Board

Radosław T. Krochta
Vice-President of the Management Board

MLP Group S.A.

The interim condensed separate
financial statements
for the six monthperiod ended 30 June 2015
prepared in accordance with IAS 34 EU

Approval of the interim condensed separate financial statements

On 21 August 2015 the Management Board of MLP Group S.A. approved the interim condensed separate financial statements ("Financial Statements") of MLP Group S.A. for the period from 1 January 2015 to 30 June 2015 for publication.

The interim condensed separate financial statements for the period from 1 January 2015 to 30 June 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting as approved by the European Union. Information in this report is presented in the following sequence:

1. Condensed separate statement of profit or loss and other comprehensive income for the period from 1 January 2015 to 30 June 2015, with a net profit of PLN 6,924 thousand.

2. Condensed separate statement of financial position as at 30 June 2015, with total assets and total liabilities and equity in the amount of PLN 241,538 thousand.
3. Condensed separate statement of cash flows for the period from 1 January 2015 to 30 June 2015, with a net cash decrease of PLN 4,815 thousand.

4. Condensed separate statement of changes in equity for the period from 1 January 2015 to 30 June 2015, with an equity increase of PLN 6,924 thousand.

5. Explanatory information to the interim condensed separate financial statements.

The interim condensed separate financial statements have been prepared in PLN thousand, unless otherwise stated.

Michael Shapiro
President of the Management Board

Radosław T. Krochta
Vice-President of the Management Board

Tomasz Zabost
Member of the Management Board

Pruszków, 21 August 2015

(data in PLN thousand, unless otherwise stated)

Condensed separate statement of profit or loss and other comprehensive income

for the 6 month period ended 30 June	**Note**	**2015** *(unaudited)*	**2014** *(unaudited)*
Continuing operations			
Revenues	4	4 142	3 998
Other operating income	5	213	90
Other operating costs	6	(44)	(105)
Selling and administrative expenses	7	(2 598)	(2 692)
Operating profit		**1 713**	**1 291**
Financial income	8	2 212	1 351
Financial costs	8	(392)	(457)
Net financial income		**1 820**	**894**
Profit before taxation		**3 533**	**2 185**
Corporate income tax	9	3 391	(4 459)
Profit/(Loss) from continuing operations		**6 924**	**(2 274)**
Total comprehensive income		**6 924**	**(2 274)**
Profit/(Loss) per share			
- Basic and diluted (PLN) profit/(loss) for the period attributable to owners of the Parent Company	17	0,38	(0,13)

(data in PLN thousand, unless otherwise stated)

Condensed separate statement of financial position

as at	Note	30 June 2015 *(unaudited)*	31 December 2014
Non-current assets			
Intangible assets		10	10
Tangible fixed assets		21	16
Long-term financial assets in related parties	10	121 293	121 142
Long-term investments	11	1 428	1 406
Deferred tax assets	13	6 246	2 651
Other long-term investments		43	2
Total non-current assets		**129 041**	**125 227**
Current assets			
Short-term investments	12	94 399	83 629
Trade and other receivables	14	2 702	1 637
Cash and cash equivalents	15	15 396	20 211
Total current assets		**112 497**	**105 477**
TOTAL ASSETS		**241 538**	**230 704**
Equity	16		
Share capital		4 529	4 529
Other capital reserve		4 194	4 194
Share premium		71 121	71 121
Reserve capital		64 485	64 485
Retained earnings		44 713	37 789
Total equity		**189 042**	**182 118**
Short-term liabilities			
Credit, loans and other debt instruments	18	50 302	43 545
Payroll liabilities	19	1 289	1 432
Corporate income tax liabilities	20	198	336
Trade and other liabilities	20	707	3 273
Total short-term liabilities		**52 496**	**48 586**
Total liabilities		**52 496**	**48 586**
TOTAL EQUITY AND LIABILITIES		**241 538**	**230 704**

(data in PLN thousand, unless otherwise stated)

Condensed separate statement of cash flows

for the 6 month period ended 30 June	Note	2015 (unaudited)	2014 (unaudited)
Cash flows from operating activities			
Profit before taxation		3 533	2 185
Adjustments for:			
Depreciation and amortization		22	24
Net interest		(800)	(554)
Foreign exchange differences		(561)	54
Other		(193)	5
Changes in trade and other receivables		(1 000)	(1 931)
Changes in short-term trade and other liabilities		(2 709)	(338)
Cash generated from operating activities		**(1 708)**	**(555)**
Income tax paid		(342)	(222)
Net cash from operating activities		**(2 050)**	**(777)**
Cash flows from investing activities			
Repayments of loans granted		10 574	1 676
Purchase of investment properties, tangible fixed assets and intangible assets		(27)	(23)
Loans granted		(20 181)	(36 160)
Cash from investing activities		**(9 634)**	**(34 507)**
Cash flows from financing activities			
Proceeds from loans		9 470	2 700
Repayments of loans		(2 415)	(601)
Interest paid		-	(1)
Cash from financing activities		**7 055**	**2 098**
Total cash flow		**(4 629)**	**(33 186)**
Cash and cash equivalents at the beginning of the period		**20 211**	**58 561**
Foreign exchange differences on cash and cash equivalents		(186)	(2)
Cash and cash equivalents at the end of the period	15	**15 396**	**25 373**

(data in PLN thousand, unless otherwise stated)

Condensed separate statement of changes in equity

	Share capital	Other capital reserve	Share premium	Reserve capital	Retained earnings	Total equity
Equity as at 1 January 2014	**4 529**	**4 194**	**71 121**	**64 485**	**41 480**	**185 809**
Comprehensive income:						
Profit for the period*	-	-	-	-	(2 274)	**(2 274)**
Total comprehensive income for the period ended 30 June 2014*	**-**	**-**	**-**	**-**	**(2 274)**	**(2 274)**
Equity as at 30 June 2014*	**4 529**	**4 194**	**71 121**	**64 485**	**39 206**	**183 535**
Equity as at 1 January 2015	**4 529**	**4 194**	**71 121**	**64 485**	**37 789**	**182 118**
Comprehensive income:						
Profit for the period*	-	-	-	-	6 924	**6 924**
Total comprehensive income for the period ended 30 June 2015*	**-**	**-**	**-**	**-**	**6 924**	**6 924**
Equity as at 30 June 2015*	**4 529**	**4 194**	**71 121**	**64 485**	**44 713**	**189 042**

** unaudited data*

Explanatory information to the interim condensed separate financial statements

1. General information

1. 1 Information on the Company MLP Group S.A.

MLP Group S.A. ("Company", "Entity", "Issuer") is a joint-stock publicly-traded company registered in Poland. The Company headquarter is seated in Pruszków, 3 Maja 8 Street.

The Company was established as a result of a transformation of the state company Zakłady Naprawcze Taboru Kolejowego im. Bohaterów Warszawy seated in Pruszków into a joint-stock company fully owned by the state. The notarial deed of transformation was drawn up on 18 February 1995. The company operates under the name of MLP Group S.A. by virtue of resolution of the Company's General Meeting of 27 June 2007.

Currently, the Company is registered in the National Court Register in the District Court for the Capital City of Warsaw, XIV Commercial Department under the National Court Register number of 0000053299.

The core business activities of the Company include: management, acquisition and sale of real estate, rental of real estate, management of residential and non-residential properties, construction works related to construction of buildings and other construction (see note 3). The prevailing type of the Company's business is characterized by the 7032Z symbol of the Statistical Classification of Products by Activity of the European Economic Community, which refers to property management services.

The Company's financial year is defined as the calendar year.

The duration of the Company is unlimited.

1. 2 Information on the Capital Group

The parent company of the Company is CAJAMARCA HOLLAND B.V. that is registered in the Netherlands, 2 Martinus Nijhofflaan, 2624 ES Delft.

The ultimate parent company is Israel Land Development Company Ltd., registered in Tel Aviv, Israel (“ILDC”). ILDC shares are listed on the Stock Exchange in Tel Aviv.

As at the end of the reporting period, MLP Group S.A. is the parent company of 19 subsidiaries: MLP Pruszków I Sp. z o.o., MLP Pruszków II Sp. z o.o., MLP Pruszków III Sp. z o.o., MLP Pruszków IV Sp. z o.o., MLP Moszna I Sp. z o.o., MLP Spółka z ograniczoną odpowiedzialnością SKA, MLP Energy Sp. z o.o., MLP Poznań Sp. z o.o., MLP Lublin Sp. z o.o., MLP Poznań II Sp. z o.o., MLP Bieruń Sp. z o.o., MLP Bieruń I Sp. z o.o., MLP Sp. z o.o., MLP Property Sp. z o.o., MLP Teresin Sp. z o.o., MLP Poznań West Sp. z o.o., MLP Fin Sp. z o.o., MLP Fin Spółka z ograniczoną odpowiedzialnością Sp.k. and MLP Bucharest Sud SRL.

Additional information on the subsidiaries is included in note 10.

1. 3 Composition of the Management Board

As at the date of preparation of the interim condensed separate financial statements, the composition of the Management Board is as follows:

- Michael Shapiro - President of the Management Board
- Radosław T. Krochta - Vice-President of the Management Board
- Tomasz Zabost [1)] - Member of the Management Board

[1)] On 14 January 2015, according to the resolution of the Supervisory Board Mr. Tomasz Zabost was appointed to the position of Member of the Management Board.

1. 4 Composition of the Supervisory Board

As at the date of preparation of the foregoing interim condensed separate financial statements, the composition of the Supervisory Board is as follows:

- Shimshon Marfogel - President of the Supervisory Board
- Yosef Zvi Meir - Member of the Supervisory Board
- Eytan Levy - Vice-President of the Supervisory Board
- Guy Shapira [1)] - Member of the Supervisory Board
- Jacek Tucharz - Member of the Supervisory Board
- Maciej Matusiak - Member of the Supervisory Board

[1)] On 3 March 2015, Mr. Baruch Yehezkelov resigned from the position of Member of the Supervisory Board. For the position of Member of the Supervisory Board, Mr. Guy Shapira was appointed by one of the Company's shareholder - Miro B.V. - according to rights arising from Company Statute.

2. Basis for the preparation of the separate condensed financial statements

2. 1 Statement of compliance

MLP Group S.A. prepared the interim condensed separate financial statements in accordance with IAS 34 - Interim Financial Reporting as approved by the European Union. The Company has applied all Standards and Interpretations adopted by the European Union except for the Standards and Interpretations referred to below that are awaiting approval of the European Union and the Standards and Interpretations that have been approved by the European Union, but not yet effective.

2. 2 Status of Standards Approval in the European Union

A number of new Standards, amendments to Standards and Interpretations are not yet mandatorily effective for annual periods ending on 31 December 2015 and have not been applied in preparing these interim condensed separate financial statements.

The Company plans to adopt published, but not yet legally binding as at the date of approval for publication of these financial statements, standards and changes to standards and interpretations of IFRS published by International Accounting Standards Board when they become effective.

Possible impact of changes and new IFRS on the forthcoming separate financial statements were presented in note 2.2 of the Separate Financial Statements for 2014.

2. 3 Basis of the preparation of the financial statements

The interim condensed separate financial statements have been prepared assuming that the Company will continue to operate as a going concern in the foreseeable future and are convinced that there is no evidence indicating that the Company will not be able to continue its operations as a going concern.

These interim condensed separate financial statements have been prepared in accordance with accounting policies described in the Separate Financial Statements for the year 2014.

2. 4 Functional and presentation currency

These interim condensed separate financial statements are presented in Polish zloty, rounded to the nearest thousand. Polish zloty is the Parent Company's functional currency and the presentation currency of the separate financial statements.

2. 5 Use of estimates and judgments

Significant judgments in applying the Company's accounting policies and the key sources of estimation uncertainty made by the Management Board in these interim condensed separate financial statements were the same as described in note 3 of the Separate Financial Statements for the year 2014.

The preparation of interim condensed separate financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.
Estimates and assumptions are based on experience and other reasonable factors which provide the basis for the estimate of book value of assets and liabilities and which does not result directly from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period, in which the estimates are revised and in any future periods affected. Significant estimates are based on valuations performed by independent experts.

3. Segment reporting

Segment of business activity is the isolated part of the Company, which role is to provide specific products and services (line of business) or delivering products or services in defined business environment (geographical segmentation), which is a subject to other risks and draws other profits than the rest of segments.

The primary and sole business of MLP Group S.A. is the management of the logistic properties. The company operates in Poland. In accordance to property location criteria, the company distinguish one operating segment - Poland. The criteria of assets location correspond with the criteria of clients' locations. Operating segments are the same as the geographical segments. Because the Company operates only in one segment, all information concerning operations in this segment have been included in the statement of profit and loss and other comprehensive income and in the statement of financial position.

3. 1. Information on the key customers of the Company

The share of the key customers in the Company's revenues are as follows:

for the 6 month period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
MLP Pruszków I Sp. z o.o.	72%	75%
MLP Spółka z ograniczoną odpowiedzialnością SKA	8%	8%

(data in PLN thousand, unless otherwise stated)

4. Revenues

for the 6 month period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Real estate management	1 633	1 621
Consulting services	2 212	2 113
Reinvoiced services	278	226
Other revenues	19	38
Total revenues	4 142	3 998
including revenues from related parties	*4 124*	*3 960*

Details of revenues from related parties are disclosed in note 23.3.

5. Other operating income

for the 6 month period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Reversal of provision for future costs	166	-
Reinvoiced insurance costs	-	86
Other	47	4
Total other operating income	**213**	**90**

6. Other operating costs

for the 6 month period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Planned investments	-	(6)
Other operating costs	(33)	(99)
Donations	(11)	-
Total other operating costs	**(44)**	**(105)**

(data in PLN thousand, unless otherwise stated)

7. Selling and administrative expenses

for the 6 month period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Depreciation and amortization	(22)	(24)
Materials and energy	(43)	(56)
External services	(1 582)	(1 766)
Tax and charges	(29)	(22)
Payroll	(691)	(632)
Social security and other employee benefits	(119)	(109)
Other costs by kind	(112)	(83)
Total selling and administrative expenses	**(2 598)**	**(2 692)**

Selling and administrative expenses for the 6 month period ended 30 June 2015 amounted to PLN 2,598 thousand. The above mentioned costs incurred by the Company relate mainly to expenses related to the service and maintenance of revenue-generating investment property, owned by subsidiaries and consulting services. The company recovers the specified amounts by charging these companies for property management.

8. Financial income and costs

for the 6 month period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Interest on loans granted to related entities	1 192	957
Interest income on bank deposits	309	394
Foreign exchange differences net	561	-
Other financial income	150	-
Total financial income	**2 212**	**1 351**
Interest expenses on loans from related entities	(392)	(403)
Foreign exchange differences net	-	(54)
Total financial costs	**(392)**	**(457)**

Exchange differences are mainly the result of the balance sheet date valuation of liabilities and receivables of loans, which are denominated in Euro.

Details of financial income and costs from related parties are disclosed in note 23.3.

(data in PLN thousand, unless otherwise stated)

9. Income tax

for the 6 month period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Current income tax	204	358
Origination / reversal of temporary differences	(3 595)	4 101
Income tax	**(3 391)**	**4 459**

Effective tax rate

for the 6 month period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Profit before taxation	**3 533**	**2 185**
Current income tax on the basis of the enacted tax rate (19%)	(671)	(415)
Adjustment of deferred tax assets recognized in respect of impairment allowance	-	(4 031)
Recognition of deferred tax assets on shares	4 035	-
Non-taxable revenues	50	-
Non-taxable costs	(23)	(13)
Current income tax	**3 391**	**(4 459)**

(data in PLN thousand, unless otherwise stated)

10. Long-term investments in related parties

as at	30 June 2015 *(unaudited)*	31 December 2014
Gross value at the beginning of the period	**121 142**	**121 142**
Contribution of additional rights to MLP FIN Spółka z ograniczoną odpowiedzialnością sp.k.	151	-
Gross value at the end of the period	**121 293**	**121 142**
Net value at the end of the period	**121 293**	**121 142**

As at 30 June 2015 the Company holds directly and indirectly shares in the following entities:

		Direct and indirect share in the share capital		Direct and indirect share in voting rights	
Entity	**Country of registry**	**30 June 2015**	**31 December 2014**	**30 June 2015**	**31 December 2014**
MLP Pruszków I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków III Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków IV Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Moszna I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Lublin Sp. z o.o. [1]	Poland	100%	100%	100%	100%
MLP Poznań II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
MLP Energy Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest Sud S.R.L.[2]	Romania	100%	50%	-	-
MLP Property Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Teresin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań West Sp. z o.o.[3]	Poland	100%	100%	100%	100%
MLP FIN Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Fin Spółka z ograniczoną odpowiedzialnością Sp.k.	Poland	100%	-	100%	-

[1] On 2 February 2015 the change of the name to MLP Lublin Sp. z o.o. was registered in the National Court Register.

[2] The Company has lost control over MLP Bucharest Sud S.R.L. in the second quarter of 2013.

[3] On 16 April 2015 the company name changed from MLP Poznań Zachód Sp. z o.o. to MLP Poznań West Sp. z o.o.

(data in PLN thousand, unless otherwise stated)

Shares owned in subsidiaries presented in the separate financial statements, have been valued at purchase price less any impairment.

On 12 February 2015 MLP FIN Spółka z ograniczoną odpowiedzialnością was registered in the National Court Register.

11. Long-term investments

as at	30 June 2015 *(unaudited)*	31 December 2014
Long-term loans granted to related parties	1 428	1 406
	1 428	**1 406**

12. Short-term investments

as at	30 June 2015 *(unaudited)*	31 December 2014
Short-term loans granted to related parties	94 391	83 621
Short-term loans granted to other entities	8	8
Short term investments	**94 399**	**83 629**

Details of the loans granted to related parties are disclosed in note 23.2.

(data in PLN thousand, unless otherwise stated)

13. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net value	
as at	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Credits, loans granted and received	(1 392)	(2 491)	-	-	(1 392)	(2 491)
Other	(103)	(160)	-	-	(103)	(160)
Shares	(4 751)	-	-	-	(4 751)	-
Deferred tax assets / liabilities	**(6 246)**	**(2 651)**	**-**	**-**	**(6 246)**	**(2 651)**

	1 January 2014	changes recorded in the statement of profit or loss	31 December 2014
Loans granted and received	(6 566)	4 075	(2 491)
Other	(27)	(133)	(160)
	(6 593)	**3 942**	**(2 651)**

	1 January 2015	changes recorded in the statement of profit or loss	30 June 2015
Credits, loans granted and received	(2 491)	1 099	(1 392)
Other	(160)	57	(103)
Shares	-	(4 751)	(4 751)
	(2 651)	**(3 595)**	**(6 246)**

(data in PLN thousand, unless otherwise stated)

14. Trade and other receivables

as at	30 June 2015 *(unaudited)*	31 December 2014
Trade receivables from related parties	1 734	757
Trade receivables from third parties	7	16
Prepayments	113	71
Accrued interest	843	788
Other	5	5
Trade and other receivables	**2 702**	**1 637**
Short-term receivables	**2 702**	**1 637**

Receivables from related parties are disclosed in note 23.

The aging structure of trade and other receivables, and the amount of allowance for receivables are presented in the table below:

as at	30 June 2015*		31 December 2014	
	Receivables Gross	Write-offs	Receivables Gross	Write-offs
Current receivables	582	-	602	-
Overdue from 1 to 90 days	1 087	-	131	-
Overdue from 91 to 180 days	48	-	35	-
Overdue over 181 days	29	-	583	(573)
Total receivables	**1 746**	**-**	**1 351**	**(573)**

** unaudited data*

15. Cash and cash equivalents

as at	30 June 2015 *(unaudited)*	31 December 2014
Cash on hand	7	4
Cash in bank	8	10
Short-term deposits	15 381	20 197
Cash and cash equivalents in the separate statement of financial position	**15 396**	**20 211**
Cash and cash equivalents in the separate statement of cash flows	**15 396**	**20 211**

The Company does not have any restricted cash.

(data in PLN thousand, unless otherwise stated)

16. Equity

16. 1 Share capital

Share capital	*as at*	30 June 2015 *(unaudited)*	31 December 2014
Ordinary series A shares		11 440 000	11 440 000
Ordinary shares of B series		3 654 379	3 654 379
Ordinary shares of C series		3 018 876	3 018 876
		18 113 255	**18 113 255**
Par value of 1 share		0,25	0,25

As at 30 June 2015 the share capital of MLP Group S.A. amounted to PLN 4,528,313.75 and was divided into 18,113,255 shares entitling to 18,113,225 votes on General Meeting. The par value of one share is PLN 0.25 and all shares have been fully paid.

In 2013, the Issuer increased its share capital by PLN 754,719 by an issuance of new C series shares. District Court for the Capital City Warsaw registered the capital increase on 29 October 2013.

To the knowledge of the Management Board of the Company, the Shareholders holding, as of the date of preparation of the interim condensed separate financial statements, either directly or through related entities, at least 5% of the overall number of votes during the General Shareholders' Meeting, are:

Shareholder	Number of shares and votes during the GSM	*% of capital and votes during the GSM*
MIRO B.V.	1 004 955	*5,55%*
GRACECUP TRADING LIMITED	1 094 388	*6,04%*
THESINGER LIMITED	1 920 475	*10,60%*
Other shareholders	3 773 595	*20,83%*
CAJAMARCA Holland BV	10 319 842	*56,98%*
Total	**18 113 255**	***100,00%***

The share capital and reserve capital were created by the division of the funds of the state company ZNTK at the time when it was transformed into a joint-stock company in 1995. In accordance with the binding regulations, 15% of the total amount of funds were assigned to share capital and the remaining part, after settling losses from previous years, to reserve capital. On 9 December 2009 the General Shareholders' Meeting adopted a resolution to convert the registered shares of series A and B to bearer shares of series A and B. Moreover, during 2013 the share capital was increased by PLN 755 thousand by share issuance.

Michael Shapiro holds indirectly, through the wholly owned company MIRO B.V., 5.55% of this share capital of MLP Group S.A. and through 25% of the share capital held by MIRO B.V. in Cajamarca Holland B.V. economically participate in 14.24% of MLP Group S.A. share capital, which results in effective economic share of 19.80% in MLP Group S.A. share capital.

Members of the Supervisory Board do not directly hold shares of the Company.

(data in PLN thousand, unless otherwise stated)

16. 2 Other capital reserve

The other capital reserve was created from profit generated in 2010 (PLN 1,470 thousand) and from profit generated in 2012 (PLN 2,724 thousand).

17. Earnings/(Loss) per share

Earnings/(Loss) per share for each period is calculated by dividing the net profit/(loss) for the period by the weighted average number of shares during the reporting period. Diluted earnings/(loss) per share for each period is calculated by dividing the net profit/(loss) for the period by the sum of the weighted average number of ordinary shares during the reporting period and all dilutive potential shares.

for the 6 month period ended 30 June	**2015** *(unaudited)*	**2014** *(unaudited)*
Net profit/(loss) for the period	**6 924**	**(2 274)**
Weighted average number of shares issued	18 113 255	18 113 255
Earnings/(Loss) per share for the period (in PLN per share):		
- basic	0,38	(0,13)
- diluted	0,38	(0,13)

There were no dilutive factors in the presented periods.

18. Loans and other debt instruments

18. 1 Short term liabilities

as at	**30 June 2015** *(unaudited)*	**31 December 2014**
Loans received from related parties	50 302	43 545
Total short-term loans and other debt instruments	**50 302**	**43 545**

Details on the loans received from related parties are disclosed in note 23.2.

(data in PLN thousand, unless otherwise stated)

18. 2 Loans unsecured on the Company's assets

			as at	**30 June 2015***			**31 December 2014**	
Loan received from	**currency**	**effective rate (%)**	**maturity date**	**in currency**	**in PLN**	**maturity date**	**in currency**	**in PLN**
MLP Pruszków I Sp. z o.o.	EUR	Euribor 3M + margin	2015	933	3 915	2015	926	3 949
MLP Pruszków I Sp. z o.o.	EUR	Euribor 1M + margin	2015	6 863	28 787	2015	7 401	31 543
MLP Pruszków I Sp. z o.o.	PLN	Wibor 3M + margin	2015	-	6 546	2015	-	6 444
MLP Pruszków I Sp. z o.o.	PLN	Wibor 3M + margin	2016	-	1 013	-	-	-
MLP Spółka z ograniczoną odpowiedzialnością SKA	EUR	Euribor 3M + margin	2015	380	1 595	2015	377	1 609
MLP Spółka z ograniczoną odpowiedzialnością SKA	EUR	Euribor 3M + margin	2016	2 013	8 445	-	-	-
MLP Energy Sp. z o.o.	PLN	Wibor 3M + margin	2016	-	1	-	-	-
Total				**10 189**	**50 302**		**8 704**	**43 545**

** unaudited data*

The balances of loans received in foreign currency were translated by the following average exchange rates quoted by the NBP as at:

	30 June 2015	**31 December 2014**
exchange rate EUR/PLN	4,1944	4,2623

(data in PLN thousand, unless otherwise stated)

19. Payroll liabilities

as at	30 June 2015 *(unaudited)*	31 December 2014
Special funds	157	157
Cash settled share based payment	1 132	1 275
Payroll liabilities	**1 289**	**1 432**

According to the resolution of the Supervisory Board of MLP Group S.A. employees are covered by phantom shares program for 2014 - 2017.

Each entitled employee is granted a fixed number of phantom shares, that is dependent on achieving the established financial goals by the Group.

After approval of the financial statements by the General Meeting of Shareholders, the Supervisory Board will authorize a list of employees, with the number of phantom shares assigned to each employee. Equivalent of phantom shares will be paid in cash. Until the date of publication of these interim condensed separate financial statements phantom shares for the previous financial year were paid in the amount of PLN 822 thousand.

20. Trade and other liabilities

as at	30 June 2015 *(unaudited)*	31 December 2014
Trade liabilities to related parties	39	40
Trade liabilities to third parties	295	224
Taxation and social security liabilities	164	147
Accruals	158	261
Investment liabilities related to guarantee deposits and other	51	44
Provision for purchase of MLP Bucharest Sud S.R.L. shares	-	2 557
Trade and other liabilities	**707**	**3 273**
Income tax liabilities	198	336
Short-term liabilities	**905**	**3 609**

Liabilities to related parties were disclosed in note 23.

The following table shows the aging structure of trade and other liabilities:

as at	30 June 2015 *(unaudited)*	31 December 2014
Current liabilities	412	3 009
Overdue from 0 to 90 days	51	50
Overdue over 181 days	80	67
Total trade and other liabilities	**543**	**3 126**

(data in PLN thousand, unless otherwise stated)

Trade liabilities are not subject to interest and are usually settled within 30 to 60 days. The difference between VAT liabilities and receivables is paid to the appropriate tax authorities in the periods regulated in tax law. Interest liabilities are usually settled based on approved interest notes.

21. Financial instruments

21. 1 Valuation of financial instruments

The fair value of financial assets and financial liabilities as at 30 June 2015 and 31 December 2014 is equal to the value presented in the separate statement of financial position.

The following assumptions have been adopted for the fair value of financial instruments:

- **cash and cash equivalents**: the carrying amount of these financial instruments corresponds to fair value because of the short maturity,
- **trade receivables, other receivables, trade liabilities and accruals**: the book value is comparable with fair value because of the short-term character of these instruments,
- **loans granted**: the carrying amount corresponds to fair value because of the floating rate which is comparable with market interest rates,
- **bank credit and loans taken**: the carrying amount of these instruments is comparable with fair value because of the floating rate, based on market rates.

21. 1. 1 Financial assets

as at	**30 June 2015** *(unaudited)*	**31 December 2014**
Loans and receivables:		
Cash and cash equivalents (level 3)	15 396	20 211
Loans and receivables, including:		
• Trade and other receivables (level 3)	2 589	1 566
• Loans granted (level 3)	95 827	85 035
	113 812	**106 812**
Total financial assets	**113 812**	**106 812**

21. 1. 2 Financial liabilities

as at	**30 June 2015** *(unaudited)*	**31 December 2014**
Financial liabilities valued at amortized cost:		
Loans received (level 3)	50 302	43 545
Trade and other liabilities (level 3)	543	3 126
	50 845	**46 671**
Total financial liabilities	**50 845**	**46 671**

(data in PLN thousand, unless otherwise stated)

22. Contingent liabilities and pledges

Contingent liabilities and pledges disclosed in the Separate Financial Statements for the year 2014 have not changed in the current period and remain effective on 30 June 2015.

In relation to the credit agreement signed by MLP Lublin Sp. z o.o. and PKO BP S.A., MLP Group S.A. has provided a guarantee for liabilities of MLP Lublin Sp. z o.o.:

- on a general basis in respect of investment credit not exceeding EUR 14,465,918 for the period ending on the date the mortgage comes into force,

- on a general basis in respect of revolving credit not exceeding PLN 3,000,000 for the period ending on the date the mortgage comes into force.

23. Related party transactions

23. 1 Trade and other receivables and liabilities

Trade and other receivables and liabilities from related parties as at 30 June 2015* were as follows:

** unaudited data*	Trade and other receivables	Trade and other liabilities*
Parent company		
The Israel Land Development Company Ltd., Tel-Aviv	35	-
	35	**-**
Other related parties		
MLP Pruszków I Sp. z o.o.	1 212	39
MLP Pruszków II Sp. z o.o.	11	-
MLP Pruszków III Sp. z o.o.	35	-
MLP Pruszków IV Sp. z o.o.	11	-
MLP Moszna I Sp. z o.o.	12	-
MLP Spółka z ograniczoną odpowiedzialnością SKA	135	-
MLP Poznań Sp. z o.o.	6	-
MLP Lublin Sp. z o.o.	68	-
MLP Poznań II Sp. z o.o.	39	-
MLP Bieruń Sp. z o.o.	44	-
MLP Bieruń I Sp. z o.o.	12	-
MLP Poznań West Sp. z o.o.	47	-
MLP Teresin Sp. z o.o.	67	-
	1 699	**39**
Key management personnel		
ROMI CONSULTING Michael Shapiro	-	22
Other key management personnel	-	31
	-	**53**
Total	**1 734**	**92**

* Trade and other liabilities does not include payroll liabilities of key management personnel and share based payments that are disclosed in note 26.

(data in PLN thousand, unless otherwise stated)

23. 2 Loans granted and received

Related party balances related to loans granted and received as at 30 June 2015* are as follows:

** unaudited data*	Loans granted	Loans received
Other related parties		
Fenix Polska Sp. z o.o.	71 863	-
MLP Pruszków I Sp. z o.o.	-	40 261
MLP Pruszków III Sp. z o.o.	1 278	-
MLP Moszna I Sp. z o.o.	9 381	-
MLP Spółka z ograniczoną odpowiedzialnością SKA	-	10 040
MLP Property Sp. z o.o.	278	-
MLP Poznań Sp. z o.o.	618	-
MLP Lublin Sp. z o.o.	8 441	-
MLP Poznań II Sp. z o.o.	151	-
MLP Bieruń I Sp. z o.o.	1 013	-
MLP Energy Sp. z o.o.	-	1
MLP Poznań West Sp. z o.o.	165	-
MLP Teresin Sp. z o.o.	2 581	-
MLP FIN Sp. z o.o.	50	-
	95 819	**50 302**
Total	**95 819**	**50 302**

23. 3 Revenues and expenses

Related party transactions related to revenues and expenses for the period ended 30 June 2015* are as follows:

** unaudited data*	Revenues from sale of services	Interest income
Parent company		
The Israel Land Development Company Ltd., Tel-Aviv	80	-
	80	**-**
Other related parties		
Fenix Polska Sp. z o.o.	-	1 029
MLP Pruszków I Sp. z o.o.	2 977	-
MLP Pruszków II Sp. z o.o.	79	-
MLP Pruszków III Sp. z o.o.	103	20
MLP Pruszków IV Sp. z o.o.	58	-
MLP Moszna I Sp. z o.o.	59	27
MLP Spółka z ograniczoną odpowiedzialnością SKA	319	-
MLP Property Sp. z o.o.	-	4
MLP Poznań Sp. z o.o.	15	3
MLP Lublin Sp. z o.o.	85	56
MLP Poznań II Sp. z o.o.	101	2
MLP Bieruń Sp. z o.o.	180	-
MLP Bieruń I Sp. z o.o.	10	13
MLP Poznań Zachód Sp. z o.o.	25	1
MLP Teresin Sp. z o.o.	33	37
	4 044	**1 192**
Total revenues	**4 124**	**1 192**

(data in PLN thousand, unless otherwise stated)

		Purchase of services and remuneration	Interest expenses
Other related parties			
MLP Pruszków I Sp. z o.o.		(21)	(324)
MLP Sp. z o.o. SKA (previously: MLP Tychy Sp. z o.o.)		-	(67)
MLP Energy Sp. z o.o.		-	(1)
		(21)	**(392)**
Key management personnel			
ROMI CONSULTING Michael Shapiro	*see note 26*	(186)	-
RTK CONSULTING	*see note 26*	(106)	-
PROFART, Tomasz Zabost	*see note 26*	(11)	-
Other key management personnel	*see note 26*	(263)	-
		(566)	**-**
Total expenses		**(587)**	**(392)**

24. Significant litigation and disputes

Since the publication of the Report for the year ended 31 December 2014, there has been no significant change in litigation and disputes, described in the Separate Financial Statements of MLP Group S.A. for the year 2014.

25. Significant events during the period and subsequent events

On 14 January 2015 according to the resolution of the Supervisory Board Mr. Tomasz Zabost was appointed as a Member of the Management Board.

On 3 March 2015, Mr. Baruch Yehezkelov resigned from the position of Member of the Supervisory Board. For the position of Member of the Supervisory Board, Mr. Guy Shapira was appointed by one of the Company's shareholder - Miro B.V. - according to rights arising from Company Statute.

On 5 March 2015 MLP Group S.A. signed an agreement with Accurcius Ltd regarding the final amount to be paid for shares of MLP Bucharest Sud S.R.L. and on 6 March 2015 the Company paid EUR 600 thousand.

On 25 June 2015 the Company's General Meeting of Shareholders renewed mandates of members of the Supervisory Board of MLP Group S.A. The composition of the Supervisory Board and positions of its members remained unchanged.

On 25 June 2015 the Supervisory Board of MLP Group S.A. appointed the Company's Management Board for the next tenure. The composition of the Management Board and positions of its members remained unchanged.

Subsequent to the balance sheet date, until the date of approval for the publication of these interim condensed separate financial statements, no other events occurred which were not but should have been included both in the accounting books of the reporting period and the separate financial statements of the Company.

(data in PLN thousand, unless otherwise stated)

26. Remuneration paid or due to members of management and supervisory bodies of the Company

for the 6 month period ended 30 June		**2015**	**2014**
Remuneration of the Management Board		*(unaudited)*	*(unaudited)*
• **Remuneration and other benefits**			
Michael Shapiro		186	188
Radosław T. Krochta		106	13
Dorota Jagodzińska-Sasson		-	13
Tomasz Zabost		11	-
	see note 23.3	**303**	**214**
• **Cash settled share based payment**		432	-
		735	**214**
Remuneration of the Supervisory Board			
• **Remuneration and other benefits**			
Matusiak Maciej		15	-
Tucharz Jacek		15	-
Levy Eytan		15	-
Marfogel Shimshon		15	-
Meir Yosef Zvi		15	-
Guy Shapira		10	-
Yehezkelov Baruch		5	-
		90	**-**
Other Key Management Personnel			
• Remuneration and other benefits	*see note 23.3*	263	-
• Cash settled share based payment		195	-
		458	**-**
Total remuneration (paid or due) to the Management Board, Supervisory Board and Key Management Personnel of the Company		**1 283**	**214**

Except for the transactions presented above, the Members of the Management Board and the Supervisory Board and other key Management Personnel did not receive any other benefits from the Company.

27. Employment structure

as at	**30 June 2015** *(unaudited)*	**31 December 2014**
Employment	18	16

Michael Shapiro
President of the Management Board

Radosław T. Krochta
Vice-President of the Management Board

Tomasz Zabost
Member of the Management Board

Pruszków, 21 August 2015

Management Board report on the activities of

MLP Group S.A. Capital Group

for the 6 month period
ended 30 June 2015

Management Board's report on the activities of MLP Group S.A. Capital Group for the 6 month period ended 30 June 2015 was prepared in accordance with paragraph 91 of the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of Non-Member States (Official Journal No. 33 item 259 with amendments).

Pruszków, 21 August 2015

Table of contents

MLP Group S.A. Management Board approval of the report on the MLP Group S.A. Capital Group activities for the 6 month period ended 30 June 2015

The Management Report on the MLP Group S.A. Capital Group activities for the 6 month period ended 30 June 2015 was prepared and approved by the Management Board on 21 August 2015.

Michael Shapiro
President of the Management Board

Radosław T. Krochta
Vice-President of the Management Board

Tomasz Zabost
Member of the Management Board

Pruszków, 21 August 2015

INTRODUCTION

Parent Company of the MLP Group S.A. Capital Group ("Group") is MLP Group S.A. ("Company"). The Company is registered in the National Court Register under registration number 0000053299, District Court for the Capital City Warsaw, XIV Department of the National Court Register. Company headquarters is located in Pruszków (05-800 Pruszków, 3-go Maja 8 Street).

The Company was founded on 18 February 1995 (The act of transformation), the Company is established for an indefinite period.

The business activities of the Parent Company and its subsidiaries are: management, buying and selling of real estate, rental of real estate, the management of residential and non-residential properties, construction works related to the construction of buildings and other construction. The predominant type of activity is PKD symbol: 7032Z property management services.

The higher level parent company for the Group is CAJAMARCA HOLLAND B.V. that is registered in the Netherlands, 2 Martinus Nijhofflaan, 2624 ES Delft.

The ultimate parent company for the Group is Israel Land Development Company Ltd., registered in Tel-Aviv, Israel ("ILDC"). ILDC shares are listed on the Tel-Aviv Stock Exchange.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

1. Basic information on MLP Group S.A. Capital Group and MLP Group S.A.

1. 1 Group structure

As at 30 June 2015, MLP Group S.A. Capital Group consisted of the following entities:

Entity	Country of registry	Direct and indirect share of the Parent Company in the share capital	Direct and indirect share of the Parent Company in the voting rights
MLP Pruszków I Sp. z o.o.	Poland	100%	100%
MLP Pruszków II Sp. z o.o.	Poland	100%	100%
MLP Pruszków III Sp. z o.o.	Poland	100%	100%
MLP Pruszków IV Sp. z o.o.	Poland	100%	100%
MLP Moszna I Sp. z o.o.	Poland	100%	100%
MLP Poznań Sp. z o.o.	Poland	100%	100%
MLP Lublin Sp. z o.o.[2)]	Poland	100%	100%
MLP Poznań II Sp. z o.o.	Poland	100%	100%
MLP Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%
MLP Energy Sp. z o.o.	Poland	100%	100%
MLP Bucharest Sud S.R.L.[1)]	Romania	100%	-
MLP Property Sp. z.o.o.	Poland	100%	100%
MLP Bieruń Sp. z o.o.	Poland	100%	100%
MLP Bieruń I Sp. z o.o.	Poland	100%	100%
MLP Sp. z o.o.	Poland	100%	100%
MLP Teresin Sp. z o.o.	Poland	100%	100%
MLP Poznań West Sp. z o.o.[3)]	Poland	100%	100%
MLP FIN Sp. z o.o.	Poland	100%	100%
MLP Fin Spółka z ograniczoną odpowiedzialnością sp.k.	Poland	100%	100%

[1)] *The Group has lost control over MLP Bucharest Sud S.R.L. in the second quarter of 2013.*

[2)] *On 2 February 2015 the company name changed from MLP Poznań I Sp. z o.o. to MLP Lublin Sp. z o.o.*

[3)] *On 16 April 2015 the company name changed from MLP Poznań Zachód Sp. z o.o. to MLP Poznań West Sp. z o.o.*

Changes in the Group:

On 12 February 2015 MLP FIN Spółka z ograniczoną odpowiedzialnością sp.k. was registered in the National Court Register.
In the 6 month period ended 30 June 2015 there were no other changes in the Group's structure.

1. 2 Scope of activities of the Company and the Group

Since 1998, the MLP Group has operated in the market of commercial real estate, specializing in the construction of modern warehouse and manufacturing centres, offering its tenants both storage space and production space, adopted to carry light industrial production. Acting on the market as a developer, consultant and manager of real estate, the Group provides comprehensive solutions to many national and international manufacturing and distribution companies, for the optimization of warehouse and production space.

In order to provide high quality services, all projects undertaken by the Group are distinguished by an attractive location of the logistic parks, application of built-to-suite type solutions and support given to tenants during the lease term. The Management believes that the attractiveness of the location of the logistic parks operated by the Group is reflected in the following criteria:

- location of logistic parks near large metropolitan areas,
- location of logistic parks near road communication nodes,
- easy access to public transportation to and from the logistic parks.

MLP Group S.A. Capital Group is currently operating six logistic parks located in Poland: MLP Pruszków I, MLP Pruszków II, MLP Tychy, MLP Poznań, MLP Bieruń and MLP Lublin and acquired land to develop a new logistic park - MLP Teresin. The total size of surplus land in Poland is 78,8 hectares

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

1. 3 Information about the real estate portfolio

The investment portfolio of the Group is comprised of six operating logistic parks located in Poland (parks: MLP Pruszków I, MLP Pruszków II, MLP Tychy, MLP Poznań, MLP Bieruń and MLP Lublin) and an logistic park under development – MLP Teresin.

The Group classifies its investment portfolio under two categories:

- properties generating rental income,
- investment projects and surplus land.

The following table shows the structure of the investment portfolio by category of the Group's parks at 30 June 2015:

Logistic parks in Poland	Location	Target area (sqm)	Developed space (sqm)	Space under construction (sqm)	Surplus land (sqm)
MLP Pruszków I	Pruszków	167 033	165 034	-	-
MLP Pruszków II	Brwinów	280 000	67 016	14 057	503 865
MLP Poznań	Poznań	90 825	19 685	15 798	114 420
MLP Tychy	Tychy	92 588	90 807	-	- [1)]
MLP Bieruń	Bieruń	55 000	32 635	-	43 098
MLP Lublin	Lublin	49 889	9 725	5 971	64 879
MLP Teresin	Teresin	[2)]	[2)]	[2)]	61 291
Total		**735 335**	**384 902**	**35 826**	**787 553**

[1)] In MLP Tychy there is surplus land with an area of approximately 14.5 thousand sqm. The Management Board does not include this area in development sites for further lease expansion.

[2)] In December 2014 the Group acquired land located in Gnatowice Stare of 6.1 hectares. It was the first stage of investment related to construction of a new logistic park - MLP Teresin.

As the next stage of the above mentioned investment, in July 2015 the Group acquired land located in Gnatowice Stare of 8.9 hectares and at the same time sold part of the land acquired in December 2014 of 4.4 hectares.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

Summary of leasable area owned by the Group in Poland as at 30 June 2015 (sqm):

Total developed space upon completion (sqm)	Developed space (sqm)	Space under construction (sqm)	Space built and leased (sqm)	Space under development leased on the basis of signed agreements (sqm)	Space under development not yet leased (sqm)
735 335	384 902	22 473	368 102	13 353	16 898

Types of rental space offered:

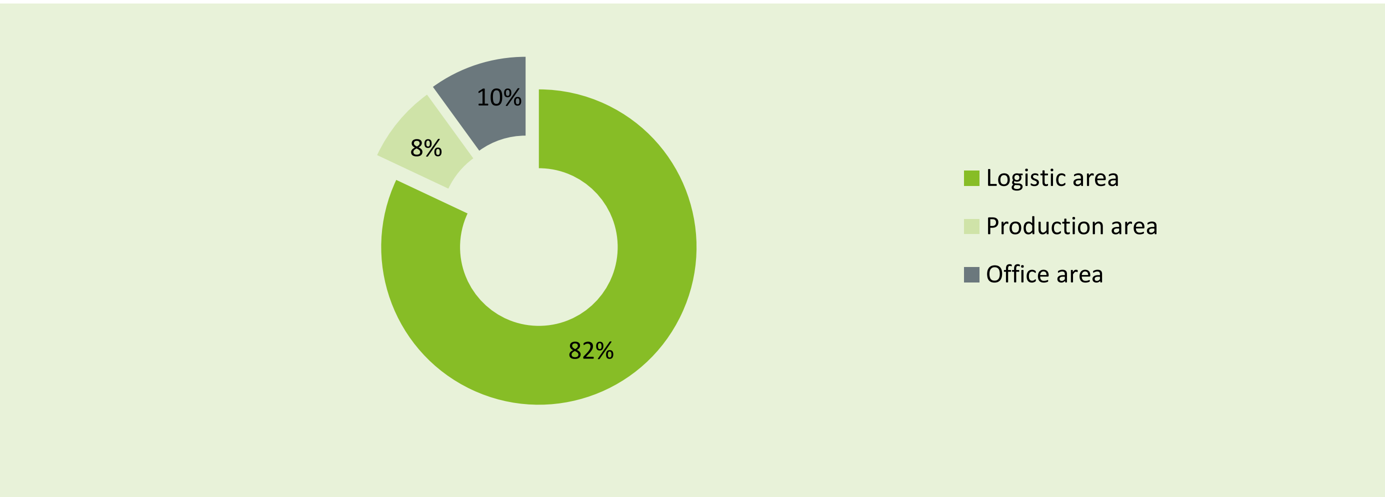
The Company offers its tenants two types of space:

- warehouse space for storage of goods, and
- space for light industrial production.

Additionally, the Group provides its tenants with office space, in connection with tenants' business activities. The final allocation of the gross leasable area is dependent on the requirements of the tenants.

The developed area of the Group's parks as at 30 June 2015 is:

Breakdown of the Group's developed space by type as at 30 June 2015



Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

The fair value of the Group's property portfolio as at 30 June 2015:

Logistic Park	**Fair Value in EUR thousand**	**Fair Value in PLN thousand**
MLP Pruszków I	80 180	336 307
MLP Pruszków II	62 892	263 794
MLP Poznań	18 581	77 936
MLP Tychy	61 513	258 010
MLP Bieruń	18 501	77 600
MLP Lublin	7 948	33 337
MLP Teresin	480	3 034
Total	**250 095**	**1 050 018**

Value of the investment property portfolio presented in the consolidated financial statements at 30 June 2015 is comprised of: (i) fair value of investment property of PLN 1,050,018 thousand, (ii) perpetual usufruct of land of PLN 5,277 thousand.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

1. 4 Information about the market, customers and suppliers

In the first half of 2015, the Group operated in Poland. As at 30 June 2015 the Group is operating six logistic parks located in Poland (parks: MLP Pruszków I, MLP Pruszków II, MLP Tychy, MLP Poznań, MLP Bieruń and MLP Lublin) and acquired land for development of a new logistic park - MLP Teresin.

The Group also has a stake in MLP Bucharest Sud S.R.L. which operates logistic parks in Romania, however in the period ended 31 December 2013, the Group ceased to consolidate MLP Bucharest Sud S.R.L, due to the loss of control over the entity. On 9 April 2013, following the application of one of the company's creditors - Alpha Bank AE - under the order of the bankruptcy court in Bucharest, bankruptcy proceedings against MLP Bucharest Sud S.R.L. were initiated. On 28 May 2013 the court issued an order to disqualify the existing Management Board of MLP Bucharest Sud S.R.L. from managing the affairs of the company and to establish a judicial administrator, whose task is to run the company and represent it in relations with third parties. As a consequence of the bankruptcy proceedings initiated against MLP Bucharest Sud S.R.L., and the establishment of the judicial administrator, the existing Management Board appointed by the Shareholders has lost control over the management of the company.

1. 4.1 The structure of the Group's sales

The Group's revenue is generated from rental of investment property (logistic parks) in Poland. The following table presents the types of rental revenues:

Revenue from sales *for the 6 month period ended 30 June*	**2015**	**2014**	*change (%)*
External customer sales			
Investment property rental	36 728	32 846	*11,8%*
Re-invoicing of operating costs	9 202	8 493	*8,3%*
Re-invoicing of utilities	7 762	6 541	*18,7%*
Other	461	302	*52,6%*
Total	**54 153**	**48 182**	***12,4%***

The structure of the Group's tenants is diversified, and therefore the Group is not exposed to significant risk arising from contracts signed with a single tenant or group of tenants. As at 30 June 2015, the average space rented to one tenant was 5.0 thousand sqm (as at 30 June 2014 average space rented to one tenant was 4.6 thousand sqm).

As at 30 June 2015 about 40% of the total leased space was occupied by the 10 largest tenants in logistic parks belonging to the Group (as at 30 June 2014 it was 38%).

1. 4.2 The largest counterparties

In the reporting period the Group's companies cooperated mainly with suppliers providing the following services:

- construction (cooperation in investment and development projects),
- media delivery,
- consulting - business and legal advisory,
- maintenance of properties,
- security.

In the case of construction, general contractors are chosen through the process of internally organized tender procedures. In the first half of 2015 the Group cooperated with one construction company, with purchase turnover exceeding 10% of the Group's revenue:

- JOKA Sp. z o.o.

In the case of purchase of other services, due to a broad base of suppliers, the Group is not dependent on a single supplier. In the first half of 2015 there were no purchases from a single supplier exceeding 10% of the Groups' revenues.

2. MLP Group S.A. Capital Group activities

2. 1 Activities of MLP Group S.A. Capital Group in 2015

In the first half of 2015, the Group continued its activities of construction and property management in relation to logistics. Construction projects are conducted through general contractors, i.e. external specialized entities.

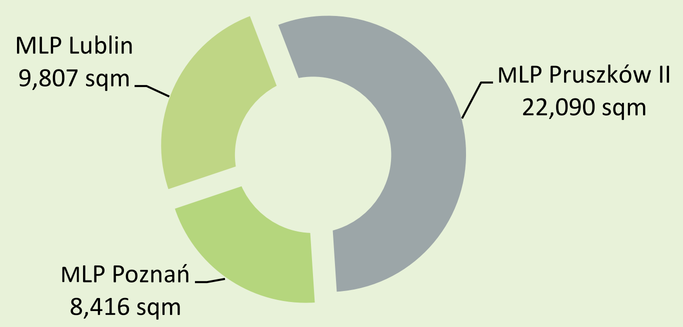
In the analysed period, the Group simultaneously operated several development projects and rented more than 368 thousand sqm of existing warehouse and office space. The Company's Management Board reviewed and evaluated:

- current projects in development for the progress of the construction work,
- earned and expected revenue from sales,
- the best possible use of existing land resources of the Group and adjustment of sale offers to expectations and anticipations of the market demand,
- possibilities to purchase land for new projects to be implemented in subsequent years,
- optimization of financing of the Group's investments.

2. 1.1 Investment projects started and completed

In the first half-year of 2015 the Group carried out investment projects with a total area of 40,313 sqm.

Area of investment project carried out in the first half of 2015 (sqm)



17,840 sqm of investment projects, out of the total area of projects that were implemented in 2015, were started before 2015. Additionally, the Group commenced the construction of warehouse and office buildings with a total area of 22,473 sqm. The chart presents the surface area of initiated investment projects in various parks of the Group:

Area of investment projects started in the first half of 2015 (sqm)

Among projects under construction of 40,313 sqm in the first half of 2015, the Group finalized projects of 17,840 sqm.

Area of investment projects completed in the first half of 2015 (sqm)

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

2. 1.2 Development projects currently underway and in preparation

In 2015 the Group finished all projects under construction as at 31 December 2014. On the basis of signed lease agreements, the Group realizes new projects and projects under construction of the total area of 194.2 thousand sqm. Part of projects under construction is based on conditional lease agreements (total area of 120.8 thousand sqm). Projects under construction are realized in the following logistic parks: MLP Pruszków II, MLP Poznań, MLP Lublin and MLP Teresin (total area of 66 thousand sqm).

The Group paid an advance for a purchase of land that MLP Poznań Zachód Logistic Park is to be constructed on.

The conditional lease agreement concerning MLP Teresin (37.6 thousand sqm) has became the final agreement. In July 2015 the Company purchased land intended for realization of the project.

Logistic Park	Location	Conditional lease agreements signed in 2014 (sqm)
MLP Poznań Zachód[1)]	Więckowice	79 280
MLP Pruszków II	Pruszków	41 500
Total		**120 780**

[1)] Because the company that was the counter party of the conditional lease agreement went into liquidation, the Group is negotiating the renewal of the agreement with Merlin.pl S.A.

The Group's strategy is to focus on expanding the existing logistic parks (i.e. construction of warehouses on land belonging to the Group), and development of BTS projects outside existing parks. The Group realizes BTS projects, i.e. a lease agreement with a prospective tenant must be signed prior to the initiation of the investment process.

Currently, the Group has not entered into any binding commitments for the realization of new investment projects. Future investments will be financed from proceeds from the issuance of shares and other means.

2. 1.3 Significant agreements for the Group's activities

Significant suppliers with whom the Group entered into agreements in the first half of 2015 with a total value exceeding 10% of Group's equity.

In the 6 month period ended 30 June 2015, the Group has not entered into a trade agreement with a single supplier the total value of which exceeded 10% of the Group's equity.

In the first half of 2015, the Group signed a credit agreement with the bank Powszechna Kasa Oszczędności Bank Polski S.A. with a value which exceeded 10% of the Group's equity. Credit agreement details are described in chapter 3.4.2.

2. 1.4 Agreements between the shareholders

MLP Group S.A. has no information on possible agreements between the shareholders of the Company.

Additionally, MLP Group S.A. has no information on possible agreements (including those concluded after the balance sheet date), which may result in future changes in the proportion of shares held by existing shareholders.

2. 1.5 Cooperation and collaboration agreements

In the first half of 2015 MLP Group S.A. has not signed any significant agreement related to the cooperation with other entities.

2. 1.6 Transactions with related parties

All transactions with related parties entered into by the Company or its subsidiaries were concluded on market terms.

All transactions with related parties are presented in Note 22 to the Interim Condensed Consolidated Financial Statements for the 6 month period ended 30 June 2015.

2. 1.7 Litigation

Ongoing proceedings in court, arbitration or public administration proceedings.

As at 30 June 2015 there were no proceedings in court, arbitration or public administration related to liabilities or receivables of the Company or its subsidiaries, which would exceed 10% of the Group's equity.

As at 30 June 2015 there were no proceedings in court, arbitration or public administration related to liabilities or receivables, that combined would exceed 10% of the Group's equity.

As at 30 June 2015, the Group was a party to proceedings related to liabilities and receivables of approximately PLN 8,592 thousand, including proceedings relating to liabilities of approximately PLN 5,486 thousand (out of which PLN 5,406 thousand relates to a court case with OLPIZ Sp. z o.o.). The total value of proceedings concerning receivables amounted to approximately PLN 3,106 thousand.

Proceedings involving the Group have no material impact on the Group's operations.

In the first half of 2015 the arbitration proceeding initiated by Accursius Limited, with its seat in Limassol, was closed. On 5 March 2015 MLP Group S.A. signed an agreement with Accursius Ltd relating to the amount of final payment for shares in MLP Bucharest S.R.L. On 6 March 2015 the Group paid to Accursius Ltd EUR 600 thousand.

2. 2 Development of the MLP Group S.A. Capital Group, risk factors

2. 2.1 Key risk factors relevant to the development of the Group

The Group's operations are exposed to the following risks arising from financial instruments held by the Group:

- Credit risk,
- Liquidity risk,
- Market risk.

The Management Board is responsible for the establishment and oversight of the Group's risk management, including the identification and analysis of risks to which the Group is exposed, the terms of their respective limits and controls and for monitoring risks and adherence to limits of the respective risks. Rules and risk management procedures are regularly reviewed to reflect changes in the market conditions and changes in the Group's activities.

Credit risk

Credit risk is a risk of financial loss to the Company and companies from the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from debt instruments. The objective of risk management is to maintain, in terms of quality and value, a stable and sustainable portfolio of loans granted and other investments in debt instruments, achieved by the policy of setting credit limits for the parties to the contract.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial instrument. The Group's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses, or risking damage to the Group's reputation. For this purpose, the Group monitors its cash flows, maintains lines of credit and keeps sufficient cash to cover anticipated operating expenses and expected cash outflows for current financial liabilities, and maintains anticipated liquidity ratios.

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and equity prices will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. The activities of the Group in this respect include applying hedge accounting to minimize volatility in the profit or loss during the period.

- **Foreign exchange risk**

The consolidated financial statements of the Group are prepared in PLN, which is the functional currency of the Group. The majority of the Group's revenue from rent is denominated in EUR and occasionally in PLN and USD. A portion of the Group's costs, such as certain construction costs, labour costs and wages are denominated in PLN.

In order to hedge the currency risk (i.e. Currency hedging), the Group companies mainly use natural hedging by obtaining debt financing in EUR. To reduce the volatility of return of investment caused by exchange rate fluctuations, the Group companies may also conclude hedging contracts against such risks, including use of derivative transactions, and entering into agreements with contractors (investment agreement with general constructor), which are denominated in EUR. Due to the short currency position of the Group, the depreciation of the Polish currency against the EUR and USD adversely affects the Group's performance, resulting in increased debt service costs.

- **Interest rate risk**

The Group's credit agreements are based on floating interest rates. The level of interest rates is highly dependent on many factors, including government monetary policies and both domestic and international economic and political conditions, and other factors beyond the Group's control. Changes in interest rates may increase the financing cost of the Group in respect of existing loans, and thus affect its profitability. A need to hedge the risk of interest rates is considered by the Group in each case. In order to reduce the impact of the interest rate risk, the companies enter into Interest Rate SWAP transactions with the banks financing their activities. Changes in interest rates may have a material adverse effect on the financial position and results of the Group.

In addition to the abovementioned risks, the Group's activities are also exposed to the following risk factors:

Risks associated with the Group's dependence on the macroeconomic situation

The development of the commercial real estate market, where the Group operates, is dependent on the changes taking place in the construction and real estate sector, trends in the sectors of: manufacturing, commerce, industry, services, transport and the development of the economy, which is influenced by many macroeconomic factors, such as: economic growth, inflation, interest rates, the situation on the labour market and the value of foreign direct investment. The Group's operations indirectly depend on changes in the world economy. The Group's business is affected in particular by: the level of GDP, the inflation rate, exchange rates, interest rates, the unemployment rate, the amount of the average wage, fiscal policy and monetary policy. The pace of growth in the domestic economy, and thus also, the business and results of operations may be affected by a downturn and the slowdown of the world economy. Adverse changes in the macroeconomic situation in Poland and other countries' economic monetary policies are likely to adversely affect the Group's financial results materially and the ability to implement its plans.

Risks associated with factors specific to the real estate sector

The Group is exposed to risks related to: real estate development, acquisition, ownership and management of commercial real estate.

Revenue and value of the property held by the Group may be affected by numerous factors, including: (i) changes in laws and administrative regulations concerning real estate, including obtaining of licenses or permits, determining zoning, taxes and other public charges, (ii) the cyclical changes in the real estate market in which the Group operates; (iii) the Group's ability to obtain appropriate services for construction, management, maintenance, and insurance services. Although the Group undertakes certain actions to protect its business from the negative impact of these risks, it is impossible to eliminate them entirely. Occurrence of any of these risks will have a significant negative impact on the Group's business, financial condition, results and prospects.

Risk associated with a downturn in the real estate market and the general deterioration of the economic situation

A downturn in the real estate market may have a negative impact on the Group's performance in terms of profits from rental of warehouse space. In case of tenant's default to meet its obligation or in case of absence of tenants, the Group will not receive rental income while incurring the costs associated with the property. These costs may include legal costs and valuation expenses, maintenance costs, insurance and property taxes. The level of rent and the market price of the property are, in principle, dependent on the economic situation. Consequently, the decline in market prices may result in the determination of other than expected rent levels and lead to losses in relation to the respective projects or may result in a need to find an alternative use of land purchased for investment. The occurrence of these events could have a material adverse effect on its business, financial condition and results.

Insurance risk

The Group's properties may be destroyed or damaged due to many foreseeable or unforeseeable circumstances. It is also possible that third parties may suffer damages as a result of an event, which the Group is responsible for. Due to the scope of insurance coverage currently held by the Group, there is a risk that such damages or claims will not be covered by insurance or that they will only be partially covered by insurance. Some risks are not covered by insurance, in the case of other types of risks insurance premium costs are disproportionately high in relation to risk occurrence likelihood. The Group's insurance coverage may not protect the Group against all losses that the Group may incur in connection with its activities, and some types of insurance may not be available on commercially reasonable terms or at all. Accordingly, the Group's insurance coverage may not be sufficient to fully compensate for losses incurred in connection with its real estate.

Risks associated with the development activities of the Group

The development of the Group's business is subject to risks arising from the nature of the process of construction of warehouses and manufacturing centres. During the construction of warehouses and manufacturing centres there may occur, independent from the developer, delays or technical problems resulting in a failure to meet deadlines and to obtain appropriate permits required by law or administrative approvals, which may have an adverse effect on the business, financial position and results of the Group.

Risks associated with a failure to make profitable investments and the nature of property development activities of the Group

The Group's ability to start and complete a development, reconstruction or modernization of its property depends on a number of factors, some of which are beyond its control. These factors include, in particular, the Group's ability to receive all of the necessary administrative decisions, obtaining external financing on satisfactory terms or at all, the involvement of reliable contractors and obtaining the necessary tenants.

The following factors, over which the Group has limited or no control, which may result in a delay or otherwise adversely affect the development or modernization of the Group's properties include:

- increase in the cost of materials, labour costs or other expenses that may cause the completion of the project to be unprofitable;
- actions taken by public authorities and local governments resulting in unexpected changes in land use planning and development plans;
- limitations on legal title to land or buildings acquired by the Group or defects, restrictions or conditions related to management decisions on land owned by the Group;
- changes in applicable laws, regulations or standards, which come into force after the start of the planning or construction of the project, resulting in the Group incurring additional costs or causing delays in the project or its execution;
- violations of building standards, incorrect methods of construction or faulty construction materials;
- industrial accidents, previously undisclosed existing soil contamination and potential liability related to environmental regulations and other applicable laws, for example, related to archaeological finds, un-exploded bombs or building materials that are deemed harmful to health;
- forces of nature, such as bad weather, earthquakes and floods, which can damage or delay the completion of projects;
- acts of terrorism or riot, revolts, strikes or civil unrest.

Investment projects of the Group may be carried out only if the land on which they are carried out is provided with appropriate technical infrastructure as required by law, (e.g. access to internal roads , the possibility of connections to media or certain requirements for fire protection and adequate facilities to ensure this protection). The relevant authorities may require the Group to create additional infrastructure required by law in the exercise of its construction work, before making appropriate administrative decisions. Such additional work can significantly affect the cost of construction.
In addition, the implementation of some projects may become uneconomic or impracticable for reasons that are beyond the Group's control, such as the slowdown in the real estate market. The Group may not be able to complete these projects on time, within budget or at all, due to any of the above or other factors, which may increase the costs, delay the implementation of the project or cause the company to abandon the project.

Risk associated to general contractors

In a significant number of cases, the Group commissions their projects to general contractors or other third parties. The successful completion of construction projects depends on the ability of the Group to employ general contractors who carry out realized projects in accordance with established standards of quality and safety, at commercially reasonable terms, within the agreed deadlines and within the approved budget. Inability to employ general contractors on commercially reasonable terms and the failure of general contractors to meet accepted standards of quality and safety, or non-completion of construction or repairs on time or within the agreed budget may increase the cost of the project, delays in its completion, as well as result in claims against the Group. In addition, the above-mentioned events may adversely affect the Group's image and the ability to sell the completed projects.

The financial strength and liquidity of the general contractors of the Group may not be sufficient in the event of a severe economic downturn in the property market, which in turn could lead to their bankruptcy, adversely affecting the execution of the Group's strategy. Any security which is usually established by general contractors in order to secure the performance of obligations under the respective agreements with the Group, may not cover the total costs and damages incurred by the Group in these circumstances.

The Group's dependency on general contractors also exposes the Group to all risks associated with poor quality of work of such general contractors, their subcontractors and employees and of design flaws. In particular, the Group may incur losses due to the need to engage other contractors to correct defective work done or because of the need to pay compensation to people who have suffered losses as a result of defective work carried out. In addition, there is a risk that such losses or expenses will not be covered by insurers of the Group, by the contractor or by the appropriate subcontractor.

Risks associated with obtaining administrative decisions

As part of its activities and in the course of management of its assets, the Group is obligated to obtain multiple licenses, approvals or other decisions of public administration bodies, in particular for the construction and use of its property. The Group can not guarantee that any of such permits, consents or other decisions in relation to the existing property or new investments will be obtained in time or that it will be obtained at all, or that currently held or acquired in the future permits, consent or other decisions will not be withdrawn or that their term of validity will not be extended. In addition, public administrations may issue a decision based on the fulfilment of certain additional terms and conditions (including, for example ensuring adequate infrastructure) or impose on the Group in such decisions additional conditions and obligations, which may involve additional costs and extension of the procedures.

In addition, the Group may seek changes of certain projects or facilities of the Group, as well as the reassignment of the property, so as to utilize them more effectively and in accordance with the current trends in the real estate market. The introduction of such changes may not be possible due to the difficulty in obtaining or changing required permits or change, approvals and decisions, in particular in the case of real estate registered in the register of monuments.

In addition, social organizations and organizations dealing with the protection of the environment, as well as adjacent property owners and local residents can take action to prevent the Group from obtaining the required permits, approvals or other decisions, including participation in administrative and judicial proceedings involving the Group, challenging decisions, regulations and rulings issued in the course of such proceedings, as well as disseminating negative and defamatory information about the Group and its investments. These actions may, in particular, significantly extend the realization of the investment activities by the Group, as well as result in additional costs incurred by the Group in connection with the ongoing investments.

2. 2.2 Prospects of business

The strategic goal of the Group is to permanently increase the owned warehouse space on the Polish market. The effect of this will be strengthening the Company's position as a long-term partner of customers developing operations in the area. The strategic objective of the Group is the realization of buildings in the Build to Suit (BTS) system in the current surplus land and realization of buildings in the BTS system beyond the current parks for resale. According to many forecasts, Poland is facing a period of increasingly rapid GDP growth. As the general state of the economy and trends in the logistic market are highly correlated, we expect that it will be reflected in the demand for storage.

In the first half of 2015 developers delivered 444 thousand sqm of warehouse space (comparing to only 298 thousand sqm in the first half of 2014). The overall demand in the past half-year amounted to 1.17 million sqm whereof 0.781 million sqm applied to new agreements and enlargements of rented space. As at 30 June 2015 the overall supply of modern warehouse space amounted to 9.2 million sqm (including only 686 thousand sqm of vacant space). In the first half of 2015 the vacant space decreased by 16.1% as compared to the analogous period of the prior year.

Currently in Poland approximately 672 thousand sqm of modern warehouse space is under construction, out of which 23%, which is 154 thousand sqm is being built for speculation purposes, what confirms developers' anticipations for further growth in warehouse demand. We expect a gradual decrease in vacancy rates in selected regions. In 2015 BTS contracts will still be popular, especially among the manufacturing industry. A continuation of speculative investments is expected in regions characterized by low levels of available storage space. Growth in the Warsaw area is expected (in 2014 higher interest referred to suburban zone of Wrocław, Poznań and several locations in Upper Silesia). A growth of interest in the suburban zone of Lublin is observed, among the Poland eastern wall, where developers are more likely to find land for investment. A stabilization in rent rates at current levels will be observed with a possible pressure for growth in regions characterized by limited supply of vacant warehouse space.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

3. Capital Group's financial position, financial resources management

3. 1 Key economic and financial data disclosed in the interim condensed consolidated financial statements of the Group for the 6 month period ended 30 June 2015

3. 1.1 Selected financial data from the consolidated statement of financial position

The structure of the consolidated statement of financial position of the Group (selected, significant items):

as at	30 June 2015	Share %	31 December 2014	Share %	Change %
Assets	**1 237 056**	**100%**	**1 234 436**	**100%**	**0%**
Non-current assets	**1 064 764**	**86%**	**1 053 501**	**85%**	**1%**
Investment property	1 055 324	85%	1 046 337	85%	1%
Other long-term investments	2 380	1%	3 943	0%	-40%
Current Assets	**172 292**	**14%**	**180 935**	**15%**	-5%
Short-term investments	88 299	7%	97 829	8%	-10%
Trade receivables and other	31 559	3%	30 875	3%	2%
Cash and cash equivalents	52 291	4%	51 801	4%	1%

as at	30 June 2015	Share %	31 December 2014	Share %	Change %
Equity and liabilities	**1 237 056**	**100%**	**1 234 436**	**101%**	**0%**
Equity	**591 547**	**48%**	**557 882**	**46%**	**6%**
Long-term liabilities	**533 431**	**43%**	**552 559**	**45%**	**-3%**
Credits, loans, other debt instruments and other long-term liabilities	433 481	35%	457 214	37%	-5%
Short-term liabilities	**112 078**	**9%**	**123 995**	**10%**	**-10%**
Credits, loans and other debt instruments	96 951	8%	95 790	8%	1%

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

As at 30 June 2015 investment properties, including logistic parks belong to the Group, constituted a main part of the Group's assets, i.e. 85% total assets, the same as in 2014. The main items of equity and liabilities were: credits, loans, perpetual usufruct, other debt instruments and equity, which as at 30 June 2015 respectively accounted for: long term credits, loans, other debt instruments and other long term liabilities 35% and short term credits, loans and other debt instruments 8%. Decreased credit, loans, other debt instruments and other long-term liabilities result mainly from early repayments of bank loan to DZ Bank AG S.A. (part of credit of PLN 2,302 thousand was forgiven by the bank) and part of loans.

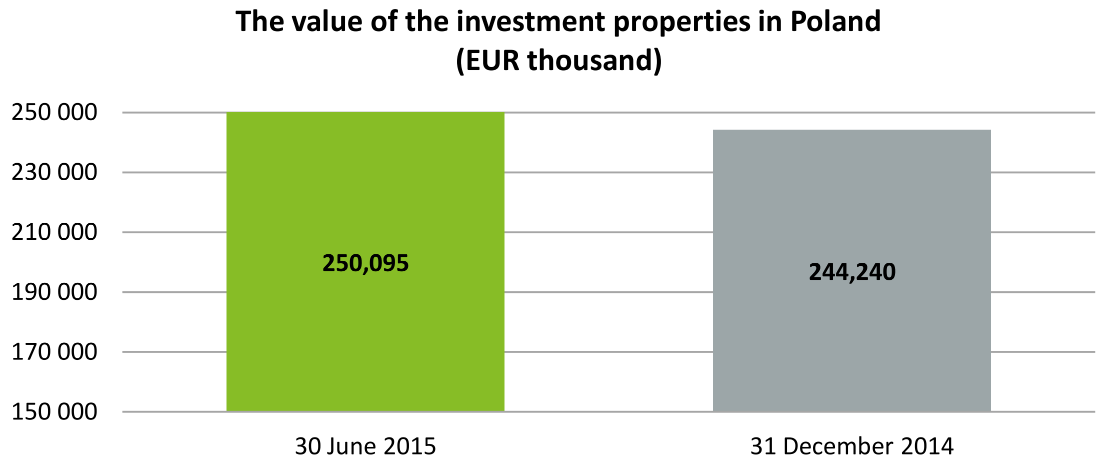
Investment property

as at	30 June 2015	30 June 2015	31 December 2014	31 December 2014	Change
	[EUR thousand]	[PLN thousand]	[EUR thousand]	[PLN thousand]	[PLN thousand]
MLP Pruszków I	80 180	336 307	81 430	347 079	(10 772)
MLP Pruszków II	62 892	263 794	58 914	251 109	12 685
MLP Poznań	18 581	77 936	16 985	72 395	5 541
MLP Tychy	61 513	258 010	61 516	262 200	(4 190)
MLP Bieruń	18 501	77 600	18 149	77 356	244
MLP Lublin	7 948	33 337	6 800	28 984	4 353
MLP Teresin	480	3 034	446	1 901	1 133
Value of investment property according to valuations	**250 095**	**1 050 018**	**244 240**	**1 041 024**	**8 994**

According to the valuations as at 30 June 2015, the total value of the investment property portfolio of the Group amounted to EUR 250,095 thousand (PLN 1,050,018 thousand) and increased by EUR 5,855 thousand in comparison to the value of the property according to the valuations as at 31 December 2014. The change in the value of property resulted mainly from construction and leasing of a total area of over than 17 thousand sqm of warehouse space in 2015. The total area under lease agreements increased by more than 23 thousand sqm as compared to 2014.

The largest investment which the Group started in 2014 and finalized at the beginning of 2015 was the construction of the MLP Lublin Logistic Park.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)



Other investments

as at	**30 June 2015**	**31 December 2014**
Other long-term financial assets	1 086	2 170
Long-term loans	1 294	1 773
Short-term loans	88 299	97 829
Total other investments	**90 679**	**101 772**

As at 30 June 2015, the amount of outstanding loans granted decreased by PLN 10,009 thousand in comparison to the end of 2014. This decrease results from partial repayments of loans of PLN 11,074 thousand by Fenix Polska Sp. z o.o., partially offset by a new loan granted to the above mentioned subsidiary of PLN 150 thousand.

Cash

as at	**30 June 2015**	**31 December 2014**
Cash on hand	46	38
Cash in bank	13 229	9 282
Short-term deposits	39 016	42 481
Cash and cash equivalents presented in the consolidated statement of financial position	**52 291**	**51 801**
Cash and cash equivalents, presented in the consolidated statement of cash flows	**52 291**	**51 801**
- including restricted cash	*(15 884)*	*(16 271)*

Cash and cash equivalents in the annual consolidated statement of financial position include cash in hand and bank deposits with a maturity of up to 12 months from the end of the reporting period.

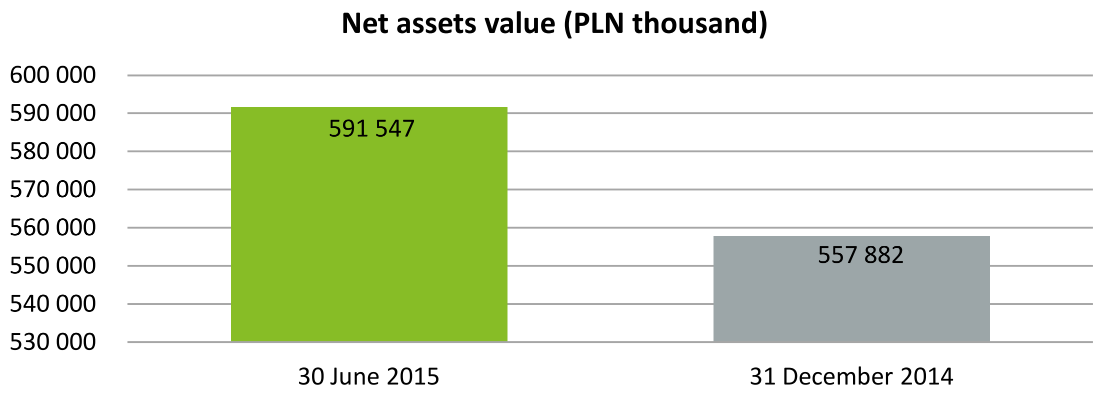
The balance of cash as at 30 June 2015 amounted to PLN 52,291 thousand and increased slightly as compared to PLN 51,801 thousand at the end of the previous year. The increase results mainly from bank credits and loans received by the Group.

Unused funds from the issuance of shares have been deposited for less than 3 months.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

Equity

Net assets value (NAV)



Net assets value as at 30 June 2015 amounted to PLN 591,547 thousand, and increased by PLN 33,665 thousand (6.0%). The increase is related to the net profit for the 6 month period ended 30 June 2015, partially offset by valuation of the hedging instruments and financial assets recognized in equity.

Share capital

as at	30 June 2015	31 December 2014
Series A shares	11 440 000	11 440 000
Series B shares	3 654 379	3 654 379
Series C shares	3 018 876	3 018 876
Total	**18 113 255**	**18 113 255**
Par value of 1 share	0,25 zł	0,25 zł

As at 30 June 2015, share capital of the Parent Company amounted to PLN 4,528,313.75 and was divided into 18,113,255 shares entitling shareholders to 18,113,225 votes at the General Meeting. All shares have a par value of PLN 0.25 and have been fully paid.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

Credits, loans, other debt instruments and other liabilities

as at	30 June 2015	31 December 2014
Credits secured on the Group's assets	368 606	373 124
Loan liabilities	24 340	36 219
Total long-term credits, loans and other debt instrument	**392 946**	**409 343**
Finance lease liabilities	5 277	5 277
Liabilities concerning SWAP transactions	32 398	40 776
Guarantees from tenants and other	2 860	1 818
Total other long-term liabilities	**40 535**	**47 871**
Short-term credits and short term part of credits secured on the Group's assets	24 472	24 484
Loan liabilities	72 479	71 306
Total short-term liabilities	**96 951**	**95 790**
Credits, loans, other debt instruments and other liabilities	**530 432**	**553 004**

Credits, loans and other debt instruments constitute a major part of the Group's equity and liabilities. Credits and loans finance the expansion of Group's logistic parks.

Value of long-term and short-term loans decreased as compared to the end of 2014. It is related with repayments of the bank loan to DZ Bank AG S.A. in April 2015. Part of this bank loan of PLN 2,302 thousand was forgiven.

Value of credits received decreased. In the first half of 2015 investment and revolving credits were drawn by MLP Pruszków IV Sp. z o.o. and the next credit tranche was drawn by MLP Bieruń Sp. z o.o.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

3. 1.2 Selected financial data from the consolidated statement of profit or loss

Consolidated statement of profit or loss of the MLP Group S.A. Capital Group for the 6 month period ended 30 June 2015 compared to the analogous period of the prior year:

for the 6 month period ended 30 June	2015	*% of revenues*	2014	*% of revenues*	*Change %*
Revenues	54 153	*100%*	48 182	*100%*	*12%*
Other operating income	283	*1%*	85	*0%*	*233%*
Selling and administrative expenses	(19 302)	*36%*	(19 391)	*40%*	*0%*
Other operating costs	(118)	*0%*	(1 097)	*2%*	*-89%*
Operating profit before gain on revaluation of investment property and recognition of the IPO costs	**35 016**	***65%***	**27 779**	***58%***	***26%***
Gain/(Loss) on revaluation of investment property	(3 192)	*-6%*	29 088	*60%*	*-111%*
Operating profit	**31 824**	***59%***	**56 867**	***118%***	***-44%***
Net financial income/(loss)	140	*0%*	(11 635)	*24%*	*-101%*
Profit before taxation	**31 964**	*59%*	**45 232**	*94%*	*-29%*
Corporate income tax	(2 337)	*4%*	(15 191)	*32%*	*-85%*
Profit from continuing operations	**29 627**	***55%***	**30 041**	***62%***	***-1%***

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

for the 6 month period ended 30 June	**2015**	**2014**
Earnings per share:		
- Basic (in PLN) earnings for the period attributable to the ordinary shareholders of the Parent Company	1,64	1,66
- Diluted (in PLN) earnings for the period attributable to the ordinary shareholders of the Parent Company	1,64	1,66

The main source of revenue of the Group's core activities includes rental revenues. In the first half of 2015, rental revenues of the Group increased steadily and amounted to PLN 54,153 thousand, and increased by PLN 5,971 thousand compared to the analogous period of the previous year (PLN 48,182 thousand). The increase in rental revenue resulted primarily from the expansion of the existing warehouse and production parks operated by the Group. In the first half of 2015 the average leased space amounted to 389,758 sqm, i.e. it increased by 15% as compared to the analogous period of 2014.

Selling and administrative expenses for the first half of 2015 amounted to PLN 19,302 thousand and remained at a comparable level as in the analogous period of 2014.

Due to the nature of the Group's operations, the largest position of selling and administrative expenses were costs of materials and energy consumption, external services and tax charges, which in the first half of 2015 amounted to PLN 6,882 thousand, PLN 4,927 thousand, and PLN 5,895 thousand, respectively - these costs are closely correlated to the volume of space in warehouses and manufacturing parks owned by the Group and their development and maintenance costs. The Group re-invoices all utilities and maintenance costs to its tenants related to the leased area.

Despite the significant increase in the value in euro of the investment property, its value in polish zloty decreased and as a consequence there is a loss on revaluation of investment property of PLN 3,192 thousand. Valuation of the investment property is denominated in euro and it is exchanged to polish zloty on the basis of the NBP's average exchange rates as at the balance sheet date. Appreciation of polish zloty in relation to euro in the first half of 2015 as compared to the end of the previous year (the exchange rate decreased by 0.0679) resulted in a loss on revaluation of investment property in the reporting period.

In the first half of 2015, the Group's net financial income increased significantly (amounting to PLN 140 thousand) as compared to the analogous period of the previous year (net financial loss amounting to PLN 11,635 thousand). This increase is mainly due to forex exchange differences.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

3. 1.3 Selected information from the consolidated statement of cash flows

for the 6 month period ended 30 June	**2015**	**2014**
Net Cash flows from operating activities	34 170	32 298
Net Cash flows from investing activities	-25 941	-46 203
Net Cash flows from financing activities	-7 744	-19 302
Total net cash flow	**485**	**-33 207**
Cash at the beginning of the period	**51 801**	**83 787**
Foreign exchange differences on cash	5	18
Cash and cash equivalents at the end of the period	**52 291**	**50 598**
- including restricted cash	*-15 884*	*-9 346*

In the first half of 2015, the Group recorded positive cash flows from operating activities of PLN 34,170 thousand. Compared to the analogous period of the previous year, there was an increase of PLN 1,872 thousand.

In the first half of 2015 the Group recorded a negative cash flows from investing activities of PLN 25,941 thousand. In the analogous period of the previous year negative cash flows from investing activities amounted to PLN 46,203 thousand. Negative cash flows from investing activities are associated with the Group's investment program. The change of cash flows in comparison to the analogous period of the previous year results from the fact that in the current period two investment projects in Logistic Parks MLP Lublin and MLP Pruszków II have been completed.

Negative cash flow from financing activities in the first half of 2015 of PLN 7,744 thousand are lower than in the analogous period of the previous year (PLN 19,302 thousand). Lower inflows result from bank loans received in the current period (next tranches were withdrawn to subsidiaries: MLP Pruszków IV Sp. z o.o., MLP Spółka z ograniczoną odpowiedzialnością SKA and MLP Bieruń Sp. z o.o.).

Cash inflows from credits and loans received were the largest source of financing of investment activities of the Group in the first half of 2015. During this period, the Group received a bank loan of PLN 18,462 thousand (bank loan received by MLP Pruszków IV Sp. z o.o.), the next bank loan tranche of PLN 8,457 thousand was drawn (received by MLP Spółka z ograniczoną odpowiedzialnością SKA) and the next bank loan tranche of PLN 1,355 thousand was drawn (received by MLP Bieruń Sp. z o.o.). Cash from bank loans received was intended for refinancing expenditures for construction of warehouse and office space in Group parks.

3. 2 Forecasts

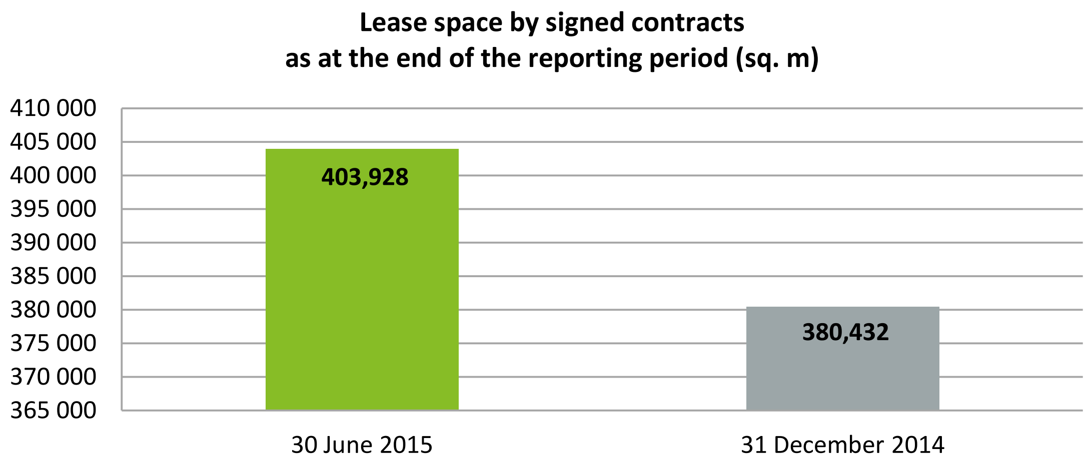
MLP Group S.A. Capital Group as well as MLP Group S.A. has not published consolidated or individual forecasts of financial results for year 2015.

3. 3 Group's financial management

Management of financial resources of the MLP Group S.A. Capital Group in the first half of 2015, in connection with the ongoing investment projects for the development of warehouse and office space, focused primarily on acquiring and structuring appropriate financing sources, as well as maintaining safe liquidity ratios. The Management Board conducts regular analysis of the existing and future optimal financing structure in order to achieve the ratios and financial results while ensuring the liquidity of the Group and overall financial security.

According to the Management Board, the Group's financial position and its performance as at 30 June 2015 proves a stable situation of the Group. This is achieved by the established position of the Group on the warehouse market, the accumulation of experience and operational capacity both in terms of implementation of investment projects as well as in the process of renting the facilities. The financial position and the performance of the Group is described by liquidity and debt ratios further in the report.

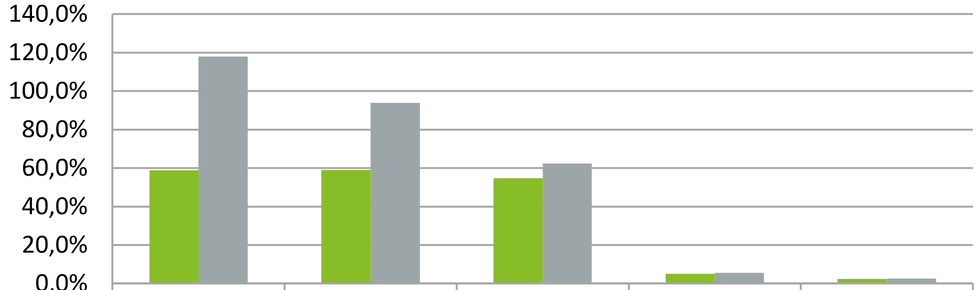
Taking into account the situation in the real estate market in Poland in recent years, the financial results achieved by the Group in the first half of 2015 are to be considered positive. As at 30 June 2015, the Group leased a total area of 403,928 sqm, in comparison to 380,432 sqm as at 31 December 2014.



Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

3. 3.1 Profitability ratios

Profitability ratios



	Operating profit margin (%)	Gross profit margin (%)	Net profit margin (%)	Return on equity (ROE)	Return on assets (ROA)
first half of 2015	58,8%	59,0%	54,7%	5,0%	2,4%
first half of 2014	118,0%	93,9%	62,3%	5,6%	2,6%

Profitability analysis was based on the below defined indicators:

- **operating profit margin**: profit (loss) from operating activities / revenue;
- **gross profit margin**: profit (loss) before tax / revenue;
- **net profit margin**: net profit (loss) / income from revenue;
- **return on equity (ROE)**: net profit (loss) / equity;
- **return on assets (ROA)**: net profit (loss) / total assets.

In the first half of 2015, the operating profit margin decreased in comparison to the first half of 2014. The level of operating profit margin in the first half of 2015 was affected mainly by recognition of loss on revaluation of investment property of PLN 3,192 thousand (there was a gain on revaluation of investment property in the first half of 2014). Despite the significant increase in the value in euro of the investment property, its value in polish zloty decreased and as a consequence there is a loss on revaluation of investment property. Appreciation of polish zloty in relation to euro in the first half of 2015 as compared to the end of the previous year (the exchange rate decreased by 0.0679) resulted in loss on revaluation of investment property in the reporting period.

Gross profit margin ratio decreased in the first half of 2015 by 34.9 pp and amounted to 59.0% as a result of a significant decrease of gross profit (29.3% as compared to the first half of 2014) and higher revenues that increased by 12.4%.

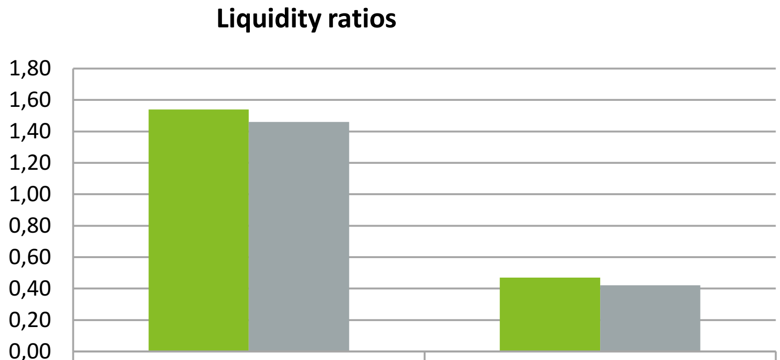
Net profit margin decreased as compared to the first half of 2014 by 7.6 pp and amounted to 54.7% in the first half of 2015. This change was affected by lower net result in comparison to the analogous period of the prior year (decrease of 1.4%).

Return on equity decreased slightly as compared to the analogous period of the previous year (change of 0.6 pp). This is mainly the consequence of lower net result as compared to the first half of 2014.

Also return on assets decreased slightly as compared to the first half of 2014 by 0.2 pp.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

3. 3.2 Liquidity ratios



	Current liquidity	Immediate liquidity
30 June 2015	1,54	0,47
31 December 2014	1,46	0,42

Liquidity analysis was based on the below defined indicators:

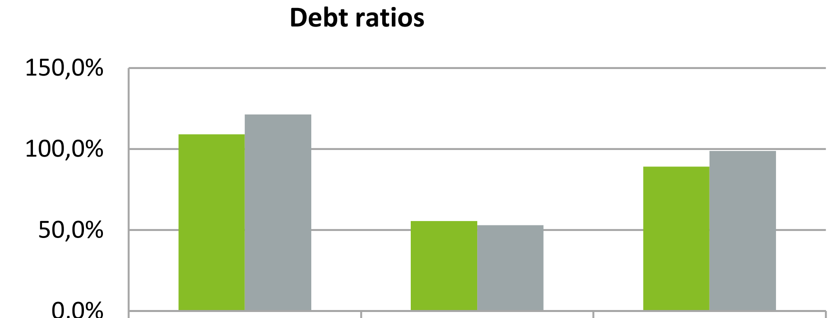
- **current ratio**: current assets / current liabilities;
- **immediate liquidity ratio**: cash and cash equivalents / current liabilities.

Current liquidity ratio as at 30 June 2015 increased slightly as compared to the end of 2014 (increase of 0.08).

Immediate liquidity ratio also increased slightly.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

3. 3.3 Debt ratios



	Debt to equity ratio	Equity to non-current assets ratio	Financial liabilities to equity ratio
30 June 2015	109,1%	55,6%	89,2%
31 December 2014	121,3%	53,0%	98,8%

Debt analysis was performed based on the following ratios presented:

- **debt to equity ratio**: total liabilities / total equity;
- equity to **assets ratio**: total equity / fixed assets;
- **financial liabilities to equity ratio:** financial liabilities[1)]/total equity.

[1)] Financial liabilities include: long and short term liabilities from credits, loans and other debt instruments, financial lease liabilities and liabilities related to SWAP valuation.

In the first half of 2015 debt to equity ratio decreased as a result of a decrease in liabilities mainly due to repayments of credits and loans intended for financing of expansion of existing and construction of new parks.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

3. 4 Information on bank credits, bonds, loans, securities and guarantees

3. 4.1 Concluded and terminated loan agreements

As at 30 June 2015 the Group recognized liabilities due to loans received in the first half of 2015:

Borrower	Lender	Date of loan agreement granted	Amount of loan	The amount of loan outstanding
MLP Pruszków IV Sp. z o.o.	Fenix Polska Sp. z o.o.	2015-01-19	150 000,00 PLN	150 000,00 PLN

In the first half of 2015 the Group repaid the following loans and interest on loans:

Borrower	Lender	Date of loan agreement granted	Amount of repaid loan	Amount of repaid interest
MLP Pruszków I Sp. z o.o.	Cajamarca Holland B.V.	1998-12-23	341 241,37 USD	14 800,00 USD
MLP Pruszków I Sp. z o.o.	Fenix Polska Sp. z o.o.	1998-05-25	0,00 USD	49 980,20 USD
MLP Pruszków IV Sp. z o.o.	Fenix Polska Sp. z o.o.	2013-12-24	2 756 779,45 PLN	0,00 PLN
MLP Pruszków IV Sp. z o.o.	Fenix Polska Sp. z o.o.	2014-03-31	500 000,00 PLN	0,00 PLN
MLP Pruszków IV Sp. z o.o.	Fenix Polska Sp. z o.o.	2014-05-05	4 000 000,00 PLN	0,00 PLN
MLP Pruszków IV Sp. z o.o.	Fenix Polska Sp. z o.o.	2014-11-21	256 664,50 PLN	0,00 PLN
MLP Pruszków IV Sp. z o.o.	Fenix Polska Sp. z o.o.	2013-11-07	1 681 450,00 PLN	0,00 PLN
MLP Pruszków IV Sp. z o.o.	Fenix Polska Sp. z o.o.	2013-11-18	879 451,37 PLN	0,00 PLN
MLP Pruszków IV Sp. z o.o.	Fenix Polska Sp. z o.o.	2013-12-10	1 000 000,00 PLN	0,00 PLN

In 2015 no loan agreements were terminated.

3. 4.2 Concluded and terminated bank credit agreements

- **New credit agreements in the first half of 2015**
  On 13 April 2015 MLP Lublin Sp. z o.o. signed credit agreements with PKO BP S.A. In accordance with those agreements the bank granted the following credits:

  - investment credit in a changeable currency for the total amount not exceeding the lower of the following amounts: (i) EUR 14,465,918; (ii) 75% of the total value of the investment held by the Company; the interest rate of the credit is based on EURIBOR 3M plus margin defined in the credit agreement; interest should be paid on a monthly basis. The credit is granted for the period from the date of signing of the credit agreement to the date falling 180 months from the date of signing of the credit agreement, but not later than 30 June 2030.

Management Board's report on activities for the 6 month period ended 30 June 2015 (data in thousands of PLN, unless otherwise stated)

- revolving credit in PLN to finance current liabilities related to VAT in the amount of PLN 3,000,000; the interest rate of the credit is based on WIBOR 1M plus margin defined in the credit agreement. The credit is granted for the period from the date of signing of the credit agreement to the date falling 30 months from the date of signing of the credit agreement, but not later than 30 August 2017.

The credit was drawn in August 2015.

In the first half of 2015 the Group has not signed any credit agreements and amendments to credit agreements that would be the basis of drawings.

- **Credits repaid in the first half of 2015**

  On 23 April 2015 MLP Moszna I Sp. z o.o. signed an agreement with DZ Bank AG S.A. concerning early repayment of the credit. In relation to the above mentioned agreement, the agreement concerning change of the interest rate from variable to fixed was terminated without any commitments of the bank as well as of the company. On 27 April 2015 MLP Moszna I Sp. z o.o. repaid the above mentioned credit.

  Moreover the MLP Group in the first half of 2015 paid all credit instalments according to the agreed schedules.

  In the first half of 2015 no credit agreements were terminated.

3. 4.3 Bonds

The Group does not hold or issue bonds.

3. 4.4 Loans granted

As at 30 June 2015, the Group recognized receivables from loans granted in the first half of 2015:

Lender	Borrower	Date of loan agreement	Amount of loan	The amount of loan outstanding
MLP Group S.A.	Fenix Polska Sp. z o.o.	2015-01-19	150 000,00 PLN	150 000,00 PLN

3. 4.5 Granted and received sureties

As at 30 June 2015 the Group has not received any sureties nor securities.

3. 4.6 Granted and received guarantees

As at 30 June 2015 the Group granted the following guarantees:

- On 5 March 2013 MLP Group S.A. signed a guarantee agreement with Raiffeisen Bank Polska S.A. and MLP Tychy Sp. z o.o., subsequently referred as the "Borrower" (currently MLP Sp. z o.o. SKA). The above mentioned agreement requires that MLP Group S.A. provides the Borrower with financial means for meeting its credit needs to the extent which will keep the Debt Coverage Ratio (calculated in accordance with the provisions of the credit agreement signed on 5 March 2013) above 1.20.
- MLP Pruszków I Sp. z o.o. granted a guarantee in favour of Hapoalim Bank of USD 200,000,
- MLP Pruszków I Sp. z o.o. granted a guarantee in favour of Mercantile Bank of USD 1,000,000,
- MLP Pruszków I Sp. z o.o. granted a guarantee in favour of Mercantile Bank of USD 300,000,

3. 5 Assessment of the feasibility of the investment plans

The Group is in possession of appropriate capital resources to meet its strategic objectives and to finance current operations.

The Group finances the investments, both those connected with the acquisition of new properties, as well as those connected with expanding currently held logistic parks from its own resources and through long-term debt financing in the form of bank credits and loans.

The Group assumes that the share of debt financing in the financing of planned investments will amount to 70%.

3. 6 Evaluation of factors and unusual events affecting consolidated financial result for the current period

In the first half of 2015 there were no factors and unusual events affecting consolidated financial result for the current period.

3. 7 Audit firm

On 12 December 2013, the Supervisory Board, acting on the basis of article No. 21.2 g) of the Company's Articles of Association appointed KPMG Audit Spółka z ograniczoną odpowiedzialnością spółka komandytowa with its seat in Warsaw, as the entity authorized to audit separate and consolidated financial statements for the years: 2013, 2014, 2015, and perform the interim reviews of separate and consolidated financial statements for years 2014, 2015, 2016.

Headquarters of KPMG Spółka z ograniczoną odpowiedzialnością spółka komandytowa is seated in Warsaw, 4a Inflancka Street. KPMG Spółka z ograniczoną odpowiedzialnością spółka komandytowa has been registered on the list of entities entitled to audit financial statements under number 3546.

The agreement with the entity entitled to audit statements was concluded by the Management Board for the time required to perform the tasks assigned to the auditor.

Michael Shapiro
President of the Management Board

Radosław T. Krochta
Vice-President of the Management Board

Tomasz Zabost
Member of the Management

Pruszków, 21 August 2015

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
ul. Inflancka 4A
00-189 Warszawa
Poland

Telephone +48 (22) 528 11 00
Fax +48 (22) 528 10 09
Email kpmg@kpmg.pl
Internet www.kpmg.pl

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

INDEPENDENT AUDITORS' REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

To the Shareholders of MLP Group S.A. Group

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of MLP Group S.A. Group, with its parent company's registered office in Pruszków, ul. 3-go Maja 8, as at 30 June 2015 ("the condensed consolidated interim financial statements"), which comprise:

- the condensed consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2015,
- the condensed consolidated statement of financial position as at 30 June 2015,
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2015,
- the condensed statement of changes in consolidated equity for the six-month period ended 30 June 2015, and
- notes to the condensed consolidated interim financial statements.

Management of the parent company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements, based on our review.

Scope of Review

We conducted our review in accordance with the National Standard on Auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* issued by the National Council of Certified Auditors and the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with national standards on auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2015 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
registration number 3546
ul. Inflancka 4A, 00-189 Warsaw

Signed on the Polish original

....
Anna Wziątek-Cybartowska
Key Certified Auditor
Registration No. 12786

Signed on the Polish original

....
Steven Baxted
Limited Liability Partner with power of attorney

21 August 2015

KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k.
ul. Inflancka 4A
00-189 Warszawa
Poland

Telephone +48 (22) 528 11 00
Fax +48 (22) 528 10 09
Email kpmg@kpmg.pl
Internet www.kpmg.pl

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

INDEPENDENT AUDITORS' REPORT ON REVIEW OF THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

To the Shareholders of MLP Group S.A.

Introduction

We have reviewed the accompanying condensed separate interim financial statements of MLP Group S.A., with its registered office in Pruszków, ul. 3-go Maja 8, as at 30 June 2015 ("the condensed separate interim financial statements"), which comprise:

- the condensed separate statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2015,
- the condensed separate statement of financial position as at 30 June 2015,
- the condensed separate statement of cash flows for the six-month period ended 30 June 2015,
- the condensed separate statement of changes in equity for the six-month period ended 30 June 2015, and
- notes to the condensed separate interim financial statements.

Management is responsible for the preparation and presentation of these condensed separate interim financial statements in accordance with the IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed separate interim financial statements, based on our review.

Scope of Review

We conducted our review in accordance with the National Standard on Auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* issued by the National Council of Certified Auditors and the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with national standards on auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements as at 30 June 2015 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
registration number 3546
ul. Inflancka 4A, 00-189 Warsaw

Signed on the Polish original	*Signed on the Polish original*
....	....
Anna Wziątek-Cybartowska	Steven Baxted
Key Certified Auditor	Limited Liability Partner with power of attorney
Registration No. 12786	

21 August 2015