European Convergence Development Company

EUROPEAN CONVERGENCE DEVELOPMENT COMPANY PLC

Consolidated Interim Report

Six months ended 30 June 2013

ISIN No. GB00B1BJRB27

CONTENTS

Management and Administration

Directors * independent	James C. Rosapepe (Non-executive Director) * Donald C. McCrickard (Non-executive Director) * Anderson A. Whamond (Non-executive Director) all of the registered office below:
Registered Office	Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB British Isles
Secretary	Ian Dungate C/o Galileo Fund Services Limited Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB British Isles
Manager	Charlemagne Capital (IOM) Limited St Mary's Court, 20 Hill Street Douglas Isle of Man IM1 1EU British Isles
Nominated Advisor and Broker	Panmure Gordon (UK) Limited One New Change London EC4M 9AF United Kingdom
Administrator and Registrar	Galileo Fund Services Limited Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB British Isles
Placing Agent	Charlemagne Capital (UK) Limited 39 St James's Street London SW1A 1JD United Kingdom

Management and Administration continued

Auditors	KPMG Audit LLC Heritage Court, 41 Athol Street Douglas Isle of Man IM99 1HN British Isles
Legal Advisers	*As to Isle of Man Law* Cains Advocates Limited Fort Anne Douglas Isle of Man IM1 5PD British Isles *As to English Law* Stephenson Harwood 1 Finsbury Circus London EC2M 7SH United Kingdom
Subsidiaries	European Convergence Development Company (Cayman) Limited PO Box 309, Ugland House Grand Cayman Cayman Islands British West Indies European Convergence Development (Malta) Limited 4 V. Dimech Street Floriana Malta Convergence Development (Cyprus) Limited 12 Esperidon Street, 4th Floor PC1087 Nicosia Cyprus European Real Estate Development Invest SRL Calea Serban Voda, No. 133 Building A, Ground Floor, Room No. 9 Sector 4 Bucharest Romania European Property Acquisitions EOOD Office 11, Floor 5 103 Gotze Detchev Blvd Strelbishte Neighbourhood Triaditza Region Sofia 1404 Bulgaria

Management and Administration continued

Subsidiaries continued

Asmita Holdings Limited
12 Esperidon Street, 4th Floor
PC1087 Nicosia
Cyprus

European Property Development Corporation SRL
69-71 Soseaua Bucuresti-Ploiesti
2nd Floor, Room No. 24
Sector 1
Bucharest
Romania

ECD Management (Cayman) Limited
PO Box 309, Ugland House
Grand Cayman
Cayman Islands
British West Indies

RD Management (Cayman) Limited
PO Box 309, Ugland House
Grand Cayman
Cayman Islands
British West Indies

Joint Ventures

Asmita Gardens SRL
App 2003, 20th Floor, Block T6
42 Gladitei Street
4th District
Bucharest
Romania

Cascade Park Plaza SRL
33 Emanoil Porumbaru Street
Bl A, App 3, Room No. 2
Sector 1
Bucharest
Romania

Galleria Plovdiv AD
1 Assenovgradsko Shosse Street
Plovdiv
Bulgaria

Turgovski Park Kraimorie AD
1 Assenovgradsko Shosse Street
Plovdiv
Bulgaria

Mega Mall Rousse AD
123 Lipnik Boulevarde
Rousse
Bulgaria

Management and Administration continued

Joint Ventures continued

Convergence Development Invest SRL
69-71 Soseaua Bucuresti-Ploiesti
2nd Floor, Room No. 23
Sector 1
Bucharest
Romania

Trade Center Sliven EAD
Nova Industrialna Zona Housing Complex
Bansko Shosse Street
Sliven

NEF3 (IOM) 1 Limited
St Mary's Court
Douglas
Isle of Man Im1 1EU
British Isles

NEF3 (IOM) 2 Limited
St Mary's Court
20 Hill Street
Douglas
Isle of Man IM1 1EU
British Isles

NEF3 (IOM) 3 Limited
St Mary's Court
20 Hill Street
Douglas
Isle of Man IM1 1EU
British Isles

Chairman's Statement

Financial Performance

The Report and Accounts of European Convergence Development Company PLC (ECDC) set out the financial performance for the half year ending 30 June, 2013, along with the ongoing development and ongoing active management of its commercial assets.

The audited NAV per share at the 30 June, 2013 was €0.3039 (31 December 2012:€0.3010) reflecting an increase of €0.0029 per share.

The Financial Statement for the year to 30 June, 2013 indicates a profit attributable to equity shareholders of €223k (2012: loss: €390).

Dividend

The Board of Directors resolved not to award a dividend but retain the funds within the company to protect its current investments.

Operating Activities

The first half of the year has been as difficult as the whole of 2012. Although general macroeconomic conditions have improved slightly in Romania and static at best in Bulgaria, there is little doubt that the feed through into customer spending and the property market will take some time to occur.

In Bulgaria we have seen a government resign and a general election, followed by public demonstrations throughout the country against the newly elected Government with the populous calling for the resignation of the Government and complaining about poor services and corruption.. In Romania the political situation has settled down and things do appear to be improving but the property market is showing little or no sign of picking up.

In Romania our investment in Cascade is performing well, the building is fully let and meeting all of its banking covenants. The debt is being amortised and rental levels are holding up whilst investment yields are basically static - value is being maintained/enhanced through debt repayment. The main property related issue in Romania is our investment in Iasi and Oradea as the parent company, AREOF continues to face financial issues with its Greek bankers at both the project and corporate level. Proton Bank has served a termination notice on AREOF resulting in its shares being suspended pending further clarification of the current situation and at the project level; the restructuring of debt facilities with Bank of Cyprus is impacting on the operating cash flows of both projects. Only one major property transaction of note has taken place in the first six months of 2013 and there appears to be little or no interest from foreign investors to start acquiring property assets in Romania.

The Bulgarian property market is even slower than Romania with no transactions of note being completed in the last eighteen months. Rental level's are under pressure as are vacancy rates both in response to falling consumption figures, which obviously impacts on our investments which are reliant upon increasing consumption to attract new or expansive retailers. Our two assets in Plovdiv and Rousse continue to struggle with both the debt facilities in default and negotiations ongoing with the lending banks. The possibility of signing new tenants is made harder by the requirement to pay significant fit out contributions as tenants are more aware than ever of their position, especially anchor tenants. The investments have been fully written down but the Manager continues to work hard to find a solution to the situation. In Sliven we received a small distribution of €200,000 and our partner repaid a large portion of his outstanding debt. The project development has not been progressed as there is very little positive news in the market. In Bourgas there is no change in the position.

Chairman's Statement continued

At the recent AGM a minority of shareholders accounting for 11.5% of the equity in issue decided to vote against all the resolutions put before the AGM. As three of the resolutions where technical in nature, the adoption of the Accounts, the reappointment of the Auditors and the that no dividend would be declared for the year to 2012 had little or no affect on shareholders. However, the other resolution, the continuation of the authority to acquire shares for cancellation does, potentially have a direct affect on existing shareholders. It was in the mind of your Board to use the funds received from Sliven to buy back shares in the market for cancellation. This action would only have been undertaken if your Board of Directors believed it to be NAV enhancing to the remaining shareholders. The actions of this minority group of shareholders have prevented your Board from effectively utilising these funds in this way. As well as preventing the Company from using the funds at its disposal to buy back shares in the market until the next AGM. The Board has made several attempts to meet and discuss with this minority to better understand their position but so far to no avail. The Board will continue to seek to consult with the shareholders.

Anderson Whamond
Chairman
26 September 2013

Report of the Manager

Economic Overview

Bulgaria

The Bulgarian government resigned in February, four months before the end of its term, after mass protests against high power prices and falling living standards following the introduction of austerity measures including the freezing of wages and pensions. Half of the population is perceived to be at risk of being in poverty. The President appointed an interim government and elections were held on 12th May. A new Government took office on 29th May, supported by the Bulgarian socialists, a party of ethnic minorities and the nationalist party in Bulgaria. From 14th June numerous protests have been and are continuing to be held though out major cities in Bulgaria calling for the resignation of the new Government. The spark that ignited the demonstrations was the appointment of a controversial media mogul with a negative public image as head of the powerful national security agency. The political uncertainties have led to difficulties in governing the country and pose more challenges to a struggling economy.

The new Finance Minister of Bulgaria revised down the official forecast for GDP growth in 2013 from 1.9 per cent to 1.0 per cent. As a result of the downgrading of the 2013 forecasts, the Bulgarian Ministry of Finance has put before the senate a revised budget to enable the trade deficit to grow to 2 per cent of GDP and allow the Government to raise an additional BGN 1.0 billion (EUR 500 million) in debt.

GDP growth at the end of the first half of 2013 grew 0.2 per cent when compared to the same period in 2012. On a quarter on quarter basis GDP grew 0.1 per cent in the first quarter and declined 0.1 per cent in the second quarter, almost stagnation. Quarter on quarter growth has remained at 0.1 per cent or less for the last seven quarters and the World Bank recently reduced its GDP growth for 2013 and 2014 to 1.2 per cent and 2.1 per cent.

Unemployment increased in quarter 1 to 13.8%, the highest level seen in Bulgaria for a number of years. In quarter 2 the rate fell back to 12.9 per cent. The figures however only cover jobless people registered with the national employment agency. Employers' groups warned the jobless rate was actually higher and a recent International Monetary Fund mission also concluded unemployment in the EU's poorest country was "unacceptably high." The Ministry of Finance is forecasting further increases in unemployment during 2013. Average wages in Bulgaria have declined for the last three months to June’s figure at BGN 789 per month, which is approximately €390 per month. It is therefore not too surprising to see that individual final consumption declined by 1.3% compared to the same quarter in the previous year however, it has improved on monthly basis since March.

Annual inflation in Bulgaria hit a recent high in January at 4.4 per cent and then declined month on month to May when the annual rate was 2.0 per cent. In June inflation increased again to 2.6 per cent due mainly to a 5.6 per cent increase in food costs and a 2.8 per cent increase in household costs including utilities. In July the rate fell back to 0.5 per cent mainly due to a reduction in the cost of food, clothing and footwear. The inflation rate since the beginning of the year, December 2012 to July 2013 was negative -1.6 per cent.

At the end of 2012 net Foreign Direct Investment (FDI) in Bulgaria amounted to EUR 1,398 million (3.5 per cent of GDP), a 20 per cent decline from the EUR 1,746.3 million achieved in 2011 (4.5 per cent of GDP). In the first half year of 2013 FDI continued its decline to EUR 711.1 million (1.7 per cent of GDP) from EUR 1.13 billion or (2.9% of the GDP), a 37% reduction. There seems little evidence that this decline will be halted soon as the FDI in June was EUR 180.6 million, compared to EUR 201.1 million in 2012. The low FDI trend over recent years adds another major concern for the recovery of the economy and given limited global appetite for risk, a stagnating economy, and political uncertainty; it is unlikely that FDI will approach pre-crisis levels again for some time.

The Bulgarian consolidated budget turned to a small deficit of EUR3.9 million (0.01 per cent of full year GDP) mainly because of a 14.3 per cent (EUR 260 million) year on year increase in the contribution to the European Union. In the same period of 2012, the consolidated budget posted a EUR 30 million surplus.

Imports in the first six months of the year were down marginally on the same period in 2012 whilst exports increased 7.8 per cent. As result the Balance of Trade for the first six months was 1.1 per cent down on the previous year at BGN 2.6 million (EUR1.3 million).

Report of the Manager continued

Economic Overview continued

Romania

The major economic news that has had a direct affect on the investments of ECDC was the nationalization and dismantling of Bank of Cyprus and the closing of Cyprus Bank Popular (Laiki Bank), as part of the €10 billion bailout of Cyprus by the European Union and the IM. Though this had limited direct effect on Romania as together both banks control 1.3 per cent of assets, according to Reuters, it has led to a cessation of activity in the bank whilst it digests the changes. As a result decision making appears limited and this is having a direct affect on the investments in Iasi and Oradea, as well as the security held in the fund with AREOF. The Manager is aware that Cyprus has received €3 billion from its €10 billion bailout but only when the bank of Cyprus can actually make and implement decisions will we have a better idea of what is happening. The events in Cyprus brought added pressure to a banking system in Romania that last year is estimated to have accumulated a total loss of EUR 476 million. This is the largest loss recorded since the beginning of the crisis in 2008.

GDP growth in Romania in the first half of 2013 was up 1.7 percent over the same period in 2012 and the IMF has recently increased its full year forecasts for 2013 and 2104 to 2.0 per cent and 2.3 percent.. On a quarter on quarter basis GDP grew 0.6 per cent in quarter 1 and 0.5 per cent in quarter 2. In the most recent figures net exports, agriculture and industry were the key driver to growth as domestic demand remained weak. Gross Investment also remained weak as it recorded a third straight quarterly decline in quarter 2. The real increase in GDP on a quarterly basis was actually flat in quarter 2 if agriculture is excluded from the figures making it the worst performance since the end of 2011, according to Raiffeisen Bank.

Exports in quarter 2 grew 2.8 per cent quarter on quarter continuing the momentum built up in quarter 1 when exports jumped 9.4 per cent compared to quarter 4, 2012. The improvement was driven by good performances in the automotive industry and exports of services.

According to the National Statistics Office (IMS) Romania's trade deficit decreased by 45 percent in the first half of 2013, over the same period last year, to € 2.5 billion. Compared to the first six months of 2012, exports climbed 5.9 percent in January to June, while imports went down 2.7 percent, again reflecting weak domestic demand. In the month of June the trade deficit was some €367 million, a year-on-year decrease of €570.1 million, according to INS. Exports were up 7 percent in June over the same month in 2012, but remained almost unchanged compared to May 2013. Imports amounted to € 4.3 billion in June, a year-on-year decrease of 6.5 percent. Industrial production increased in five of the first six months of 2013 when compared to the same months in 2012.

However, the unemployment rate has not reflected this increase in production and has actually increased in the first six months of 2013 from 7 per cent in January to 7.5 per cent in June though this is still well below rates in most other European countries.

The annual rate of inflation in Romania was of 5.37 percent in the first half of the year, close to what the Romanian Central Bank, BNR had forecasted and according to the INS the inflation rate in June was almost flat at 0.01 per cent. On a month on month basis food and service process went down whilst non-food products were more expensive. In the first half of the year, the average monthly inflation rate was 0.3 percent, similar to the one in the first half of 2012. The annual inflation rate declined in both July and August ending at 3.67 per cent and well on the way to the BNR target of 2.5 percent, plus or minus one percentage point.

Interest rates have remained static since March 2012 at 5.25 per cent until July this year when the rate was reduced by 0.25 per cent. In August the BNR reduced rates by 0.5 per cent citing "a "consolidation" of downward trending inflation" as giving it the ability to cut rates. The 0.5 per cent reduction came as a bit of a shock to the markets which had been expecting a 0.25 per cent cut. The Bank also signaled that interest rates could fall further.

At the beginning of August, the IMF signed-off on a stand-by arrangement for Romania, which subject to approval will be worth €4 billion, including €2 billion of EU balance-of-payments assistance. The assistance is provided on condition Romania follows a programme to "build on the achievements" of previous programmes to reduce "large external and fiscal imbalances" and to advance structural reforms.

Report of the Manager continued

Economic Overview continued

Romania continued

According to a recent study by Ensight Management Consulting, Romania had the worst non-performing loans (NLP) ratio in South-Eastern Europe in the first quarter of 2012, 20.1 percent up from 15.6 percent in 2011. The rate declined to 18.2 per cent at the end of 2012 but has been on an upward trajectory since then. The share of non-performing loans at the end of June had climbed to 20.30 per cent according to BNR and continued the upward movement to 20.93 per cent the following month.

Property market

Bulgaria

Retail

Modern shopping centre stock growth was 11 per cent in the first half of 2013 with the opening of the Paradise Centre (Gross Leasable Area (GLA) 80,000 sqm) in March 2013. This brought the country's total retail stock, including retail parks to 795,000 sqm of which Sofia accounts for 340,000 sqm. There have been no other openings in the year but there are three other shopping centres with a total GLA of over 120,000 sqm which are scheduled for completion by the end of 2013 and early 2014. Two are in Sofia and one is in the provinces.

With the opening of these malls the average lettable area per 1,000 inhabitants will increase to approximately 115 sqm compared to 247 sqm for Europe as a whole and 200 sqm for CEE. At June 2013, the shopping centre stock per capita in Plovdiv, where Galleria Plovdiv is located, was less than 200 sqm per 1000 inhabitants, while the comparable figure for Rousse, where Mega Mall Rousse is located, was approximately 300 sqm per 1,000 inhabitants.

Vacancy rates increased in the first half of the year to 19.9 per cent in Sofia and 19.9 per cent in the remainder of the country. The vacancy rate in Sofia is materially impacted by the opening of the Paradise Centre, which opened with about 60 per cent occupancy rates. Vacancy rates have also been influenced by tenants closing stores and rationalising their portfolio.

Rental levels have remained stable over the period in both Sofia and the remainder of the country. The increase in the available space is seen as a depressing effect on rental levels though prime rentals ion Sofia are still around the €25.00 per sqm per month level whilst in the secondary cities it is around €10.00 per sqm per month. Anchor tenants in major Malls are fully aware of their importance to the developer and are only paying turnover rents with no fixed rent payable.

There has been no investment transactions carried out in Bulgaria in the first half of 2013.

Romania

During first half of 2013 only one major office transaction took place and two minor retail transactions. Rental levels have remained stable as have investment yields. In the rental market there has been a shift in emphasis in the first half of the year away pre leases to relocations and lease renewals.

Office

In the first half of the year total investment volume in Romania was approximately €62 million represented by one transaction reported last quarter, the sale of Lakeview to NEPI. This was the largest institutional transaction in the office sector in Bucharest since 2010. To put this investment volume into context, the similar figure for Poland was€970 million and for Slovakia it was twice that of Romania. With only one transaction in the first half of both 2012 and 2013 the office investment market in Romania continues to be slow.

In the six months to June an estimated 80,000 sqm of new offices were supplied to the market, taking the total office supply to just over 2 million sqm. In the next six months a further 80- 90,000 sqm should be delivered and currently under construction to be delivered next year is a further 50,000 sqm, the lowest level of completions since 2010. There are considerably more developments planned but they are being held up because of low levels of pre leases and finance.

Report of the Manager continued

Property market continued

Romania continued

Office continued

Total leasing activity in the first half of the year totaled approximately 130,000 sqm and there is a belief in the market that 2013 will be the first year in five when leasing activity exceeds 250,000 sqm. In the period relocations dominated the market and accounted for almost twice what was achieved in the same period in 2012. In 2009 nearly 400,000 sqm, an historical peak was delivered to the market and as the lease contracts start to unwind renewal activity is anticipated to take a larger proportion of the leasing market. At the end of June the overall vacancy rate is estimated at between 15 and 16 per cent. Substantial variations exist between sub-regions but in the Center sub-market, where Cascade is located the vacancy rate is around 11.5 per cent.

Prime headline rental levels have remained unchanged over the last twelve months at €18.00 to €18.50 per sqm per month. It has been noticed that incentive packages, rent free periods and fit out contributions have been on the increase and dependent upon the vacancy and location of a particular building can range from 6 per cent to 15 per cent of the headline rent and JLL are of the view that the next twelve months will be a landlord market.

Retail

The modern shopping stock in Romania at the end of June was approximately 2.4 to 2.7 million sqm of which approximately one third is in Bucharest. The estimated level of new modern retail developments to complete in 2013 is roughly the same as 2012 at just over 100,000 sqm of which the most notable will be opening of the 35,000 sqm Promenada Mall in Bucharest.

In the first half of 2013 a number of international brands closed their operations which were operated by franchisees and others changed the franchise operation. Directly operated brands such as Inditex, H&M, Takko continued their expansion in Romania. UK based Kingfisher Group completed the takeover of Bricostore's 15 units in Romania in quarter 2 with a stated ambition to increase the network to 50 units.

Vacancy rates for prime shopping centres located in Bucharest and the regions was stable as interest from tenants to be located in prime locations is high. Vacancy rates in secondary schemes were on average greater than 10 per cent. Rental levels fro prime shopping centeres and prime high street remains stable at €50 to €65 sqm per month while CBRE estimate that the investment yield had dropped to 8.5 per cent by June.

Three shopping centers owned by BelRom and the developer Focsani were declared insolvent during the period and another project, Armonia Braila failed to be sold at public auction.

The national average retail stock per 1,000 inhabitants is 127 sqm in Romania which is under the level registered in core Central and Eastern European markets. In the top 15 cities the average increases substantially whilst in Oradea and Iasi thee averages area approximately 660 sqm and 500 sqm respectively.

Individual Developments

Bulgaria

Plovdiv

At the end of June overall occupancy of the Mall was approximately 75 per cent of the lettable area which should have acted as the trigger for major space users to start paying rent. Unfortunately this was not the case and the leasing team have entered into negotiations with the major users of space. A number have been resolved but some are still ongoing which is negatively affecting the cash flow position of the development SPV.

Despite the achieved increase in occupancy, additional leasing continues to be difficult and is highly dependent upon the successful implementation of the leasing strategy, developed by the international consultant. During the second half of the year it is hoped that the negotiations with the Bank will progress and a long term contract negotiated with the international consultant, which will allow the implementation of the strategy.

Report of the Manager continued

Individual Developments

Bulgaria

Plovdiv

In line with the strategy initial negotiations with several large international tenants continued. The signing of such tenants will be heavily dependent upon the availability of fitting out contributions to new tenant, as well as meeting their demands for co-tenancy presence of other international brands. This makes letting of new areas even more challenging and somewhat uncertain.

The discussions with the bank to restructure the banking facility have been slow and further meetings are scheduled in the current period. It is hoped that the restructuring of the debt facility can be concluded shortly as any further delays will negatively impact the project, especially given overdue liabilities which pose some foreclosure risks. The debt facility continues to be in default and any further equity injection by the shareholders will require a full restructuring being acceptable to the Board of ECDC.

The shareholders have provided very limited temporary funding to support the international consultant.

Mega Mall Rousse

At the end of June occupancy had dropped from 60 per cent to 56 per cent following the closure of the anchor children's toy operator Hippoland. As reported, the management team immediately started initial talks with another operator in order to secure an adequate replacement. Advanced negotiations with a bank and café operator to occupy space on the ground floor are in progress, with lease agreements under discussions. A replacement café operator has been found for the first floor operation and they are currently trading. Leasing is still proving to be extremely difficult and as previously announced is highly dependent upon the provision of fit-out contributions.

As previously reported, the bank has initiated a series of aggressive actions culminating in making of the whole facility payable end of April 2013.The Manager and the partner have held meetings with the Bank and discussed various options going forward. Agreeing terms with the Bank is paramount, as otherwise the viability of the Project will be severely undermined, especially given overdue liabilities which pose some foreclosure risks.

Trade Centre Sliven

The operating company made a distribution of retained profits enabling our Partner to repay the majority of his outstanding loan.. In total ECDC received BGN 876K (c. EUR 438K) of which c. BGN 485K (c. EUR 243K) represented loan repayment and the balance – its share of the distribution.

As previously announced, there has been no change in the position regarding the development itself and the Manager is considering various alternatives for the site.

Bourgas Retail Park

There has been no further progress made with this development.

Romania

Cascade

The building is fully leased and generating income in line with the budget. All the financial obligations of the company are up to date with there are no outstanding debtors.

With the completion of the leasing process the partner has managed to position the building as one of the premier office products in the Bucharest real estate market. There is continued interest in the building by potential tenants, with inquiries being addressed and managed by the building's management team.

Report of the Manager continued

Individual Developments continued

Romania continued

Cascade continued

In accordance with the most recent loan agreement the company has made use of its option and paid down some additional debt on the first anniversary.

Oradea and Iasi Shopping Centers

At the beginnning of September, AREOF announced that Proton Bank has served a termination notice to AREOF for the EUR 28.5 million loan outstanding. As a consequence the fund's shares have been suspended pending further clarification of the current situation. The AREOF representatives are in continuous negotiation with the bank for finding a suitable resolution of the current issue.

Further to the Cypriot crisis the restructuring of the loans for both Iasi and Oradea is still pending. It is expected that the current situation will continue for a few more months until a solution is found for the current loan book of Bank of Cyprus Romania.

The other banks in the syndicate are providing support for daily operations although the banks are often prioritizing repayments of interest and bank related fees in front of service charge related expenses.

AREOF has announced at the beginning of June that the Oradea loan facility is in default and that pending remedy of the default, the banks will continue to sweep the accounts at the expense of service charge which will put pressure on the cash flow. An additional threat to the operations of AREOF came with the announcement made by NEPI that it is in advanced negotiations for the purchase of part of the bank debt in another shopping center owned by AREOF, namely Sibiu Shopping City and in particular the Sibui 1 debt. Given the Sibiu 1 debt facility expiry in November this year, it is anticipated that NEPI wish to push for the full purchase of the debt and attempt to take over the asset. Although not directly impacting the investments in Iasi and Oradea, if NEPI are successful in achieving its objective it could significantly weaken AREOF's position thereby threatening the security of ECDC's investment. Various solutions and courses of action are currently evaluated by AREOF in finding a favorable outcome to this threat including a legal claim through the Romanian courts against NEPI as to the practices used in seeking to acquire part of the bank debt.

AREOF has remedied the default occurred under the Sibiu 2 loan agreement by making a EUR 1m cash injection in the company in the beginning of May.

Oradea Shopping Centre

ERA Oradea has consistently increased traffic every month this year recording a 40% increase in traffic for May year on year. Carrefour reported a 20% increase in sales year on year in May following a 6% decline for April. The late Easter accounted for most of this increase, together with a range of attractive marketing events designed to generate traffic and sales growth. As Easter is traditionally a time for purchasing new clothes, it is not surprising that fashion and footwear retailers traded higher for May. The increased expenditure for food, electrical and fashion was at the expense of furniture retailers, where sales declined significantly.

Another large furniture tenant was secured and there are ongoing negotiations with a large fashion retailer following Sprider's recent closure of their store due to the company's insolvency in Greece. .

Letting activity remains competitive given the existence of the three other shopping centers in the city. The absence of available tenant fit out facility is significantly limiting possible transactions, as this remains an important influencing factor under the current tenant favourable market conditions.

Iasi Shopping Centre

Monthly traffic remains consistently lower year on year, due mainly to the retail competition within Iasi. The City council has embarked on a number of major road improvement works simultaneously throughout the city which has reduced the number of people willing to drive to the centre. April's marketing activities and promotions repeated March's success and produced a 20%

Report of the Manager continued

Individual Developments continued

Romania continued

Iasi Shopping Centre continued
month on month traffic increase. This was also true for the first half of May for the Easter campaign period. The improved weather from early April has also helped.

Retailer sales increased with the improved footfall but the late Easter delayed the peak sales period. The very warm weather in early May helped drive sales for shoes, accessories, cosmetic, toys and children's clothes.

New and interesting sales promotions, gifts, prizes and giveaways are largely driving the increased customer traffic and sales. Marketing budgets have increased to ensure that campaigns are being extensively marketed throughout the city. Surprisingly after the Easter campaigns finished, traffic and sales declined for the second half of May producing an overall monthly footfall decline against April. Clearly increased marketing activities and increased expenditure will have to be maintained for the next 12 months to maintain and increase visitor numbers.

Sprider closed their store in May, for the reason mentioned above and will be replaced by a discount fashion tenant trading as San Francisco. This unit will be selling end of range items at discounted prices and it is anticipated that this will be an attractive draw for customers. Further lettings to Tiffany (tailors 98 sq m), Dry Cleaners (98 sq m), Schneider (fashion 129 sq m), were signed and Divanissimi (furniture 284 sq m) is opening next month.

Asmita and DN1
There have been no further developments with either of these projects.

Charlemagne Capital (IOM) Limited

26 September 2013

Consolidated Income Statement

	Note	(Unaudited) Period from 1 January 2013 to 30 June 2013 €'000	(Unaudited) Period from 1 January 2012 to 30 June 2012 €'000
Net rent and related income		-	-
Annual management fees	6.3	(242)	(221)
Audit fees	7	(37)	(50)
Legal and professional fees		(32)	(36)
Directors' fees	12	(36)	(36)
Administration fees		(29)	(28)
Other operating expenses		(138)	(175)
Administrative expenses		(514)	(546)
Net operating loss before net financing income		(514)	(546)
Financial income		5	11
Financial expenses		-	-
Net financing income		-	11
Share of gain of equity accounted investees	8	288	161
Impairment in value of equity accounted investees	8	(265)	-
Uplift in value of equity accounted investees	8	710	-
Profit/(loss) before tax		224	(374)
Income tax expense		(1)	(3)
Retained Profit/(loss) for the period		**223**	**(377)**
Basic and diluted gain/(loss) per share (€)	10	**0.0025**	**(0.0041)**

The Directors consider that all results derive from continuing activities.

Consolidated Statement of Comprehensive Income

	Note	(Unaudited) Period 1 January 2013 to 30 June 2013	(Unaudited) Period 1 January 2012 to 30 June 2012
		€'000	€'000
Profit/(loss) for the period		223	(377)
Other comprehensive income			
Currency translation differences		10	10
Total comprehensive profit/(loss) for the period		233	(367)

The accompanying Notes form an integral part of these consolidated financial statements

Consolidated Statement of Financial Position

	Note	(Unaudited) At 30 June 2013 €'000	(Audited) At 31 December 2012 €'000
Investment in equity accounted investees	8	23,741	23,185
Property, plant and equipment		1	1
Total non-current assets		**23,742**	**23,186**
Loans to third parties	6.4	87	330
Trade and other receivables		53	58
Cash and cash equivalents		3,560	3,677
Total current assets		**3,700**	**4,065**
Total assets		**27,442**	**27,251**
Issued share capital	9	71,564	71,644
Share premium		10,654	10,577
Foreign currency translation reserve		14	4
Retained losses		(55,049)	(55,272)
Total equity		**27,183**	**26,953**
Trade and other payables	11	259	298
Total current liabilities		**259**	**298**
Total liabilities		**259**	**298**
Total equity & liabilities		**27,442**	**27,251**

The accompanying Notes form an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total
	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2012	72,412	9,841	4	(54,571)	27,686
Loss for the period	-	-	-	(377)	(377)
Other comprehensive loss					
Foreign exchange translation differences	-	-	10	-	10
Total comprehensive loss	-	-	10	(377)	(367)
Balance at 30 June 2012	**72,412**	**9,841**	**14**	**(54,948)**	**27,319**

	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total
Balance at 1 January 2012	72,412	9,841	4	(54,571)	27,686
Loss for the year	-	-	-	(701)	(701)
Other comprehensive loss					
Foreign exchange translation differences	-	-	-	-	-
Total comprehensive loss	-	-	-	(701)	(701)
Shares cancelled following market purchases	(768)	736	-	-	(32)
Total transactions with owners in the year	**(768)**	**736**	**-**	**-**	**(32)**
Balance at 31 December 2012	**71,644**	**10,577**	**4**	**(55,272)**	**26,953**

	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total
Balance at 1 January 2013	71,644	10,577	4	(55,272)	26,953
Gain for the period	-	-	-	223	223
Other comprehensive loss					
Foreign exchange translation differences	-	-	10	-	10
Total comprehensive gain	-	-	10	223	233
Shares cancelled following market purchases	(80)	77	-	-	(3)
Total transactions with owners in the year	(80)	77	-	-	(3)
Balance at 30 June 2013	**71,564**	**10,654**	**14**	**(55,049)**	**27,183**

The accompanying Notes form an integral part of these consolidated financial statements

Consolidated Cash Flow Statement

	Note	(Unaudited) For the period from 1 January 2013 to 30 June 2013 €'000	(Unaudited) For the period from 1 January 2012 to 30 June 2012 €'000
Operating activities			
Group profit/(loss) for theperiod		223	(377)
Adjustments for:			
Financial income		(5)	(11)
Income tax expense		1	3
Uplift in value of third party loans			
Share of profit of equity accounted investees		(288)	(161)
Net uplift in value of equity accounted investees		(445)	-
Operating loss before changes in working capital		**(514)**	**(546)**
Decrease in trade and other receivables		5	18
Decrease in trade and other payables		(39)	(28)
Cash used in operations		**(548)**	**(556)**
Financial income received		5	11
Tax paid		(1)	(3)
Cash flows used from operating activities		**(544)**	**(548)**
Investing activities			
Increase in loans to equity accounted investees		(23)	(538)
Acquisition of equity accounted investees		-	-
Decrease/(increase) in loans to third parties		243	(9)
Currency Translation Difference		10	10
Cash flows generated from/(used in) investing activities		**230**	**(537)**
Financing activities			
Purchase of own shares	9	(3)	-
Dividend received		200	
Cash flows used in financing activities		**197**	**-**
Net decrease in cash and cash equivalents		(117)	(1,085)
Cash and cash equivalents at beginning of period		3,677	5,461
Cash and cash equivalents at end of period		**3,560**	**4,376**

The accompanying Notes form an integral part of these consolidated financial statements

Notes to the Consolidated Financial Statements

1 The Company

European Convergence Development Company plc (the "Company") was incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 on 26 July 2006 as a public company with registered number 117309C. On 3 March 2008 the Company was de-registered as an Isle of Man 1931-2004 company and re-registered as a company governed by the Isle of Man Companies Act 2006 with registered number 002391v.

The Company's agents and the Manager perform all significant functions. Accordingly, the Company itself has no employees.

2 The Subsidiaries

For efficient portfolio management purposes, the Company established the following subsidiary companies:

	Country of Incorporation	Percentage of shares held
European Property Development Corporation SRL	Romania	100%
European Convergence Development (Cayman) Limited	Cayman	100%
Convergence Development (Cyprus) Limited	Cyprus	100%
European Convergence Development (Malta) Limited	Malta	100%
European Real Estate Development Invest SRL	Romania	100%
European Property Acquisitions EOOD	Bulgaria	100%
Asmita Holdings Limited	Cyprus	100%
ECD Management (Cayman) Limited	Cayman	100%
RD Management (Cayman) Limited	Cayman	100%

3 Joint Ventures ("JV")

The Group as at the date of this document has acquired an interest in the following companies:

	Country of Incorporation	Percentage of shares held
Asmita Gardens SRL	Romania	50%
Cascade Park Plaza SRL	Romania	39%
Convergence Development Invest SRL	Romania	50%
Galleria Plovdiv AD	Bulgaria	50%
Mega Mall Rousse AD	Bulgaria	50%
Trade Centre Sliven EAD	Bulgaria	42.5%
Turgovski Park Kraimorie AD	Bulgaria	70%
NEF3 (IOM) 1 Limited	Isle of Man	55%
NEF3 (IOM) 2 Limited	Isle of Man	55%
NEF3 (IOM) 3 Limited	Isle of Man	55%

Notwithstanding the Group's percentage holdings, the above companies have not been consolidated as the Group's control is restricted by Joint Venture Agreements.

4 Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the group in its consolidated financial statements for the year ended 31 December 2012.

The Interim report of the Company for the period ending 30 June 2013 comprises the Company and its subsidiaries (together referred to as the "Group"). The interim consolidated financial statements are unaudited.

4.1 Basis of presentation

European Convergence Development Company plc (the "Company") is a company domiciled in the Isle of Man. These condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities, and have been prepared in accordance with IAS34 *Interim Financial Reporting*.

Notes to the Consolidated Financial Statements continued

4.1 Basis of presentation continued

These consolidated interim financial statements do not include all the information required for full annual financial statements and so should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012.

The consolidated financial statements of the Group as at and for the year ended 31 December 2012 are available upon request from the Company's registered office at Millennium House, 46 Athol Street, Douglas, Isle of Man IM1 1JB.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. The Directors consider that the valuation of the Company's investments in equity accounted associates is an area where critical accounting estimates are required. Further detail on the valuation of the investments may be found in note 8.

The activities of the Group are subject to a number of risk factors. The global financial crisis and the deteriorating economic environment in the jurisdictions within which the Group operates have increased the intensity of these risk factors. The future economic outlook presents specific challenges in terms of the significant reduction in the volume of property transactions in the jurisdictions within which the Group operates, the significant reduction in the availability of loan finance for property transactions in those jurisdictions and the consequent impact on the valuations of property held by equity accounted investees.

In the prevailing market conditions, there is a greater degree of uncertainty as to the valuation of assets under construction than that which exists in a more active and stronger market. These factors have adversely impacted the compliance of equity accounted investees with their borrowing covenants and a number of these facilities have been renegotiated, whilst the Group has made additional capital available to certain entities in order that ongoing projects can be completed. Collectively, these factors contribute to a greater degree of uncertainty as to the valuation of holdings in equity accounted investees.

These factors have also impacted on the ability of joint venture partners to repay loans made by the Group and as a result repayment terms for these facilities have been re-negotiated.

The financial statements have been prepared on a going concern basis, taking into account the level of cash and cash equivalents held by the Group and the level of capital commitments to JV entities.

The Company is denominated in Euros ("€") and therefore the amounts shown in these financial statements are presented in €.

4.2 Basis of consolidation

Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists where the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Joint ventures (equity accounted investees)

Investments in associates and joint ventures are carried at the lower of cost and net realisable value. Associates are those entities in which the Group has a significant influence, but no control, over the financial and operating polices. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and joint ventures are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of the equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that

Notes to the Consolidated Financial Statements continued

4.2 Basis of consolidation continued

Joint ventures (equity accounted investees) continued

significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investment) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Unrealised gains on transactions between the Company and its equity accounted investees are eliminated to the extent of the Company's interest in the equity accounted investees. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Company. In particular, borrowing costs related directly to the acquisition or construction of qualifying assets are capitalised.

Investments in joint ventures and associates are kept under review for impairment. Where, in the opinion of the directors, the net realisable value of an investment falls below cost, a provision is made against the investment and charged to the profit and loss account.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to € at the foreign currency exchange rates ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised directly in equity.

4.3 Dividends

Dividends are recognised as a liability in the period in which they are declared and approved. There was no dividend declared as at 30 June 2013 (2012: Nil).

4.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

4.5 Segmental reporting

The Company has one segment focusing on maximising total returns through investing in the property markets of South East Europe. Further analysis of the Group's exposure in this region is provided in note 8. No additional disclosure is required in relation to segment reporting, as the Company's activities are limited to one business and geographic segment.

4.6 Presentation of Financial Statements

The Group applies revised IAS1 Presentation of Financial Statement (2007) which became effective as of 1 January 2009. As a result, the Group presents in a consolidated statement of equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months period ended 30 June 2012.

5 Unaudited Net Asset Value per Share

The unaudited net asset value per share as at 30 June 2013 is €0.3039 (31 December 2012: €0.3010) based on 89,455,470 (31 December 2012: 89,555,470) ordinary shares in issue as at that date.

Notes to the Consolidated Financial Statements continued

6 Related Party Transactions

6.1 Directors of the Company

Anderson Whamond is a non-executive director of the Manager, and a shareholder of Charlemagne Capital Limited ("CCL"), the parent of the Manager and Placing Agent. Additionally, Mr Whamond has an indirect family interest in shares of CCL. There are no service agreements between Mr Whamond and CCL that are not determinable within one year.

A subsidiary company of the Manager, Charlemagne Capital (Investments) Limited, holds 125,000 shares of the Company and holds 356,751 shares in Trade Center Sliven (coinvested with the Group and a JV partner). Charlemagne BRIC Plus Property Company plc, an investment company also managed by the Manager, holds 218,014 shares in Trade Center Sliven.

CCL, a company incorporated in the Cayman Islands is listed on the Alternative Investment Market of the London Stock Exchange.

Save as disclosed above, none of the Directors had any interest during the year in any material contract for the provision of services which was significant to the business of the Company.

6.2 Directors of the Subsidiaries

Certain directors of the Manager have been appointed as directors of some of the subsidiaries. In compliance with local regulations, certain subsidiaries have appointed directors who are employees of or are associated with, the relevant registered office service provider.

6.3 Manager fees

Annual management fees payable during the period ended 30 June 2013 amounted to €242,079 (2012: €220,993).

Performance fees payable during the period ended 30 June 2013 amounted to € nil (2012: € nil).

6.4 Transactions and balances with Joint Venture companies and partners

The Company has loans to Joint Venture Companies totalling €45,227,498 (31 December 2012: €44,731,000) and to Joint Venture Partners totalling €5,904,103 (31 December 2012: €5,990,000). Details of the terms and applicable interest rates for these loans are more fully shown in note 8.

6.5 Intragroup balances

Intragroup balances are repayable on demand and bear interest at commercial rates. Loans to subsidiaries outstanding at the period end have been impaired to fair value.

7 Audit fees

Audit fees payable for the period ended 30 June 2013 amounted to €37,178 (2012: €50,481).

Notes to the Consolidated Financial Statements continued

8 Investment in Equity Accounted Investments

Group	30 June 2013 €'000	31 December 2012 €'000
At beginning of period/year	23,185	22,083
Acquisition of equity accounted investment		-
Loans to investments	(177)	630
Share of gain of equity accounted investment	288	448
Increase in/(Write down of) value of equity accounted investment	445	24
Balance at end of period/year	23,741	23,185

The loans to equity accounted investees before deduction of provisions are as follows:

Name	Term	Term	Interest Rate	30 June 2013 €'000
Asmita Gardens SRL	*	*	6%	17,063
Galleria Plovdiv AD	*	*	0%**	10,000
Convergence Development Invest SRL				4,476
Cascade Park Plaza SRL	*	*	***	4,510
Turgovski Park Kraimorie AD	*	*	0%**	9,179

* Loans are due to be repaid after the project sale.
** Interest is nil until the loan is due for payment. In case of default interest will be charged at a rate of 3M EURIBOR plus 10%.
*** Interest is nil, but in return for the provision of the loan, the Group is entitled to be paid a penalty at an Internal Rate of Return equating to 20% by the Group's partner in Cascade.

The carrying values of the Group's equity accounted investments are as follows:-

Name	Value at 30 June 2013 €'000	Value at 31 December 2012 €'000
Cascade Park Plaza SRL	16,494	15,783
Galleria Plovdiv AD	1,500	1,500
Trade Centre Sliven EAD	1,676	1,876
Turgovski Park Kraimorie AD	1,863	1,863
NEF3 (IOM) 1 Limited*	1,265	1,158
NEF3 (IOM) 2 Limited*	454	409
NEF3 (IOM) 3 Limited*	1,571	1,438
Impairment provision	(1,083)	(842)
	23,741	23,185

* held directly by the Company.

Notes to the Consolidated Financial Statements continued

8 Investment in Equity Accounted Investees continued

The results, assets and liabilities of the equity accounted companies are as follows:

Name	Country of Incorporation	Assets	Liabilities	Revenues	Profit/ (Loss)	% interest
		€'000	€'000	€'000	€'000	
Cascade Park Plaza SRL	Romania	30,460	(40,357)	2,731	(76)	39
Trade Centre Sliven EAD	Bulgaria	5,444	(6)	12	6	42.5
Turgovski Park Kraimorie AD	Bulgaria	4,131	(13,223)	-	(2)	70
NEF3 (IOM) 1 Limited *	Isle of Man	4,987	1,832	351	266	55
NEF3 (IOM) 2 Limited	Isle of Man	3,464	405	389	297	55
NEF3 (IOM) 3 Limited	Isle of Man	4,270	349	439	337	55

*The results and balances for NEF(IOM) 1 Ltd shown above only include amounts in respect of those investments which ECDC has an interest in.

The Shareholders Cascade Park Plaza and Galleria Plovdiv have pledged their shareholding as security against the external loans to these companies.

The figures in the tables above do not include adjustments made for the purposes of these consolidated financial statements in order to align the accounting policies of the equity accounted investees with those of the Group.

9 Capital and Reserves

Share Capital

	2012 Number	2012 €'000
Ordinary Shares of €0.80 each		
In issue at 01 January 2013	89,555,470	71,644
Shares cancelled during the period	(100,000)	(80)
In issue at 30 June 2013	89,455,470	71,564

	2011 Number	2011 €'000
Ordinary Shares of €0.80 each		
In issue at 1 January 2012	90,515,470	72,412
Issued/cancelled during the year	(960,000)	(768)
In issue at 31 December 2012	89,555,470	71,644

At incorporation the authorised share capital of the Company was €240 million divided into 300 million Ordinary Shares of €0.80 each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's assets.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board manages the Group's affairs to achieve shareholder returns through capital growth rather than income, and monitors the achievement of this through growth in net asset value per share.

Gearing may be employed by the Group with the aim of enhancing shareholder returns. This would be in the form of bank borrowings, secured on the investment portfolio.

Notes to the Consolidated Financial Statements continued

9 Capital and Reserves continued

Group capital comprises share capital, share premium and reserves.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

No changes were made in respect of the objectives, policies or processes in respect of capital management during the periods ended 30 June 2012 and 2013.

10 Basic and Diluted Loss per Share

Basic and diluted loss per share are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2013	2012
Profit/(loss) attributable to equity holders of the Company (€'000)	223	(390)
Weighted average number of ordinary shares in issue (thousands)	89,457	90,515
Basic and diluted loss per share (Euro cent per share)	0.25	(0.43)

11 Trade and Other Payables

Group	30 June 2013 €'000	31 December 2012 €'000
Withholding tax	5	5
Trade creditors	60	70
Accruals	194	223
Total	259	298

12 Directors' Remuneration

The Company

The maximum amount of remuneration payable to the Directors permitted under the Articles of Association is €300,000 p.a. Each Director currently is paid a fee of €22,500 p.a. The Directors are each entitled to receive reimbursement of any expenses incurred in relation to their appointment. Total fees and expenses paid to the Directors for the period ended 30 June 2013 amounted to €36,000 (2012: €36,000).

The Subsidiaries

No fees are paid to the directors of the subsidiaries except in circumstances where a director is appointed in compliance with local regulations and in such cases the fees payable are nominal.

13 Fair Value Information

The equity accounted joint venture companies' property developments are carried at the lower of cost and net realisable value. The remainder of the Company's financial assets and financial liabilities at the balance sheet date were stated at fair value.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement (e.g., interest rates, volatility, estimated cash flows, etc.) and therefore cannot be determined with precision.

14 Commitments as at the Balance Sheet date

At the balance sheet date the Group had no outstanding commitments.

Notes to the Consolidated Financial Statements continued

15 Post Balance Sheet Events

There are no post balance sheet events to note.