

**Ghelamco Group Comm. VA  
Half year results 30.06.2015**

**Sound results and sustained growth from continued investment and  
commercialisation efforts in core market segments**

- Net profit for the period of 48,253 KEUR (vs. 669 KEUR as of 30.06.14)
- Solvency ratio of 43% (45% as per 31.12.14)
- Significant construction and leasing efforts on the Warsaw Spire (+/- 108,000 sqm of office space in the Wola District of Warsaw), resulting in the finalisation of building C, the signing of a lease record-deal of approx. 22,000 sqm with anchor tenant Samsung and a lease rate of over 70% for the project as a whole.
- Finalisation of construction and delivery of the Waterview project (comprising 460 student houses, +/- 5,000 sqm retail space and +/- 1,000 parking spaces) in Leuven, Vaartkom), welcoming of the first tenants in the retail part and sale of a significant number of student units in the residential part in the course of the first semester of 2015
- Retention of the Ghelamco /BAM Consortium (“Eurostadium Brussels”) as preferred bidder for the construction of the Euro-stadium on parking C of the Heizel site. Related contract drafting is currently being finalised.

**Preliminary remark**

Since 2007, Ghelamco (Consortium)’s business activities are structured in three major holdings under common control of the ultimate shareholders (jointly referred to as “Ghelamco”):

- Investment Holding: comprises resources invested in the development of real estate projects in Belgium, Poland, Russia and Ukraine and the intra-group Financing Vehicles – referred to as “Investment Group” or the “Group”;
- Development Holding: represents international entities that provide construction, engineering and development services to the Investment Group;
- Portfolio Holding: consists of all other activities and real estate investments controlled by the ultimate shareholders.

Ghelamco Group Comm. VA (the “Group”) is the holding company of the Investment Group that, together with its direct and indirect legal subsidiaries, constitute the reporting entity for the purpose of these interim condensed financial statements.

## Summary

The Group closed its 2015 half-year accounts with a net profit of 48,253 KEUR, after continued investment and commercialisation efforts. Thanks to these efforts the Group realised significant residential sales and in addition managed to achieve sustained growth through further investing in existing and new developments. This is reflected in a balance sheet total of 1,450,050 KEUR and an equity of 621,398 KEUR. The solvency ratio amounted to 43%.

The investing activities in Poland have during the first half of 2015 mainly been focused on the further realisation of the Warsaw Spire (+/- 108,000 sqm of office space in the Warsaw Wola District), resulting in the finalisation of satellite building C, and on the construction of the Woloska 24 project (approx. 20 Ksqm office project in the Warsaw Mokotow District). Continued and successful leasing efforts on the Warsaw Spire project have resulted in the fact that the project as a whole is currently leased for over 70%. In addition, the residential Q-Bik project was further commercialised in a way that currently 85% of available soft lofts have been sold.

In Belgium, the Group has over the past years intensified its project development activities (with currently over 40 projects in portfolio). As a consequence, a significant number of Belgian projects have in the course of the last two to three years been delivered and commercialised. In the current 6-month period, further leasing efforts have been done on mainly the Blue Towers (+/- 28,000 sqm office space project) in Ghent, resulting in an occupation rate per date of the current report of over 75%. In addition, during the first half of 2015 further realisation efforts were done in the Waterview project in Leuven (mixed retail, student housing and parking space project in the Vaartkom), resulting in the delivery of the retail and parking parts of the project and the welcoming of the first tenants. The residential part of the project was delivered shortly after period-end and over 70% of available student units have per date of the current report been sold.

Mid March 2015 the City of Brussels has retained Eurostadium Brussels preferred bidder for the construction of the Euro-stadium on parking C of the Heizel site. This new national stadium will amongst others comprise 60.000 seats, 6.000 VIP places and over 14.000 parking spaces. The project is expected to be realized in 2018. Contract drafting is currently being finalised.

## Key figures

<b>Results</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Operating result	72,833	21,379
Net result of the year	48,253	669
Share of the group in the net result of the year	47,762	177
<b>Balance sheet</b>	<b>30.06.2015</b>	<b>31.12.2014</b>
Total assets	1,450,050	1,267,826
Cash and cash equivalents	79,932	98,955
Net financial debt (-)	634,176	522,475
Total equity	621,398	571,183

Revenue for the first semester of 2015 amounts to 58,082 KEUR and relates to rental income (14,262 KEUR) and sales of residential projects (43,197 KEUR).

The investment property (under construction) portfolio evolved from 820,414 KEUR per end 2014 to 972,413 KEUR per end of June 2015; evolution which is the combined result of current period's expenditures (75,779 KEUR), fair value adjustments (62,156 KEUR) and currency translation impact (14,064 KEUR). The current period's net favorable fair value adjustment is mainly the consequence of the Group's sustained investment and leasing efforts, in combination with market evolution (in terms of yields and rent levels).

The operating result for the first half-year of 2015 totals to 72,833 KEUR; net profit for the period closes with 48,253 KEUR.

Property development inventories balance increased by 15,728 KEUR to 198,645 KEUR; evolution which is the combined effect of further expenditures on Belgian (residential) projects (mainly the residential part of the Waterview project in Leuven Vaartkom, the Blaisantvest and Tribeca projects in Ghent and the acquisition of two sites in Brussels for the future development of mixed residential-office-retail projects) and the sale of residential projects in Belgium (mainly in the Waterview project in Leuven Vaartkom and the Blaisant Park project in Ghent ) and Poland (QBik soft loft project in Warsaw) and.

During the period the Group was able to obtain new bank borrowings and withdraw on existing credit facilities for a total amount of 85.8 MEUR. On the other hand, reimbursements and refinancings have been done for an amount of 10.3 MEUR, bringing the total outstanding amount of bank borrowings to 443.0 MEUR (compared to 367.5 MEUR at 31/12/2014). Also considering the outstanding bonds (150,124 KEUR net outstanding private and public bonds in Poland and 110,311 KEUR net outstanding private bonds in Belgium), leverage<sup>1</sup> amounts to 49%.

## **Overview by country**

### Belgium

In Belgium, the Group's main development activities during the first half of 2015 related to:

- Continuation and completion of the construction works of the Waterview project in Leuven Vaartkom (mixed project of +/- 460 student homes, +/- 5,000 sqm retail and +/- 1,000 parking spaces).  
In the retail part of the project, Albert Heijn opened its new retail store on 1 April 2015 and per date of the current report, over 70% of the available retail space has been leased.  
The student homes (residential part of the project) have been delivered in July 2015. Per date of the current report, over 70% of available student units (460 in total) have been sold.  
Also the parking complex has been taken into use.
- Continuation and completion of the Blaisantvest project in Ghent (mixed residential and retail project). Per date of the current report, over 90% of the units have been sold.
- Acquisition at end of February 2015 of 2 buildings located at the Louizalaan and the Boulevard Bischoffsheim, Brussels for a total amount of 24.5 MEUR, for the future development and realisation of resp. a combined retail-residential project (52 luxurious apartments and approx. 500 sqm of shopping space, in the centre of Brussels) and an office-residential project (approx. 16,000 sqm office space, 22 apartments and 174 parkings).

As to divestures and/or revenues:

- Current period's revenues mainly related to the commercialisation of the residential part of the Waterview project in Leuven Vaartkom. During the first half of 2015 196 student units have been sold and per end of June 2015, 239 units (of 461) in total have been sold. While per date of the current report, already over 70% of total available student units have been sold.

### Poland

In Poland, the Group in first instance maintained its existing land bank but also took advantage of some expansion opportunities (with e.g. acquisition of the Grzybowska 73 plot, which will together with the

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<sup>1</sup> Calculated as follows: interest-bearing loans and borrowings/ total assets



Grzybowska 77 plot already in portfolio, allow for the future development of a +/- 30,000 sqm office project in central Warsaw).

During the first semester of 2015, the final building permit for the Foksal 13/15 residential project, prestigious luxury apartment complex in the historic centre of Warsaw, has been received.

The Group focused on the continuation of construction works of the Warsaw Spire project, 220-meter, 49-storey development in the Warsaw Wola District which is to offer 108,000 sqm office space in total. During the first half of 2015, satellite building C has been finalised, while construction works of the tower (building A) have well advanced. Also the Woloska 24 project (approx. 20,000 sqm office space in the Warsaw Mokotow District) is under construction, as well as the Plac Vogla project (approx. 5,200 sqm retail space in the Warsaw Wilanow District).

As to (pre-)leasing and occupation of projects:

Per date of the current report, the Warsaw Spire project has on the whole been leased for over 70%. Building B (delivered in 2014) is currently leased for over 90%, while building C (delivered in 2015, as stated) is leased for approx. 70%. In April 2015, the Group signed an anchor tenant lease agreement for approx. 22,000 sqm of space in the tower with Samsung. The deal is being seen as the largest office lease transaction ever in the Warsaw city centre, as well as one of the biggest in the country.

As to divestures and/or revenues:

Current period's revenues mainly related to the further commercialisation of the Q-Bik project: 350 residential soft lofts in Warsaw for which per mid 2015 approx. 85% of available units have been sold.

#### Other countries

In Ukraine, the Kopylov Logistics Park project (in the Makariv District of the Kyiv Region) has an occupation rate of over 90%. The investment is kept in portfolio.

In Russia, the first (building A, approx. 60,000 sqm) and second phase (building B, approx. 68,000 sqm) of the Dmitrov Logistics Park – class A warehouse complex of four buildings totalling approx. 227,000 m<sup>2</sup> of lettable area in the northern part of the Moscow Region – have in the past years been delivered and are currently leased for resp. over 90% and 70%. The political and economic situation in Russia has evolved in a way that the RUB has in the first half of 2015 again relatively strengthened vs. the EUR/USD. Also considering positive evolution in (warehouse) tenant activity, construction works of building C (approx. 46,000 sqm) have started.

#### **Outlook**

It is the Group's strategy to further diversify its development portfolio in the countries where it is currently active by spreading its developments over different real estate segments.

For the second half of 2015, the Group will continue its sustained growth. In addition, it will closely monitor specific evolutions in its active markets and real estate segments. Considering its sound financial structure and the expected further market evolutions (in terms of tenant activity and evolution in yields), the Group is confident to achieve this growth and its goals for 2015 in general.

## Risks

Due to its activities, the Group is exposed to a variety of financial and operational risks: including exchange rate risk, interest rate risk, price risk, credit risk and liquidity risk. Financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables and borrowings.

These risks, which are described in detail in the Ghelamco Group Comm. VA IFRS Consolidated Financial Statements at 31 December 2014, remain applicable for 2015 and are closely managed and monitored by the Group's management.

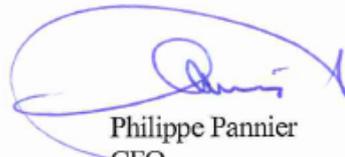
### Declaration in accordance with Art. 13 of the Belgian Royal Decree of 14 November 2007

The Management, acting in the name of and on behalf of GHELAMCO GROUP Comm. VA, attest that to the best of their knowledge,

- the interim condensed financial statements are prepared in accordance with applicable accounting standards and give, in all material respect, a true and fair view of the consolidated assets and liabilities, financial position and consolidated results of the Group and of its subsidiaries included in the consolidation for the six month period;
- the interim financial management report, in all material respect, gives a true and fair view of all important events and significant transactions with related parties that have occurred in the first six month period and their effects on the interim financial statements, as well as an overview of the most significant risks and uncertainties we are confronted with for the remaining six months of the financial year.



Paul Gheysens  
CEO & Managing Director  
Ieper  
28/09/2015



Philippe Pannier  
CFO  
Ieper  
28/09/2015

### **About Ghelamco**

*Ghelamco Group is a leading European real estate investor and developer active in the offices, residential, retail and logistics markets. It maintains a high quality internal control with respect for agreed milestones over all its project development phases: land purchase, planning, coordinating the construction phase and sale or lease. Its projects combine prime and strategic locations with efficient and aesthetically inspiring designs and correct timing. Its successes on the Belgian, French, Polish, Ukrainian and Russian markets are generated by the group's professional and enthusiastic staff that is driven by the vision and passion of its management.*

### Condensed consolidated income statement (in KEUR)

	<b>30/06/2015</b>	<b>30/06/2014</b>
Revenue	58,082	34,027
Other operating income	1,247	1,736
Cost of Property Development Inventories	-27,237	-17,401
Employee benefit expense	-546	-637
Depreciation amortisation and impairment charges	-286	-291
Gains from revaluation of Investment Property	62,156	22,382
Other operating expense	-20,373	-18,437
Share of results of associates	-210	
<b>Operating result</b>	<b>72,833</b>	<b>21,379</b>
Finance income	1,795	1,750
Finance costs	-13,154	-21,965
<b>Result before income tax</b>	<b>61,474</b>	<b>1,164</b>
Income tax expense	-13,221	-495
<b>Result of the period</b>	<b>48,253</b>	<b>669</b>
<b>Attributable to</b>		
Equity holders of parent	47,762	177
Non-controlling interests	491	492

### Condensed consolidated statement of comprehensive income (in KEUR)

	<b>30/06/2015</b>	<b>30/06/2014</b>
<b>Profit for the period</b>	<b>48,253</b>	<b>669</b>
Exchange differences on translating foreign operations	1,958	1,978
Other	1	-23
<b>Other comprehensive income of the period</b>	<b>1,959</b>	<b>1,955</b>
<b>Total Comprehensive income for the period</b>	<b>50,212</b>	<b>2,624</b>
<b>Attributable to</b>		
Equity holders of parent	49,721	2,132
Non-controlling interests	491	492



## Condensed consolidated balance sheet (in KEUR)

	30/06/2015	31/12/2014
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment Property	972,413	820,414
Property, plant and equipment	352	391
Intangible assets	4,050	4,299
Investments in associates	380	590
Receivables and prepayments	68,962	58,896
Deferred tax assets	6,557	6,432
Other financial assets	1,437	1,582
Restricted cash	0	256
	<b>1,054,151</b>	<b>892,860</b>
<b>Current assets</b>		
Property Development Inventories	198,645	182,917
Trade and other receivables	116,332	91,810
Current tax assets	15	19
Derivatives	0	290
Assets classified as held for sale	975	975
Restricted cash		
Cash and cash equivalents	79,932	98,955
	<b>395,899</b>	<b>374,966</b>
<b>TOTAL ASSETS</b>	<b>1,450,050</b>	<b>1,267,826</b>

## Condensed consolidated balance sheet (in KEUR) (cont'd)

	30/06/2015	31/12/2014
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>		
Share capital	73,194	73,194
CTA	14,156	12,198
Retained earnings	528,046	480,283
	615,396	565,675
Non-controlling interests	6,002	5,508
<b>TOTAL EQUITY</b>	<b>621,398</b>	<b>571,183</b>
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	588,487	440,187
Deferred tax liabilities	35,668	23,770
Other non-current liabilities	2,500	2,500
Long-term provisions	177	178
<b>Total non-current liabilities</b>	<b>626,832</b>	<b>466,635</b>
<b>Current liabilities</b>		
Trade and other payables	73,156	46,458
Current tax liabilities	3,043	2,307
Interest-bearing loans and borrowings	125,621	181,243
Short-term provisions		
<b>Total current liabilities</b>	<b>201,820</b>	<b>230,008</b>
<b>Total liabilities</b>	<b>828,652</b>	<b>696,643</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,450,050</b>	<b>1,267,826</b>

## Condensed consolidated cash flow statement (in KEUR)

	30/06/2015	30/06/2014
<b>Cash flow from operating activities</b>		
<b>Result of the year before income tax</b>	<b>61,474</b>	<b>1,164</b>
<i>Adjustments for:</i>		
- Share of results of associates	210	0
- Change in fair value of investment property	-62,156	-22,382
- Depreciation, amortization and impairment charges	286	291
- Result on disposal investment property	0	0
- Change in provisions	-1	0
- Net finance costs	7,832	14,261
- Movements in working capital:		
- change in inventory	-15,728	-3,580
- change in trade & other receivables	-24,522	-26,867
- change in trade & other payables	4,939	-131
- change in fair value of derivatives	290	397
- Movement in other non-current liabilities	0	0
- Other non-cash items	60	-521
Income tax paid	-708	-1,374
Interest paid	-9,903	-14,219
<b>Net cash from operating activities</b>	<b>-37,927</b>	<b>-52,961</b>
<b>Cash flow from investing activities</b>		
Interest received	1,795	1,750
Purchase of property, plant & equipment	0	20
Purchase of investment property	-53,601	-70,456
Capitalized interest in investment property	-9,460	-5,232
Proceeds from disposal of investment property	0	2,500
Cash in/outflow on other non-current financial assets	-9,921	6,413
Movement in restricted cash accounts	256	98
<b>Net cash flow used in investing activities</b>	<b>-70,931</b>	<b>-64,907</b>
<b>Financing Activities</b>		
Proceeds from borrowings	117,052	185,444
Repayment of borrowings	-24,374	-61,488
Dividends paid		
<b>Net cash inflow from / (used in) financing activities</b>	<b>92,678</b>	<b>123,956</b>
<b>Net increase in cash and cash equivalents</b>	<b>-16,180</b>	<b>6,088</b>

<b>Cash and cash equivalents at 1 January</b>	<b>98,955</b>	<b>70,182</b>
Effects of exch. rate changes in non-EUR countries	-2,843	3,800
<b>Cash and cash equivalents at the end of the period</b>	<b>79,932</b>	<b>80,070</b>

### Condensed consolidated statement of changes in equity (in KEUR)

	Attributable to the equity holders			Non-controlling interests	Total equity
	Share capital	Cumulative translation reserve	Retained earnings		
<b>Balance at 1 January 2014</b>	<b>73,194</b>	<b>8,214</b>	<b>489,941</b>	<b>4,954</b>	<b>576,303</b>
Foreign currency translation (CTA)		1,978			1,978
Profit/(loss) for the period			177	492	669
Dividend distribution					0
Change in non-controlling interests					
Change in the consolidation scope			-18	31	13
Other			-6		-6
<b>Balance at 30 June 2014</b>	<b>73,194</b>	<b>10,192</b>	<b>490,094</b>	<b>5,477</b>	<b>578,957</b>
<b>Balance at 1 January 2015</b>	<b>73,194</b>	<b>12,198</b>	<b>480,283</b>	<b>5,508</b>	<b>571,183</b>
Foreign currency translation (CTA)		1,958			1,958
Profit/(loss) for the period			47,762	491	48,253
Dividend distribution					
Change in non-controlling interests					
Change in the consolidation scope			1	3	4
Other					0
<b>Balance at 30 June 2015</b>	<b>73,194</b>	<b>14,156</b>	<b>528,046</b>	<b>6,002</b>	<b>621,398</b>

## Notes to the condensed consolidated interim financial statements at 30 June 2015

### 1. Basis of preparation

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

The new interpretations and standards that are applicable from 2015 (including IFRIC21) did not have any significant impact on the Group financial statements.

### 2. Significant accounting policies

The condensed consolidated interim financial statements are prepared on a historic cost basis, with the exception of investment property (under construction) and derivative financials instruments, which are stated at fair value.

All figures are in thousands of EUR (KEUR), unless stated otherwise.

The accounting policies adopted are consistent with those followed for the preparation of the Group’s consolidated financial statements for the year ended 31 December 2014.

### 3. Property development inventories

Property Development Inventories contain mainly plots of land held for development of residential purposes and residential buildings either finished or still under construction.

	<b>30/06/2015</b>	<b>31/12/2014</b>
Property Development Inventories	198,558	182,811
Raw materials	69	58
Finished goods	18	48
	<b><u>198,645</u></b>	<b><u>182,917</u></b>

A large part of inventories of the Group are located in Belgium and Poland. All assets located in Russia and Ukraine are reported under Investment Properties as they are held for investment purposes.

In Poland, a large part (17,624 KEUR) of the 30/06/2015 inventory balance relates to the Q-Bik project (350 residential soft lofts in the Mokotów district of Warsaw), for which at the date of this report, approx. 85% of available units have been sold.

In Belgium, the inventory mainly relates to residential projects (both finalized and under construction) at the Belgian coast, mainly in Knokke and (East-Dune) Oostduinkerke, the Tribeca brownfield site in Ghent (24,000 m<sup>2</sup> plot, for the development of an approx. 35,000 m<sup>2</sup> mixed residential, student houses and retail space project), the residential part of the Waterview project (+/- 220 remaining student houses of 461 at Vaartkom Leuven) and two sites located at the Louizalaan and the Boulevard Bischoffsheim, Brussels for the future realisation of (combined) residential-office-retail projects.

	30/06/2015		31/12/2014	
Inventories – Poland	44,463	22%	50,183	27%
Inventories – Belgium	154,169	78%	132,720	73%
Inventories – Other countries	13		14	
	<b>198,645</b>	<b>100%</b>	<b>182,917</b>	<b>100%</b>

#### 4. Investment property (under construction)

<b>Balance at 31 December 2014</b>	<b>820,414</b>
Acquisition of properties	4,603
Acquisition through business combinations	
Subsequent expenditure	71,176
Transfers	
- Assets classified as held for sale	
- Other transfers	
Adjustment to fair value through P/L	62,156
Disposals	
CTA	14,064
other	
<b>Balance at 30 June 2015</b>	<b>972,413</b>

Investment Properties are stated at fair value as determined by either independent appraisers or by management and are classified in 4 categories:

- Land without pre-permit approval, held for capital appreciation or undetermined use (fair value based on comparative method);
- Land with pre-permit approval held for development and investment (fair value based on the potential of constructing leasable m<sup>2</sup>);
- Land + Construction ongoing (fair value based on the residual method);
- Completed Projects held for investment.

Country + SPV	Commercial Name	Valuation	Cat	30/06/2015	31/12/2014
				KEUR	KEUR
<b>BELGIUM</b>					
Leisure Property Invest	Golf Knokke Zoute	Man	A	35,497	31,700
WRP	Wavre Retail Park	Man	B	12,600	12,600
Retail Gent	Retail Gent	CBRE	D	16,375	17,250
Parking Gent	Parking Gent	CBRE	C/D	29,789	29,729
Parking Estates	Parking Estates	CBRE	D	2,371	2,371
Zeewind	Zeewind	Man	D	1,737	1,737
Schelde Offices	Schelde Offices	Cushman	D	31,000	27,450

Arte Offices	Arte Offices	Cushman	D	32,200	29,350
Ring Hotel	Ring Hotel	Man	B	5,489	5,473
Ring Multi	Ghelamco Arena Multifunctional space	Cushman	D	20,625	19,275
Docora	Ghelamco Arena Offices	Cushman	C/D	14,576	13,926
Ring Offices	Ghelamco Arena Offices	Cushman	D	2,900	2,410
Ghelamco Invest	Le 8300	Man	C	20,491	19,566
Waterview/Parking Leuven	Waterview Parkings	Cushman	C	8,360	5,691
Waterview/Retail Leuven	Waterview Retail space	Cushman	D	8,000	4,832

#### POLAND

Apollo Invest	Spinnaker Tower	KNF	B	18,313	17,259
Postepu SKA/Business Bud	Postepu Business Park	KNF	B	10,030	10,043
Sienna Towers SKA/Capital SKA	Sienna Towers	KNF	B	55,658	52,897
WS SKA/Warsaw Spire	Spire and Chopin Tower	KNF	C/D	327,705	244,183
Sobieski SKA/Innovation	Sobieski Tower	DTZ	B	18,330	17,748
Market SKA	Mszczonow Logistics	ASB	B	2,832	2,832
SBP SKA/Pro Business	Synergy Business Park Wroclaw	KNF	B	20,315	20,002
Grybowska77 SKA	Grzybowska	KNF	B	23,460	9,700
Wronia SKA/Logistyka SKA	Wronia	KNF	B	17,090	16,650
Vogla SKA/Callista SKA	Wilanow Retail	KNF	C	12,329	6,927
Tilia SKA/ACG1 SKA	Powisle	KNF	A	5,790	6,120
Dahlia SKA	Woloska 24	KNF	C	19,891	13,192

#### RUSSIA

Bely Rast e.a.	Dmitrov Logistic Park	JLL	D/C	174,000	153,500
Ermolino	Logistic Park Ermolino	JLL	A	8,679	7,960

#### UKRAINE

Success Invest	Kopylov Logistics Park	COLL	D	10,269	13,474
Urban Invest	Kopylov Logistics Park 2	UKR	A	875	956
Vision Invest	Warsaw Road Dev.	UKR	B	4,837	3,611

**TOTAL :**

**972,413 820,414**

Legend : Man = Management valuation, CBRE = CBRE valuation report, Cushman = Cushman & Wakefield valuation report, KNF = Knight Frank, JLL = Jones Lang Lasalle, DTZ= DTZadelhof, CLL = Colliers, UKR = Ukreprombud, ASB = Asbud

The average yields used in the expert valuations (applying residual method) on 30 June are as follows:

- 6.00% to 7.00% for Belgian office projects, depending on the location, specifics and nature of the investment (vs. 6.00% to 7.00% per 31/12/2014);
- 6.00% to 7.0% for other Belgian (mainly retail) projects, depending on the specifics, nature and location of the investment (vs. 6.00% to 7.00% per 31/12/2014).
- for Poland, 5.75% to 8.25% depending on the specifics, nature and location of the developments (vs. 6.50% to 8.25% per 31/12/2014).
- 10.8% to 12.00% for Russian projects (vs. 11.75% per 31/12/2014)
- Above 16.00% for Ukrainian projects (vs. 16.00% 31/12/2014).

## 5. Restricted cash

	<b>30/06/2015</b>	<b>31/12/2014</b>
Restricted cash non-current	0	256
Restricted cash current	0	0
	<hr/>	<hr/>
	0	256

Last year's outstanding balance (related to an amount on escrow and still to be released after the Trinity Park III sale of 2010) has in the current period been settled.

## 6. Interest bearing loans and borrowings

	30/06/2015	31/12/2014
<b>Non-current</b>		
Bank borrowings – floating rate	351,138	234,828
Other borrowings	237,338	205,348
Finance lease liabilities	11	11
	<b>588,487</b>	<b>440,187</b>
<b>Current</b>		
Bank borrowings – floating rate	91,841	132,651
Other borrowings – floating rate	33,776	48,581
Finance lease liabilities	4	11
	<b>125,621</b>	<b>181,243</b>
<b>TOTAL</b>	<b>714,108</b>	<b>621,429</b>

### 6.1 Bank borrowings

During the period, the Group obtained new secured bank loans expressed in EUR, USD or PLN and withdrew on existing credit facilities for a total amount of 85.8 MEUR (26.3 MEUR in Belgium, 50.6 MEUR in Poland, 8.9 MEUR (equivalent) in Russia), large part of which are Euribor/Libor based. On the other hand, reimbursements (and/or refinancings) have been done for a total amount of 10,3 MEUR, net of prolongation of a number of borrowings.

When securing debt finance for its (larger) projects, the Group always negotiates long term agreements with its banks. Under these agreements, the bank swaps land acquisition loans (2 year term) into development loans (additional 2 year term) and swaps development loans into investment loans (mostly 5 years term) upon the fulfilment of pre-agreed conditions.

Most banking partners of the Group have accepted the above as a “framework” for past, current and future co-operation.

With respect to the outstanding short-term bank borrowings, it is to be mentioned that in the second half of 2015 part will be reimbursed following the contractual terms, but significant parts will also be repaid upon sale/disposal of the related projects and parts will be prolonged or refinanced (e.g. through resp. swap to development or investment loan).

67% of the outstanding non-current bank borrowings is maturing within a 3 years-period, 26% is maturing between 3 and 5 years and 7% is maturing after more than 5 years.



## 6.2 Bonds (235,671 KEUR long-term; 24,764 KEUR short-term)

### *Belgium*

The Group has (via Ghelamco Invest NV, parent company of the Belgian activities) in 2012 issued private unsecured bonds for a total amount of 42 MEUR (25.05 MEUR bond serie A, 16.95 MEUR bond serie B). These bonds, which are secured by a first demand guarantee from Ghelamco Group Comm. VA and of which the issuance has been coordinated by KBC Securities and Belfius Bank, have been underwritten by a select group of institutional investors and high-net-worth individuals.

Bonds serie A has as maturity date 13/12/15 and bears a fixed interest of 7.0%. Bonds serie B has as maturity date 13/12/17 and bears a fixed interest of 7.875%.

Goal of the issue is to diversify financial resources and secure the mid-term funding necessary to secure the realization of the pipeline of Belgian and French projects.

In addition, Ghelamco Invest NV has in the second half of 2013 and the first half of 2014 again issued private unsecured bonds for a total amount of 70 MEUR, secured by a first demand guarantee from Ghelamco Group Comm. VA, having as maturity date 28/02/2018 and bearing an interest rate of 6.25%. The above bond program has again been coordinated by KBC Securities and Belfius Bank.

Total balance of outstanding bonds per balance sheet date (110,311 KEUR) represents the amount of issue (112 MEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees), which are amortized over the term of the bonds.

### *Poland*

The Group has (via Ghelamco Invest Sp. z o.o.) in the current period issued series PE within its 200 MPLN public bonds program for an amount of 50,000 KPLN to institutional investors. These bonds have a term of 4 years and bear an interest of Wibor 6 months + 4.5%.

In addition, Ghelamco Invest Sp. z o.o. issued series PPB and PPC within its new 250 MPLN public retail bonds program for an amount of resp. 50,000 KPLN and 30,000 KPLN. These bonds have a term of 4 years and bear an interest rate of Wibor 6 months + 4.0%

The bond proceeds are to be applied for the financing of the Company's further investment projects within the Warsaw metropolitan area, in Wroclaw or Katowice.

On the other hand, the Company has reimbursed following bond tranches, at their maturity date:

-55.800 KPLN remaining bonds from Series C of the 200 MPLN private bonds program;

-3.200 KPLN remaining bonds from Series D of the 200 MPLN private bonds program.

Total bonds balance outstanding per balance sheet date (150,124 KEUR) represents the amount of issue (617.60 MPLN + 6,3 MEUR) less capitalized issue costs, which are amortised over the term of the bonds.

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2015.

Bank borrowings are secured by amongst others the property development projects, including land and in-process construction, pledge on SPV shares, etc.

The Polish bonds are secured by a redemption surety granted by Granbero Holdings Ltd.

The Belgian bonds are secured by a first demand guarantee by Ghelamco Group Comm. VA.

The loan agreements granted by the bank are sometimes subject to a number of covenants (Loan to Value, Loan to Cost, Debt Service Cover). During the period and per end of the period, there were no events of default in respect of these borrowings.

Also the terms and conditions of the resp. bond issues have been complied with as of balance sheet date.

## Revenue

Revenue can be detailed as follows:

	30.06.2015	30.06.2014
Sales of Residential Projects		
Projects Belgium	36,882	13,835
Projects Poland	6,315	8,185
Rental Income	14,262	11,388
Other	623	619
<b>TOTAL REVENUE</b>	<b>58,082</b>	<b>34,027</b>

Rental income as of 30 June 2015 relates to rent from commercial projects in Belgium (3,170 KEUR), Poland (2,444 KEUR), Russia (7,262 KEUR) and Ukraine (1,386 KEUR).

The residential projects sales as of 30 June 2015 mainly relate to

- Villas and apartments at the Belgain coast (2,284 KEUR)
- Blaisant Park Ghent (4,901 KEUR; sale of 9 apartments, 12 student houses and 10 parkings in the first half of 2015 + invoicing of remaining part of 41 apartments and 43 parking spaces under the Breyne legislation)
- Student units in the Waterwiew project in Leuven Vaartkom (29,491 KEUR; 239 units sold in total)
- Soft loft apartments in the QBik project in Warsaw (6,315 KEUR)

## 7. Other items included in operating profit/loss

### Other operating income

The current period's other operating income (1,247 KEUR) relate to a significant extent to recharged expenses to tenants and one-time recharges to related parties. The same goes for last year's other operating income.



	<b>30/06/2015</b>	<b>30/06/2014</b>
<b>Gains from revaluation of Investment Property</b>	62,156	22,382

Fair value adjustments over the first half of 2015 amount to 62,156 KEUR, which is mainly the result of current period's further engineering, development, construction and leasing efforts, in combination with evolution in market conditions (in terms of yields and rent rate levels).

In Poland, main fair value adjustments have been recognized on the Warsaw Spire project (of which building B was delivered in 2014 and further commercialised in 2015 and building C was delivered in 2015) and the Grzybowska77 project (plot for the future development of a +/- 30 Ksqm mixed office and retail project).

In Russia, the relative strengthening of the RUB – after last year's devaluation in connection with the difficult political and economic situation – resulted in the recognition of positive fair value adjustments on mainly the Dmitrov project.

In Ukraine, market conditions have for the time being not yet recovered sufficiently, which resulted in the recognition of a smaller negative fair value adjustment.

A detail of current period's fair value adjustment can be given as follows:

Belgium	5.628
Poland	50.092
Russia	8.496
Ukraine	<u>-2.060</u>
	<u><b>62.156</b></u>

	<b>30/06/2015</b>	<b>30/06/2014</b>
<b>Other operating expenses</b>		
Operating lease/ rental expenses	11	18
Taxes and charges	1,773	1,198
Insurance expenses	756	351
Audit, legal and tax expenses	975	1,509
Traveling	633	660
Promotion	892	428
Sales expenses (agency fees and w/o agency fees)	9,246	7,794
Maintenance cost (projects)	563	238
Rental guarantee expenses	1,334	1,204
Operating expenses with related parties	2,405	1,960
W/o TP III earn-out	256	-
Miscellaneous	1,529	3,077
<b>Total:</b>	<u><b>20,373</b></u>	<u><b>18,437</b></u>



Current period sales expenses are to a significant extent related to commission expenses paid in the Waterview (student houses) project.

End of June 2014 sales expenses related to a significant extent to the release to the P/L of capitalized agency fees on the Katowice Business Point, the Marynarska 12/T-Mobile Office Park and the Lopuszanska Business Park projects, which were sold shortly after period-end.

## 8. Finance income and finance costs

	30/06/2015	30/06/2014
Foreign exchange gains	-	-
Interest income	1,795	1,750
Other finance income	-	-
<b>Total finance income</b>	<b>1,795</b>	<b>1,750</b>
Interest expense	-9,627	-16,011
Other interest and finance costs	-1,755	-2,025
Foreign exchange losses	-1,772	-3,929
<b>Total finance costs</b>	<b>-13,154</b>	<b>-21,965</b>

The decrease in interest expenses is explained by the fact that current period's Polish portfolio mainly contains projects under development and/or construction, while last year's Polish portfolio still contained a significant number of delivered projects (which have in Q3 2014 been sold to Starwood). Financing costs on not yet delivered projects are capitalized while financing costs on delivered/income generating projects are expensed.

## 9. Financial instruments

The table below summarizes all financial instruments by category and discloses the fair values of each instrument and the fair value hierarchy.

Financial instruments (x € 1 000)	30.06.2015				
	At fair value through P/L-held for trading	Available for sale	Loans and receivables/HTM at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			1,437	1,437	2
Non-current receivables					
Receivables and prepayments			68,962	68,962	2
Restricted cash			-	-	
Current receivables					
Trade and other receivables			103,999	103,999	2
Derivatives	-			-	
Cash and cash equivalents			79,932	79,932	2
<b>Total Financial Assets</b>	-	-	<b>254,330</b>	<b>254,330</b>	
Interest-bearing borrowings - non-curr.					
Bank borrowings			351,138	351,138	2
Bonds Poland			150,124	150,124	2
Bonds Belgium			85,547	95,160	2
Other borrowings			1,667	1,667	2
Finance lease liabilities			11	11	2
Interest-bearing borrowings - current					
Bank borrowings			91,841	91,841	2
Bonds Poland			-	-	2
Bonds Belgium			24,764	26,041	2
Other borrowings			9,012	9,012	2
Finance lease liabilities			4	4	2
Current payables					
Trade and other payables			67,033	67,033	2
<b>Total Financial Liabilities</b>	-	-	<b>781,141</b>	<b>792,031</b>	

Financial instruments (x € 1 000)	31.12.2014				
	At fair value through P/L-held for trading	Available for sale	Loans and receivables/HTM at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			1,582	1,582	2
Non-current receivables					
Receivables and prepayments			58,896	58,896	2
Restricted cash			256	256	2
Current receivables					
Trade and other receivables			82,804	82,804	2
Derivatives	290			290	2
Cash and cash equivalents			98,955	98,955	2
<b>Total Financial Assets</b>	<b>290</b>	<b>-</b>	<b>242,493</b>	<b>242,783</b>	
Interest-bearing borrowings - non-curr,					
Bank borrowings			234,828	234,828	2
Bonds Poland			117,959	117,959	2
Bonds Belgium			85,355	93,046	2
Other borrowings			2,035	2,035	2
Finance lease liabilities			10	10	2
Interest-bearing borrowings - current					
Bank borrowings			132,651	132,651	2
Bonds Poland			13,806	13,806	2
Bonds Belgium			24,764	25,212	2
Other borrowings			10,011	10,011	2
Finance lease liabilities			11	11	2
Current payables					
Trade and other payables			42,949	42,949	2
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>664,379</b>	<b>672,518</b>	

## 10. Transactions with related parties

Balances and transactions between the Group and related parties (belonging to the Development Holding and the Portfolio Holding) mainly relate to construction and development services on the one hand and other (financial) related party transactions on the other hand.

### **Trading transactions: purchase of construction, engineering and other related services from related parties**

#### *Construction and development services*

The Group has entered into property development and construction contracts with property development and construction companies (“Contractors”), the direct and indirect subsidiaries of International Real Estate Services Comm. VA, parent company of Ghelamco’s “Development Holding”:

- Ghelamco Belgium with its registered office in Ieper;
- Ghelamco Poland with its registered office in Warsaw;
- Ghelamco Russia with its registered office in Moscow and
- Ghelamco Ukraine with its registered office in Kiev.

#### *Engineering and architectural design services*

APEC Architectural Engineering Projects Limited (a limited liability company registered under the laws of Ireland) and Safe Invest Sp. z o.o (a limited liability company registered under the laws of Poland), both direct and indirect legal subsidiaries of International Real Estate Services Comm. VA, the parent company of Ghelamco’s “Development Holding”) coordinate engineering and architectural design services provided to the Group in accordance with terms of the respective contracts. Purchases of services from Apec Ltd and Safe Invest Sp. z o.o comprise a significant part of all engineering, architectural design and other related services acquired by the Group.

Above described related party transactions and balances can be detailed as follows:

Purchases of construction, engineering and architectural design:	-72,079
related party trade receivable	12,836
related party trade accounts payable	-28,801
related party non-current loans receivable	39,643
related party non-current trade and other receivable	1,960
related party interests receivable	12,836
related party C/A receivable	47,512
related party non-current loans payable	-1,523
related party interests payable	-1,905
related party C/A payable	-5,228



## 11. Post balance sheet events

- Ghelamco Invest NV has on 24 June 2015 launched a new EMTN bonds program for a maximum amount of 150 MEUR. First tap on this program – which was very successful, causing an early close of the subscription period – has resulted in the issue of a first tranche of 79,100 KEUR. The bonds, which are listed on Euronext, have as maturity date 3/07/2020, bear an interest rate of 4.5% and are secured by a first demand guarantee from Ghelamco Group Comm. VA. The program has been coordinated by Belfius, BNP and KBC. The above first tranche has been underwritten by institutional investors and high-net-worth individuals. Since its bond listing on Euronext, Ghelamco Invest NV is formally considered a Public Interest Entity (PIE).



**Deloitte.**

Deloitte Bedrijfsrevisoren /  
Reviseurs d'Entreprises  
Berkenlaan 8b  
1831 Diegem  
Belgium  
Tel. + 32 2 800 20 00  
Fax + 32 2 800 20 01  
[www.deloitte.be](http://www.deloitte.be)

## Ghelamco Group Comm. VA and subsidiaries

**Report on review  
of the consolidated interim financial  
information for the six-month period  
ended 30 June 2015**



Deloitte Bedrijfsrevisoren /  
Reviseurs d'Entreprises  
Berkenlaan 8b  
1831 Diegem  
Belgium  
Tel. + 32 2 800 20 00  
Fax + 32 2 800 20 01  
www.deloitte.be

## Ghelamco Group Comm. VA and subsidiaries

### Report on review of the consolidated interim financial information for the six-month period ended 30 June 2015

To the board of directors

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 condensed consolidated balance sheet as at 30 June 2015, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the period of six months then ended, as well as selective notes 1 to 11.

#### Report on the consolidated interim financial information

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

The condensed consolidated balance sheet shows total assets of 1,450,050 (000) EUR and the condensed consolidated income statement shows a consolidated profit (group share) for the period then ended of 47,762 (000) 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.



**Deloitte.**

*Conclusion*

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

Diegem, 28 September 2015

**The statutory auditor**

A handwritten signature in blue ink, appearing to read 'Rik Neckebroeck', written over a horizontal line.

**DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises**  
BV o.v.v.e. CVBA / SC s.f.d. SCRL  
Represented by Rik Neckebroeck