



IMMOBEL  
since 1863

# INTERMEDIARY REPORT

As of 30 June 2017

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## 1. INTERIM MANAGEMENT REPORT

### Highlights

- The Group reports net income of EUR 5.3 MEUR for the first six months of 2017.
- IMMOBEL has launched a number of new residential projects, including Ernest the Park, Greenhill Park, O'Sea, Parc Seny, Universalis Park, Infinity and Granary Island.
- Residential sales figures have reached record levels, with an average of 12.25 MEUR per month over the first six months

The IMMOBEL Group publishes its half-year results: a lower figure but in line with forecasts. With a net income of 5.3 MEUR, IMMOBEL confirms its position. "We have always envisaged 2017 as a transition year, promising fruitful returns from 2018», explains Marnix Galle, Executive Chairman of the Group. "All cycles have transition years, and often you have to take a step back in order to take a bigger leap forwards", he continues.

This figure illustrates the current position of IMMOBEL, which, since January, has launched a number of residential projects -, and is not yet enjoying the foreseen sales results that should be generated by its office projects from 2018. "A building can only be sold once", says Marnix Galle. "The fact that we were ahead of our 5-year Business Plan in 2016 is quite encouraging, but it means that 2017 will be a transition year, with lower results, in which we will sow more than we reap", he adds.

### 2017, a year of investments

A series of 7 large residential projects (154,200 sqm) has been launched during the first six months: Ernest the Park, Greenhill Park, Universalis Park and Parc Seny in Brussels, O'Sea on the coast, Infinity on the Kirchberg Plateau in Luxembourg and Granary Island in Poland. "A first half-year full of projects that have started but whose contribution to the results remains limited since IMMOBEL recognises the margin on the construction only as the works proceed", acknowledges Alexander Hodac, the Group's CEO. Furthermore, the acceptance and rental of the ING Luxembourg head office (Galerie Kons) and the sale to AXA, which were finalised in March, do not generate any margin since this project was the subject of a revaluation in the company's equity.

Meanwhile, the Landbanking department (development included) has sold 139 lots and habitations for a turnover of 11.9 MEUR since the beginning of the year and remains in line with the objectives set.

In Poland, IMMOBEL has secured the services of a new CEO, Mr Jacek Wachowicz, formerly independent director of IMMOBEL, who explains: "I am both proud and impatient to take the lead of the Polish headquarters. I will tend to infuse locally the Group's new strategy, optimise the functioning of the team and develop our project portfolio". His knowledge of the Polish market and his expertise in office, residential and mixed projects will ensure successful development and monitoring of the current projects as well as the resulting margins.

The delivery of the Cedet project, which is under construction, is due in the first half of 2018.

By a ruling dated 9<sup>th</sup> of August, the Warsaw court of appeal dismissed all the actions against the CBD One project. The latter had been suspended due to claims but is expected to resume as of Q4 2017. This 18,000 sqm flagship project, situated in the heart of the Polish Capital on the only crossing of the 2 metro-lines will



differentiate itself through its unique architecture, developed by Arquitectonica in collaboration with the Polish architect Kazimierski i Ryba.

### **Promising sales figures**

IMMOBEL differentiates itself from the competition through the efficiency and performance of its sales team in particular. With 8 projects being marketed and 500 apartments in the portfolio, the sales teams have achieved record figures during the first six months, which is extremely encouraging. *"Even if some projects are still at an embryonic stage, they are proving very successful with purchasers"*, explains Marnix Mellaerts, director of the sales unit. *"We have achieved a turnover of 73.5 MEUR since the beginning of the year, sold an average of 30 apartments per month and in June we broke all records selling for 20 MEUR."*. A figure in line with IMMOBEL's motivation: exceptional results that open up new horizons.

### **A second half-year that paves the way to the future**

IMMOBEL is currently building almost 800,000 sqm of projects and offers a less cyclical profile thanks to the diversity of its portfolio. The second half-year should be comparable and will enjoy the initial benefits of the construction projects already started.

### **2018, 2019, 2020: years of harvesting on the horizon**

2018, 2019 and 2020 are shaping up well and promise favourable results, the fruits of the development strategy implemented by the IMMOBEL Board of Directors since its merger in June 2016. With all projects at advanced stages of acceptance or sale, the significant number of projects involved is impressive and should deliver a successful harvest:

- In Belgium: Greenhill Park, two projects in Knokke-Heist, the second phase of O'Sea, and Ernest the Park, Universalis Park, RAC 4 and Parc Seny;
- In Luxembourg: Infinity, Polvermillen and Centre Étoile;
- In Poland: Cedet, CBD One and Granary Island.

Not to mention the two new, iconic projects in Brussels, the Lebeau at Le Sablon and the De Brouckère on Place De Brouckère, which are due to be started, and the new Allianz head office, near the Gare du Nord in Brussels, which will soon be ready for acceptance.

### **Going to the financial market to support its growth**

In order to support and strengthen its growth process and the development of its property portfolio in its 3 preferred sectors in Belgium and abroad, IMMOBEL turned to the bond market. A bond issue for a total amount of 100 MEUR for a period of 5 years was launched on May 19<sup>th</sup>. The issue was closed in only a few hours, demonstrating the market confidence in the Company. *"In particular, the issue will enable the Company to continue to develop a model aimed at growing and optimising its assets in favour of all of its shareholders, and to diversify its funding sources and ensure an extension of its debt maturity and a reduction in the average cost of its debt"*, concludes Valéry Autin, Chief Financial Officer.



## **Maintaining the dividend policy**

Despite being in a transition year, the Board of Directors confirms that the dividend policy will be maintained, in other words that it will propose to the General Meeting of Shareholders of May 2018 that they should be granted a gross dividend of minimum 2 EUR per share in circulation, a sum which should increase from 4 to 10% per year, subject to any unforeseen, exceptional events. Proof of consistency and commitment towards its Shareholders.

## **Analysis of the consolidated figures (Before IFRS11)**

### *Operating income*

The operating income at the end of the first six months amounts to 9,8 MEUR.

In terms of the company's activity, it should be noted that most of the operating income comes from new sales and the progress of the residential projects Riverview (2,3 MEUR), Lake Front (2,2 MEUR), Chambon (1,3 MEUR) and Ernest (0,6 MEUR), and from the sale of the project Galerie KONS at Luxemburg. This project had been revalued, due to the merger of June 2016, and its contribution to the figures is limited.

The activity of the Landbanking department was marked by the start of some significant capital works in the new landbanks at Verger de Fayenbois (15ha) (Grivegnée-Liège), Domaine des Vallées (10ha) (Gastuche-Grez-Doiceau), Havenzijde (4.5ha) (Lombardsijde-Middelkerke), Beaufays (18ha) and Soignies (1,8ha). The sale of the developments of Oostduinkerke, Jardins du Nord and Chastre contributes to turnover of the first semester.

The Landbanking activity generated a margin of 3,6 MEUR (4,2 MEUR including the developments). The second semester should be better than the first, as usual.

### *Financial result*

The net financial result amounts to – 1,0 MEUR and consists of:

Change in fair value of the bonds (+ 1,3 MEUR)

Non-capitalised financial expenses of -2 MEUR (mainly interests on the bonds and on the corporate credit lines)

Miscellaneous financial expenses (- 0,3 MEUR)

### *Net income*

After deduction of tax expenses (- 3,6 MEUR), the net income amounts to 5,3 MEUR, or a result of 0,53 EUR per share and 0,60 EUR per share in circulation.

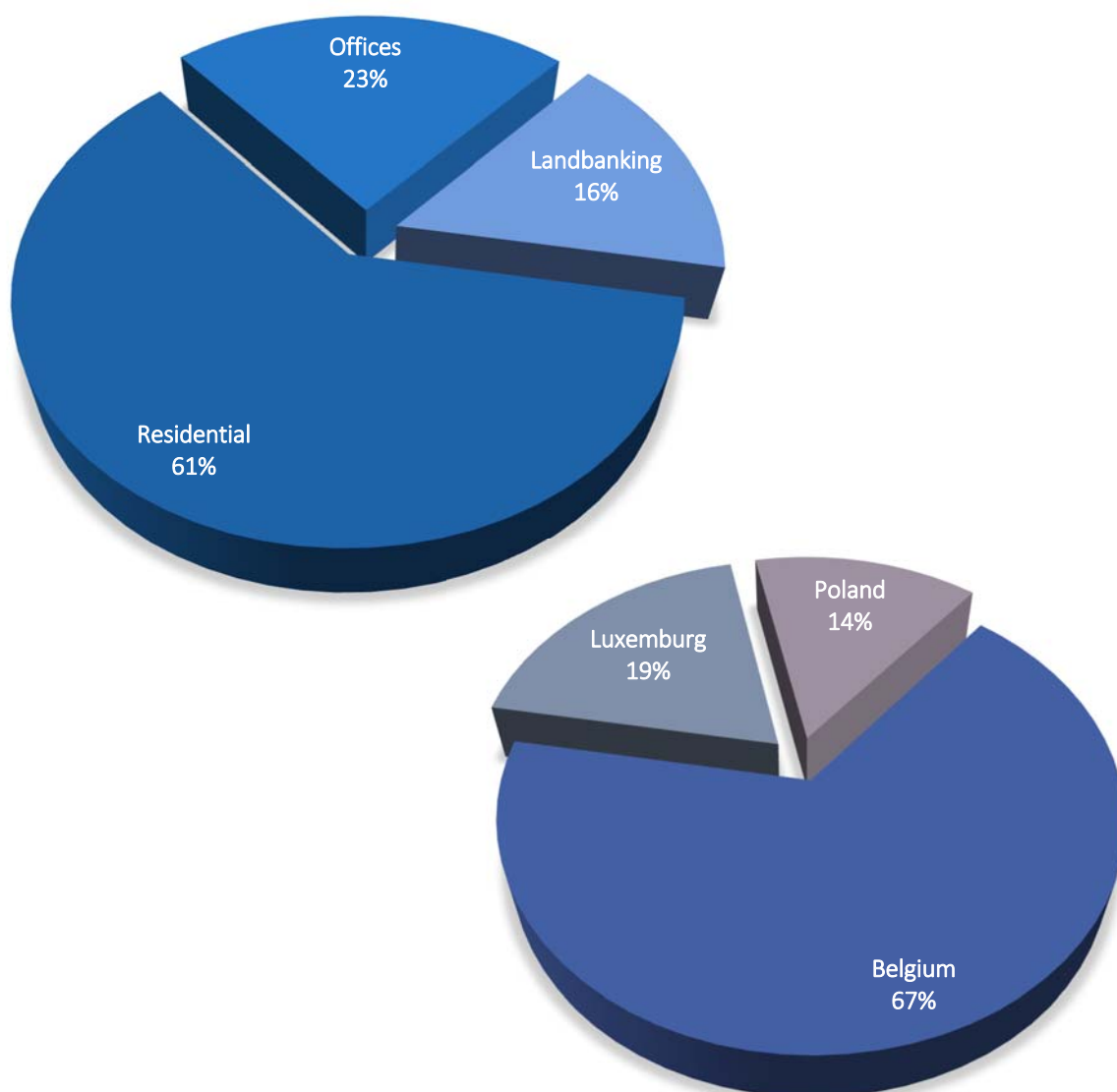


### *Consolidated balance sheet*

The total assets of the company amount to 821,1 MEUR at 30 June 2017 and consists of cash (179 MEUR), of which 100 MEUR comes from the bond emission in May 2017, and the projects in portfolio. These projects are:

- Interests in Joint Ventures and Associates (41 MEUR, mainly Belair RAC, Universalis Park and Solvay)
- Stock (514,9 MEUR, mainly the projects Lebeau, O'Sea, Cedet, Möbius, Polvermillen and Infinity)

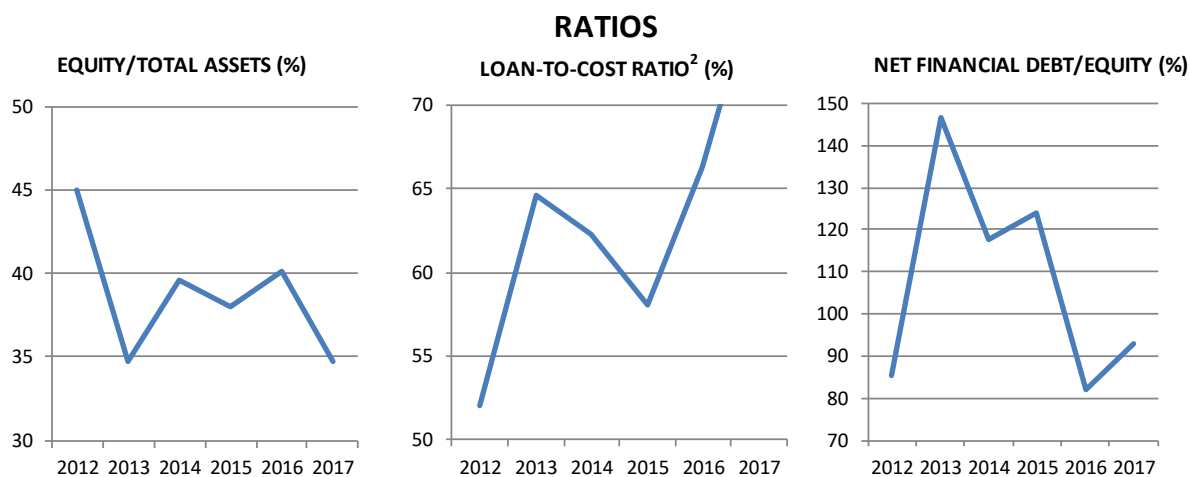
The distribution of the project portfolio at 30 June 2017, by segment and by geography (before IFRS11):





The consolidated equity reached 298,5 MEUR, while the financial debts (after IFRS 11) amount to 433,6 MEUR and consist mainly of the bonds (197 MEUR) and project financing.

The debt ratios (calculated before IFRS 11) at 30 June 2017 have changed as follows:



The “equity to assets” ratio (34,7%) and the “loan to cost” ratio (78% - debts/stock) deteriorate, caused by the new bond of 100 MEUR.

The ratio “net financial debt/equity” includes the cash position and deteriorates slightly (92,8% at 30 June 2017 compared to 82,1% at 31 December 2016). This is caused by the distribution of the dividend during May 2017. The dividend is higher than the results of the first semester of 2017.



## Activities of the IMMOBEL group during the first half of 2017

Here is an overview of the principal projects in the IMMOBEL Group's portfolio as at 30 June 2017 (in order of the project's surface area).

<b>UNIVERSALIS PARK – 110.000 m<sup>2</sup> - Brussels, Belgium (IMMOBEL share: 50%)</b>	
Status as at 30 June 2017	Phase 1 – 15.000 m <sup>2</sup> : 40% sold
Project's features	The Universalis Park project is a large-scale development, mainly residential, situated on the la Plaine site (ULB/VUB -Delta) and which will be completed in several phases. This project will be made up of a great residential mix, combining apartments with student housing, care homes/assisted living facilities and kindergartens. An office component could also be integrated into the development.
Residential units	Phase 1 – 161 apartments and a kindergarten
Programme	± 600 apartments ± 650 student accommodations 2 care homes A few commercial units
Permit secured	Planning permission: Yes, partially (phase 1) – Environmental permit: Yes, partially (phase 1)
Construction period	Q4 2015 / Q4 2024

<b>O'SEA – 88.500 m<sup>2</sup> - Ostend, Belgium</b>	
Status as at 30 June 2017	Construction Phase 1 – 19,000 m <sup>2</sup> "O'Sea Charme": ongoing. 20% sold.
Project's features	In a well located district of Ostend – close to the seafront – this sustainable residential complex project is being developed in several phases. Creating a new perfectly integrated district, it will offer a choice of made to measure living spaces: houses, apartments, serviced residences, studios...
Residential units	Phase 1 - O'Sea Charme: 10 houses - 18 studios - 50 accommodations in assisted living facilities - 36 larger apartments - 57 apartments (tower)
Programme	88,500 m <sup>2</sup> of residential spaces in 4 phases. Phase 1 – 19,000 m <sup>2</sup> : 167 residential units - 3 retail businesses - 1 restaurant - 1 kindergarten
Permit secured	Planning permission : Yes – Environmental permit : Yes
Construction period	Q1 2017 / 2019



<b>GRANARY ISLAND – 60.000 m<sup>2</sup> - Gdansk, Poland (IMMOBEL share: 90%)</b>	
<b>Status as at 30 June 2017</b>	<p>Phase 1: Administration procedures: Building permit decision for pedestrian bridge was issued on the 30th of May, 2017. Notification to Gdańsk authorities re starting preparatory works (designing process) was placed on the 8th of June, 2017.</p> <p>Reservations current status: Apart hotel units: reserved 65 out of 84, representing 77% of total surface Retail ground floor: 9 out of 10 reserved representing 94% of total area Retail the 1st floor: 0% reservations Parking: 48 reserved out of 133 hotel is presold to UBM</p>
<b>Project's features</b>	The project involves maintaining the historical remains of granaries, enriching them with modern, functional housing with public space. During the first phase of the project building of the footbridge over the Motława River, reconstruction and adding the new lifting mechanism to the Stągiewny bridge and expansion of the marina will be taken. Chmielna Street and its connection to Podwale Przedmiejskie will be upgraded – what will improve the transportation system and infrastructure. Długie Pobrzeże will be modernised. In the underground car park there was more parking space planned than needed for housing – part of it will be available for visitors to Granaria.
<b>Residential units</b>	Phase 1: 116 accommodations – 1 4-star hotel – 11 commercial units
<b>Programme</b>	60,000 m <sup>2</sup> residential spaces in 4 phases, 1 or 2 hotels, commercial spaces on the ground floor.
<b>Permit secured</b>	Planning permission: Yes (phase 1)
<b>Construction period</b>	Q1 2017/2023

<b>MÖBIUS – 60.000 m<sup>2</sup> - Brussels, Belgium</b>	
<b>Status as at 30 June 2017</b>	<p>The permit application procedures are ongoing. We should obtain them this year, in accordance with the commitments made with Allianz.</p> <p>For Tower I, the discussions with Allianz are taking place in accordance with the contract. A definitive programme has been determined and the contractors' tender procedure has been launched.</p> <p>For Tower II, contacts have been made with potential occupants. No concrete discussions yet at this stage.</p>
<b>Project's features</b>	The project comprises two elegant elliptical towers in the north of Brussels, in the very heart of the business district. These totally passive buildings offer a breathtaking panoramic view and make full use of natural light. Set around a central core, the office floors benefit from a pure design and from a terrace on the 21st floor.
<b>Programme</b>	2 office buildings
<b>Permit secured</b>	<p>Planning permit: New planning permission submitted</p> <p>Environmental permit: New permit submitted</p>
<b>Construction period</b>	N.A. / N.A.





<b>BELAIR (RAC 4) – 55.600 m<sup>2</sup> - Brussels, Belgium (IMMOBEL share: 40%)</b>	
Status as at 30 June 2017	Planning permission declared complete and environmental permit will be declared complete in July/August.
Project's features	The remaining portion of the gigantic redevelopment of the former city administrative centre schedules a substantial residential complex, which will also have 5,000 m <sup>2</sup> of retail space and 6,100 m <sup>2</sup> of public facilities.
Residential units	433
Programme	4,430 m <sup>2</sup> of commercial space, 7,840 m <sup>2</sup> of public facilities, 44,150 m <sup>2</sup> of residential space (traditional and subsidised housing units).
Permit secured	Planning permission: No - Environmental permit: No
Construction period	Q3 2018 / Q2 2022

<b>ERNEST - 50.000 m<sup>2</sup> - Brussels, Belgium (IMMOBEL share: 50%)</b>	
Status as at 30 June 2017	Phase 1: Residence for students and the elderly: 100% sold and delivered in full. Residential spaces: 93% sold and delivered in full. Phase 2: dwellings for sale (53% sold), demolition works being finalised; hotel part sold (subject to permit, obtained Q2 2017)
Project's features	Between the Avenue Louise and the European District, in a trendy area, this prestigious urban rehabilitation project (former Solvay headquarters), is a mixed-use complex in several phases. It is made up of high class apartments and several other facilities which encourage a diverse array of lifestyles (senior citizens, families, students, hotel).
Residential units	Phase 1: 110 apartments & penthouses – (95 student rooms (“The Place to”)) - 1 rest home (114 beds) Phase 2: 198 apartments & penthouses - 1 kindergarten - 1 hotel
Programme	50,000 m <sup>2</sup> comprising residential spaces, a residence for students, a care home, a kindergarten and a hotel.
Permit secured	Planning permission: Yes - Environmental permit: Yes
Construction period	Phase 1: Partially completed (2014-2016) Phase 2: Q2 2017 (demolition) / construction: Q4 2017 - Q4 2019

<b>DE BROUCKÈRE - 50.000 m<sup>2</sup> - Brussels, Belgium (IMMOBEL share: 50%)</b>	
Status as at 30 June 2017	Programming under way
Project's features	Situated in the heart of Brussels and a stone's throw from the Grand Place, the project involves the demolition-reconstruction (and renovation of the listed parts) of the head office of the insurance company Allianz to make way for a mixed, mainly residential block. It is still possible for stand-alone and/or built-to-suit office or hotel solutions to be incorporated into the programme currently under consideration. The ground floors will be redesigned to liven up the streets and the Place De Brouckère through shops and services.
Residential units	TBC
Programme	TBC
Permit secured	Planning permission: No - Environmental permit: No
Construction period	Asbestos removal work to begin in 2020, after Allianz has moved into its new head office, built by IMMOBEL (Möbius)



<b>CHAMBON – 50.000 m<sup>2</sup> - Brussels, Belgium</b>	
Status as at 30 June 2017	Project delivered
Project's features	In the very heart of historic Brussels, the rehabilitation of a U-shaped building which is part of this history, accommodates very top of the range apartments and penthouses, with a complete range of residential services. The project also includes a magnificent garden designed by landscape architect Wirtz, along with 2 hotels.
Residential units	250 apartments & penthouses 134 studios for students 2 hotels
Programme	20,000 m <sup>2</sup> of office and hotel space 30,000 m <sup>2</sup> of residential and retail space
Permit secured	Planning permission: Yes – Environmental permit: Yes
Construction period	Q1 2013 / Q4 2016

<b>LEBEAU - 42.000 m<sup>2</sup> - Brussels, Belgium</b>	
Status as at 30 June 2017	Final definition of the programme
Project's features	The "Lebeau - Sablon" project is a unique, mixed-use complex situated on Place du Grand Sablon, one of the most exclusive districts in Brussels. The project offers very high-end residential apartments and retail outlets. It is located right next to the most popular restaurants and the smartest shops.
Residential units	TBD
Programme	36,000 m <sup>2</sup> of residential space, 4,100 m <sup>2</sup> of retail
Permit secured	N/A
Construction period	Q1 2020 / Q3 2023

<b>DOMAINE DES VALLÉES - 37.000 m<sup>2</sup> - Grez-Doiceau, Belgium</b>	
Status as at 30 June 2017	80% sold in phase 1 (169 units)
Project's features	In immediate proximity to a station and a few kilometres from Wavre, this new convivial district comprises more than 200 residential units: 156 family houses (terraced or semi-detached), 2 buildings destined for commune apartments and 45 apartments, set in the centre of green areas.
Residential units	210
Programme	203 residential units (158 2- or 3-façade houses and 45 apartments) and 6 commercial units and a crèche, including 37 units bought by the Walloon Brabant Housing Management Service
Permit secured	Planning permission: Yes – Environmental permit: Yes
Construction period	Q4 2015 / Q4 2019



### LIVINGSTONE - 36.000 m<sup>2</sup> - City of Luxembourg, Grand Duchy of Luxembourg (IMMOBEL share: 33%)

<b>Status as at 30 June 2017</b>	Livingstone phase I: Submission of the planning permission application planned for early July 2017 Livingstone phase II: Submission of the planning permission application planned for early September 2017
<b>Project's features</b>	Right in the heart of a dynamic district of the capital and close to the Parc de Cessange and to motorway connections, Livingstone benefits from all of the facilities by integrating a city market into its ground floor. Designed in the form of a half block, almost all of the apartments of the residence have balconies or loggias and there is a tree-lined interior courtyard.
<b>Residential units</b>	251 apartments
<b>Programme</b>	30.700 m <sup>2</sup> residential spaces. 5.300 m <sup>2</sup> retail
<b>Permit secured</b>	PAP (Plan d'aménagement particulier) Demolition permit
<b>Construction period</b>	Phase 1: Q3 2017 / Q1 2020 Phases 2 and 3: TBD

### BELLA VITA - 33.300 m<sup>2</sup> - Waterloo, Belgium (IMMOBEL share: 50%)

<b>Status as at 30 June 2017</b>	100% sold (apart from 8 parking spaces)
<b>Project's features</b>	Located on a magnificent site with a rich history noted for its Arts & Crafts architectural style, the Bella Vita project is a whole new district designed for families. It integrates all the necessary facilities (medical and para-medical installations, rest home, kindergarten, swimming pool...) and buildings suited to different generations with a high degree of accessibility for older people.
<b>Residential units</b>	269
<b>Programme</b>	182 apartments and 87 houses, a kindergarten, assisted-living facilities, care centre, swimming pool, restaurant, store, library, gym, offices, conference rooms.
<b>Permit secured</b>	Planning permission: Yes – Environmental permit: Yes
<b>Construction period</b>	Q2 2013 / Q4 2015



### INFINITY – 33.300 m<sup>2</sup> - City of Luxembourg, Grand Duchy of Luxembourg

<b>Status as at 30 June 2017</b>	Earthworks under way. Start of construction planned for October 2017. 50 % of the residential areas are reserved 100% of the commercial and office areas are already rented Emphyteutic lease signed and earthworks launched on 16.02
<b>Project's features</b>	Located at the entrance to Kirchberg, ideally served by transport modes and in the immediate proximity of the European Institutions, the INFINITY buildings complex offers a prestigious address with unique visibility in Luxembourg. Designed by architect Bernardo Fort-Brescia, the INFINITY project is characterised by two sculptural towers linked together by a retail gallery featuring a planted roof.
<b>Residential units</b>	150 apartments, penthouse and studios.
<b>Programme</b>	33,300 m <sup>2</sup> mixed-use spaces, 150 residential units, 6,500 m <sup>2</sup> commercial spaces (23 boutiques), 6,800 m <sup>2</sup> of office space.
<b>Permit secured</b>	Planning permission received 24 April 2017
<b>Construction period</b>	Q1 2016 / Q4 2019

### POLVERMILLEN – 26.600 m<sup>2</sup> - City of Luxembourg, Grand Duchy of Luxembourg

<b>Status as at 30 June 2017</b>	Signature du contrat de financement entrainant la maitrise totale du foncier de Polvermillen le 10 mars 2017 Dépôt de la demande d'autorisation de bâtir prévue pour fin 2017 Lancement de la commercialisation prévu au premier semestre 2018
<b>Project's features</b>	This complex on the banks of the Alzette offers a totally new working framework between the city and nature. Located in the immediate vicinity of the Kirchberg plateau, it will comprise a very mixed use ensemble : offices along with apartments, houses, lofts, studios... designed according to a sustainable approach. It aims to rehabilitate and redesign a whole new district in a particularly green setting and with respect for the soul and the history of the site.
<b>Residential units</b>	210 apartments and houses
<b>Programme</b>	25,000 m <sup>2</sup> of residential spaces (1 large luxurious mansion, 17 houses, 18 lofts, 181 apartments and studios), 1,600 m <sup>2</sup> of office space
<b>Permit secured</b>	PAG (Plan d'Aménagement Général) and PAP (Plan d'Aménagement Particulier) Ministerial orders demolition and rehabilitation.
<b>Construction period</b>	Q1 2018 / Q4 2020



<b>ÎLOT-SAINT-ROCH – 24.400 m<sup>2</sup> - Nivelles, Belgium</b>	
Status as at 30 June 2017	N/A
Project's features	In the centre of Nivelles, between the station and the Collegiate, the project schedules the transformation of an industrial eyesore into an ecologically-responsible district. This new concept is set to include residential accommodation, services and shops, within a garden setting and including pleasant common areas (terraces, rooftops...).
Residential units	200
Programme	14 residential blocks, comprising 211 dwellings, 10 single-family homes, 1 50-unit serviced residence, shops and a number of common areas
Permit secured	Planning permission: No – Environmental permit: No
Construction period	N/A

<b>CEDET - 22.300 m<sup>2</sup> - Warsaw, Poland</b>	
Status as at 30 June 2017	Under construction and in the marketing process
Project's features	Cedet is a unique project of restoration and expansion of a historic building located at 50 Krucza Street – a modernistic pearl of Polish post-war architecture. The Cedet building that combines retail functions and highest class of office space will consist of two parts: a carefully revitalized department store and a completely new building located at intersection of Bracka and Krucza streets.
Programme	Office building and retail space
Permit secured	Planning permission: Yes
Construction period	Q1 2015 / Q2 2018

<b>GALERIE KONS - 22.800 m<sup>2</sup> - City of Luxembourg, Grand Duchy of Luxembourg (IMMOBEL share : 33%)</b>	
Status as at 30 June 2017	Shares in the company PEF KONS Investment SA sold to AXA on 28 March 2017 "Ingenieurpreis des Deutschen Stahlbaues 2017" prize received in March 2017 Project delivered. The tenant ING moved into the majority of the 14,600 m <sup>2</sup> of offices in April 2017.
Project's features	A mixed project ideally situated opposite the station, the KONS building, with a Very Good BREEAM certification for the office part, is characterised by a very high quality renovation in terms of sustainable construction and environmental performance. The project also includes a block of 31 apartments and some commercial units on the ground floor. The immediate proximity to the station makes this building an ideal place for the mobility of its new occupants.
Residential units	31 apartments
Programme	22,788 m <sup>2</sup> , including 15,337 m <sup>2</sup> of offices, 2,790 m <sup>2</sup> of shops and 2,465.55 m <sup>2</sup> of dwellings, plus 2,194 m <sup>2</sup> of basements.
Permit secured	Planning permission: Yes
Construction period	Q2 2014 / Q1 2017



### CBD One – 18.700 m<sup>2</sup> - Warsaw, Poland (IMMOBEL share: 50%)

Status as at 30 June 2017	Planning permission has been granted but restitution procedures related to parcels adjacent to our project are delaying the start of construction, which will in all likelihood be possible in 2018.
Project's features	CBD One is situated at the centre of Warsaw, directly above the intersection of two metro lines. It will be a high-quality building with a mixture of offices and retail. The building will have a very ambitious structure which will partly be placed directly over the metro station.
Programme	18,700 m <sup>2</sup> of offices (and retail space on the ground floor and the first floor).
Permit secured	Planning permission : Yes
Construction period	H2 2018 / H2 2020.

### VESALIUS - 16.133 m<sup>2</sup> - Louvain, Belgique

Status as at 30 June 2017	100% sold
Project's features	In the very heart of the historic centre of Louvain and a short distance from its very prestigious university (KUL), this mixed-use complex comprises some superb apartments and studios and some commercial premises. It also has 2 cinemas and an auditorium.
Residential units	128 apartments and studios
Programme	16.133 m <sup>2</sup> - 68 apartments - 60 studios - 10 retail outlets - 2 cinemas - 1 auditorium
Permit secured	Planning permission: Yes – Environmental permit : Yes
Construction period	Q3 2014 / Q3 2016

### VAARTKOM - 13.500 m<sup>2</sup> - Leuven, Belgium

Status as at 30 June 2017	Submission of a planning permission application Finalisation of agreements between the parties (offices and serviced residences).
Project's features	This mixed-use residential complex enjoys an exceptional location with views over the canal and offer residential apartments, serviced studios and an office building.
Residential units	109
Programme	10,500 m <sup>2</sup> serviced residences + 2,200 m <sup>2</sup> offices
Permit secured	Planning permission: No – Environmental permit: No
Construction period	Q4 2017 – Q4 2019



<b>PARC SENY - 13.200 m<sup>2</sup> - Auderghem, Belgium</b>	
Status as at 30 June 2017	Demolition finalised Finalisation of the work contract Amending permit will be submitted in August 2017 Marketing started in June 2017 – 13% sold
Project's features	At Auderghem, just back from the Boulevard du Souverain, and very close to Herrmann Debroux metro station, this project benefits from an extremely green setting with trees. The project consists of transforming a 1970's building into a residential complex of high quality and with respect for the environment next to the Parc Seny.
Residential units	120 apartments
Programme	120 apartments, including studios, 1-, 2- and 3-bedroom apartments and penthouses 164 underground car parking spaces 128 underground bicycle parking spaces 16 underground motorbike parking spaces
Permit secured	Planning permission : Yes
Construction period	Start of building works planned for September 2017

<b>LAKE FRONT – 12.000 m<sup>2</sup> - Knokke-Heist, Belgium</b>	
Status as at 30 June 2017	Phase 1 delivered – 96% sold Phase 2 – delivery planned in Q2/3 2018 – 84% sold
Project's features	Just a few minutes' walk from the magnificent urban centre of Knokke, this residential complex overlooks the Duinenwater lake. It offers exclusive apartments with a view over the water, a stone's throw from the new golf course, the swimming pool and the beach.
Residential units	Phase 1 : 70 apartments. Phase 2 : 50 apartments.
Programme	12,000 m <sup>2</sup> of residential space
Permit secured	Planning permission : Yes – Environmental permit: Yes
Construction period	Phase 1 : Q3 2014 / Q3 2016. Phase 2 : Q2 2016 / Q3 2018.

<b>RIVERVIEW – 11.000 m<sup>2</sup> - Nieuwpoort, Belgium</b>	
Status as at 30 June 2017	77% sold
Project's features	Just a few minutes from the city centre and the seafront, in the sought-after district of the leisure port at Nieuwpoort, this complex with its contemporary architecture is oriented towards the former Veurne-Nieuwpoort canal (Riverview) at the level of the old town (Heritage). A veritable oasis of light, it offers spacious apartments and penthouses benefiting from terraces.
Residential units	101 apartments and penthouses
Programme	11,000 m <sup>2</sup> of residential space
Permit secured	Planning permission: Yes – Environmental permit: Yes
Construction period	Q3 2015 / Q4 2017



<b>ROYAL LOUISE - 8.400 m<sup>2</sup> - Brussels, Belgium</b>	
Status as at 30 June 2017	Permit application procedure ongoing.
Project's features	Just a few dozen metres from the Place Stéphanie, this residential complex offers exclusive apartments with terraces overlooking the garden at the centre of the lot. Its exceptional location, in the immediate vicinity of the best restaurants and boutiques Brussels has to offer, represents the best in a n urban lifestyle.
Residential units	77 apartments
Programme	8,000 m <sup>2</sup> of residential space
Permit secured	Permit application procedure ongoing
Construction period	To be confirmed – after obtaining the permit. Q4 2017 / Q4 2019

<b>FUUSBANN - 8.147 m<sup>2</sup> - Differdange, Grand Duchy of Luxembourg (IMMOBEL share: 33%)</b>	
Status as at 30 June 2017	The construction began in February 50 % of the building is reserved
Project's features	A stone's throw from the city centre and with local shops at the foot of the building, the Fuussbann residence benefits from all the conveniences of urban life without compromising on tranquillity. Resolutely contemporary and bathed in natural light, Fuussbann offers optimal and functional apartments overlooking large terraces or gardens, along with a landscaped interior courtyard.
Residential units	48 apartments
Programme	5,906 m <sup>2</sup> of residential space, 2,241 m <sup>2</sup> of commercial space.
Permit secured	Planning permission dated 5 October 2016
Construction period	Q1 2017 / Q2 2019

<b>GREENHILL PARK - 6.000 m<sup>2</sup> - Brussels, Belgium</b>	
Status as at 30 June 2017	Permission obtained free of all appeals; works to begin from September 2017 - 32% sold
Project's features	Set in the heart of a tree-lined site alongside the Woluwe Park, this luxury complex comprises two elegant buildings featuring timeless architecture. The top of the range residences offer an open view over the garden, and benefit from a complete range of residential services.
Residential units	31 apartments or penthouses
Programme	6,000 m <sup>2</sup> of residential space
Permit secured	Planning permission: Yes – Environmental permit: Yes
Construction period	Q3 2017 / Q3 2019





### CHIEN VERT - 5.000 m<sup>2</sup> - Brussels, Belgium

Status as at 30 June 2017	Final permission, block sale to a third-party developer
Project's features	Located opposite the Woluwe Park, this project schedules the rehabilitation of a building from the end of the 80's into contemporary apartments with well thought-out finishing levels. Very well served by transport and communication, it offers an excellent quality of life in a very green setting.
Residential units	44
Programme	44 apartments, 1 office units and 1 bank branch let to KBC Bank
Permit secured	Planning permission: Yes – Environmental permit: Yes
Construction period	Projet in block sale phase – the construction will be restarted by the purchaser.

### T'ZOUT - 4.700 m<sup>2</sup> - Koksijde, Belgium

Status as at 30 June 2017	Permission obtained; start of works Q3 2017; commercial launch August 2017
Project's features	The 't Zout project is a unique residential complex of serviced apartments situated in Coxyde (Saint-Idesbald), between the magnificent town centre and the sea. This human-scale project offers a pleasant, easy lifestyle in this very attractive Belgian seaside resort.
Residential units	54 apartments
Programme	4,700 m <sup>2</sup> of residential space
Permit secured	Planning permission: Yes – Environmental permit: Yes
Construction period	Q3 2017 / Q3 2019

### PARC SAINTE-ANNE - 3.500 m<sup>2</sup> - Auderghem, Belgium

Status as at 30 June 2017	22 units sold on 26 – 85% sold
Project's features	Located in a tree-lined park very close to the Domaine du Val Duchesse, this residential complex schedules contemporary residential units (from studio to penthouse) with elegant finishing materials. Each apartment benefits from a terrace with a view over the park or the interior lot, a calm and luminous haven.
Residential units	26
Programme	1 residential building with 26 high standing apartments
Permit secured	Planning permission: Yes – Environmental permit: Yes
Construction period	Q1 2016 / Q2 2018



<b>CENTRE ETOILE - 3.440m<sup>2</sup> - Luxembourg-Ville, Grand-Duché du Luxembourg</b>	
<b>Status as at 30 June 2017</b>	Currently rented. Programming to be revised on the basis of the new PAG (Plan d'aménagement général [General Development Plan])
<b>Project's features</b>	The Centre Étoile project aims to totally redevelop an office building dating from 1992. Located on the Place de l'Étoile, it benefits from a particularly strategic position right in the heart of the capital and in the immediate vicinity of Kirchberg and the motorway connections.
<b>Programme</b>	Refurbishment of the 3,440 m <sup>2</sup> office building to start at the end of the current lease
<b>Permit secured</b>	N/A
<b>Construction period</b>	Q1 2021 / Q2 2022

### **Own shares**

As a result of the merger between ALLFIN (which held 29.85% of the IMMOBEL shares before the merger) and IMMOBEL, the merged entity IMMOBEL holds a total of 1,230,398 own shares. In accordance with IAS 32, these own shares are presented after deduction of the equity (with a value of EUR 66,6 million as at 30 June 2016). These own shares have neither voting rights nor dividend rights.



## 2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2.A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN THOUSAND €)

	NOTES	30/06/2017	30/06/2016
<b>OPERATING INCOME</b>		<b>55 145</b>	<b>113 927</b>
Turnover	7	53 929	83 794
Other operating income	8	1 216	30 133
<b>OPERATING EXPENSES</b>		<b>-46 204</b>	<b>-73 069</b>
Cost of sales	9	-38 021	-66 226
Cost of commercialisation	10	- 778	- 47
Administration costs	11	-7 405	-6 796
<b>JOINT VENTURES AND ASSOCIATES</b>		<b>150</b>	<b>- 452</b>
Gain (loss) on sales of joint ventures and associates	12	753	
Share in the net result of joint ventures and associates	12	- 603	- 452
<b>OPERATING RESULT</b>		<b>9 091</b>	<b>40 406</b>
Interest income		1 105	1 515
Interest expense		-1 018	-4 585
Other financial income		175	507
Other financial expenses		- 491	-2 367
<b>FINANCIAL RESULT</b>	13	<b>- 229</b>	<b>-4 930</b>
<b>RESULT FROM CONTINUING OPERATIONS BEFORE TAXES</b>		<b>8 862</b>	<b>35 476</b>
Income taxes	14	-3 609	-3 979
<b>RESULT FROM CONTINUING OPERATIONS</b>		<b>5 253</b>	<b>31 497</b>
<b>RESULT OF THE YEAR</b>		<b>5 253</b>	<b>31 497</b>
Share of non-controlling interests		- 46	1 197
<b>SHARE OF IMMOBEL</b>		<b>5 299</b>	<b>30 300</b>
<b>RESULT OF THE YEAR</b>		<b>5 253</b>	<b>31 497</b>
<b>Other comprehensive income - items subject to subsequent recycling in the income statement</b>		<b>55</b>	<b>-</b>
Currency translation		55	-
<b>Other comprehensive income - items that are not subject to subsequent recycling in the income statement</b>		<b>-</b>	<b>-</b>
Actuarial gains and losses (-) on defined benefit pension plans			
<b>Deferred taxes</b>		<b>-</b>	<b>-</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>55</b>	<b>-</b>
<b>COMPREHENSIVE INCOME OF THE YEAR</b>		<b>5 308</b>	<b>31 497</b>
Share of non-controlling interests		- 46	1 197
<b>SHARE OF IMMOBEL</b>		<b>5 354</b>	<b>30 300</b>
<b>NET RESULT PER SHARE (€) (DILUTED AND BASIC)</b>	15	<b>0,60</b>	<b>3,03</b>
<b>COMPREHENSIVE INCOME PER SHARE (€) (DILUTED AND BASIC)</b>	15	<b>0,61</b>	<b>3,03</b>



## 2.B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN THOUSANDS €)

ASSETS	NOTES	30/06/2017	31/12/2016
<b>NON-CURRENT ASSETS</b>		<b>53 459</b>	<b>88 346</b>
Intangible assets		175	142
Property, plant and equipment		872	898
Investment property		2 874	2 874
Investments in joint ventures and associates	16	41 164	70 215
Other non-current financial assets		1 546	3 730
Deferred tax assets	17	5 841	7 042
Other non-current assets		987	3 445
<b>CURRENT ASSETS</b>		<b>767 643</b>	<b>627 886</b>
Inventories	18	514 902	443 115
Trade receivables	19	5 706	12 112
Tax receivables		539	837
Other current assets	20	44 110	32 471
Advances to joint ventures and associates		22 453	17 641
Other current financial assets		834	1 072
Cash and cash equivalents	21	179 099	120 638
<b>TOTAL ASSETS</b>		<b>821 102</b>	<b>716 232</b>

EQUITY AND LIABILITIES	NOTES	30/06/2017	31/12/2016
<b>TOTAL EQUITY</b>		<b>298 511</b>	<b>314 949</b>
<b>EQUITY SHARE OF IMMOBEL</b>		<b>298 438</b>	<b>311 032</b>
Share capital		97 222	97 189
Retained earnings		200 461	213 248
Reserves		755	595
<b>NON-CONTROLLING INTERESTS</b>		<b>73</b>	<b>3 917</b>
<b>NON-CURRENT LIABILITIES</b>		<b>375 030</b>	<b>286 685</b>
Employee benefit obligations		102	102
Deferred tax liabilities	17	4 934	2 803
Financial debts	21	368 631	281 578
Derivative financial instruments	21	1 363	1 699
Trade payables		-	503
<b>CURRENT LIABILITIES</b>		<b>147 561</b>	<b>114 598</b>
Provisions		1 355	1 780
Financial debts	21	64 932	40 532
Derivative financial instruments		-	90
Trade payables	22	31 685	33 763
Tax liabilities		11 334	11 934
Other current liabilities	23	38 255	26 499
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>821 102</b>	<b>716 232</b>



## 2.C. CONSOLIDATED STATEMENT OF CASH FLOW POSITION (IN THOUSANDS €)

	NOTES	30/06/2017	30/06/2016
Operating income		55 145	99 533
Operating expenses		-46 204	-71 506
Amortisation, depreciation and impairment of assets		210	127
Change in provisions		- 399	-
Dividends received from joint ventures and associates		7 494	-
Disposal of joint ventures and associates		10 884	-
Repayment of capital and advances by joint ventures		14 532	100
Acquisitions, capital injections and loans to joint ventures and associates		-3 714	- 372
<b>CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL</b>		<b>37 948</b>	<b>27 882</b>
Change in working capital	24	-70 078	-15 601
<b>CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES</b>		<b>-32 130</b>	<b>12 281</b>
Paid interests		-6 476	-2 960
Interest received		1 105	603
Other financing cash flows		- 316	-
Paid taxes		- 579	-1 632
<b>CASH FROM OPERATING ACTIVITIES</b>		<b>-38 396</b>	<b>8 292</b>
Acquisitions of intangible, tangible and other non-current assets		- 238	
Sale of intangible, tangible and other non-current assets		4 880	-
Cash and cash equivalents from reverse acquisition <sup>1</sup>		-	16 116
<b>CASH FROM INVESTING ACTIVITIES</b>		<b>4 642</b>	<b>16 116</b>
Increase in financial debts		152 030	76 757
Repayment of financial debts		-39 446	-72 580
Gross dividends paid		-20 369	-30 499
<b>CASH FROM FINANCING ACTIVITIES</b>		<b>92 215</b>	<b>-26 322</b>
<b>NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS</b>		<b>58 461</b>	<b>-1 914</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>120 638</b>	<b>86 687</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>179 099</b>	<b>84 773</b>

Acquisitions and sales of projects, either directly or indirectly through the acquisition or the sale of project company (subsidiaries, joint ventures and associates), are not considered as investing activities and are directly included in the cash flows from the operating activities, mainly "Operating income / Operating expenses and change in working capital".



## 2.D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN THOUSANDS €)

	CAPITAL	RETAINED EARNINGS	ACQUISITION RESERVE	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROLLING INTERESTS	TOTAL EQUITY
<b>2016</b>								
<b>Balance as at 01-01-2016</b>	<b>60 302</b>	<b>119 237</b>	<b>-23 248</b>	<b>56</b>	<b>-</b>	<b>156 347</b>	<b>9 119</b>	<b>165 466</b>
Comprehensive income for the year	-	30 300	-	-	-	30 300	1 197	31 497
Merger IMMOBEL / ALLFIN GROUP	37 054	-	148 117	-126	480	185 525	-36	185 489
Dividendes paid	-	-27 979	-	-	-	-27 979	-2 520	-30 499
Other changes	-200	15	-	-	-	-185	-5 718	-5 903
<b>Changes in the year</b>	<b>36 854</b>	<b>2 336</b>	<b>148 117</b>	<b>-126</b>	<b>480</b>	<b>187 661</b>	<b>-7 077</b>	<b>180 584</b>
<b>Treasury shares held :</b>								
Fair value as of 29-06-2016			-55 368			-55 368		-55 368
<b>Value of treasury shares held</b>			<b>-55 368</b>			<b>-55 368</b>		<b>-55 368</b>
<b>Balance as at 30-06-2016</b>	<b>97 156</b>	<b>121 573</b>	<b>69 501</b>	<b>-70</b>	<b>480</b>	<b>288 640</b>	<b>2 042</b>	<b>290 682</b>

	CAPITAL	RETAINED EARNINGS	ACQUISITION RESERVE	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROLLING INTERESTS	TOTAL EQUITY
<b>2017</b>								
<b>Balance as at 01-01-2017</b>	<b>97 189</b>	<b>143 694</b>	<b>69 501</b>	<b>-43</b>	<b>691</b>	<b>311 032</b>	<b>3 917</b>	<b>314 949</b>
Before treasury shares	97 189	143 694	134 724	-43	691	376 255	3 917	380 172
Treasury shares	-	-	-65 223	-	-	-65 223		-65 223
Comprehensive income for the year	-	5 299	-	55	-	5 354	-46	5 308
Dividendes paid	-	-18 059	-	-	-	-18 059	-2 310	-20 369
Other changes	33	26	1 341	52	-	1 452	-1 488	-36
Adjustment fair value treasury shares	-	-	-1 341	-	-	-1 341		-1 341
<b>Changes in the year</b>	<b>33</b>	<b>-12 734</b>		<b>107</b>		<b>-12 594</b>	<b>-3 844</b>	<b>-16 438</b>
<b>Balance as at 30-06-2017</b>	<b>97 222</b>	<b>130 960</b>	<b>69 501</b>	<b>64</b>	<b>691</b>	<b>298 438</b>	<b>73</b>	<b>298 511</b>
Before treasury shares	97 222	130 960	136 065	64	691	365 002	73	365 075
Treasury shares			-66 564			-66 564		-66 564

The share capital of IMMOBEL SA is represented by 9.997.356 ordinary shares, including 1.230.398 treasury shares.



## 2.E. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### **Note 1. Preparation of the financial statement**

The interim condensed consolidated financial statements have been prepared in accordance with the IAS 34 "Interim Financial Reporting" as adopted in the European Union.

### **Note 2. Accounting principles and methods**

Due to the merger between ALLFIN and IMMOBEL of 29 June 2016, a merger considered for accounting purposes as a reversed acquisition, the consolidated statement of comprehensive income of 30 June 2016 represents only the first 6 months of the result of ALLFIN and the income and costs directly related to the merger. The first 6 months of IMMOBEL, before the merger, were incorporated directly into the equity.

The figures of the consolidated statement of comprehensive income are not comparable. The figures of 30 June 2016 are given to inform, not to compare.

The accounting principles and methods used for the interim consolidated financial statements are the same principles and methods used for the consolidated financial statements of 2016, except for the standards and interpretations which are applicable as from 1 January 2017:

- Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 12 (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed by the EU);
- Amendments to IAS 7 Statement of Cash Flows - Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed by the EU);
- Amendments to IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed by the EU);

These standards and interpretations won't have any significant impact on the consolidated financial statements of IMMOBEL.

The presentation of the consolidated statement of comprehensive income has been modified to improve the classification of costs by "function" in accordance with IAS 1. The comparative figures are restated accordingly. Personnel charges, amortisations and other operating expenses at 30 June 2016, for an amount of 6.843 KEUR, are now divided into costs of commercialisation and administration costs.

IMMOBEL has not anticipated to new, or improvements to, standards and interpretations which are not yet applicable for the annual period beginning on 1 January 2017.

Though, the Group has determined the potential impact of two new standards:

### **IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after 1 January 2018)**

This new standard consists of 3 components:

- 1) Classification and evaluation of the financial assets and liabilities: IFRS 9 introduces a logical and unique classification for all financial assets. Amortised cost or fair value. The Group must choose between fair value reporting in profit and loss or fair value reporting in other comprehensive income. As for today, this new standard should not have any impact on the results of the Group.



- 2) Impairment: IFRS 9 contains requirements for a new impairment model which will result in earlier recognition of credit losses. This should not have any significant impact on the results of the Group.
- 3) Hedge accounting: This will not have any impact on the results of the Group, because the Group does not use any hedging instruments.

### **IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2018)**

The preliminary analysis conducted by the Group led to the identification of themes, which relate to the recognition of sales in the different segments of the Group, which are likely to impact the consolidated turnover:

#### **Sale of office buildings**

IMMOBEL will have to use the new guidelines to assess on a case by case basis whether the sales agreement, the sale of the land and the development are separate performance obligations. The new guidelines could also have an impact on the projects which satisfy the criteria to recognize revenue at the moment the performance obligation is satisfied. These are mainly the projects which satisfy the third criteria defined by IFRS 15.36 ("The entity's performance creates an asset and the entity has an enforceable right to payment for performance completed to date").

The main impact could be the progressive recognition of income and margin of certain projects.

#### **Sale of residential projects**

The analysis must determine the extent to which the sales of residential projects result in one or more performance obligations. Some projects with specific developments should be analysed in more detail. The Group expects that the new guidelines will not affect the current recognition of the margin according to the progress of the works in Belgium (recognition of the margin based on the transfer of ownership, regulated by the Law Breyne) and in Luxembourg. However, this way of determining the progress of the works must be confirmed based on new available information. The Group will further analyse the impact of this new standard during the second semester, considering the characteristics of the sector.

#### **Landbanking**

The Group is not expecting any impact on the landbanking. The revenue is recognized when the asset is transferred to the new owner.

This exercise should make it possible to give a quantified impact of the transmission to the new guidelines by the beginning of 2018.

The analysis of the following standards, amendments and interpretations is ongoing:

- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)





- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRIC 23 Uncertainty over Income Tax Treatments (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)

### Note 3. Main accounting judgments and estimates

The main accounting judgments and estimates are identical to those given on page 14/53 (consolidated accounts) of the 2016 Annual Report. They mainly concern the deferred tax assets, impairment of assets, provisions, projects in inventory and construction contracts.

### Note 4. Main risks and uncertainties

The IMMOBEL Group faces the risks and uncertainties inherent to the property development sector as well as those associated with the economic situation and the financial world.

The Board of Directors considers that the main risks and uncertainties included in pages 7 – 11 (management report) of the annual report 2016 are still relevant for the remaining months of 2017.

### Note 5. Scope of consolidation

The number of entities included in the scope of consolidation evolves as follows:	30/06/2017	31/12/2016
Subsidiaries - Global method of consolidation	57	58
Joint Ventures - Equity method	23	24
Associates - Equity method	2	2
<b>TOTAL</b>	<b>82</b>	<b>84</b>

The following changes have been noted during the first half year of 2017:

- Disposal of the shares of the company KONS - 33,33%
- Disposal of the shares of the company GREEN DOG - 100%
- Liquidation of the company IMMOBILIËN VENNOOTSCHAP VAN VLAANDEREN - 100%
- Incorporation of the companies: RAC4 DEVELOPMENT - 40% & ILOT ST ROCH - 100%



## Note 6. Operating segment – Financial information by business segment

The segment reporting is presented in respect of the operational segments. The results and assets and liabilities of the segment include items that can be attributed to a sector, either directly, or allocated on an allocation formula. The core business of the Company, real estate development, includes the activities of “offices”, “residential development” and “land development”. There are no transactions between the different sectors. The Group’s activity is carried out in Belgium, Grand Duchy of Luxemburg and Poland. The breakdown of sales by country depends on the country where the activity is executed.

In accordance with IFRS, the Company applied since 1st January 2014, IFRS 11, which amends the strong readings of the financial statements of the Company but does not change the net income and shareholders’ equity. The Board of Directors believes that the financial data in application of the proportional consolidated method (before IFRS 11) give a better picture of the activities and financial statements.

The “Internal” financial statements are those used by the Board and Management to monitor the financial performance of the Group and are presented below.

### SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (INTERNAL VIEW)

	30/06/2017	30/06/2016
<b>INCOME STATEMENT</b>		
<b>OPERATING INCOME</b>	<b>116 569</b>	<b>144 684</b>
Turnover	115 211	113 911
Other operating income	1 358	30 773
<b>OPERATING EXPENSES</b>	<b>-106 578</b>	<b>-101 864</b>
Cost of sales	-97 526	-92 964
Cost of commercialisation	-1 029	- 47
Administration costs	-8 023	-8 853
<b>JOINT VENTURES AND ASSOCIATES</b>	<b>- 162</b>	<b>- 38</b>
Gain (loss) on sales of joint ventures and associates	-	-
Share in the net result of joint ventures and associates	- 162	- 38
<b>OPERATING RESULT</b>	<b>9 829</b>	<b>42 782</b>
Interest income	265	1 544
Interest expense	- 857	-5 956
Other financial income / expenses	- 407	-1 968
<b>FINANCIAL RESULT</b>	<b>- 999</b>	<b>-6 380</b>
<b>RESULT FROM CONTINUING OPERATIONS BEFORE TAXES</b>	<b>8 830</b>	<b>36 402</b>
Income taxes	-3 577	-4 905
<b>RESULT FROM CONTINUING OPERATIONS</b>	<b>5 253</b>	<b>31 497</b>
<b>RESULT OF THE YEAR</b>	<b>5 253</b>	<b>31 497</b>
Share of non-controlling interests	- 46	1 197
<b>SHARE OF IMMOBEL</b>	<b>5 299</b>	<b>30 300</b>



## SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (INTERNAL VIEW)

	TURNOVER	OPERA- TING RESULT	TURNOVER	OPERA- TING RESULT
	30/06/2017	30/06/2017	30/06/2016	30/06/2016
<b>OFFICES</b>				
Belgium	100	193	40 320	2 487
Grand-Duchy of Luwemburg	54 857	580	-	-
Poland		- 934	-	-
<b>SUBTOTAL OFFICES</b>	<b>54 957</b>	<b>- 161</b>	<b>40 320</b>	<b>2 487</b>
<b>RESIDENTIAL</b>				
Belgium	51 895	8 325	72 328	15 558
Grand-Duchy of Luwemburg	166	- 330	-	-
Poland		- 398	-	-
<b>SUBTOTAL RESIDENTIAL</b>	<b>52 061</b>	<b>7 597</b>	<b>72 328</b>	<b>15 558</b>
<b>LANDBANKING</b>				
Belgium	8 193	2 393	1 263	- 415
<b>SUBTOTAL LANDBANKING</b>	<b>8 193</b>	<b>2 393</b>	<b>1 263</b>	<b>- 415</b>
<b>NOT ALLOCATED</b>				
Belgium	-	-	-	25 152
<b>SUBTOTAL NOT ALLOCATED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25 152</b>
<b>TOTAL CONSOLIDATED</b>	<b>115 211</b>	<b>9 829</b>	<b>113 911</b>	<b>42 782</b>
Belgium	60 188	10 911	113 911	42 782
Grand-Duchy of Luwemburg	55 023	250	-	-
Poland	-	-1 332	-	-

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>30/06/2017</b>	<b>31/12/2016</b>
<b>NON-CURRENT ASSETS</b>	<b>12 475</b>	<b>18 477</b>
Investments in joint ventures and associates	- 202	- 36
Other non-current assets	12 677	18 513
<b>CURRENT ASSETS</b>	<b>848 564</b>	<b>767 915</b>
Inventories	601 928	584 001
Trade receivables and other current assets	53 954	55 059
Cash and cash equivalents	192 682	128 855
<b>TOTAL ASSETS</b>	<b>861 039</b>	<b>786 392</b>
<b>TOTAL EQUITY</b>	<b>298 511</b>	<b>314 949</b>
<b>NON-CURRENT LIABILITIES</b>	<b>411 239</b>	<b>324 121</b>
Financial debts	404 840	319 014
Other non-current liabilities	6 399	5 107
<b>CURRENT LIABILITIES</b>	<b>151 289</b>	<b>147 322</b>
Financial debts	65 004	68 356
Trade payables and other current liabilities	86 285	78 966
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>861 039</b>	<b>786 392</b>



FINANCIAL POSITION ITEMS	OFFICES	REDISEN- TIAL	LAND- BANKING	CONSOLI- DATED
Segment assets	148 023	409 346	100 859	658 228
Unallocated items <sup>1</sup>				202 811
<b>TOTAL ASSETS</b>				<b>861 039</b>
Segment liabilities	20 215	47 009	5 824	73 048
Unallocated items <sup>1</sup>				489 480
<b>TOTAL LIABILITIES</b>				<b>562 528</b>
	BELGIUM	GRAND- DUCHY OF LUXEMBUR G	POLAND	CONSOLI- DATED
Segment assets	445 087	126 558	86 583	658 228
Non-current segment assets	3 701	140	122	3 963

INVENTORIES	30/06/2017	31/12/2016
Allocation of inventories by segment is as follows:		
Offices	139 318	192 120
Residential Development	366 754	294 989
Land Development	95 856	96 892
<b>TOTAL INVENTORIES</b>	<b>601 928</b>	<b>584 001</b>
Allocation of inventories by geographical area is as follows:		
Belgium	403 262	402 365
Grand-Duchy of Luxemburg	115 717	112 036
Poland	82 949	69 600
<b>TOTAL INVENTORIES</b>	<b>601 928</b>	<b>584 001</b>

## RECONCILIATION TABLE

	30/06/2017		
	Operating Adjustments Segment		Published Information
Turnover	115 211	-61 282	53 929
Operating result	10 074	- 738	9 336
Total balance sheet	861 039	-39 937	821 102

For segment information, joint ventures are consolidated using the proportional method. The adjustments result from the application of IFRS 11, resulting in the consolidation of joint ventures using the equity method.

<sup>1</sup>.Unallocated items: Assets: Deferred tax assets - Other non-current financial assets - Other non-current assets - Tax receivables - Other current financial assets - Cash and equivalents - Liabilities: Deferred tax liabilities - Financial debts - Tax liabilities – Derivative financial instruments. Intangible assets, property plan and equipment are allocated to segments based on an allocation formula.



## Note 7. Turnover

Turnover is allocated as follows per segment:

	30/06/2017	30/06/2016
Offices	100	24 776
Residential	45 636	59 018
Land Development	8 193	-
<b>TOTAL TURNOVER</b>	<b>53 929</b>	<b>83 794</b>

The total turnover mentioned above has been realised in Belgium.

The diversification of the Group's "customers" portfolio guarantees its independence in the market.

The promotions Chambon, Ste Anne and Jardins du Nord in Brussels, Lake Front in Knokke-Heist, Riverview in Nieuwpoort, Gastuche in Wavre and O'Sea in Oostende contribute to the "Residential Development" turnover.

The activity of the Landbanking department was marked by the start of some significant capital works in the new landbanks at Verger de Fayennois (Grivegnée-Liège), Domaine des Vallées (Gastuche-Grez-Doiceau), de Havenzijde (Lombardsijde-Middelkerke), Beaufays and Soignies.

## Note 8. Other operating income

Break down as follows :

	30/06/2017	30/06/2016
Rental income on properties available for sale or awaiting for development	-	2 413
Gain on disposal of "non-core (carve-out)" activities	-	13 326
Badwill resulting from the merger IMMOBEL / ALLFIN GROUP	-	11 562
Revaluation of IMMOBEL shares held prior to the reverse acquisition	-	2 832
Other income (recoveries of taxes and withholdings, miscellaneous re-invoicing...)	1 216	-
<b>TOTAL OTHER OPERATING INCOME</b>	<b>1 216</b>	<b>30 133</b>

From 1st July 2016, rental income from projects held for development are capitalized as a reduction of the purchase price of the inventories heading. For the year 2017, these are the projects Lebeau in Brussels, acquired in 2014 and Etoile in Luxembourg, acquired in 2016.

Figures on 30/06/2016 were mainly influenced by transactions related to the merger IMMOBEL / ALLFIN GROUP

## Note 9. Cost of sales

Cost of sales is allocated as follows per segment:

	30/06/2017	30/06/2016
Offices	671	-19 930
Land Development	-34 230	-46 296
Lotissement	-4 462	-
<b>TOTAL COST OF SALES</b>	<b>-38 021</b>	<b>-66 226</b>

and are related to the turnover and the projects mentioned in note 7.



## Note 10. Cost of commercialisation

The cost of commercialisation consists of fees paid to third parties and marketing costs relating to the turnover and costs which are not capitalised in stock.

## Note 11. Administration costs

Break down as follows :

	30/06/2017	30/06/2016
Salaries and fees of personnel and members of the Executive Committee	-5 935	- 736
Project monitoring costs capitalized under "Inventories"	2 382	-
Amortisation, depreciation and impairment of assets	212	- 127
Other operating expenses	-1 101	-1 550
Costs relating to the merger between IMMOBEL / ALLFIN GROUP	-	-2 568
Services and other goods (Including mainly rent and charges for the registered office, maintenance, supplies, advertising, ...)	-2 963	-1 815
<b>TOTAL ADMINISTRATION COSTS</b>	<b>-7 405</b>	<b>-6 796</b>

## Note 12. Joint ventures and associates

Gains on sales of joint ventures and associates relate to the sale of the 33,33% interest held in the company PEF KONS INVESTMENT, owner of the building KONS in Luxemburg.

These gains can be summarized as follows:

	30/06/2017
Sale price of joint ventures	11 516
Book value of sold investments	-10 131
Other income / costs related to the transaction	- 632
	<b>753</b>

It should be noted that the project KONS was revalued directly into equity at the merger between IMMOBEL and ALLFIN at 29 June 2016.

The share in the net result of joint ventures and associates break down as follows

	30/06/2017	30/06/2016
Operating result	344	1 918
Financial result	- 928	-1 450
Income taxes	- 19	- 920
<b>RESULT OF THE PERIOD</b>	<b>- 603</b>	<b>- 452</b>

Further information related to joint ventures and associates are described in note 16.



### Note 13. Financial result

The financial result breaks down as follows:

	30/06/2017	30/06/2016
Cost of gross financial debt at amortised cost	-7 054	-4 362
Activated interests on projects in development	1 746	-1 329
Fair value changes	4 670	-
Interest income	1 105	594
Gains and losses on sales of financial assets	-	191
Other financial charges & income	- 696	- 24
<b>FINANCIAL RESULT</b>	<b>- 229</b>	<b>-4 930</b>

### Nota 14. Income taxes

Income taxes are as follows:

	30/06/2017	30/06/2016
Current income taxes for the current year	- 277	-3 313
Deferred taxes	-3 332	- 666
<b>TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME</b>	<b>-3 609</b>	<b>-3 979</b>

Based on the situation per 30 June 2017, a decrease in tax rate of 1% involves an increase of taxes of € 27 thousand (see note 17).

### Note 15. Earnings per share

Due to the absence of potential dilutive ordinary shares in circulation, the basic result per share is the same as the diluted result per share. Basic earnings and diluted earnings per share are determined using the following information:

Basic earnings and diluted earnings per share are determined using the following information:

	30/06/2017
IMMOBEL's share in the result of the year	5 299
IMMOBEL's share in the comprehensive income of the year	5 354

Average number of shares considered for basic earnings and diluted earnings		Earnings per share	
		Net result	Comprehensive income
- Outstanding shares on 31 december 2016	9,997,356	0.53	0.54
- Outstanding shares excluding treasury shares on 31 December 2016	8,766,958	0.60	0.61



## Note 16. Investments in joint ventures and associates

The contributions of joint ventures and associates in the statement of financial position and the statement of comprehensive income is as

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>	<b>30/06/2017</b>	<b>30/06/2016</b>
Investments in associates	- 202	- 36
Investments in joint ventures	41 366	70 251
<b>TOTAL INVESTMENTS INCLUDED IN THE STATEMENT OF FINANCIAL POSITION</b>	<b>41 164</b>	<b>70 215</b>

The book value of investments in joint ventures and associates evolve as follows:

	<b>30/06/2017</b>
<b>VALUE AS AT 1 JANUARY</b>	<b>70 215</b>
Share in result	- 603
Acquisitions, capital injections and loans to joint ventures and associates	3 714
Dividends received from joint ventures and associates	-7 494
Disposals of joint ventures and associates	-10 131
Repayment of capital and advances by joint ventures and associates	-14 532
Currency translation	- 5
<b>CHANGES FOR THE YEAR</b>	<b>-29 051</b>
<b>VALUE AS AT 30 JUNE</b>	<b>41 164</b>
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>	<b>30/06/2017</b>
Share in the net result of joint ventures	- 441
Share in the net result of associates	- 162
<b>SHARE OF JOINT VENTURES AND ASSOCIATES IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>	<b>- 603</b>





The table below shows the contribution of joint ventures and associates in the statement of financial position and the statement of comprehensive income.

NAME	% INTEREST		BOOK VALUE OF THE INVESTMENTS		SHARE IN THE COMPREHENSIVE INCOME	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016	30/06/2017	30/06/2016
Bella Vita	50,0%	50,0%	2 814	5 924	- 105	-
CBD International	50,0%	50,0%	-1 181	- 988	- 193	-
Château de Beggen	50,0%	50,0%	309	312	- 3	-
Fanster Enterprise	50,0%	50,0%		1 285	25	-
Foncière du Parc	50,0%	50,0%	118	172	- 1	-
Gateway	50,0%	50,0%	329	572	- 16	-
Ilot Ecluse	50,0%	50,0%	187	188	- 1	-
Immo Keyenveld 1	50,0%	50,0%	- 13	- 5	- 7	-
Immo Keyenveld 2	50,0%	50,0%	- 21	- 17	- 5	-
Immo PA 33 1	50,0%	50,0%	3 174	5 457	87	-
Immo PA 44 1	50,0%	50,0%	1 628	1 445	108	-
Immo PA 44 2	50,0%	50,0%	5 436	4 314	303	-
Pef Kons Investment	-	33,3%	0	21 614	- 116	-
Les Deux Princes Developement	50,0%	50,0%	- 43	33	- 76	-
M1	33,3%	33,3%	6 087	4 808	- 181	-
M7	33,3%	33,3%	785	682	- 13	-
RAC 3	40,0%	40,0%	3 660	3 597	37	-
RAC 4	40,0%	40,0%	3 921	7 226	- 141	-
RAC 4 Development	40,0%	-	396		- 4	-
RAC 5	40,0%	40,0%	4 711	4 922	- 211	-
Universalis Park 2	50,0%	50,0%	3 959	3 888	- 21	-
Universalis Park 3	50,0%	50,0%	5 030	4 931	- 33	-
Universalis Park 3AB	50,0%	50,0%	- 206	- 239	- 10	-
Universalis Park 3C	50,0%	50,0%	179	18	140	-
Vilpro	50,0%	50,0%	106	111	- 4	-
<b>TOTAL JOINT VENTURES</b>			<b>41 366</b>	<b>70 251</b>	<b>- 441</b>	
DHR Clos du Château	33,3%	33,3%	31	36	- 5	-
Graspa Development	25,0%	25,0%	- 234	- 72	- 157	-
Immobel	-	-				-1 769
<b>TOTAL ASSOCIATES</b>			<b>- 202</b>	<b>- 36</b>	<b>- 162</b>	<b>-1 769</b>
<b>TOTAL JOINT VENTURES AND ASSOCIATES</b>			<b>41 164</b>	<b>70 215</b>	<b>- 603</b>	<b>-1 769</b>



## Note 17. Deferred Taxes

Deferred tax assets or liabilities are recorded in the balance sheet on deductible or taxable temporary differences, tax losses and tax credits carried forward. Changes in the deferred taxes in the balance sheet having occurred over the financial year are recorded in the statement of income unless they refer to items directly recognised under other comprehensive income. Deferred taxes on the balance sheet refer to the following temporary differences:

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Tax losses	700	700	-	-
Inventories	4 237	4 988	4 772	2 544
Financial debts	336	785	-	-
Derivative financial instruments	568	568	48	32
Other assets and liabilities	-	-	114	227
<b>TOTAL</b>	<b>5 841</b>	<b>7 042</b>	<b>4 934</b>	<b>2 803</b>
<b>VALUE AS AT 1 JANUARY</b>	<b>7 042</b>		<b>2 803</b>	
Deferred tax recognised in the consolidated statement of comprehensive income	-1 201		2 131	
<b>VALUE AS AT 31 DECEMBER</b>	<b>5 841</b>		<b>4 934</b>	
<b>Impact change in tax rate of 1%</b>	<b>- 172</b>		<b>145</b>	

Based on the situation per 30 June 2017, a decrease in tax rate of 1% involves an increase of taxes of € 27 thousand.



## Note 18. Inventories

Inventories consist of buildings and land acquired for development and resale.

Allocation of inventories by segment is as follows:

	30/06/2017	31/12/2016
Offices	127 941	120 842
Residential Development	291 106	225 381
Land Development	95 855	96 892
<b>TOTAL INVENTORIES</b>	<b>514 902</b>	<b>443 115</b>

Allocation of inventories by geographical area is as follows:

	30/06/2017	31/12/2016
Belgium	345 208	340 144
Grand-Duchy of Luxemburg	97 513	43 901
Poland	72 181	59 070
<b>TOTAL INVENTORIES</b>	<b>514 902</b>	<b>443 115</b>

Break down of the movements of the year per segment:

	30/06/2017
<b>INVENTORIES AS AT 1 JANUARY</b>	<b>443 115</b>
Purchases of the year	57 594
Developments of the year	47 037
Disposals of the year	-37 509
Borrowing costs	4 670
Write-offs recorded	- 5
<b>CHANGES FOR THE YEAR</b>	<b>71 787</b>
<b>INVENTORIES AS AT 31 DECEMBER</b>	<b>514 902</b>

Break down of the movements of the year per segment:	Purchases	Development	Disposals	Borrowing costs	Net write-offs	Net
Offices	246	9 982	-4 629	1 505	- 5	7 099
Residential Development	56 266	34 903	-28 117	2 673	-	65 725
Land Development	1 082	2 152	-4 763	492	-	-1 037
<b>Total</b>	<b>57 594</b>	<b>47 037</b>	<b>-37 509</b>	<b>4 670</b>	<b>- 5</b>	<b>71 787</b>

Break down of the movements of the year per geographical area:	Purchases	Development	Disposals	Borrowing costs	Net write-offs	Net
Belgium	11 990	27 935	-37 509	2 653	- 5	5 064
Grand-Duchy of Luxemburg	45 604	6 840	-	1 168	-	53 612
Poland	-	12 262	-	849	-	13 111
<b>Total</b>	<b>57 594</b>	<b>47 037</b>	<b>-37 509</b>	<b>4 670</b>	<b>- 5</b>	<b>71 787</b>



## Note 19. Trade receivables

Trade receivables refer to the following segments:

	30/06/2017	31/12/2016
Offices	894	1 163
Residential Development	3 316	5 642
Land Development	1 496	5 307
<b>TOTAL TRADE RECEIVABLES</b>	<b>5 706</b>	<b>12 112</b>

## Note 20. Other current assets

The components of this line item are:

	30/06/2017	31/12/2016
Other receivable	41 088	29 053
of which : advances and guarantees paid	4 881	3 600
taxes (other than income taxes) and VAT receivable	5 253	5 307
advances and guarantees paid	408	1 066
Rental income for projects in development	13 600	16 311
Sales price to receive (Green Dog, Kons)	12 565	-
Dividends to receive from joint ventures	3 057	-
other	1 324	2 769
Deferred charges and accrued income	3 022	3 418
of which: on projects in development	2 500	3 082
other	522	336
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>44 110</b>	<b>32 471</b>

and are related to the following segments:

	30/06/2017	31/12/2016
Offices	4 692	3 052
Residential Development	36 642	26 712
Land Development	2 776	2 707
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>44 110</b>	<b>32 471</b>

## Note 21. Information related to the net financial debt

The Group's net financial debt is the balance between the cash and cash equivalents and the financial debts (current and non-current). It amounts to € -254 464 thousand as at 30 June 2017 compared to € -201 472 thousand on 31 December 2016.

	30/06/2017	31/12/2016
Cash and cash equivalents	179 099	120 638
Non current financial debts	368 631	281 578
Current financial debts	64 932	40 532
<b>NET FINANCIAL DEBT</b>	<b>-254 464</b>	<b>-201 472</b>

The Group's gearing ratio (net financial debt / equity) is 85% as at 30 June 2017, compared to 64% on 31 December 2016



### Cash and cash equivalents

Cash deposits and cash at bank and in hand amount to € 179 099 thousand compared to € 120 638 thousand at the end of 2016, representing an increase of € 58 461 thousand.

The available cash are as follows:	30/06/2017	31/12/2016
Term deposits with an initial duration of maximum 3 months	50 000	-
Cash at bank and in hand	129 099	120 638
<b>AVAILABLE CASH AND CASH EQUIVALENTS</b>	<b>179 099</b>	<b>120 638</b>

The explanation of the change in available cash is given in the consolidated cash flow statement. Cash and cash equivalents are fully available, either for distribution to the shareholders or to finance projects owned by different companies.

### Financial debts

Financial debts increased with € 111 453 thousand, from € 322 110 thousand at 31 December 2016 to € 433 563 thousand at 30 June 2017. This increase is mainly related to the bond emission in May 2017 for € 100 000 thousand. The components of financial debts are as follows:

	30/06/2017	31/12/2016
Bond issues:		
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR	-	59 666
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR fair value adjustment	-	2 310
Bond issue maturity 27-06-2019 at 6.75% - nominal amount 36.65 MEUR	35 471	35 425
Bond issue maturity 31-05-2022 at 3.00% - nominal amount 100 MEUR	99 606	-
Credit institutions	233 554	184 177
<b>NON CURRENT FINANCIAL DEBTS</b>	<b>368 631</b>	<b>281 578</b>
Bond issues:		
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR	59 801	-
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR fair value adjustment	990	-
Credit institutions	2 999	36 581
Bonds - not yet due interest	1 142	3 951
<b>CURRENT FINANCIAL DEBTS</b>	<b>64 932</b>	<b>40 532</b>
<b>TOTAL FINANCIAL DEBTS</b>	<b>433 563</b>	<b>322 110</b>
Financial debts at fixed rates	195 868	97 401
Financial debts at variable rates	236 553	220 758
Bonds - not yet due interest	1 142	3 951
Amount of debts guaranteed by securities	236 553	220 758
Book value of Group's assets pledged for debt securities	456 309	402 374

Financial debts evolve as follows:	30/06/2017	31/12/2016
<b>FINANCIAL DEBTS AS AT 1 JANUARY</b>	<b>322 110</b>	<b>178 751</b>
Contracted debts	150 888	107 009
Repaid debts	-35 493	-133 627
Liabilities from the reverse acquisition	-	165 717
Fair value adjustments resulting from the business combination	-	5 834
Change in the fair value recognized in the statement of comprehensive income	-1 320	-3 524
Bonds - paid interest	-3 951	-2 340
Bonds - not yet due interest	1 142	3 951
Amortization of deferred debt issue expenses	187	339
<b>CHANGES FOR THE YEAR</b>	<b>111 453</b>	<b>143 359</b>
<b>FINANCIAL DEBTS AS AT 31 DECEMBER</b>	<b>433 563</b>	<b>322 110</b>



All the financial debts are denominated in €.

Except the bonds, the financing of the Group and the financing of the Group's projects are provided based on a short-term rate, the 1 to 12 months Euribor, increased by commercial margin. IMMOBEL disposes at June 30, 2017 of a corporate credit line of € 10 million, unused, and confirmed credit lines for the projects of € 470 million, of which € 237 million is used at June 30, 2017. At June 30, 2017, the book value of Group's assets pledged to secure the corporate credit and the project financing credits amounts to € 456 million.

The table below summarizes the maturity of the financial liabilities of the Group:

<b>DUE IN</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2022</b>	<b>2024</b>	<b>Total</b>
Bonds	-	60 990	35 650	-	100 000	-	196 640 *
Bonds - Interest	-	1 142	-	-	-	-	1 142
Project Financing Credits	2 999	80 319	87 682	45 803	8 600	11 150	236 553
<b>TOTAL AMOUNT OF DEBTS</b>	<b>2 999</b>	<b>142 451</b>	<b>123 332</b>	<b>45 803</b>	<b>108 600</b>	<b>11 150</b>	<b>434 335</b>

\* The amount on the balance sheet, € 195 868 thousand, includes € 772 thousand charges to be amortized until maturity in 2018, 2019 and 2022.

#### *Interest rate risk*

Based on the situation as per 30 June 2017, each change in interest rate of 1% involves an annual increase or decrease of the interest charge on debts at variable rate of € 2 366 thousand. In the frame of the availability of long term credits, Corporate or Project Financing, the Group uses financial instruments mainly for the hedging of interest rates. At 30 June 2017, the derivative financial instruments have been concluded to hedge future risks and are the following:

<b>Period</b>	<b>Instru- ments</b>	<b>Strike</b>	<b>Notional amounts</b>
09/2015 - 09/2018	IRS bought	0.10%	26 000
09/2014 - 12/2019	IRS bought	0.86%	53 122
	<b>Total</b>		<b>79 122</b>

The fair value of derivatives is determined based on valuation models and future interest rates ("level 2"). The change in fair value of financial instruments is recognized through the statement of income as those have not been designated as cash flow hedges.

	<b>30/06/2017</b>	<b>31/12/2016</b>
<b>FAIR VALUE OF FINANCIAL INSTRUMENTS</b>		
Hedging instruments:		
- Bought IRS Options	1 363	1 789
<b>TOTAL</b>	<b>1 363</b>	<b>1 789</b>
<b>CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS</b>		
<b>SITUATION AT 1 JANUARY</b>	<b>1 789</b>	
Changes during the period:	- 426	
<b>SITUATION AT 31 DECEMBER</b>	<b>1 363</b>	

No instrument has been documented as hedge accounting at 30 June 2017.



### Information on fair value of financial instruments

The following table list the different classes of financial assets and liabilities with their carrying amounts in the balance sheet and their respective fair value and analysed by their measurement category.

The fair value of financial instruments is determined as follows:

- If their maturities are short-term (eg: trade receivables and payables), the fair value is assumed to be similar at amortized cost,
- For fixed rate debts, based on discounted future cash flows estimated based on market rates at closing,
- For variable rate debts, the fair value is assumed to be similar at amortized cost,
- For derivative financial instruments, the fair value is determined based on discounted future cash flows estimated based on curves of forward interest rates. This value is mentioned by the counterparty financial institution,
- For quoted bonds, based on the quotation at the closing.

The fair value measurement of financial assets and financial liabilities can be characterized in one of the following ways:

- Level 1: the fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices in active markets for identical assets and liabilities,
- Level 2: the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments,
- Level 3: the fair values of the remaining financial assets and financial liabilities are derived from valuation techniques which include inputs which are not based on observable market data.

	Level of the fair value	Carrying amount 30-06-2017	Amounts recognized in balance sheet in accordance with IAS39		
			Amortized cost	Fair value trough profit or loss	Fair value 30-06-2017
<b>ASSETS</b>					
Cash and cash equivalents	Niveau 1	179 099	179 099		179 099
Other non-current financial assets	Niveau 2	1 546	1 546		1 546
Other non-current assets	Niveau 2	987	987		987
Trade receivables	Niveau 2	5 706	5 706		5 706
Other operating receivables	Niveau 2	66 563	66 563		66 563
Other current financial assets	Niveau 2	834	834		834
<b>TOTAL</b>		<b>254 735</b>	<b>254 735</b>		<b>254 735</b>
<b>LIABILITIES</b>					
Interest-bearing debt	Niveaux 1 et 2	431 431	431 431		431 431
Trade payables	Niveau 2	31 685	31 685		31 685
Other operating payables	Niveau 2	39 397	39 397		39 397
Derivative financial instruments	Niveau 2	1 363		1 363	1 363
<b>TOTAL</b>		<b>503 876</b>	<b>502 513</b>	<b>1 363</b>	<b>503 876</b>



### Financial commitments

For most of its financial debts, the Group has signed financial commitments. These commitments include equity, net financial debts and the relation between equity and stocks. As in previous years, the Group fulfilled these commitments, on 30 June 2017.

### Note 22. Trade payables

This account is allocated by segment as follows:

	30/06/2017	31/12/2016
Offices	10 102	13 637
Residential Development	17 853	16 276
Land Development	3 062	3 850
<b>TOTAL TRADE PAYABLES</b>	<b>31 018</b>	<b>33 763</b>

### Note 23. Other current liabilities

The components of this account are:

	30/06/2017	31/12/2016
Personnel debts	379	749
Taxes (other than income taxes) and VAT payable	1 665	5 804
Advances on sales	5 349	1 610
Advances from joint ventures and associates	6 998	9 220
Accrued charges and deferred income	1 063	1 086
Operating grants	3 120	4 711
Sales price Tractim (Polvermillen)	13 404	-
Payment received for third parties	3 137	-
Other	3 140	3 319
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>38 255</b>	<b>26 499</b>

Other current liabilities are related to the following segments:

	30/06/2017	31/12/2016
Offices	4 618	12 674
Residential Development	30 978	11 291
Land Development	2 659	2 534
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>38 255</b>	<b>26 499</b>

### Note 24. Change in working capital

The change in working capital by nature is established as follows:

	30/06/2017	30/06/2016
Inventories, including acquisition and sales of entities that are not considered as business combinations	-67 892	-28 521
Trade receivables & Other current assets	-10 019	12 920
Trade payables & Other current liabilities	7 833	
<b>CHANGE IN WORKING CAPITAL</b>	<b>-70 078</b>	<b>-15 601</b>





### **Note 25. Seasonal character of the results**

Due to intrinsic character of its activity, Real Estate Development, the results of the first half year 2017 cannot be extrapolated over the entire year. These results depend from the final transactions signed before 30 June 2017.

### **Note 26. Major events that took place after the end of the interim reporting date**

No significant event that may change the financial statements occurred from the reporting date on 30 June 2017 up to 31 August 2017 when the financial statements were approved by the Board of Directors.

#### *Other subsequent events*

##### **Vilpro**

IMMOBEL, owner of 50% of the shares of the company, and the other shareholders (50%) have signed a letter of intent on the sale of 100% of the shares of the company on 14 July 2017. The transactions will be closed during October 2017.

##### **CBD One**

By a ruling dated 9<sup>th</sup> of August, the Warsaw court of appeal dismissed all the actions against the CBD One project. The latter had been suspended due to claims but is expected to resume as of Q4 2017. This 18,000 sqm flagship project, situated in the heart of the Polish Capital on the only crossing of the 2 metro-lines will differentiate itself through its unique architecture, developed by Arquitectonica in collaboration with the Polish architect Kazimierski i Ryba.



### 3. STATEMENT OF THE RESPONSIBLE PERSONS

AHO Consulting BVBA, represented by Mr. Alexander HODAC, in his capacity of Chief Executive Officer and Val U Invest BVBA, represented by Mr. Valéry AUTIN, in his capacity of Chief Financial Officer state that, to the best of their knowledge:

- The interim report contains a true representation of the major events and, where appropriate, of the main transactions between the parties involved that took place during the first 6 months of the financial year and of their impact on the set of summarised accounts, as well as a description of the main risks and uncertainties for the remaining months of the financial year.
- the set of summarised financial statement, which have been drawn up in accordance with applicable accounting regulations, and which have been the subject of a limited review by the auditor, give a true representation of the financial situation and profits and losses of the IMMOBEL Group and of its subsidiaries.



## 4. AUDITOR'S REPORT

# Deloitte.

### Report on the review of the consolidated interim financial information of Immobel SA for the six-month period ended 30 June 2017

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position as at 30 June 2017, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows and the consolidated statement of changes in equity for the period of six months then ended, as well as selective notes 1 to 26.

#### Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Immobel SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The consolidated statement of financial position shows total assets of 821 102 thousands EUR and a consolidated profit (group share) for the period then ended of 5 299 thousands EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

#### Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information 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 performed in accordance with the International Standards on Auditing (ISA) 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 on the consolidated interim financial information.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Immobel SA has not been prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Ghent, 31 August 2017

#### The statutory auditor

**DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises**  
BV o.v.v.e. CVBA / SC s.f.d. SCRL  
Represented by Kurt Dehoorne

Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises  
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /  
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