Ghelamco Group
Comm. VA

IFRS Consolidated Financial Statements at 31 December 2014

Approved by Management
with the Independent Auditor’s opinion

Contents

I. General information and performance

1. Business activities & profile

Ghelamco Group Comm. VA is a leading European real estate investor active in the offices, residential, retail, leisure 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.

Ghelamco is one of the largest commercial property developers in Poland and has aspirations to become one of the major players in the Belgian market. The group's market position has been recognized by numerous prestigious awards collected over several years and granted both to the company and to many of its projects.

In Belgium, during the month of February 2014, the Ghelamco Arena was voted 'Stadium of the year' by voters spread over many different countries through stadiumDB.com, one of the world's largest websites for football lovers. Ghelamco was confronted with strong competition: 6 Brazilian stadiums, built in view of the FIFA 2014 world championships, were found among the 18 nominated new stadiums of 2013. The Ghelamco Arena is a multifunctional football stadium, housing football club KAA Gent and accommodating 20,000 seats and about 50,000 m² of modern office and retail space.

In Poland, Ghelamco's founder, president and CEO Paul Gheysens received a CEEQA award for Lifetime Achievement in Real Estate, in recognition of his services to the real estate sector, his company's extensive and award winning achievements in the Central & Eastern European market place and the kick-off of the construction of the Spire, tallest tower in CEE.

Since 2007, Ghelamco's business activities are structured in three major holdings under common control of the ultimate beneficial owners (jointly referred to as "**Ghelamco**"):

- **Investment Holding**: comprises resources invested in the realization of real estate projects in Belgium, France, Poland, Russia and Ukraine and the intra-group Financing Vehicles – hereafter the "**Ghelamco Group**", the "**Investment Group**" or the "**Group**";

- **Development Holding**: represents international entities that provide construction, engineering and development services to the Investment Holding;

- **Portfolio Holding**: consists of all other activities and real estate investments controlled by the ultimate beneficial owners.

2. Legal status

Ghelamco Group Comm. VA (the "Company") is the holding company of the **Investment Holding** that, together with its direct and indirect legal subsidiaries (Note 5), constitutes the reporting entity for the purpose of these financial statements.

Ghelamco Group Comm. VA is a limited partnership ("commanditaire vennootschap op aandelen") registered under Belgian law, with its registered office at Zwaanhofweg 10, 8900 Ieper, Belgium.

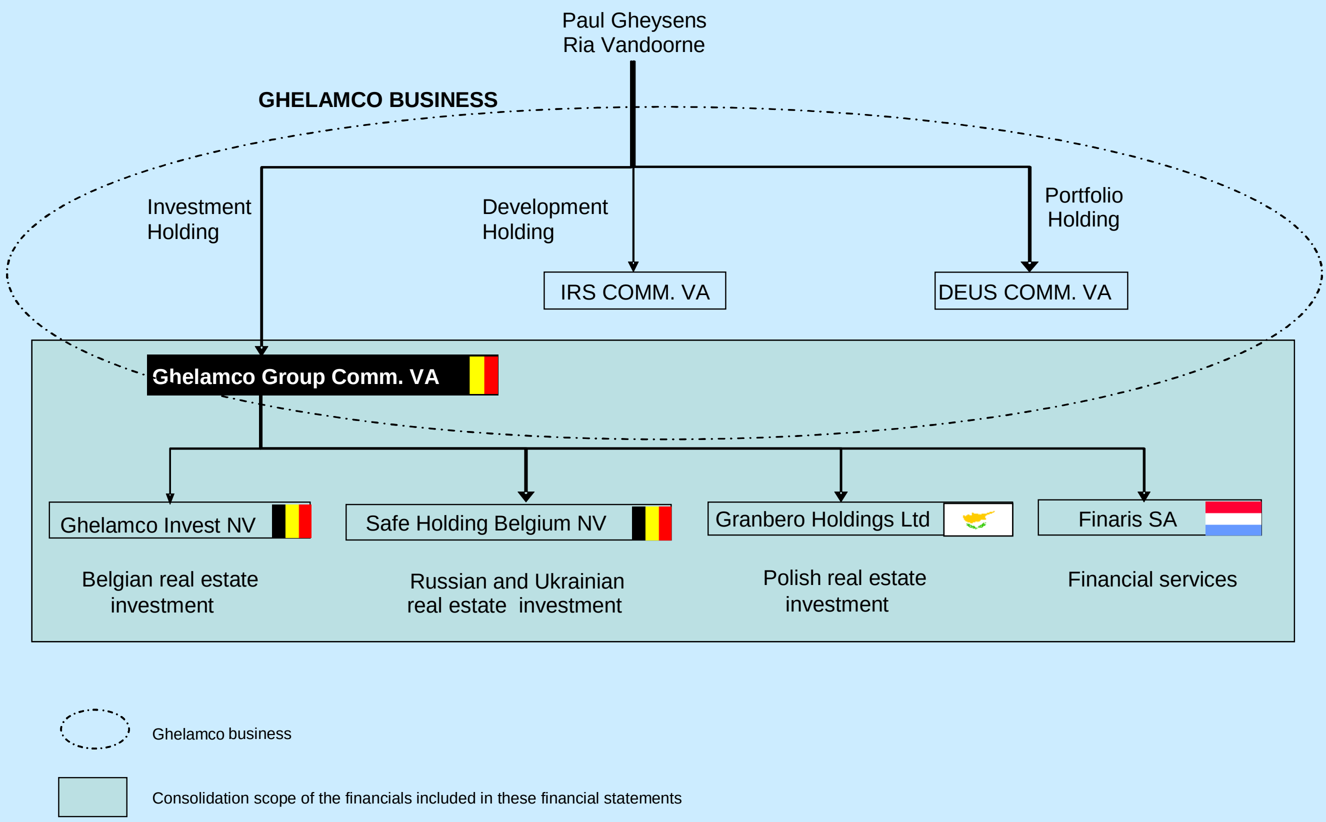
The Company is registered in the Belgian commercial register under the number BE 0879.623.417.

3. Consolidation scope

These consolidated financial statements comprise the resources and activities of the Investment Holding (i.e. of the Company and its direct and indirect legal subsidiaries).

At 31 December 2014 (the reporting date), all the assets and liabilities of the reporting entity (the Company and its direct and indirect legal subsidiaries) are legally linked through a corporate structure that was introduced in 2006 and was accomplished prior to 31 December 2007 (overview in Note 5).

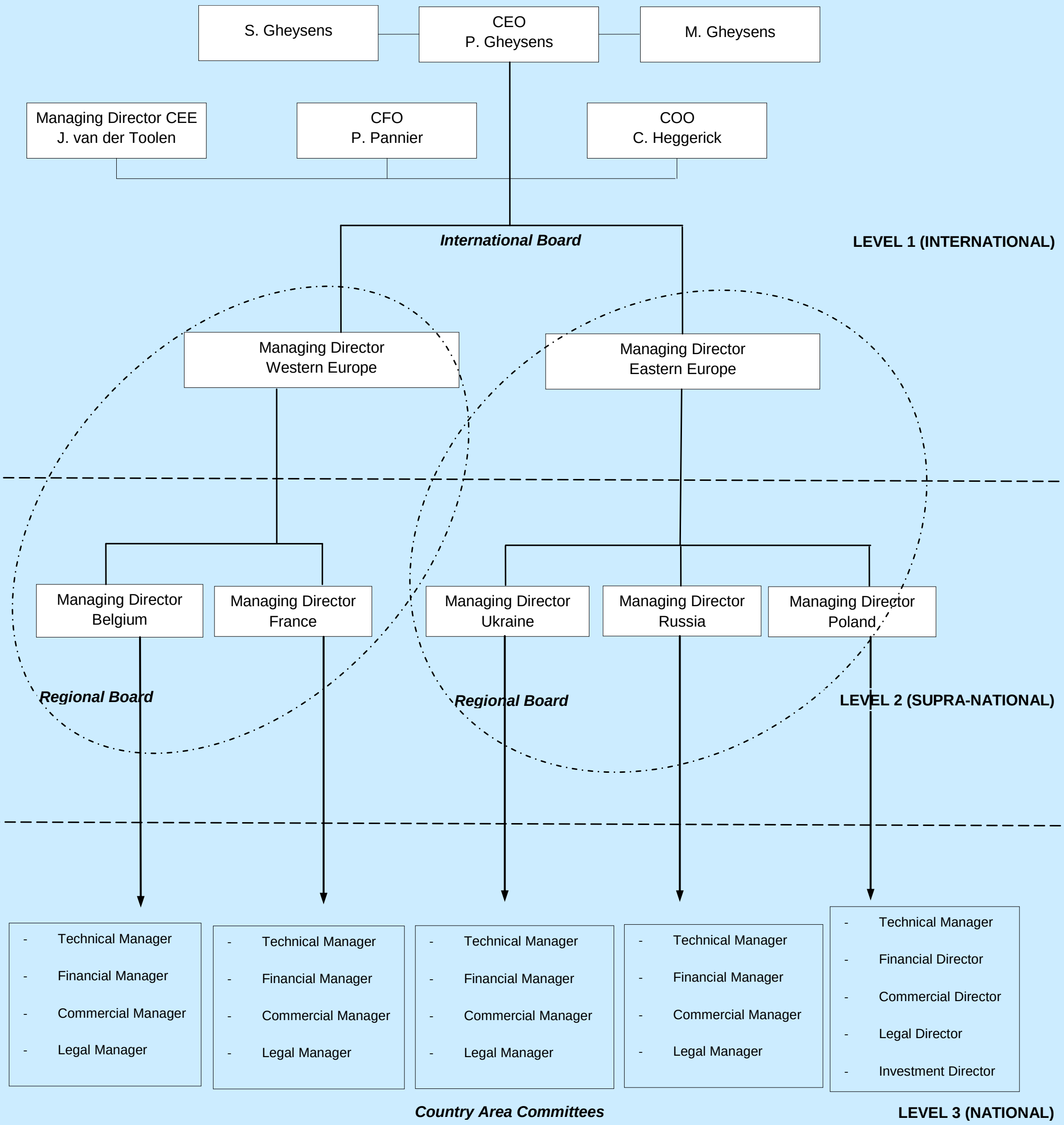
All assets, liabilities, income and expenses that represented an integral part of the Investment Holding activities, are included in the accounts of the legal subsidiaries of the Company at 31 December 2014 and at 31 December 2013.



4. Staffing level

The Investment Holding employed 46 people on 31 December 2014 (43 on 31 December 2013). The construction, engineering and other related services are mainly provided to the Investment Holding by the Development Holding's legal subsidiaries. The parent company of the Development Holding (International Real Estate Services Comm. VA – abbreviated IRS Comm. VA), together with all its direct and indirect legal subsidiaries, employed 227 people on 31 December 2014 (226 on 31 December 2013).

5. Management and Board



Ghelamco's Management consists of:

Mr. Paul Gheysens (Chief Executive Officer)
Mr. Simon Gheysens (board member)
Mr. Michael Gheysens (board member)
Mr. Philippe Pannier (Chief Financial Officer)
Mr. Chris Heggerick (Chief Operational Officer)
Mr. Jeroen Van Der Toolen (Managing Director CEE)

The Management actively coordinates and supervises the different group country management teams and supports them in all commercial, legal, financial and technical aspects of their activities.

All local teams consist of a technical, commercial, legal & financial department. The Managing Directors are granted a large degree of autonomy to support their area/country strategy and development.

The statutory board consists of 4 directors (of which the CEO) for most of the Belgian entities, the Managing Director Eastern Europe and 4 local Polish directors for the Polish entities and the CFO with the local general manager for the other countries. The reason lies mostly in local regulations and practical solutions.

At end of 2014, it has been decided to expand the international board and add an independent board member. Formal appointment of the independent board member, together with the installation of an audit committee will take place in the first half of 2015. These decisions and evolutions are connected with the growing importance which the Management attaches to corporate governance and the further professionally structuring of the Group.

6. Business environment and results

2014 performance and results

The Group closed its 2014 accounts with an operational profit of 20,434 KEUR, resulting from its continued investment and commercial efforts. The Group managed to realise a significant part of previously created value (i.c. through the disposal of the mixed offices-retail project L-Park in Leuven and the disposal of 3 Polish office projects to Starwood Capital Group), while further investing in existing and new developments.

On the other hand, the difficult political and economic situation in Ukraine and Russia resulted in pressure on the rent levels and unfavourable evolution in the applied yields in those regions. This in turn resulted in a negative fair value correction on both Ukrainian and Russian projects in portfolio.

This is reflected in a balance sheet total of 1,267,826 KEUR and an equity of 571,183 KEUR. The solvency ratio remained **stable at 45%**.

In Belgium, the Investment Holding has over the past 5 years intensified its project development activities in Belgium (with currently a portfolio of more than 40 projects). As a consequence, a significant part of the portfolio has evolved to the delivery or realisation phase. In this respect, significant further realisation efforts were done a.o. for the Blue Towers (Artevelde Park, Gent). The office buildings were delivered and welcomed their first tenants during the first half of 2014. Further realisation efforts were also done in Leuven, in the Waterview project (third phase - mixed retail, student housing and parking space project in the Vaartkom). At the date of the current report, a significant part of the project has already been (pre-)sold/leased.

2014 expansion and investment activities mainly related to:
- Completion, delivery and welcoming of the first tenants in the Blue Towers in Gent (28,600 sqm office space in total in the Artevelde Park). Per date of the current report, over 70% of the project has been leased.

- Continuation 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). Per date of the current report approx. 240 student units have already been (pre-)sold and approx. 1,800 sqm of the available retail space has been leased to Albert Heijn for its new retail shop, to be opened early Q2 2015.

- Further realisation and commercialisation of the residential project Blaisantpark in Gent (comprising 67 apartments, 46 student units, 135 parkings and some retail space). Per date of the current report approx. 85% of the residential units have been sold.

- Further realisation of high-end residential/leisure projects at the Belgian coast side (mainly “Le 8300”, luxurious wellness hotel in Knokke-Zoute and residential/retail project Locarno in Knokke).

- Signing of a right to build and put/call contract in February 2014 with a third party on a 30,580 sqm plot on the Duinenwater site in Knokke, for the realization of a residential project (24 plots of land).

As to divestures/revenues:

- At end of November the L-Park mixed office and retail project in Leuven, Vaartkom has been sold to AXA Belgium at a (share) price of approx. 9.9 MEUR (i.e. reflecting a yield of +/- 6% and a gross project sales value of 40 MEUR). At the moment of the sale the L-Park (with a leasable offices and retail area of resp. 13.7 Ksqm and 3.4 Ksqm and approx. 275 parking spaces) was leased for aprox. 80%.
- In addition, some (office space) parts of the Ghelamco Arena have been sold for a total sales value of 2,500 KEUR.

- Sale of residential projects (31,455 KEUR): mainly the ground floor of the Locarno project in Knokke, apartments and student units in Blaisant Park in Gent, student units in the Waterview project in Leuven, Vaartkom, land positions in Wezenbeek-Oppem (in connection with the senior homes project which the Company is realising in a joint venture structure) and residential projects at the Belgian coast.

In Poland, the Investment Holding in first instance maintained its existing land bank but also took advantage of some expansion opportunities. Main 2014 land bank transactions were the acquisition of a plot in Powisle (for the future development of a +/- 7 Ksqm office project), a land plot at Woloska Street 24 (6.6 Ksqm plot for the development of an office project with a GLA of approx. 20 Ksqm) and a site at Grzybowska Street 73, all in Warsaw.

Development and construction
The Investment Holding 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 2014, satellite building B has been delivered, exploitation permit has been received and the first tenant (Frontex, leasing 14,000 sqm of the available 20,000 sqm in total) has been welcomed. Per date of the current report, satellite building C is being finalized and exploitation permit is expected to be received in Q1 2015; while for the tower building A the concrete structure has been finalized.

(Pre-)leasing and occupation of projects:
-Per date of the current report, the Warsaw Spire project has been (pre-)leased for approx. 32% and firm and well advanced negotiations are currently ongoing for other parts of the project.

Divestures
As to divestures, at end of August the Katowice Business Point (+/- 17,000 net sqm office project in Katowice), the Marynarska 12/T-Mobile Office Park (+/- 41,000 net sqm office project in Warsaw) and the Lopuszanska Business Park (+/- 16,500 net sqm office project in Warsaw) projects have been sold to Starwood Capital Group. This record sales deal for a net sales price of approx. 189 MEUR resulted in a net cash inflow for the Group of approx. 80 MEUR. At the moment of sale, the 3 projects together were leased for over 90% and are occupied by renowned tenants

In Russia, the second phase (building B, approx. 68,000 sqm) of the Dmitrov Logistics Park project, class A warehouse complex of four buildings totalling approx. 227,000 m² of lettable area in the northern part of the Moscow Region, has per end Q2 2014 been delivered and is per date of the current report leased for over 70%.

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

Main post balance sheet events

- 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 offices-residential project (approx. 16,615 sqm office space and 174 parkings).

- On 19 March 2015 the City of Brussels has retained the BAM/Ghelamco Consortium as 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, over 6.000 VIP places and over 14.000 parking spaces. The multi-functional project is expected to be realized in 2018.

Outlook

It is the Investment Holding's strategy to further diversify its investment portfolio in mainly Belgium and Poland by spreading its investments over different real estate segments.
For 2015, the Investment Holding will continue this strategy. 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 Investment Holding is confident to achieve its goals for 2015 in general.

7. Notice to the reader

This document presents the IFRS Consolidated Financial Statements for the year ended on 31 December 2014, assuming the going concern of the Investment Holding companies.

As per today, the Investment Holding's core business is the investment in commercial and residential properties. The Investment Holding's strategy is to keep commercial property in portfolio for rental purposes while residential properties are dedicated for sale.

According to IAS 2, Property Development Inventories have to be measured at the lower of cost and net realizable value. Investment Properties (Under Construction), on the other hand, are carried at fair value.

As such, residential properties are presented as Property Development Inventories.
Most of the commercial property is presented as Investment Property. We refer to the Notes 6 and 9 in Part II for more details on their presentation.

II. IFRS Consolidated Financial Statements

These IFRS consolidated financial statements at 31 December 2014 were approved by Investment Holding Management on 24 March 2015. The amounts in this document are expressed in thousands of EUR (KEUR), unless stated otherwise.

A. Consolidated statement of financial position (inKEUR)

	Note	31/12/2014	31/12/2013
ASSETS			
Non-current assets			
Investment Property	6	820,414	854,311
Property, plant and equipment	7	391	457
Intangible assets	8	4,299	4,788
Investments in associates	4	590	1,380
Receivables and prepayments	10	58,896	65,665
Deferred tax assets	19	6,432	2,840
Other financial assets	4	1,582	2,951
Restricted cash	11	256	471
Total non-current assets		**892,860**	**932,863**
Current assets			
Property Development Inventories	9	182,917	178,071
Trade and other receivables	10	91,810	82,701
Current tax assets		19	41
Derivatives	11	290	1,842
Assets classified as held for sale	6	975	3,475
Cash and cash equivalents	13	98,955	70,182
Total current assets		**374,966**	**336,312**
TOTAL ASSETS		**1,267,826**	**1,269,175**

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Consolidated statement of financial position (cont'd)

	Note	31/12/2014	31/12/2013
Capital and reserves attributable to the Group's equity holders			
Share capital	14	73,194	73,194
CTA	15	12,198	8,214
Retained earnings	15	480,283	489,941
		565,675	571,349
Non-controlling interests	14.2	5,508	4,954
TOTAL EQUITY		**571,183**	**576,303**
Non-current liabilities			
Interest-bearing loans and borrowings	16	440,187	431,687
Deferred tax liabilities	19	23,770	23,925
Other non-current liabilities		2,500	2,500
Long-term provisions	18	178	178
Total non-current liabilities		**466,635**	**458,290**
Current liabilities			
Trade and other payables	20	46,458	53,377
Current tax liabilities	21	2,307	2,353
Interest-bearing loans and borrowings	16	181,243	178,852
Total current liabilities		**230,008**	**234,582**
Total liabilities		**696,643**	**692,872**
TOTAL EQUITY AND LIABILITIES		**1,267,826**	**1,269,175**

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B. Consolidated income statement and consolidated statement of comprehensive income

Consolidated Income Statement

	Note	2014	2013
Revenue	22	69.579	50.062
Other operating income	23	13.951	5.312
Cost of Property Development Inventories	24	-36.151	-20.986
Employee benefit expense	23	-1.190	-1.161
Depreciation amortisation and impairment charges	7	-588	-621
Gains from revaluation of Investment Property	6	11.335	52.137
Other operating expense	23	-36.502	-29.463
Share of results of associates		-790	
Operating profit - result		**19.644**	**55.280**
Finance income	25	4.298	3.563
Finance costs	25	-31.536	-34.228
Profit/loss before income tax		**-7.594**	**24.615**
Income tax expense	26	-1.468	-9.206
Profit/loss for the year		**-9.062**	**15.409**
Attributable to:			
Equity holders of parent		-9.693	15.017
Non-controlling interests		631	392

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Consolidated statement of comprehensive income - items recyclable to the income statement

		2014	2013
Profit/loss for the year		**-9,062**	**15,409**
Exchange differences on translating foreign operations	14	3,984	6,278
Other		35	-186
Other comprehensive income of the period		**4,019**	**6,092**
Total Comprehensive income/loss for the year		**-5,043**	**21,501**
Attributable to:			
Equity holders of the parent		-5,674	21,109
Non-controlling interests		631	392

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C. Consolidated statement of changes in equity

	Note	Attributable to the equity holders: Share capital	Attributable to the equity holders: Cumulative translation reserve	Attributable to the equity holders: Retained earnings	Non-controlling interests	Total Equity
Balance at 1 January 2013		**73,194**	**1,937**	**475,122**	**4,567**	**554,820**
Foreign currency translation (CTA)			6,277			**6,277**
Profit/(loss) for the year				15,017	392	**15,409**
Capital decrease						**0**
Dividend distribution				-13		**-13**
Change in non-controlling interests				5	-5	**0**
Change in the consolidation scope				-181		**-181**
Other				-9		**-9**
Balance at 31 December 2013		**73,194**	**8,214**	**489,941**	**4,954**	**576,303**
Foreign currency translation (CTA)	15		3,984			**3,984**
Profit/(loss) for the year	15			-9,693	631	**-9,062**
Capital decrease						
Dividend distribution						
Change in non-controlling interests				77	-77	**0**
Change in the consolidation scope				-33		**-33**
Other				-9		**-9**
Balance at 31 December 2014		**73,194**	**12,198**	**480,283**	**5,508**	**571,183**

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D. Consolidated cash flow statement

Consolidated cash flow statement for 2014 and 2013

		2014	2013
Operating Activities			
Profit / (Loss) before income tax		**-7,594**	**24,615**
Adjustments for:			
- Share of results of associates		790	
- Change in fair value of investment property	6	-11,335	-52,137
- Gain on disposal of subsidiary			
- Gain on disposal of interest in former associates			
- Depreciation, amortization and impairment charges	7	588	321
- Result on disposal investment property	23	-8,160	-1,849
- Change in provisions		0	111
- Net interest charge	25	21,105	20,414
- Movements in working capital:			
- Change in inventory		-7,691	-1.351
- Change in trade & other receivables		-9,109	-28.316
- Change in trade & other payables		-5,422	-20.495
- Change in MTM derivatives	11	1,552	80
- Movement in other non-current liabilities		0	2,500
- Other non-cash items		-122	217
Income tax paid		-5,239	-1.821
Interest paid (*)		-24,281	-23.977
Net cash from operating activities		**-54,918**	**-81,688**
Investing Activities			
Interest received	25	4,298	3.563
Purchase of property, plant & equipment and intangibles	7-8	-25	-5,034
Purchase of investment property	6	-141,643	-170,675
Capitalized interest in investment property		-14,323	-10.582
Proceeds from disposal of investment property	6	229,759	253,178
Net cash outflow on acquisition of subsidiaries			
Net cash inflow on disposal of subsidiary			
Net cash inflow on disposal of associate			
Cash inflow/outflow on other non-current financial assets		8,138	-21,318
Net cash inflow/outflow on NCI transactions			
Change in trade & other payables			
Movement in restricted cash accounts	12	215	234
Net cash flow used in investing activities		**86,419**	**49,366**

Financing Activities			
Proceeds from borrowings	16	259,350	177,237
Repayment of borrowings	16	-248,459	-151,575
Capital decrease			
Dividends paid			-13
Net cash inflow from / (used in) financing activities		**10,891**	**25,649**
Net increase/(decrease) in cash and cash equivalents		**42,392**	**-6,673**
Cash and cash equivalents at 1 January of the year		**70,182**	**65,098**
Effects of exch. rate changes, mainly on EUR/USD balances in non-EUR countries		-13.619	11,757
Cash and cash equivalents at 31 December of the year		**98,955**	**70,182**

(*): Interests directly capitalized in IP not included (2014: 14,323 KEUR; 2013: 10,582 KEUR) – separately presented under investing activities

E. Segment reporting

A segment is a distinguishable component of the Group which is engaged either in providing products or services (business segment), or in providing products or services within a particular economic area (geographic segment) and which is subject to risks and rewards that are different to those of other segments.
As the majority of the assets (and resulting income) of the Group is geographically located in Europe (Belgium and Poland) and considering the specifics of the assets located in Russia and Ukraine and the economic and political risks and circumstances in those regions, a distinction between Europe and Russia & Ukraine has been made.
The segment assets, liabilities and income statement components include all items directly attributable to the segments, as well as those elements which can reasonably be allocated to a segment. Unallocated amounts (mainly related to (non-)current receivables and prepayments, loans and borrowings and trade & other payables on the balance sheet level and financial result and taxes on the income statement level) are shown separately.

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	2014				2013			
	Europe	**Russia/ Ukraine**	**unallo-cated**	**TOTAL**	**Europe**	**Russia/ Ukraine**	**unallo-cated**	**TOTAL**
ASSETS								
Non-current assets								
Investment Property	640,913	179,501		820,414	695,624	158,687		854,311
Property, plant and equipment	388	3		391	451	6		457
Intangible assets	4,299			4,299	4,788			4,788
Investments in associates	590			590	1,380			1,380
Receivables and prepayments			58,896	58,896			65,665	65,665
Deferred tax assets	5,806	626		6,432	2,603	237		2,840
Other financial assets	1,582			1,582	2,951			2,951
Restricted cash	256			256	471			471
Total non-current assets	**653,834**	**180,130**	**58,896**	**892,860**	**708,268**	**158,930**	**65,665**	**932,863**
Current assets								
Property Development Inventories	182,903	14		182,917	178,050	21		178,071
Trade and other receivables			91,810	91,810			82,701	82,701
Current tax assets	1	18		19	9	32		41
Derivatives	290	0		290	1,842	0		1,842
Assets classified as held for sale	975	0		975	3,475	0		3,475
Cash and cash equivalents	93,430	5,525		98,955	65,628	4,554		70,182
Total current assets	**277,599**	**5,557**	**91,810**	**374,966**	**249,004**	**4,607**	**82,701**	**336,312**
TOTAL ASSETS	**931,433**	**185,687**	**150,706**	**1,267,826**	**957,272**	**163,537**	**148,366**	**1,269,175**

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	2014				2013			
	Europe	Russia/ Ukraine	unallo-cated	TOTAL	Europe	Russia/ Ukraine	unallo-cated	TOTAL
EQUITY AND LIABILITIES								
Capital and reserves attributable to the Group's equity holders								
Share capital			73,194	73,194			73,194	73,194
CTA	6,705	5,493		12,198	7,211	1,003		8,214
Retained earnings	481,920	-1,637		480,283	471,588	18,353		489,941
	488,625	3,856	73,194	565,675	478,799	19,356	73,194	571,349
Non-controlling interests	5,514	-6		5,508	4,960	-6		4,954
Total equity	**494,139**	**3,850**	**73,194**	**571,183**	**483,759**	**19,350**	**73,194**	**576,303**
Non-current liabilities								
Interest-bearing loans and borrowings			440,187	440,187			431,687	431,687
Deferred tax liabilities	19,151	4,619		23,770	15,860	8,065		23,925
Other non-current liabilities	2,500			2,500	2,500			2,500
Long-term provisions	178			178	178			178
Total non-current liabilities	**21,829**	**4,619**	**440,187**	**466,635**	**18,538**	**8,065**	**431,687**	**458,290**
Current liabilities								
Trade and other payables			46,458	46,458			53,377	53,377
Current tax liabilities	2,307			2,307	2,353			2,353
Interest-bearing loans and borrowings			181,243	181,243			178,852	178,852
Total current liabilities	**2,307**		**227,701**	**230,008**	**2,353**		**232,229**	**234,582**
Total liabilities	**24,136**	**4,619**	**667,888**	**696,643**	**20,891**	**8,065**	**663,916**	**692,872**
TOTAL EQUITY AND LIABILITIES	**518,275**	**8,469**	**741,082**	**1,267,826**	**504,650**	**27,415**	**737,110**	**1,269,175**

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INCOME STATEMENT	2014 Europe	2014 Russia/ Ukraine	2014 unallo- cated	2014 Total	2013 Europe	2013 Russia/ Ukraine	2013 unallo- cated	2013 Total
Revenue	54,552	15,027		69,579	36,993	13,069		50,062
Other operating income	13,904	47		13,951	5,005	307		5,312
Cost of Property Development Inventories	-36,028	-123		-36,151	-20,806	-180		-20,986
Employee benefit expense	-1,156	-34		-1,190	-1,121	-40		-1,161
Depreciation amortisation and impairment charges	-587	-1		-588	-619	-2		-621
Gains from revaluation of Investment Property	31,657	-20,322		11,335	51,348	789		52,137
Other operating expense	-31,784	-4,718		-36,502	-24,139	-5,324		-29,463
Share of results of associates	-790			-790				0
Operating profit - result	**29,768**	**-10,124**	**0**	**19,644**	**46,661**	**8,619**	**0**	**55,280**
Finance income			4,298	4,298			3,563	3,563
Finance costs			-31,536	-31,536			-34,228	-34,228
Profit before income tax				**-7,594**				**24,615**
Income tax expense	-5,702	4,234		-1,468	-8,262	-944		-9,206
Profit for the year				**-9,062**				**15,409**

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the IFRS consolidated financial statements, are set out below.

1.1. Introduction

We refer to the section "General Information: business activities" and Note 5 "Organizational chart" of these financial statements for more information on the business activities and the structure of the Investment Holding and its position within the Ghelamco business.

These financial statements are IFRS consolidated financial statements that include the resources and activities of Ghelamco Group Comm. VA and its legal subsidiaries that are part of the Investment Holding at 31 December 2014.

A list of legal entities included in these IFRS consolidated financial statements and major changes in the organizational structure of the reporting entity are outlined in Notes 4 and 5.

1.2. Basis of preparation

The Investment Holding's consolidated financial statements include those of the Ghelamco Group Comm. VA and its subsidiaries (together referred to as the "Investment Holding"). The consolidated financial statements were approved for issue by Management on March 24, 2015. The consolidated financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRS") as adopted by the European Union at 31 December 2014. The Investment Holding has adopted all new and revised standards and interpretations relevant for its activities and which became applicable for the financial year starting 1 January 2014.

These financial statements have been prepared under the historical cost convention except for Investment Properties and derivative financial instruments that have been measured at fair value.

1.3. Standards and Interpretations that became applicable in 2014

Standards and Interpretations that the Investment Holding anticipatively applied in 2013 and 2014:

- None

Standards and Interpretations that became effective in 2014

- IFRS 10 Consolidated Financial Statements (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 Investments in Associates and Joint Ventures (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Asset (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 39 Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 Disclosures of Interests in Other Entities (applicable for annual periods beginning on or after 1 January 2014)

Standards and Interpretations which became effective in 2014 but which are not relevant to the Company:

- IFRS 11 Joint Arrangements (applicable for annual periods beginning on or after 1 January 2014)
- IAS 27 Separate Financial Statements (applicable for annual periods beginning on or after 1 January 2014)

1.4. Standards and Interpretations issued but not yet effective

Standards and Interpretations issued at the date of these IFRS consolidated financial statements, which were authorized for issue but not yet mandatory and have not been early adopted by the Investment Holding:

- IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in EU)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in EU)
- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015)

- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 January 2015)

- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in EU)

- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)

- Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)

- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)

- Amendments to IAS 16 and IAS 38 Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)

- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)

- Amendments to IAS 19 Employee Benefits – Employee Contributions (applicable for annual periods beginning on or after 1 February 2015)

- Amendments to IAS 27 Separate Financial Statements – Equity Method (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)

- IFRIC 21 – Levies (applicable for annual periods beginning on or after 17 June 2014)

At this stage, the Investment Holding does not expect the first adoption of these Standards and Interpretations to have any material financial impact on the financial statements at the moment of initial application. With respect to the changes in IFRIC 21 and IFRS 15, the Investment Holding is still evaluating the potential impact.

1.5. Principles of consolidation

1.5.1. Consolidation scope

The entities included in the consolidation scope are those that are part of Ghelamco's Investment Holding on 31 December 2014 and on 31 December 2013 (see Notes 4 and 5).

The transactions, balances and unrealized gains and losses between these legal entities are deemed to be intra-group transactions and are eliminated in full.

The transactions with other entities owned directly or indirectly by the ultimate beneficial owners of the Investment Holding are deemed transactions with related parties and are not eliminated, but are presented as balances and transactions with related parties in Note 29.

1.5.2. Acquisition of subsidiaries

Although the Investment Holding obtained control over several subsidiaries over the past years, these transactions are not considered business combinations as defined under IFRS 3 “Business Combinations”. In these transactions, the Investment Holding primarily acquired land and therefore these transactions are to be considered as a purchase of selective assets and liabilities and not as a purchase of a “business”. The purchase consideration has been allocated to each of the assets and liabilities acquired based on their relative fair values.

During the course of 2014 and 2013, there were no acquisitions of subsidiaries that qualified as an acquisition of a business as defined in IFRS 3 “Business Combinations”, except for the following in 2013:
Acquisition by Signal Bud Sp. z o.o of shares of 9 entities (of which 6 belonging to the Development Holding), which have early 2014 been liquidated through merger into Signal Bud. These transactions had no impact on the Group’s 2014 a,d 2013 consolidated financial statements.

However, all of those transactions qualify as ‘transactions under common control’ (as all combined entities are controlled ultimately by the same party before and after the transaction, cfr Ghelamco Group description in general information above), and are therefore outside the scope of IFRS 3. The Investment Holding has elected not to apply IFRS 3, but to recognize assets and liabilities acquired based on their carrying amounts in the IFRS consolidated financial statements of the previous shareholder as of acquisition date (a method often described as ‘predecessor accounting’).

1.5.3. Sale of subsidiaries

As was the case in the past, the 2014 and 2013 business of the Investment Holding consists of investing in commercial and the creation of residential real estate projects. Commercial properties are held for lease. Residential properties are offered for sale.

General rule:
- sale of commercial projects subsidiaries (in which real estate is developed and valued as IP(UC)) is presented in the Income Statement as a disposal of IP and not as a disposal of a subsidiary;
- sale of residential projects subsidiaries (in which real estate is developed and valued as property development inventories) is presented in the Income Statement on a gross basis (i.e. revenue from the sale of inventories and cost of sales) and not as a disposal of a subsidiary. Still, a sale of residential projects is generally structured as a sale of assets.

Comments 2014
In November 2014 and upon an attractive bid by an investor, the L-Park mixed office and retail project in Leuven has been sold. The sales transaction was structured as a share deal (i.c. 100% of the shares of the project SPV L-Park NV), in line with the general approach to sell commercial projects. The transaction has in the financial statements been presented as a disposal of IP.

In October and November 2014 the subsidiaries Rubia NV (holding an exploitation licence for 115 senior home (bed-)places) and RPI NV (holding land positions) have been sold to resp. a third party operator and a third party investor. Both sales transactions are connected with the Wezembeek-Oppem senior homes project the Company is realising in a joint venture structure. These sales transactions were structured as share deals, while they have in the financial statements been presented on a gross basis (i.e. revenue and cost of sales).

No other residential SPVs have been sold, in line with the general approach to sell residential projects through asset deals.

Comments 2013
In March 2013 and upon an attractive bid by an investor, the Wevelgem Retail Park was sold. The sale of this project was structured as a share deal (i.c. sale of 100% of the shares of project SPV Klippan Cabs NV), in line with the general approach to sell commercial projects. The transaction was in the financial statements presented as a disposal of IP.
On the other hand, first parts of the Ghelamco Arena project (for a total sales value of 10.7 MEUR) were sold through asset deals.

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No residential SPVs were sold, in line with the general approach to sell residential projects through asset deals.

1.5.4. Increase in ownership interests in subsidiaries

The Investment Holding applies the parent company model to transactions with minority shareholders. The difference between the cost of additional interest in the subsidiary and the carrying amount of the minority interest reflected in the consolidated balance sheet is allocated to the Property Development Inventories or Investment Properties.

1.5.5. Foreign currency translation

The individual financial statements of each Group's entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the IFRS consolidated financial statements, the results and financial position of each entity are expressed in Euro, which is the functional currency of the Investment Holding and the presentation currency for the IFRS consolidated financial statements.

Foreign currency transactions

Foreign currency transactions are recognized initially at the exchange rate prevailing at the transactions' date. Subsequently, at closing, monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet currency rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are included in the income statement as a financial result.

Foreign entities

In consolidation, the assets and liabilities of the Investment Holding companies using a different functional currency than the Euro are expressed in Euro using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified in equity and transferred to the Investment Holding's "Cumulative translation reserve". Such translation differences are recognized as income or as expenses in the period in which the entity is sold, disposed of or liquidated.

The principal exchange rates versus EUR that have been used are as follows:

	2014		2013	
	Closing rate at 31 December	Average rate for 12 months	Closing rate at 31 December	Average rate for 12 months
Polish Zloty (PLN)	4.2623	4.1845	4.1472	4.1976
Russian Rouble (RUB)	68.3427	50.9928	44.9699	42.4001
United States Dollar (USD)	1.2141	1.3285	1.3791	1.3281
Ukrainian Hryvnia (UAH)	19.2329	15.7159	11.0415	10.6122

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1.5.6. Hyperinflationary economies

None of the Investment Holding entities operated in a hyperinflationary economy in 2014 and 2013.

1.6. Property, plant and equipment

Property, plant and equipment are carried at acquisition cost less any accumulated depreciation and less any accumulated impairment loss.

Cost includes the fair value of the consideration given to acquire the asset and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of taxes).

The depreciable amount is allocated on a systematic basis over the useful life of the asset, using the straight-line method. The depreciable amount is the acquisition cost.

The applicable useful lives are:

Tangible fixed assets	Years
Buildings	20 to 40
Vehicles	5
Equipment	5 to 10

1.7. Finance leases

A finance lease that substantially transfers all the risks and rewards incident to ownership, is recognized as an asset and a liability at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

The depreciable amount of a leased asset is allocated to each accounting period during the period of expected use on a systematic basis consistent with the depreciation policy the lessee adopts for depreciable assets that are owned. If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise the asset is depreciated over the shorter of the lease term and its useful life.

1.8. Impairment of assets

At each balance sheet date, the Investment Holding reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Investment Holding estimates the recoverable amount of the unit to which the asset belongs.

An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

1.9. Investment Property

Investment Property is defined as property (land or a building – or part of a building – or both) held by the owner to earn rentals, realize capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business.

Investment Property, principally comprising land and commercial buildings (“commercial property”), is held for capital appreciation or for the long-term rental yields and is not occupied by the Investment Holding.

Investment Property (Under Construction) is carried at fair value. Fair value is determined by external appraisers or by management. In the former case, renowned external appraisers carry out an external inspection of the property and they are provided with the necessary supporting documentation (regarding property title over the involved property, copies of (building) permits, architectural plans, renderings, copies of (preliminary) lease contracts), based on which they prepare their resp. valuation reports.

Gains or losses as a result of changes in the fair value are included in the Income Statement of the year in which they occur. Gains and losses as a result of an Investment Property disposal are considered into the Income Statement of the year in which the disposal occurs.

The Investment Holding distinguishes 4 different stages for Investment Property:

A. Land without building pre-permit approval;
B. Land with a pre-permit approval;
C. Land with a building permit and construction ongoing;
D. Land with a completed building.

The above stages can again be divided in 2 main categories:

Investment Properties under construction (A), (B), (C)

The fair value of the land is determined based on the following methods:

1. Based on comparative method;
2. Based on realizable m²;
3. Based on residual method.

In assessing the fair value, the Investment Holding considers whether both following conditions have been met:

- Building permit on the property has been obtained and
- Binding lease agreements have been signed for over 40% of the net leasable area of the property.

In case the above mentioned conditions are not fulfilled, the fair value of the IPUC (part not included in land) is deemed to be the cost of the in-process development.

In case the conditions are fulfilled, the fair value of IPUC (both land and construction part) will be determined by an independent appraiser report, based on RICS Valuation Standards.

Fair value of IP(UC) is determined as follows:

- Projects under (A): fair value of the land plus cost of in process development
- Projects under (B): fair value of the land, to the extent the valuation expert has considered the value of the master plan and/or building permit OR fair value of the land plus cost of in process development, to the extent the valuation expert has not yet considered the value of the master plan and/or building permit
- Projects under (C): fair value of the (permitted) land plus construction part at cost, if the above (building permit and) lease conditions are not (yet) fulfilled
- Projects under (C): fair value of the (permitted) land plus fair value of the construction part, if the above (building permit and) lease conditions are fulfilled
- Projects under (D): fair value of the completed project

By consequence, fair value adjustments have been recognized as follows:

- Projects under (A): fair value of the land minus the gross land cost (including purchase price of the land, costs on the purchase, capitalized financial costs and possible goodwill) ;
- Projects under (B): fair value of the land minus gross land cost;
- Projects under (C): fair value of the land minus gross land cost, plus fair value of the construction part minus cost of the construction part, to the extent the above conditions are met.

- Projects under (D): fair value of the completed project minus gross land cost, minus cost of the construction part

Completed Investment Properties (D)

Investment Properties are considered completed:
- In Ukraine, Russia and Poland as from the moment the project received its exploitation permit;
- In Belgium and France as from the signature of the delivery protocol between investor and general contractor.

Completed Investment Properties are valued by internationally qualified appraisers as of the end of the period, based on market values in accordance with the RICS Valuation Standards.
They are recognized at fair value reflecting the market conditions at the balance sheet date. Market values of the project are calculated based on the Yield method or Discounted Cash Flow method, depending on the type of project, its status and the location.

In the case of a contingent consideration payable for a property acquired, the asset (inventory or IP) is recognized initially at cost, determined based on the fair value of the total consideration paid or payable. The fair value of the contingent consideration is determined based on management's best estimate and recognized as a financial liability. Subsequent changes in the fair value of the liability are recorded via the income statement (and are not part of the asset value).

1.10. Non-current assets held for sale and discontinued operations

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. A discontinued operation is a component of an entity which the entity has disposed of or which is classified as held for sale, which represents a separate major line of business or geographical area of operations and which can be distinguished operationally and for financial reporting purposes.

For a sale to be highly probable, the entity should be committed to a plan to sell the asset (or disposal group), an active program to locate a buyer and to complete the plan should have been initiated, and the asset (or disposal group) should be actively marketed at a price which is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs necessary to make the sale. Any excess of the carrying amount over the fair value less costs to sell is included as an impairment loss. Depreciation of such assets is discontinued as from their classification as held for sale. Comparative balance sheet information for prior periods is not restated to reflect the new classification in the balance sheet.

1.11. Property Development Inventory

Land and premises acquired and held for future development as well as in-process development projects (other than Investment Properties) are classified as inventories. Property Development Inventories mainly comprise residential properties.

Inventories are measured at the lower of cost and net realizable value at the balance sheet date.

The cost of in-process development projects comprises architectural design, engineering studies, geodesic studies, raw materials, other production materials, direct labour, other direct and external borrowing costs directly attributable to the acquisition or construction of the qualifying inventories.

External borrowing costs directly related to the acquisition, construction or production of a qualifying asset are capitalized. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. Capitalization commences when expenditures and borrowings are being incurred for the asset, and ceases when all the activities that are necessary to prepare the asset for its intended use or sale are complete. The capitalization criteria are usually met as from the date of acquisition of land for building purposes, as activities related to development are usually being undertaken by the Investment Holding as from that date.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write-down is necessary when the net realizable value at balance sheet date is lower than the carrying value. The Investment Holding performs regular reviews of the net realizable value of its Property Development Inventory.

The most recent review indicated that the global net realizable value of the Property Development Inventory of the Investment Holding exceeded its carrying amount measured on a historical cost basis in these IFRS consolidated financial statements (Note 9).

Perpetual usufruct and operating lease contracts of land

The Investment Holding holds land in Poland under the right of perpetual usufruct. The right of perpetual usufruct is in substance a long-term land lease that grants the lessee the right to use and administer land owned by the state or local authorities under the terms and conditions of a contract concluded for 99 years. The holder of such right is obliged to pay an annual fee during the term of the perpetual usufruct estimated by the state or local authority.

The Investment Holding holds land in Russia and Ukraine under operating lease contracts covering a 49-year period. These contracts are quite similar in substance to the perpetual usufruct contracts in Poland.

Payments, including prepayments, made under the perpetual usufruct contracts are capitalized to the Property Development Inventories.

1.12. Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of trade and other receivables is established when there is objective evidence that the Investment Holding will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or undergo financial reorganization and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The asset‘s carrying amount is reduced through the use of an allowance account, and the amount of the loss is recognized in the Income Statement. When a trade receivable is uncollectible, it is written down against the allowance account for trade receivables. Subsequent recoveries of amounts previously written down are credited in the Income Statement.

No provision for impairment has been considered necessary as a result of the impairment review on the balance sheet date.

1.13. Financial assets

The Investment Holding classifies its financial investments in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the intention of the investment’s acquisition. Management determines the investments’ classification at initial recognition and re-evaluates this designation on every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

The investments in equity instruments that do not have a quoted market price in an active market are measured at cost (this valuation principle applies mainly to the investments in entities under the control of the ultimate beneficial owners of the Investment Holding not included in the consolidation scope of these financial statements).

Derivative financial instruments are measured at fair value with changes recognized in profit or loss.

For an overview of financial assets (and liabilities) by category in accordance with IAS39, reference is made to section 17 below.

1.14. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

1.15. Share capital

Ordinary shares are classified as equity under the caption "share capital". When share capital recognized as equity is (re)purchased, the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity.

Dividends are recognized as a liability only in the period in which they are approved by the Investment Holding's shareholders.

1.16. Current and deferred income taxes

Income tax on the profit or loss for the year comprises current and deferred income tax.

Income tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years. It is calculated using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognized, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Deferred tax is recognized on all temporary differences, even arising on the assets and liabilities located in the Special Purpose Vehicles. Most of the Special Purpose Vehicles hold one specific property development project.

The recognition of deferred tax liabilities on fair value adjustments is based on the assumption that the land and buildings held by the Investment Holding will be realized through asset deals. Sales through asset deals however mainly apply to the residential projects held by the Investment Holding (which are classified as inventory; which is not subject to fair value accounting).

As it is expected that the value of commercial projects will in first instance be realized through use (and not through sale), the recognition of deferred tax liabilities on fair value adjustments is also applied here. Still, the potential capital gain (in the case a commercial project would be sold through a share deal) might be exempted from income tax in some jurisdictions if certain conditions are met. Although the Investment Holding is confident that in the case of a share deal these conditions will be complied with, deferred tax liabilities have consistently been recognized, without taking into account those potential tax exemptions.

In connection with the acquisition in Poland of closed-end funds in 2011 and the related transfer process of SPVs to those funds, outstanding deferred tax balances of entities which were transferred to the funds were released (9.3 MEUR per end 2011 and 21.9 MEUR per end 2012) (and no further deferred taxes were set up in 2011, 2012 and 2013), as the funds-structure was under the Polish tax regulations exempt from tax. Within the framework of a change in Polish tax legislation and the resulting abolishment from 1 January 2014 onwards of tax transparency of the Polish project companies (SKAs) under the above closed-end funds, a fiscal step-up operation was organized and accomplished before year-end 2013. In this respect, the Company acquired in the course of 2013 new shelf companies (SKAs), to which the existing project companies sold their real estate projects in December 2013, at market value. In total, 15 projects were subject to this step-up exercise. This way, market value per 31/12/2013 of the involved projects was definitively fiscally exempted. And from 2014 onwards, deferred tax liabilities are again recognized on (new) fair value adjustments.

Currently or substantially enacted tax rates are used to determine deferred income tax. Under this method, the Investment Holding is also required to make a provision for deferred income tax on the difference between the fair values of the net assets acquired and their tax base as a result of a business combination.

No deferred taxes are accounted for temporary differences arising from the initial recognition of goodwill or the initial recognition of assets or liabilities in a transaction that is not a business combination and that at the time of the transaction affect neither accounting nor taxable profit, and differences relating to the investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized (Note 19).

1.17. Trade and other payables

Trade and other payables are measured at amortized cost. As the impact of discounting is immaterial, trade and other payables are measured at the nominal value.

1.18. Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Investment Holding has a contractual right (provided all covenants are fulfilled) to defer settlement of the liability for at least 12 months after the balance sheet date.

1.19. Revenue recognition

Revenue mainly includes sales of properties and rental income.
Revenue is recognized based on the fair value of the consideration received or receivable. For contingent consideration related to the sale of properties, the fair value of the contingent consideration is determined based on management's best estimate and recognized as a financial asset. Subsequent changes in the fair value of the financial asset are recorded via the income statement.

Sale of Property Development Inventory

Revenue from the sale of *property development inventory* is recognized when all the following conditions have been satisfied:
(a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) the amount of revenue can be measured reliably;

(d) it is probable that the economic benefits associated with the transaction will flow to the entity;
(e) the costs incurred or to be incurred relating to the transaction can be measured reliably.

The property disposals might be structured in a tax-efficient manner as a sale of shares in a legal entity that holds the property. The sales of real estate projects structured as a sale of shares are presented in these financial statements in accordance with the substance and economic reality of the transactions and not merely with their legal form. Thus, the amount of inventories recognized as an expense during the period referred to as “Cost of Property Development Inventories sold” comprises costs directly related to the property development projects sold during the year. The revenue from sales of properties reflects the market value of the properties sold.

Rental income

Rental income from Investment Properties leased is recognized on a straight-line basis over the lease term. Lease incentives granted are recognized as an integral part of the total rental income (i.e. are spread over the lease term).

The Investment Holding did not enter into any financial lease agreements with tenants; all lease contracts qualify as operating leases.

Sale of Investment Property

Revenue from the sale of investment property is recognized when all the following conditions have been satisfied:
(a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) the amount of revenue can be measured reliably;
(d) it is probable that the economic benefits associated with the transaction will flow to the entity;
(e) the costs incurred or to be incurred relating to the transaction can be measured reliably.

The property disposals are often structured in a tax-efficient manner as a sale of shares in a legal entity that holds the property. The sales of real estate projects structured as a sale of shares are presented in these financial statements in accordance with the substance and economic reality of the transactions and not merely their legal form. The gain realized on a sold investment property is shown on a net basis under “Result on disposal Investment Property” (part of other operating income) in the income statement.

2. Financial risk management

2.1 Financial risk factors

Due to its activities, the Investment Holding is exposed to a variety of financial risks: market risk (including exchange rate risk, price risk and cash flow interest rate 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. The Investment Holding uses derivative financial instruments (external or internal) on an ad hoc basis to hedge against the exposures arising from the individual transactions significant to the Investment Holding as a whole.

Financial risks are managed by Ghelamco's Chief Financial Officer (CFO) and his team. The CFO identifies, evaluates and mitigates financial risks in accordance with the objectives set by the Chief Executive Officer.

2.1.1 Foreign exchange risk

The Investment Holding operates internationally and enters into transactions in currencies (US Dollar, Polish Zloty, Russian Rouble and Ukrainian Hryvnia) other than the Investment Holding's functional currency being Euro. The major part of the Investment Holding's financial assets and financial liabilities are however denominated in Euro.

Within the Eurozone, the Investment Holding concludes all engineering and architectural contracts, main construction contracts and main part of (project) financing contracts in Euro. On the other hand, the Investment Holding has over the past four years and via its financial vehicle Ghelamco Invest SP. z o.o., issued Polish bearer bonds for a total amount of 824.7 MPLN. Leasing of the properties is Euro-based and eventual later disposal of assets or shares is usually expressed or negotiated in Euro. The Polish Zloty's risk is for that mainly related to the mentioned PLN bond issue, some local construction contracts and the sale amounts of residential projects.

For Ukraine, external financing is organized in US Dollar as well as engineering, architectural, construction and leasing contracts. The Investment Holding manages the US Dollar versus Euro risk internally.

Up until end 2011, Russian projects have mostly been financed through semi equity expressed in Euro. Bank financing for the construction of the Dmitrov Logistics Park Project is however since 2012 expressed in USD. The same risk mitigation as for Ukraine applies.

In short, the Investment Holding mitigates its currency risk exposure by matching as much as possible the currency of the income with that of the expenditure.

As stated, main net foreign currency position which the Company holds at the reporting date relates to the:
- Polish bearer bonds in PLN for a (net) amount of 534.687 KPLN.

A 10% strengthening/weakening of the EUR against the PLN rate at 31 December 2014 would resp. have increased/decreased the profit before tax and equity by approx. 12,7 MEUR. This analysis assumes that all othe variables (e.g. interest rates) remain constant.
- USD bank loans in Russia for a net amount of 113,785 KUSD.

A 10% strengthening/weakening of the EUR against the USD rate at 31 December 2014 would resp. have increased/decreased the profit before tax and equity by approx. 9,5 MEUR. This analysis assumes that all othe variables (e.g. interest rates) remain constant.

When a member of the Development Holding is exposed to eventual currency risks, the Investment Holding may choose to enter into an intra-group hedging.

Over 2013, Ghelamco Poland Sp. z o.o (belonging to the Development Holding) hedged the sale of an amount of EUR into PLN with its counterpart Granbero Capital. In practice, Granbero Capital covered the currency exposure for Ghelamco Poland Sp. z o.o for an amount of 420 KEUR on the Mokotow Nova project (Kalea SKA) at a fixed rate of 3.95 PLN/EUR, for an amount of 576 KEUR on the Senator project

(HQ SKA) at a fixed rate of 3.90 PLN/EUR, for an amount of 9,790 KEUR on the M12 project (Kappa SKA) at a fixed rate of 3.8 PLN/EUR, for an amount of 8,324 KEUR on the Lopuszanska project (Focus SKA) at a fixed rate of 3.9 PLN/EUR and for an amount of 38,435 KEUR on the Warsaw Spire project (Ghelamco Warsaw Spire SKA) at a fixed rate of 3,9 PLN/EUR. These hedging transactions resulted in a gain for Granbero Capital for an amount of 4,754 KEUR.
The remaining amounts covered by the above contracts for 2013 consisted of 777 KEUR on the M12 project, 3,949 KEUR on the Lopuszanska project and 23,644 KEUR on the Warsaw Spire project. The market value of these contracts amounted to 1,445 KEUR as of balance sheet date; value which was recognized through the profit and loss statement.

Over 2014, Ghelamco Poland Sp. z o.o again hedged the sale of an amount of EUR into PLN with its counterpart Granbero Capital. In practice, Granbero Capital covered the currency exposure for Ghelamco Poland Sp. z o.o for an amount of 41,387 KEUR on the Warsaw Spire project (Ghelamco Warsaw Spire SKA) at a fixed rate of 3,9 PLN/EUR. These hedging transactions resulted in a gain for Granbero Capital for an amount of 2,748 KEUR.
The remaining amounts covered by the above contract for 2014 consist of 3,400 KEUR on the Warsaw Spire project. The market value of these contracts amounted to 290 KEUR as of balance sheet date; value which has been recognized through the profit and loss statement. These derivatives were classified as held for trading under IFRS.

A weakening/strengthening of the PLN (average and 31/12/14 spot) exchange rates versus the EUR by 5% would, as a consequence of the above hedging, have resulted in a 1,803 KEUR higher/lower profit before tax for 2014.

Despite those closely monitored initiatives and as a consequence of its international activity, foreign exchange risks may still affect the Investment Holding's financials and results.

2.1.2 Interest rate risk

The Investment Holding actively uses external and internal borrowings to finance its property projects in Belgium, France, Poland, Russia and Ukraine. A property project's external financing is usually in the form of a bank loan denominated in Euro or US Dollars (see Note 16). Since the 824.7 MPLN + 6.3 MEUR total amount of bearer bond issues (of which 546.6 MPLN + 6.3 MEUR actually still outstanding per balance sheet date) by Ghelamco Invest Sp. z o.o., Polish projects can also be partly financed through the proceeds of these bonds. The same goes for Belgium since the private bond issues for a total amount of 112 MEUR.

Except for some ad-hoc past interest hedging, the Investment Holding did not enter into significant external interest rate hedging transactions to eliminate exposure arising from the long-term investment loans over the last 5 years. The Investment Holding's management closely monitors the short-term floating rate borrowings and medium term fixed interest rates.

The financing structure reflects major project investment phases (acquisition of land, construction and holding of the properties) as follows:

- Land acquisition loans (usually provided for a term of two years). The interest is payable at market floating rates (from 1 up to 6 months) increased by a margin.

- Construction loans provided until completion of construction and obtaining of the exploitation permit (usually for a term of about two years). The interest is calculated at market floating rates (from 1 up to 6 months) increased by a margin and mostly capitalized in the construction loan. The land acquisition loan is at this stage integrated in the construction loan.

- Once the property is completed, leased and meets all ongoing covenants, the construction financing is swapped into an investment loan, usually provided for a period of five years beginning from the signing of the investment loan agreement and repayable gradually with rental income or fully upon sale of the property. The banks are usually willing to offer investment loans up to an amount that reflects 65% to 70% of the property's market value. The interest is usually a mix of floating and fixed rates. In addition, the capital is amortized at a level between 4% and 7% per annum (on average), usually payable on a quarterly basis together with the accrued interest.

- For the Polish projects: 546.6 MPLN + 6.3 MEUR proceeds from bond issues with a term of 3 years and bearing an interest of Wibor 6 months + 3.5%-6% and Euribor 6 months + 4,3% resp.; proceeds of which can be used over the resp. project development stages.

- For the Belgian and French projects; 42 MEUR bond issue due 13 December 2015 (60%) and due 13 December 2017 (40%) and bearing an interest of resp. 7% and 7.875%; 70 MEUR bond issues due 28 February 2018, bearing an interest of 6.25%; proceeds of which can be used over the resp. project investment stages.

The Investment Holding actively uses intra-group borrowings provided by the Financing Vehicles acting as financial intermediaries (mainly Peridot SL and Salamanca Capital Services Ltd at 31 December 2014 and 31 December 2013) to finance the property projects in Poland, France, Belgium, Russia and Ukraine. These intra-group loans bear interest at market floating interest rates and are fully eliminated from these IFRS consolidated financial statements.

For sensitivity analysis, reference is made to disclosure 16 on interest-bearing loans and borrowings.

2.1.3 Operational risk (price risk in first instance)

Price risk
Raw materials, supplies, labour and other costs directly related to the construction process constitute a major part of the property development assets capitalized in the accounts of the Investment Holding's project companies.
Although construction prices may substantially vary during each accounting year, the Investment Holding succeeds in reducing its operational risk by either entering into fixed price contracts or into open book contracts with related and unrelated companies.
Most property projects are realized in cooperation with parties related to the Investment Holding (see Note 29.2).

Market research
Before starting an investment, the Investment Holding's management teams have performed their market research, comprising the following:
- status of the project's current zoning (eventual timing for rezoning necessary)
- attitude of the local government towards a particular project
- are comparable projects being launched (timing and location)
- type of potential buyers/tenants - reasonable delivery date of the project
- projected sale/lease prices at the date of delivery
- yield expectations at that time
- time frame to achieve 50%-60% leasing level

Permit risk
A detailed advance study of the existing master plan or zoning plans substantially reduces the risks on obtaining building permits. On this issue, it is the Investment Holding's policy to closely monitor new construction regulations or esthetical preferences of the city authorities. One should of course differentiate between the type of projects, their location and specific country principles.

Construction risk
Construction risks are monitored by the Consortium in-house engineers. They define the construction cost as from the date of the feasibility study and take full responsibility for material discrepancies. Therefore, fine-tuning of budgets, choice of materials, construction techniques and construction prices is a constant process within the Consortium. This avoids cost overruns and delivery delays for the Investment Holding.
The Investment Holding also maintains full control over the building site coordination of (sub) contractors.

Engineering risk
The Investment Holding has to remain in control for the design, layout and structural or finishing elements of the building. Any change in engineering automatically leads to cost increases or decreases. That is why the Investment Holding hardly ever outsources these tasks.

Financing risk
The Investment Holding relies since 10 years on framework agreements with the majority of its banking partners. The parameters of the framework can vary due to economic circumstances, but remain workable as a whole. Before starting up the construction works (or contracting with subcontractors), the Investment Holding expects to have received already a (non-)binding term sheet from its banking relations.
In the past three years, the Investment Holding in addition proved to be able to call upon alternative financing through the issue of bonds in Belgium (112 MEUR unsecured bonds in total as of 31 December 2014; ut infra) and Poland (546.6 KPLN + 6.3 MEUR bearer bonds in total as of 31 December 2014).

Commercial risk
Certain major projects require (internal) pre-lease levels, depending on different parameters, mostly triggered by the project's (large) scale, changed market circumstances or project type. Smaller projects are started up without pre-leases. This set-up immediately triggers the intense involvement of both the Consortium's internal commercial departments and its external brokers. So far, the Investment Holding's track record shows at least a 50% (or more) leasing level before the end of construction works.

Investment market risk
Each developer or investment fund is influenced by the currently applicable yield expectations. Therefore, good project timing is essential. While securing the construction financing, the Investment Holding also negotiates a binding transition from construction loan into investment loan. This allows us to keep the property in portfolio and to wait for attractive offers of investors.

2.1.4 Credit risk

Some limited credit risk may arise from credit exposures with respect to rental customers/ tenants (mostly renowned international companies) and outstanding balances with related parties. The Investment Holding's entities are setting credit limits based on financial information and business knowledge, which are duly approved by management. No major allowances for non-payment were necessary in the current or previous year. The credit risks on residential buyers are limited by the conditions in the notary deeds.

For further analysis, reference is made to note 10.

2.1.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to meet the Investment Holding's liquidity needs. Due to the dynamic nature of the underlying business activities, the Investment Holding actively uses external and internal funds to ensure that adequate resources are available to finance the Investment Holding's capital needs. The Investment Holding's liquidity position is monitored by management, based on 12 months rolling forecasts.

The maturity analysis for financial liabilities that shows the remaining contractual maturities is presented in Note 16.

We also refer to note 13 and 16 where the available financing is described.

2.1.6 Foreign political and economic risk

Significant part of projects operated through subsidiaries of the Investment Holding are located and operated in Poland, Russia and Ukraine and are held through Belgian and Cypriot holding structures. As a result, the operation of these projects and the upstreaming of related revenues are subject to certain inherent risks to these countries which may include, but are not limited to unfavourable political, regulatory and tax conditions.

In this respect, e.g. reference is made to the changes to the Polish tax law related to fund structures, as described in section 1.16 above.

2.2 Capital risk management

The Investment Holding's objectives when managing capital are to safeguard its ability to continue as a going concern and to support its strategic growth plans.
As all profits of the last years are being re-invested into the Investment Holding, the management's focus is mainly set on financial support of its expansion plans. In order to maintain or optimize the capital structure, the Investment Holding may decide to issue bonds or similar financial instruments in the international financial markets. Group management closely monitors solvency, liquidity, return on invested capital and profitability levels.

The Investment Holding monitors capital primarily based on the solvency ratio. This ratio is calculated as total equity divided by the balance sheet total. The solvency ratios at 31 December 2014 and 2013 were as follows:

	2014	**2013**
Equity	571,183	576,303
Total assets	1,267,826	1,269,175
Solvency ratio	**45,1%**	**45,4%**

3. Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and assumptions are based on historical experience and various other factors that are considered reasonable under the circumstances, the results of which form the basis of judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects future periods.

In addition to the estimates already explained in the accounting policies, the estimates and assumptions that might significantly affect the valuation of assets and liabilities are outlined below.

Impairment of inventory

The risk of impairment arises from uncertainties typical to the real estate industry. At the balance sheet date impairment losses/write-offs to net realizable value have been recognized on the inventory in the following SPVs:
- Signal Bud Sp. z o.o: 141 KEUR
- Expert Invest Sp. z o.o: 220 KEUR
- Others (immaterial impairments): 85 KEUR

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No additional impairments were deemed necessary in 2014.

Income taxes

Given the diversity of its geographical locations, the Investment Holding operates within a complex international legal and regulatory environment. Deferred tax is determined based on each legal entity's tax position and is reviewed on each balance sheet date to take account of the impact of changes in the tax laws and the probability of recovery.

Basic Company Income Tax levels (excluding tax exemptions or other incentives):

Belgium:	33.99 %
Poland:	19 %
Russia:	20 %
Ukraine:	18 %
Cyprus:	12,5 %
Luxemburg:	21.84 % (exceptions for financial rulings)
Spain:	30%

Fair value estimation

The carrying value less impairment write down of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Investment Holding for similar financial instruments.

In conformity with IAS 39, all derivatives are recognized at fair value in the balance sheet.

With respect to the determination of fair value of IP(UC), we refer to section 1.9 above.

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4. List of subsidiaries

Ghelamco Group Comm. VA subsidiaries included in these IFRS consolidated financial statements are as follows:

Entity description	Country	31/12/2014 % voting rights	31/12/2013 % voting rights	Remarks
Ghelamco Capital (Branch)	LU	n/a	n/a	
Ghelamco Invest (former I.R.C.)	**BE**	**99**	**99**	*
The White House Zoute NV	BE	99	99	*
Dock-Site NV	BE	99	99	*
Dianthus NV	BE	99	99	*
Nepeta NV	BE	99	99	*
Rubia NV	BE	n/a	99	4.2
De Leewe III NV	BE	99	99	*
Immo Simava 13 NV	BE	99	99	*
Leisure Property Invest NV	BE	99	99	*
Waterview NV	BE	99	99	*
Retail Leuven NV (ex Estate of the Art NV)	BE	99	99	****
Leuven Student Housing NV	BE	99	99	****
Ring Multi NV (former Ring Retail NV)	BE	99	99	*
Artevelde Stadion CVBA	BE	57	57	**
Wavre Retail Park NV	BE	99	99	*
L-Park NV	BE	n/a	99	4.2
Docora NV	BE	99	99	*
RHR-Industries NV	BE	99	99	*
Zeewind NV	BE	99	99	*
Retail Gent NV	BE	99	99	*
Parking Estates NV	BE	99	99	*
Parking Gent NV	BE	99	99	*
Arte Offices NV	BE	99	99	*
Schelde Offices NV	BE	99	99	*
Ring Offices NV	BE	99	99	*
Ring Hotel NV	BE	99	99	*
Parking Leuven NV (former Ring Congress Centre NV)	BE	99	99	*
Forest Parc NV	BE	99	99	*
De Nieuwe Filature NV	BE	99	99	*
GRANBERO HOLDINGS Ltd.	**CY**	**100**	**100**	
Granbero Capital (branch)	LU	n/a	n/a	
Apollo Invest Sp. z o.o	PL	40	40	***
Expert Invest Sp. z o.o	PL	100	100	
Industrial Invest Sp. z o.o	PL	100	100	
Prima Bud Sp. z o.o.	PL	100	100	
Signal Bud Sp. z o.o	PL	100	100	
Leader Invest Sp. z o.o.	PL	n/a	100	4.4
Proud Invest Sp. z o.o	PL	n/a	100	4.4
Quality Invest Sp. z o.o	PL	n/a	100	4.4
Expansion Invest Sp. z o.o	PL	n/a	100	4.4
Ghelamco Invest Sp. z o.o	PL	100	100	
CC 26 F.I.Z.	PL	100	100	
Ghelamco GP 1 Sp z o.o	PL	100	100	
Ghelamco GP 1 Spolka z ograniczona odpowiedzialnoscia Axiom SKA	PL	100	100	
Ghelamco GP 1 spółka z ograniczoną odpowiedzialnością Konstancin SKA	PL	100	100	

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Ghelamco GP 1 Spolka z ograniczona odpowiedzialnoscia Dystryvest SKA	PL	100	100	
Ghelamco GP 1 spółka z ograniczoną odpowiedzialnością Port Żerański SKA	PL	100	100	
Ghelamco GP 8 Spolka z ograniczona odpowiedzialnoscia Dahlia SKA	PL	100	100	
Ghelamco GP 1 Spolka z ograniczona odpowiedzialnoscia Tillia SKA	PL	100	100	
Ghelamco GP 2 Spolka z ograniczona odpowiedzialnoscia Innovation SKA	PL	100	100	
Ghelamco GP 1 spółka z ograniczoną odpowiedzialnością Sobieski Towers SKA	PL	100	100	
Ghelamco GP 1 Spolka z ograniczona odpowiedzialnoscia Office SKA	PL	100	100	
Ghelamco GP 1 spółka z ograniczoną odpowiedzialnością Matejki SKA	PL	100	100	
Ghelamco GP 1 Spolka z ograniczona odpowiedzialnoscia Market SKA	PL	100	100	
Ghelamco GP 1 Spolka z ograniczona odpowiedzialnoscia Erato SKA	PL	100	100	
Ghelamco GP 1 Spolka z ograniczona odpowiedzialnoscia Pattina SKA	PL	100	100	
Ghelamco GP 1 Spolka z ograniczona odpowiedzialnoscia UNIQUE SKA	PL	100	100	
Ghelamco GP 1 Spolka z ograniczona odpowiedzialnoscia PIB SKA	PL	100	100	
Ghelamco GP 1 Spolka z ograniczona odpowiedzialnoscia Callista SKA	PL	100	100	
Ghelamco GP 1 spółka z ograniczoną odpowiedzialnością Vogla SKA	PL	100	100	
Ghelamco GP 5 Sp. z o.o. (former Fusion Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 5 Spolka z ograniczona odpowiedzialnoscia Capital SKA	PL	100	100	
Ghelamco GP 5 spółka z ograniczoną odpowiedzialnością Sienna Towers SKA	PL	100	100	
Ghelamco GP 5 Spolka z ograniczona odpowiedzialnoscia Pro Business SKA	PL	100	100	
Ghelamco GP 5 spółka z ograniczoną odpowiedzialnością SBP SKA	PL	100	100	
Ghelamco GP 5 Spolka z ograniczona odpowiedzialnoscia Creative SKA	PL	100	100	
Ghelamco GP 5 spółka z ograniczoną odpowiedzialnością Foksal SKA	PL	100	100	
Ghelamco GP 3 Sp. z o.o. (former Belle Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 3 spółka z ograniczoną odpowiedzialnością Bellona Grzybowska 77 SKA	PL	100	100	
Ghelamco GP 3 spółka z ograniczoną odpowiedzialnością Grzybowska 77 SKA	PL	100	100	
Ghelamco GP 3 spółka z ograniczoną odpowiedzialnością Logistyka SKA	PL	100	100	
Ghelamco GP 3 spółka z ograniczoną odpowiedzialnością Wronia SKA	PL	100	100	
Ghelamco GP 7 Sp. z o.o. (former Power Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 7 spółka z ograniczoną odpowiedzialnością Business Bud SKA	PL	100	100	
Ghelamco GP 7 spółka z ograniczoną odpowiedzialnością Postępu SKA	PL	100	100	
CC 28 F.I.Z.	PL	100	100	
Ghelamco GP 2 Sp z o.o	PL	100	100	
Ghelamco GP 2 Spolka z ograniczona odpowiedzialnoscia Excellent SKA	PL	100	100	
Ghelamco GP 2 spółka z ograniczoną odpowiedzialnością KBP SKA	PL	100	100	
Ghelamco GP 2 Spolka z ograniczona odpowiedzialnoscia Primula SKA	PL	100	100	
Ghelamco GP 2 Spolka z ograniczona odpowiedzialnoscia Kalea SKA	PL	100	100	
Ghelamco GP 2 Spolka z ograniczona odpowiedzialnoscia Proof SKA	PL	100	100	
Ghelamco GP 4 Sp. z o.o. (former Betula Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 2 Spolka z ograniczona odpowiedzialnoscia Kappa SKA	PL	100	100	
Ghelamco GP 2 spółka z ograniczoną odpowiedzialnością M12 SKA	PL	100	100	
Ghelamco GP 3 Spolka z ograniczona odpowiedzialnoscia Focus SKA	PL	100	100	
Ghelamco GP 3 spółka z ograniczoną odpowiedzialnością ŁBP SKA	PL	100	100	
Ghelamco Warsaw Spire Sp. z o.o. (former Immediate Investment Sp. z o.o)	PL	100	100	
Ghelamco Warsaw Spire Spolka z ograniczona odpowiedzialnoscia SKA (former Eastern Europe Bud Sp. z o.o)	PL	100	100	
Ghelamco Warsaw Spire spółka z ograniczoną odpowiedzialnością WS SKA	PL	100	100	
Ghelamco GP 6 Sp. z o.o. (former Opportunity Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 6 Spolka z ograniczona odpowiedzialnoscia HQ SKA	PL	100	100	
Ghelamco GP 2 Spolka z ograniczona odpowiedzialnoscia Isola SKA	PL	100	n/a	****
Ghelamco GP 8 Sp.z o.o.	PL	100	n/a	
ACG1 Sp. z o.o.	PL	100	n/a	****
Creditero Holdings Ltd.	CY	100	100	
Bellona Bema 87 Sp. z o.o.	PL	100	100	
Portfolio Invest Ltd.	UA	n/a	99	4.2
Preferent Invest Ltd.	UA	n/a	99	4.2

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SAFE HOLDING BELGIUM NV	**BE**	**99**	**99**	*
Motaro Holdings Ltd.	CY	99	99	*
Challenge Invest Ltd.	UA	99	99	*
Vision Invest Ltd.	UA	99	99	*
Algowood Investments Ltd.	CY	99	99	*
Instant Invest Ltd.	UA	99	99	*
Urban Invest Ltd.	UA	99	99	*
Goronin Holdings Ltd.	CY	99	99	*
Hybrid Invest Ltd.	UA	99	99	*
Field Invest Ltd.	UA	99	99	*
Farota Trading Ltd.	CY	99	99	*
Corporate Invest Ltd.	UA	99	99	*
Success Invest Ltd.	UA	99	99	*
Creletine Ltd.	CY	99	99	*
Logistic Park Ermolino Ltd.	RU	99	99	*
Millor Enterprises Ltd.	CY	99	99	*
Belyrast Logistics Ltd.	RU	99	99	*
Finaris SA	LU	100	100	
Salamanca Capital Services Ltd.	CY	100	100	
Peridot SL	ES	48	48	*****

(*): the 1% remaining voting rights are owned directly or indirectly by Mr. P. Gheysens, the ultimate beneficial owner

(**): included in the Ghelamco Group consolidated financial statements under the equity method. Balance sheet of this entity mainly relates to the land position re. the football-related part of the Ghelamco Arena.

(***): Although the Investment Holding does not dispose of the majority of the SPV's voting rights, in practice it does have control over the SPV. Therefore, the SPV has been included in the consolidated financial statements applying the full consolidation method.

(****): Subsidiaries were (as shelf entities) already controlled in 2013 but only have been consolidated for the first time in 2014.

(*****): On 10 July 2009, the Investment Holding transferred 52% of its shares in Peridot SL, Spain based entity and financing vehicle of the Consortium, to the Development Holding (26%) and the Portfolio Holding (26%), related parties and holding companies of the Development Holding and the Portfolio Holding respectively. Although as a result of this transfer, the Investment Holding no longer disposes of the majority of the voting rights of Peridot, in practice it still does have control over the subsidiary. Therefore, the subsidiary has been included in the consolidated financial statements applying the full consolidation method.

A brief description of the main subsidiaries' business activities is given below:

- **Ghelamco Invest** NV, formerly known as International Real Estate Construction NV (IRC) is an investment holding in ***Belgian*** real estate entities and also directly has a number of real estate projects on its own balance sheet.

- **Granbero Holdings Ltd** is an investment holding company that directly and indirectly owns equity interests in ***Polish*** real estate entities of the Investment Holding.

- **Safe Holding Belgium NV** is an investment holding company with (indirect) equity interests in ***Russian and Ukrainian*** real estate entities (via a number of intermediate holding entities incorporated in Cyprus).

- Finaris SA, Peridot SL, Salamanca Capital Services Ltd, Ghelamco Capital (branch of Ghelamco Group Comm. VA) and Granbero Capital (branch of Granbero Holdings Ltd) are all Financing Vehicles used in the Consortium's financial activities.

Real estate acquisitions and disposals (including plots of land) often involve the transfer of a company that holds the property.

Most Investment Holding entities (except for the Holdings, Sub-holdings and Financing Vehicles) are such special purpose real estate entities created to structure real estate transactions (acquisition of land and real estate investment activities).

Summary of incorporations, acquisitions and disposals of subsidiaries (and other business units) realized by the Investment Holding during the year ended on 31 December 2014. These acquisitions and disposals of subsidiaries are treated in accordance with the accounting policy as described in section 1.5.2 and 1.5.3 (and not in accordance with IFRS 3 on Business Combinations).

4.1 Acquisitions of subsidiaries

None in 2014.

4.2 Disposal of subsidiaries

In November 2014 the L-Park mixed office and retail project in Leuven (with a leasable offices and retail area of resp. 13.7 Ksqm and 3.4 Ksqm and approx. 275 parking spaces) has been sold to AXA Belgium. The sales transaction was structured as a share deal (i.c. 100% of the shares of the project SPV L-Park NV). The share price amounted to +/- 9.9 MEUR.

In October and November 2014 the subsidiaries Rubia NV (holding an exploitation licence for 115 senior home (bed-)places) and RPI NV (holding land positions) have been sold to resp. a third party operator and a third party investor. Both sales transactions are connected with the Wezembeek-Oppem senior homes project which the Company is realising in a joint venture structure. The share prices amounted to resp. 0.2 MEUR and 1.1 MEUR.

There have been no other disposals of subsidiaries during the year ended on 31 December 2014, except for Portfolio Invest Ltd. (and its subsidiary Preferent Invest ltd.) which have been sold and transferred to Impetira Holdings Ltd., related party which makes part of the Development Holding. The share sale has been done at arm's length and had no impact on the Group's 2014 financial statements.

4.3 Incorporation of new shelf companies

In May 2014, 1 new SPV (Brussels & Regional NV) has been incorporated for the development of future real estate projects. In this entity, all shares (250) but one have been subscribed by Ghelamco Invest and one by Mr. P. Gheysens. The entity has a share capital of 250 KEUR, of which 63.5 KEUR has been paid in.

Given its limited size as of 31 December 2014, the concerned entities have not yet been consolidated in these consolidated financial statements. The participating interests which Ghelamco Invest holds in these entities have been kept at cost.

4.4 Mergers and liquidations of subsidiaries

In the course of 2013, 100% of the shares of four related party entities (Leader Invest, Proud Invest, Quality Invest, Expansion Invest) have been transferred from Granbero Holdings to Signal Bud. Purchase price amounted to 50 KPLN each. In January 2014, involved entities have been liquidated through merger into Signal Bud. This operation had no impact on the Group's 2013 and 2014 consolidated financial statements.

4.5 Transfer of Subsidiaries

2014

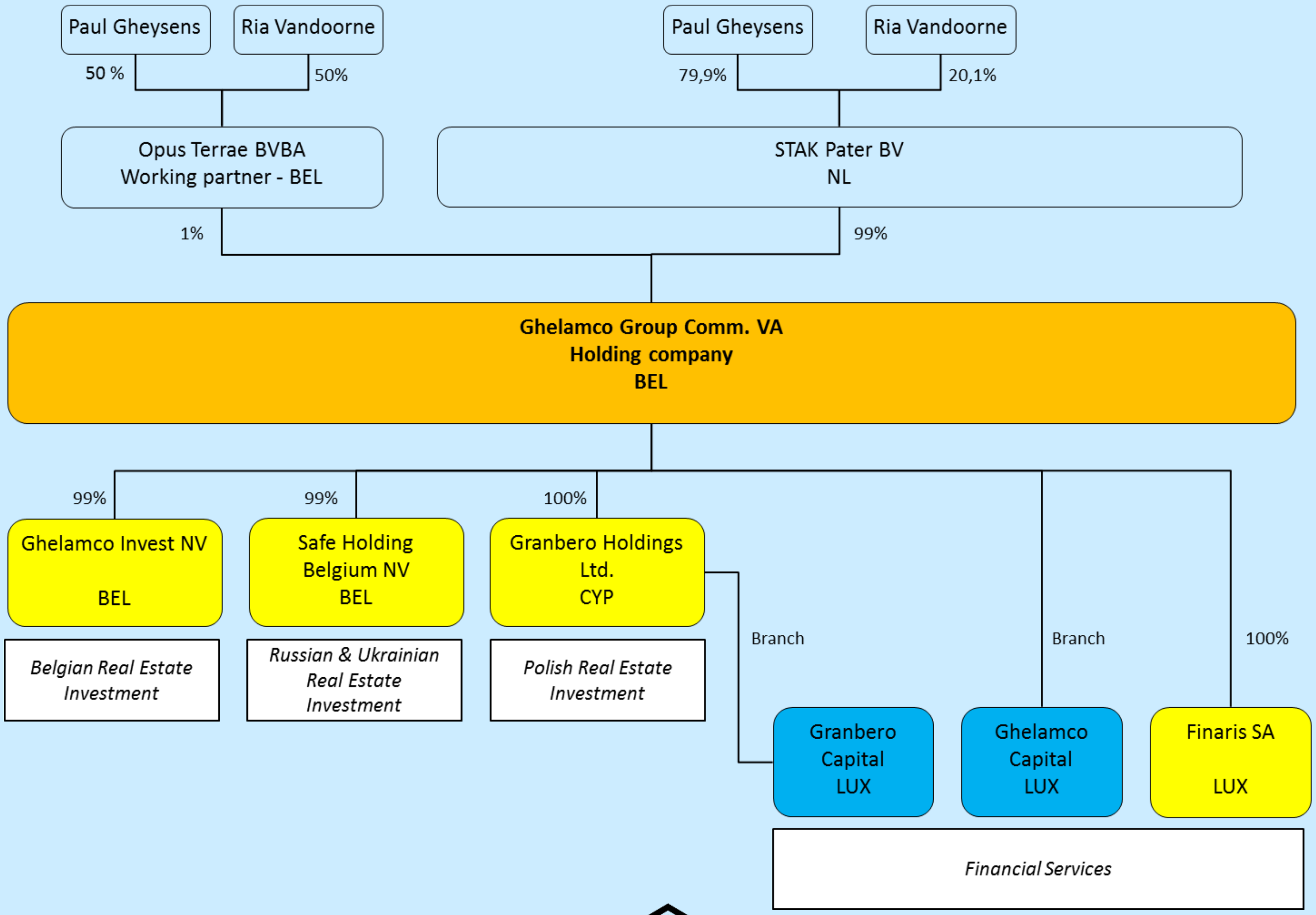
During 2014 – and except for Portfolio Invest Ltd. (and its subsidiary Preferent Invest ltd.) which have been sold and transferred to Impetira Holdings Ltd., related party which makes part of the Development Holding – there were no subsidiary transfers within the Investment Holding or between the Investment Holding and IRS Comm. VA or Deus Comm. VA, related parties and holding companies of the Development Holding and the Portfolio Holding respectively.

2013

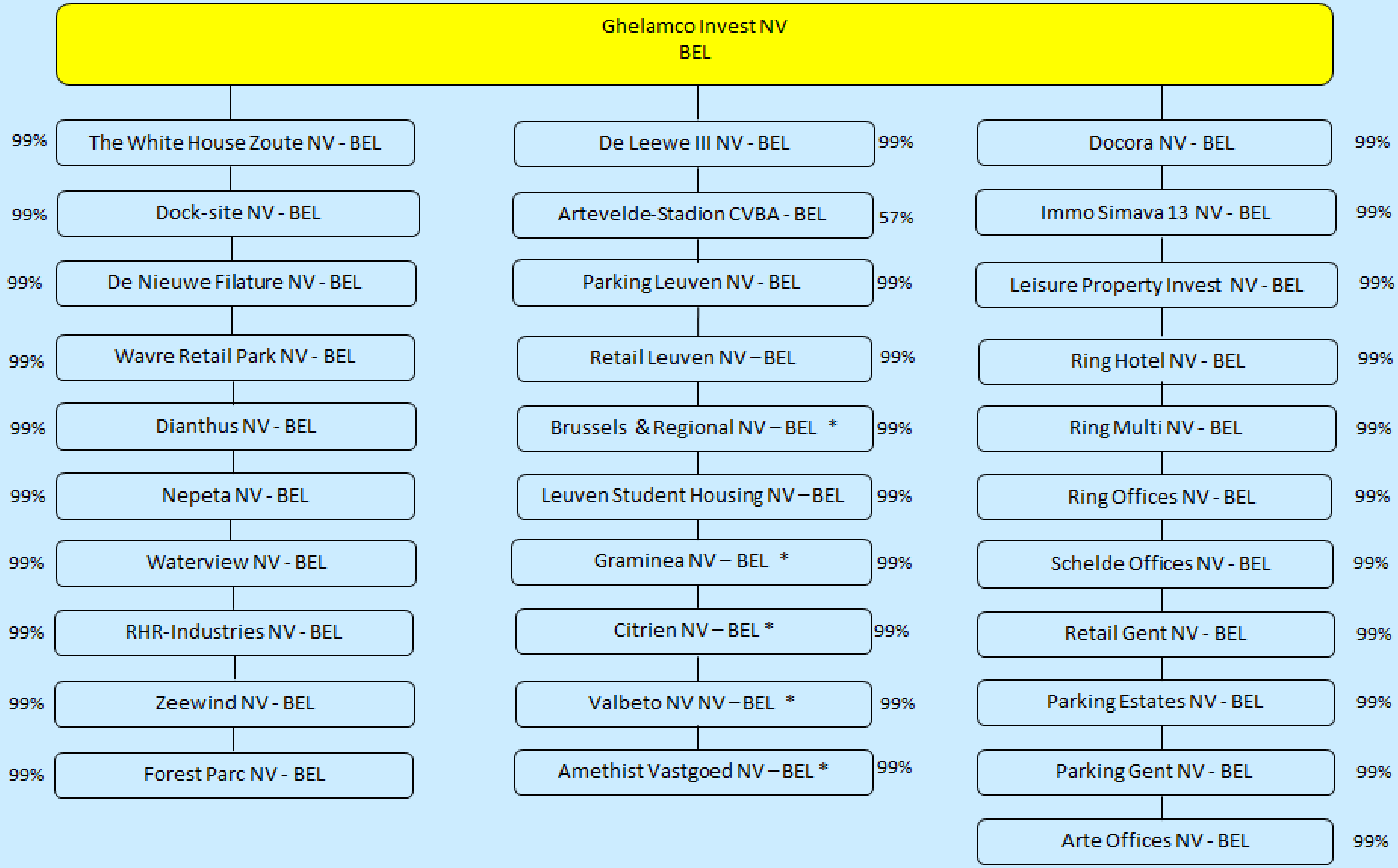
During 2013, there were no subsidiary transfers within the Investment Holding or between the Investment Holding and IRS Comm. VA or Deus Comm. VA, related parties and holding companies of the Development Holding and the Portfolio Holding respectively.

5. Group structure

5.1. Investment Holding as per December 31st, 2014

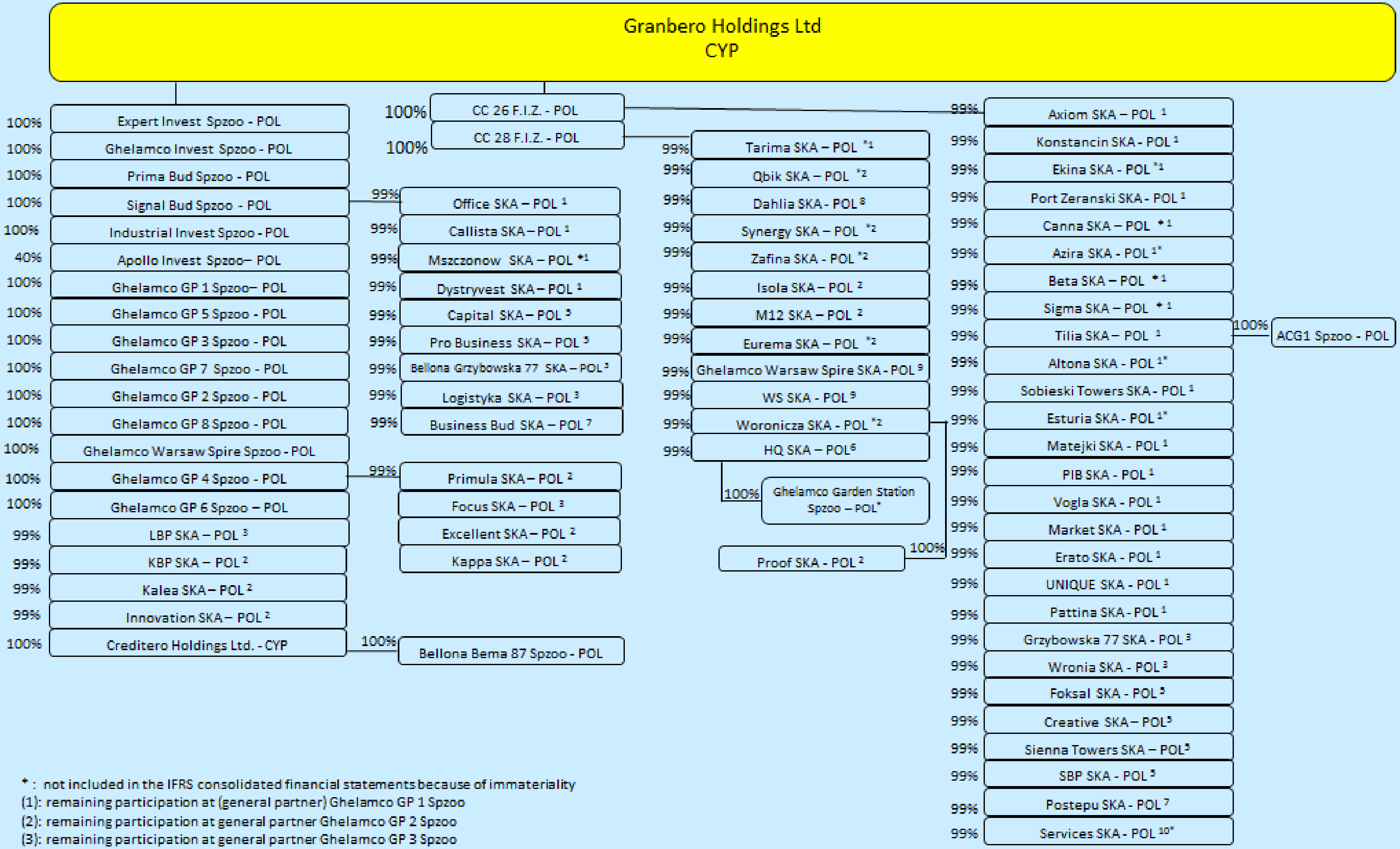


5.2. Belgian Real Estate Investment as per December 31st, 2014



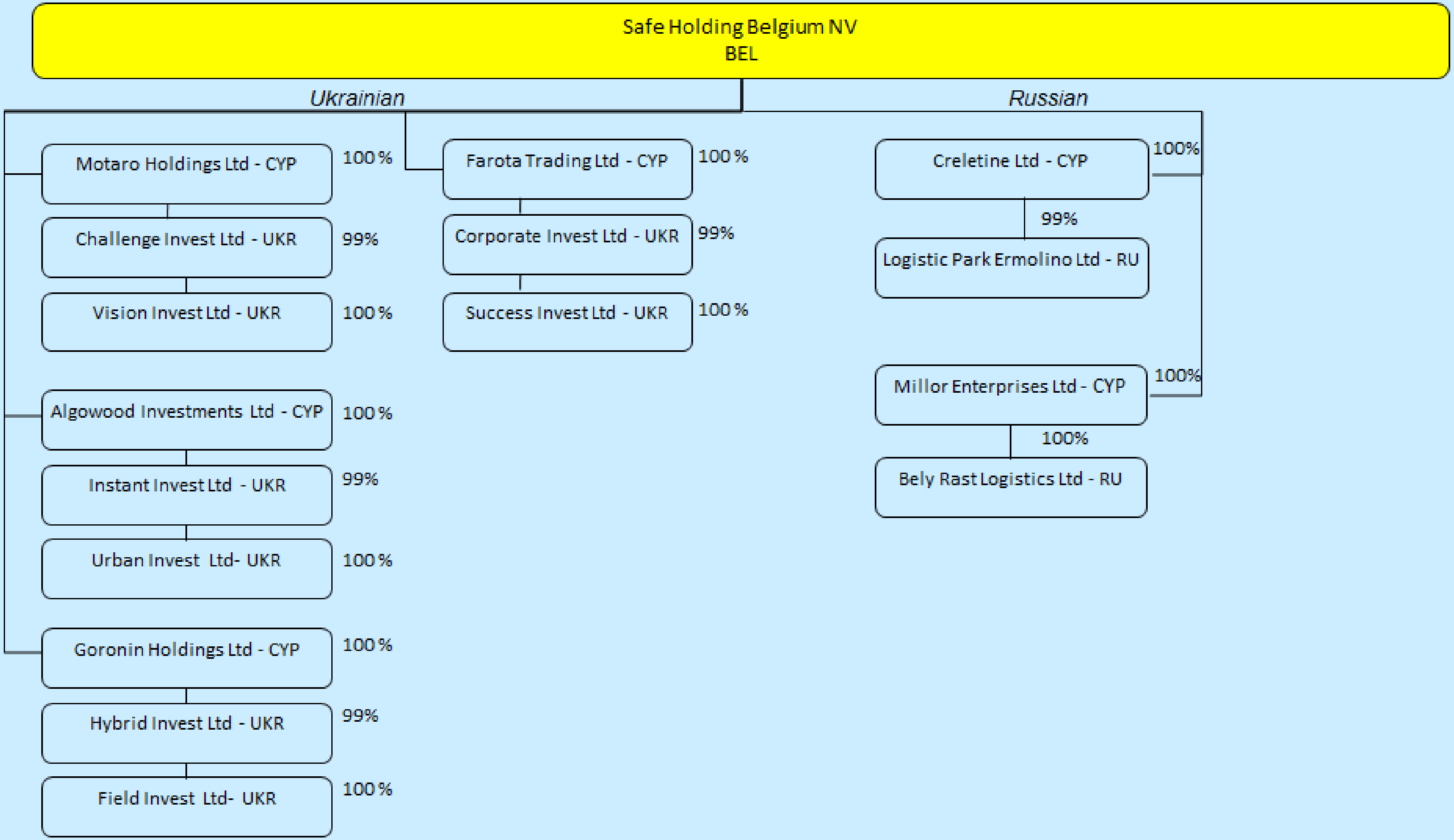
*: not included in the IFRS consolidated financial statements because of immateriality

5.3. Polish Real Estate Investment as per December 31st, 2014

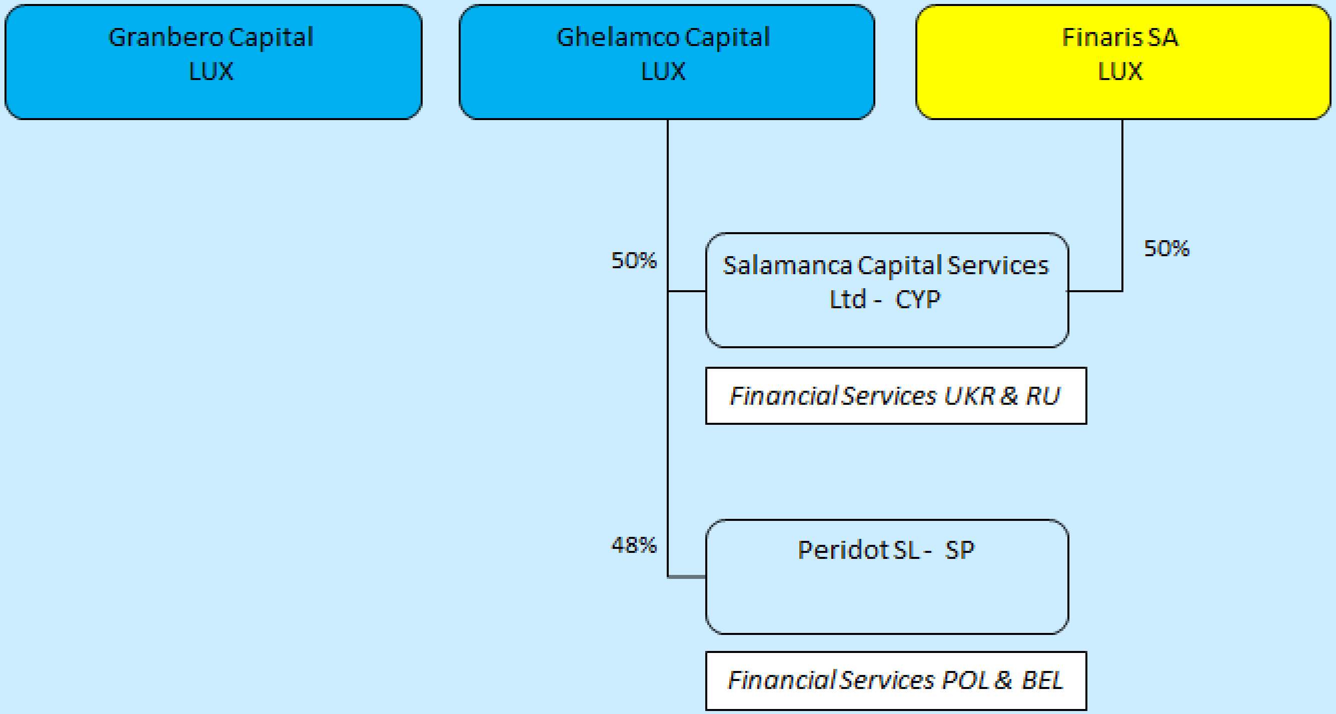


* : not included in the IFRS consolidated financial statements because of immateriality
(1): remaining participation at (general partner) Ghelamco GP 1 Spzoo
(2): remaining participation at general partner Ghelamco GP 2 Spzoo
(3): remaining participation at general partner Ghelamco GP 3 Spzoo
(4): remaining participation at general partner Ghelamco GP 4 Spzoo
(5): remaining participation at (general partner) Ghelamco GP 5 Spzoo
(6): remaining participation at (general partner) Ghelamco GP 6 Spzoo
(7): remaining participation at (general partner) Ghelamco GP 7 Spzoo
(8): remaining participation at (general partner) Ghelamco GP 8 Spzoo
(9): remaining participation at general partner Ghelamco Warsaw Spire Spzoo
(10): remaining participation at general partner Ghelamco Poland Spzoo

5.4. Ukrainian and Russian Real Estate Investment as per December 31st, 2014



5.5. Financial Services as per December 31st, 2014



6. Investment Property

The Investment Holding's current strategy is to keep commercial property for rental purposes while residential properties are dedicated for sale.
All plots of land held for undetermined use, or where the management determines that the plot will be used in a project where the building will be rented, are classified as Investment Properties on 31 December 2014 and 31 December 2013.

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

A. Land without pre-permit approval, held for capital appreciation or undetermined use (fair value based on comparative method);
B. Land with pre-permit held for development and investment (fair value based on the potential of constructing leasable m²);
C. Land + Construction ongoing (fair value based on the residual method);
D. Completed Projects held for investment.

Country + SPV	Commercial Name	Valuation	Cat	31/12/2014	31/12/2013
				KEUR	KEUR
BELGIUM					
Leisure Property Invest	Golf Knokke Zoute	Man	A	31,700	26,159
WRP	Wavre Retail Park	Man	A	12,600	12,600
L-Park	L-Park	CBRE	n/a	0	35,200
Retail Gent	Retail Gent	CBRE	D	17,250	17,450
Parking Gent	Parking Gent	CBRE	C/D	29,729	28,848
Parking Estates	Parking Estates	CBRE	C/D	2,371	2,371
Zeewind	Zeewind	Man	D	1,737	1,737
Schelde Offices	Schelde Offices	Cushman	D	27,450	20,478
Arte Offices	Arte Offices	Cushman	D	29,350	19,107
Ring Hotel	Ring Hotel	Man	B	5,473	1,155
Ring Multi	Ghelamco Arena Multifunctional space	Cushman	D	19,275	17,935
Docora	Ghelamco Arena Offices	Cushman	C/D	13,926	13,300
Ring Offices	Ghelamco Arena Offices	Cushman	D	2,410	2,350
Ghelamco Invest	Le 8300	Man	C	19,566	16,169
Waterview/Parking Leuven	Waterview Parkings	Man	C	5,691	0
Waterview/Retail Leuven	Waterview Retail space	Man	C	4,832	0
POLAND					
Apollo Invest	Spinnaker Tower	KNF	B	17,259	15728
Postepu SKA/Business Bud SKA	Postepu Business Park	KNF	A	10,043	10,516
Sienna Towers SKA/Capital SKA	Sienna Towers	KNF	B	52,897	45,607
WS/Warsaw Spire	Spire and Chopin Tower	KNF	C	178,443	160,555
			D	65,740	
KBP SKA/Excellent SKA	Katowice Business Point	,n/a	n/a	0	36,599
LBP SKA/Focus SKA	Lopuszanska Bus. Park	n/a	n/a	0	34,835
Sobieski SKA/Innovation SKA	Sobieski Tower	DTZ	B	17,748	14,360

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Market SKA	Mszczonow Logistics	ASB	A	2,832	2,910
Kappa SKA	Marynarska12/ T-Mobile Office Park	n/a	n/a	0	105,308
SBP SKA/Pro Business SKA	Synergy Business Park Wroclaw	KNF	B	20,002	19,339
Grzybowska 77 SKA	Grzybowska	KNF	A	9,700	10,570
Wronia SKA/Logistyka SKA	Logistyka	KNF	A	16,650	16,555
Vogla SKA/Callista SKA	Wilanow Retail	KNF	A	6,927	7,883
Tillia SKA/ACG1 SKA	Powisle	KNF	A	6,120	0
Dahlia SKA	Woloska 24	KNF	C	13,192	0

RUSSIA

Bely Rast e.a.	Dmitrov Logistic Park	CBRE	C/D	153,500	129,500
Ermolino	Logistic Park Ermolino	JLL	A	7,960	9,988

UKRAINE

Success Invest	Kopylov Logistics Park	COLL	D	13,474	14,296
Urban Invest	Kopylov Logistics Park 2	UKR	A	956	979
Vision Invest	Warsaw Road Dev.	UKR	B	3,611	3,924

TOTAL: **820,414** **854,311**

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

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Balance at 1 January 2013	**858,699**
Acquisition of properties	12,755
Subsequent expenditure	176,249
Transfers	
- Assets classified as held for sale	-3,475
- Other transfers	16,200
Adjustment to fair value through P/L	52,137
Disposals	-244,629
CTA	-13,625
other	
Balance at 31 December 2013	**854,311**
Acquisition of properties	11,575
Subsequent expenditure	165,640
Transfers	
- Assets classified as held for sale	
- Other transfers	2,845
Adjustment to fair value through P/L	11,335
Disposals	-216,657
CTA	-8,635
other	
Balance at 31 December 2014	**820,414**

Categories	A	B	C	D	Total
Balance at 1 January 2013	**84,052**	**88,755**	**265,090**	**420,802**	**858,699**
Acquisition of properties	7,333	4,958		464	12,755
Subsequent expenditure (*)	297	4,032	115,647	42,648	162,624
Transfers					
- Assets classified as held for sale			-3,475		-3,475
- Other transfers			-104,996	121,196	16,200
Adjustment to fair value	6,478	2,368	19,516	23,775	52,137
Disposals			-10,669	-233,960	-244,629
Other					
Balance at 31 December 2013	**98,160**	**100,113**	**281,113**	**374,925**	**854,311**
Acquisition of properties	5,145				5,145
Subsequent expenditure (*)	3,659	6,358	106,667	46,751	163,435
Transfers					
- Assets classified as held for sale					
- Other transfers	1,515		-122,882	124,212	2,845
Adjustment to fair value	-2,991	10,519	2,852	955	11,335
Disposals				-216,657	-216,657
Other					
Balance at 31 December 2014	**105,488**	**116,990**	**267,750**	**330,186**	**820,414**

(*) in this detailed overview net of CTAs (and other)

In Belgium, at end of November the L-Park mixed office and retail project in Leuven, Vaartkom has been sold to AXA Belgium at a (share) price of approx. 9.9 MEUR (i.e. reflecting a yield of +/- 6% and a gross project sales value of 40 MEUR). L-Park comprises a leasable offices and retail area of resp. 13.7 Ksqm and 3.4 Ksqm and approx. 275 parking spaces.

In addition, some (office space) parts of the Ghelamco Arena have been sold for a total sales value of 2,500 KEUR. These items were classified as assets held for sale in the Company's 2013 financial statements.

In Poland, on 20 August 2014 the office projects Katowice Business Point, Lopuszanska Business Park and Marynarska 12/T-Mobile Office Park have been sold upon an attractive bid by an investor (Starwood Capital Group, with its headquarters in Connecticut, USA). All three properties (with a total net leasable area of approx. 75,000 sqm) are occupied by renowned tenants such as T-Mobile, Citibank International, Allianz, Allior Bank, PWC and Northgate Arinso. The sales transaction (considering a net sales price of approx. 189 MEUR and the reimbursement of the related bank loans) resulted in a net cash-inflow for the Company of +/- 80 MEUR and in the realisation of previously recognized fair value adjustments for an amount of 44.98 MEUR.

Amounts that have been recognized in the Income Statement include the following:

	2014	**2013**
Rental income	22,156	26,884

Rental income mainly relates to rent agreements in Belgium (Retail Gent, Parking Gent, L-Park, Blue Towers Gent, Ring Multi-retail in the Ghelamco Arena), Poland (Katowice Business Point, Lopuszanska Business Parkf and T-Mobile Office Park), Russia (Dmitrov Logistics Park) and Ukraine (Kopylov Logistics Park).

Significant assumptions and sensitivity analysis

Main part of Polish IP(UC) relates to office projects (with often ground floor retail space), which are valued based on the residual method (for IPUC) and income approach/yield/DCF method (for delivered projects).
Main part of Belgian IP(UC) relates to office and retail projects, which are valued based on the residual method (for IPUC) and income approach/DCF method (for delivered projects).
Main part of Russian and Ukrainian IP(UC) relates to logistics projects, which are valued based on the comparative method (for plots/projects in the A/B category), the residual method (for IPUC) and yield/DCF method (for delivered projects).

For IFRS 13 purposes, IP(UC) projects are categorized in level 3.

The average yields (or capitalization rates) used in the expert valuations on 31 December 2014 are as follows:

- 6.50% to 8.25% for Polish projects, depending on the location, specifics and nature of the project (vs. 6.25% to 8.50% last year).
- 6.00% to 7.00% for Belgian office projects (vs. 6.00% to 6.65% last year), depending on the location, specifics and nature of the investment
- 6.00% to 7.0% for Belgian retail projects (vs. 6.25% to 6.5% last year), depending on the location, specifics and nature of the investment.
- 11.75% for Russian projects (vs. 11.00 last year)
- 16.00% for Ukrainian projects (vs. 14.00% last year).

The average rent rates used in the expert valuations are as follows:

- 11 EUR/sqm/month to 18.5 EUR/sqm/month for Polish office space (vs. 12 EUR to 20 EUR last year),

- 11 EUR/sqm/month to 27.5 EUR/sqm/month for Polish retail space (vs. 20 EUR to 28 EUR last year), depending on the location, specifics and nature of the project.
- 100 EUR/sqm/year to 165 EUR/sqm/year for Belgian office space (vs. 135 EUR to 150 EUR last year),
- 77 EUR/sqm/year to 120 EUR/sqm/year for Belgian retail space (vs. 78 EUR to 105 EUR last year), depending on the location, specifics and nature of the project.
- 120 USD/sqm/year for Russian warehouse space and 250 USD/sqm/year for office space (part of the logistics projects) (vs. resp. 135 USD and 275 USD last year).
- 5.00 to 8.0 USD/sqm/month for Ukrainian warehouse space and 10.00 to 17.5 USD/sqm/month for office space (part of the logistics projects) (vs. resp. 8.0 USD and 17.5 USD last year).

On 31 December 2014, the Investment Holding has a number of income producing investment properties (category D) which are valued at 330,186 KEUR (Retail Gent, Blue Towers Gent, Ring Multi, Ring Offices Zeewind, Warsaw Spire Building C, Kopylov Logistics Park, Dmitrov Logistic Park Building A and B). An increase/decrease of 100 basis points in the yield, with all other variables held constant, decreases/increases the value by approx. 35,100 KEUR.

The investment properties (under construction) (category B and C) are valued using a number of assumptions in terms of e.g. construction cost, expected rental values etc. that are interlinked and for which a sensitivity analysis per variable would not make sense.

7. Property, plant and equipment

in thousands €	**Property, plant and equipment 31.12.2014**	**Property, plant and equipment 31.12.2013**
Cost	1,256	1,331
Accumulated depreciation/amortisation and impairment	-865	-874
TOTAL	**391**	**457**

in thousands €	**Property, plant and equipment**
Cost	
Balance at 1 January 2013	1,343
Additions	34
Additions from internal developments	
Disposals or classified as held for sale	-46
Revaluation increase	
Effect of foreign currency exchange differences	
Other	
Balance at 31 December 2013	1,331
Additions	25
Additions from internal developments	
Disposals or classified as held for sale	-95
Revaluation increase	
Effect of foreign currency exchange differences	-5
Other	
Balance at 31 December 2014	**1,256**

Accumulated depreciation and impairment	
Balance at 1 January 2013	802
Depreciation/Amortisation expense	109
Disposals or classified as held for sale	-37
Impairment losses recognised in profit or loss	
Reversals of impairment losses recognised in profit or loss	
Effect of foreign currency exchange differences	
Other	
Balance at 31 December 2013	874
Depreciation/Amortisation expense	78
Disposals or classified as held for sale	-87
Impairment losses recognised in profit or loss	
Reversals of impairment losses recognised in profit or loss	
Effect of foreign currency exchange differences	
Other [describe]	
Balance at 31 December 2014	**865**

8. Intangible assets

The intangible assets balance relates to the naming rights which the Investment Holding has since mid-2013 on the Ghelamco Arena in Gent. Balance is amortized over the duration of the contract; i.e. 10 years. In accordance with the contractual terms, first instalment of 2.5 MEUR has been paid in Q1 2014; second instalment is to be paid per mid-2016.

9. Property Development Inventory

The Property Development Inventories amount to 182,917 KEUR on 31 December 2014 (2013: 178,071 KEUR) and are detailed as follows:

	31/12/2014	**31/12/2013**
Property Development Inventories	182,811	177,911
Raw materials	58	92
Finished goods	48	68
	182,917	**178,071**

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

	31/12/2014		**31/12/2013**	
Inventories – Poland	50,183	27%	66,547	37%
Inventories – Belgium	132,720	73%	111,503	63%
Inventories – Other countries	14		21	
	182,917	**100%**	**178,071**	**100%**

Major part of inventories of the Investment Holding are located in Belgium and Poland. The main assets located in Russia and Ukraine are reported under Investment Properties as they are held for investment purposes.

	Carrying value (at cost) at 31 December 2014 - KEUR	Carrying value (at cost) at 31 December 2013 - KEUR
BELGIAN PROJECTS		
I.R.C. - others	7,012	7,484
Le Valeureux Liégeois - East Dune	25,536	22,815
The White House Zoute	840	2,171
Locarno Knokke	5,713	6,835
Residentie Zegemeer Knokke	-	1,324
Blinckaertlaan Knokke	5,979	5,739
Kanonstraat Brussel	793	815
Bleko Doornstraat Kortrijk	2,281	2,036
Dock-site	2,648	2,648
"Residentie Katelijne"	9,094	9,091
"Project Waterside"'	1,485	1,618
Waterview	23,201	5,253
Sylt	10,285	10,939
Cromme Bosh	12,984	12,497
Kinder Siska	7,471	7,164
RHR	1,545	1,737
Farida-Knokke	-	494
De Nieuwe Filature	10,338	10,079
Blaisantpark Gent	5,515	764
TOTAL Belgium	**132,720**	**111,503**
POLISH PROJECTS		
Axiom-Constancin	4,128	6,103
Bellona-Bema	1,841	1,848
Creative Invest - Foksal	8,963	12,230
Dystryvest-Port Zeranski	2,725	1,211
Erato Invest	1,646	1,513
Isola SKA	1,571	
Leader Invest	-	16
M12 SKA	1,361	-
Office Investment-Matejki	1,256	1,341
Pattina Ivest	7	7
P.I.B.	3,017	2,994
Primula Invest	18	19
Proof Invest - Q-Bik soft lofts	23,022	36,990
Signal Bud	603	734
Tilia	-	1,515
Unique Invest	25	26
TOTAL POLAND	**50,183**	**66,547**
RUSSIAN PROJECTS		
SUBTOTAL RUSSIA	**-**	**-**
UKRAINIAN PROJECTS		
SUBTOTAL UKRAINE	**14**	**21**
GRAND TOTAL	**182.917**	**178,071**

Main part of current year expenditures have been done on the (residential part of the) Waterview project in Leuven, consisting of 461 student units, of which per date of the current report approx. 50% have been (pre-)sold.

Main divestures in Belgium:
- Locarno, sale of the retail ground floor of the mixed retail-residential project in Knokke
- Blaisantpark, mixed project in Gent: Per end of 2014, 47 apartments (of 67 in total) and 51 parkings have been sold (70% invoiced under the Breyne legislation); in addition 19 student homes have been sold in 2014 (100% invoiced).
- Waterview: sale of 43 student homes (of 461 in total) in 2014 (70% invoiced under the Breyne legislation)
- Farida, sale of remaining 3 apartments (of 12 in total) in the residential project in Knokke
- Beau Site, sale of 1 apartment in the residential project in De Panne
- Zegemeer, sale of 1 villa-apartment in the residential project in Knokke
- East Dune, sale of 3 apartments in the residential project in Oostduinkerke
- Sylt, sale of 1 unit in the residential project in Knokke
- White House: sale of the last apartment in the residential project in Knokke
- Bahia: sale of an apartment in Knokke

Inventory sales in Poland mainly related to the further commercialization of apartments in the Q-Bik project (350 residential soft lofts in Warsaw, for which per end 2014 over 75% of sales have been realized).

10. Non-current receivables & prepayments and current trade & other receivables

10.1 Non-current receivables & prepayments

	Note	31/12/2014	31/12/2013
Non-current			
Receivables from related parties	29.3	43,168	41,132
Trade and other receivables		15,728	24,533
Total non-current receivables and prepayments		**58,896**	**65,665**

Non-current receivables from related parties

All non-current loans to related parties are granted for a term of 3 to 5 years.
Contractual interest rates on non-current receivables to related parties for 2014 were as follows: Euribor/ Libor + margins in the range between 1% and 4%.
Further reference is made to Note 29.3.

Non-current trade and other receivables

Non-current trade and other receivables as of 31 December 2014 mainly consist of:
- Balance still to be received from SEB after the TP III sale: 256 KEUR
- Degi: 649 KEUR
- Earn-out and rental guarantee receivables in connection with the sale in 2013 of the Senator project: 6.1 MEUR
- Rental guarantee receivables (and other retentions) in connection with the sale in 2013 of the Mokotow Nova project: 0.6 MEUR
- Master lease and rental guarantee retentions in connection with the disposal of Lopuszanska Business Park: 0.2 MEUR
- Master lease and rental guarantee retentions in connection with the disposal of Marynarska 12/T-Mobile Office Park: 0.35MEUR

- Receivable which Granbero has on Tallink, related to the restructuring and merger end 2013 at the level of Signal Bud for an amount of 3 MEUR
- Other Peridot loans: 3,841 KEUR

The carrying amounts of non-current receivables approximate their fair value determined based on the future cash flows discounted at the prevailing rate for a similar instrument for an issuer with a similar rating.

10.2 Current trade & other receivables

	Note	31/12/2014	31/12/2013
Current			
Receivables from related parties		3,253	5,369
Receivables from third parties		7,612	4,686
Less: allowance doubtful debtors (bad debt provision)		-31	-33
Net trade receivables		10,834	10,022
Other receivables		2,352	3,343
Related party current accounts	29.3	51,791	42,991
VAT receivable		7,462	9,047
Prepayments		3,071	4,315
Interest receivable		16,300	12,983
Total current trade and other receivables		**91,810**	**82,701**

Current trade and other receivables

The carrying amounts of trade and other receivables approximate their fair values determined based on the future cash flows discounted at the prevailing rate for a similar instrument of an issuer with a similar credit rating.

Trade receivables with related parties (and prepayments, see below) include invoices for construction, engineering and other services as described in Note 29.2.

Prepayments

Outstanding prepayments as of 31 December 2014 mainly represent:

- 190 KEUR down-payment at SPV Expert Invest for the acquisition of a land plot
- 1,128 KEUR option on a land plot at Industrial Invest
- 524 KEUR (vs. 528 KEUR last year) down payments (and related costs) at SPV Prima Bud for the acquisition of a land plot (Lomianki), for the development of a trade and services centre.
- 812 KEUR (vs. 702 KEUR last year) down payments (and related costs) for the acquisition of a land plot (Plac Grzybowski, near the Palace of Culture in Warsaw) at SPV Unique S.K.A.
- 367 KEUR (vs. 365 KEUR last year) down-payment (and related costs) at SPV Pattina Invest for the acquisition of a land plot in Piaseczno, suburbs of Warsaw, for the development of a trade and services centre

Interest receivable

The interest receivable consists of an amount of 15,816 KEUR from related parties (12,457 KEUR last year).

VAT receivable

The outstanding balance as of 31 December 2014 mainly relates to VAT receivables in the following countries:

- Belgium: 1,398 KEUR (main originating projects: Docora-offices in the Ghelamco Arena)
- Poland: 5,674 KEUR (main originating projects: Woloska 24, Warsaw Spire
- Russia: 260 KEUR (main originator project Dmitrov Logistic Park)

The SPV's involved may either apply to the tax authorities for an immediate cash refund of the VAT receivables or may offset the VAT receivable against any VAT payables.
VAT receivables are the result of VAT paid on their investment expenditures.

Credit risk exposure and impairment

Trade and other receivables disclosed above are classified as loans and receivables and are therefore measured at amortized cost. The amounts presented in the balance sheet are, to the extent applicable, after allowances for doubtful receivables.

Allowances are determined on a case-by-case basis. An allowance for impairment is booked when there is an identified loss event, which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The maximum exposure to credit risk on the reporting date is the carrying amount of each class of financial assets mentioned above. The Investment Holding does not hold any collateral as security over these balances, as a large part of accounts receivable balances are with related parties, controlled by the ultimate beneficial owners of the Consortium. As such, credit risk concentrations with respect to trade and other receivables are assessed as very limited.

Movement in the allowance for doubtful debts

in thousands of €	**31.12.2014**	**31.12.2013**
Balance at beginning of the year	**33**	**33**
Impairment losses recognized on receivables		
Amounts written off during the year as uncollectible		
Amounts recovered during the year		
Impairment losses reversed	-2	
Foreign exchange translation gains and losses		
Balance at end of the year	**31**	**33**

As of 31 December 2014 and 2013, trade and other receivables disclosed above do not include amounts which are past due at the end of the reporting period and against which the Investment Holding has not recognized an allowance for doubtful receivables, as deemed necessary.

11. Derivatives

Balance as of balance sheet date of 290 KEUR relates to the market value of outstanding (currency and – to the extent applicable – interest) hedging contracts. Marking to market of these level 2 derivatives has been recognized through the profit and loss statement.

Also refer to section 2.1.1 above.

12. Restricted Cash

	31/12/2014	31/12/2013
Restricted cash non-current	256	471
Restricted cash current	-	-
	256	**471**

Outstanding balance as of 31 December 2014 (and 31 December 2013) relates to the amount on escrow and still to be released after the Trinity Park III sale (2010).

13. Cash and cash equivalents

	31/12/2014	31/12/2013
Cash at banks and on hand	98,955	70,182
Short-term deposits		
	98,955	**70,182**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for various periods not more than three months, depending on the Investment Holding's immediate cash requirements, and earn interest at the respective short-term deposit rates.

The Investment Holding also has access to the following additional resources of financing:

- additional capacity on the debt ratio (the Investment Holding chooses to keep a substantial margin on the Loan to Value ratio);
- potential to take up further financing on completed projects based on Loan to Value (LTV) instead of Loan to Cost (LTC);
- access to alternative financing under the form of bond issuance and mezzanine equity financing. In this respect refer to the recent bonds issues in Poland (546.6 MPLN + 6.3 MEUR total outstanding bonds at 31 December 2014) and Belgium (112 MEUR total outstanding bonds at 31 December 2014).

14. Share capital

	31/12/2014	31/12/2013
Authorized		
35,908 ordinary shares without par value	73,194	73,194
issued and fully paid	73,194	73,194

At 31 December 2014, the Company's direct shareholders are:

- **Stak Pater** (the Netherlands) - 99.97% (35,898 shares) (Dutch company)
- **Opus Terrae BVBA** (Belgium) - 0.03% (10 shares) (Belgian Ltd, acting as the working partner)

Mr. Paul Gheysens and Mrs. Ria Vandoorne are the ultimate beneficial owners of Pater BV and Opus Terrae BVBA.

14.1 Distribution of dividends within the Investment Holding

No dividends have been distributed in the course of 2014

End 2013, Ghelamco Invest received an interim dividend for an amount of 996 KEUR from Rubia NV.

14.2 Non-Controlling Interests

	31/12/2014	31/12/2013
balance at beginning of year	4,954	4,567
share of profit for the year	631	392
acquisitions/disposals	-77	-5
Balance at end of year	**5,508**	**4,954**

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15. Reserves and retained earnings

Reserves and retained earnings on the balance sheet date are as follows:

	Cumulative translation reserve	Retained earnings
At 1 January 2013	1,937	475,122
Cumulative translation differences (CTA)	6,277	
Dividend distribution to the ultimate shareholders		-13
Change in non-controlling interests		5
Change in the consolidation scope		-181
Other		-9
Profit for the year		15,017
At 31 December 2013	**8,214**	**489,941**

	Cumulative translation reserve	Retained earnings
At 1 January 2014	8,214	489,941
Cumulative translation differences (CTA)	3,984	
Dividend distribution to the ultimate shareholders		
Change in non-controlling interests		77
Change in the consolidation scope		-33
Other		-9
Profit for the year		-9,693
At 31 December 2014	**12,198**	**480,283**

16. Interest-bearing loans and borrowings

		31/12/2014	31/12/2013
Non-current			
Bank borrowings – floating rate	16.1	234,828	311,198
Other borrowings	16.2/16.3	205,348	120,467
Finance lease liabilities		11	22
		440,187	**431,687**
Current			
Bank borrowings – floating rate	16.1	132,651	123,616
Other borrowings	16.2	48,581	55,225
Finance lease liabilities		11	10
		181,243	**178,851**
TOTAL		**621,429**	**610,538**

16.1 Bank Borrowings

During the year the Investment Holding obtained new secured bank borrowings mainly expressed in EUR and USD and withdraw on existing credit facilities for a total amount of 115.9 MEUR (44.7 MEUR in Belgium, 36.3 MEUR in Poland, 34.9 MEUR in Russia), large part of which are Euribor based. On the other hand, reimbursements and refinancings have been done for a total amount of 183.2 MEUR, bringing the total outstanding amount of bank borrowings to 367.5 MEUR (compared to 434.8 MEUR at 31/12/2013).

For all countries: When securing debt finance for its (larger) projects, the Investment Holding always negotiates long-term agreements with its banks. Under these agreements, the bank swaps land acquisition loans (2-year term) into construction loans (additional 2 year term) and swaps construction loans into investment loans (mostly 5 years term) upon the fulfilment of pre-agreed conditions.
Most banking partners of the Investment Holding have accepted the above as a “framework” for past, current and future co-operation.

For the purpose of these financial statements, the Investment Holding treated its bank borrowings (or the maturing part of it) as current when the swap date from “acquisition loan into construction loan” falls within the next accounting year (see Note 1.18 and 2.1.2.).

With respect to the outstanding short-term borrowings, it is to be mentioned that, in the course of 2015, part will actually be reimbursed following the contractual terms and part will be prolonged or refinanced (e.g. through a swap to investment loan). In this recpect, a significant part of the short-term balance per books is actually in the advanced process of prolongation and/or refinancing.

Summary of contractual maturities of external bank borrowings and future finance lease payments, including interest payments:

	31.12.2014				31.12.2013			
	<1 y	**between 2 and 5 y**	**>5y**	**total**	**<1 y**	**between 2 and 5 y**	**>5y**	**total**
Credit institutions withdrawn credits	146,707	143,577	139,834	430,118	141,941	263,591	89,162	494,694
Financial lease	11	11		22	11	22		33
Total	**146,718**	**143,588**	**139,834**	**430,140**	**141,952**	**263,613**	**89,162**	**494,727**
Percentage	34%	33%	33%	100%	29%	53%	18%	100%

External bank borrowings by currency

Large part of external bank borrowings are Euro denominated, except for mainly Belyrast in Russia (USD loan) and Proof in Poland (PLN loan).

Interests on bank borrowings – interest rate risk

Interests on land acquisition and development loans are considered as floating since the variable component of the interest formula will always be fixed for a period not superseding one year.

Depending on a project's potential debt service, interest rates on investment loans are sometimes partially fixed and the remainder is floating.

On 31 December 2014, the Investment Holding had the following investment loan(s):

- Retail Gent 12.8 MEUR loan outstanding, serviced by the actual rental income of the property (Brico Plan-It)
- Belyrast Ltd (Russia) 58,7 MUSD loan outstanding, bearing a Libor 3M based (+ 8.15% margin until 01/06/2014 and + 7.15% margin from 02/06/2014 onwards) interest rate. The debt is fully serviced by the actual rental income of phase 1 (building A) of the Dmitrov Logistic Park project.

Depending on the project and the securities required by the bank, following margins on floating rates are applicable in:

- Belgium: between 1.8% and 3,5%
- Poland: between 3.0% and 5.5%
- Ukraine: currently not applicable
- Russia : 8.15% (on Libor 3 months)

Loans for the pre-financing of VAT returns in Poland are expressed in local currency.

Interest sensitivity analysis

An increase/decrease of 100 basis points in the (average) interest rates on the floating rate bank debt at the reporting date, with all variables held constant, would have resulted in a 4,460 KEUR lower/higher profit before tax for 2014.

16.2 Other borrowings Bonds (203,314 KEUR long-term – 38,570 KEUR short-term)

Belgium
Ghelamco Invest has 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 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 intersest 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 (110.119 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
Ghelamco Invest Sp. z o.o. has in the current year issued the remaining series H, I, J, K within its 200 MPLN Catalyst bearer bonds program for an amount of 98.4 MPLN. These bonds have as earliest maturity date 25/04/2018 and bear an interest rate of Wibor 6 months + 4.5%-5.0%.

In addition, Ghelamco Invest Sp. z o.o. in 2014 issued public bonds (tranche PA and PB) to qualified investors within a new 250 MPLN program for a total amount of 234.88 MPLN. These bonds have a term of 4 years and bear an interest of Wibor 6 months +5.0%.

In addition, Ghelamco Invest Sp. z o.o. in 2014 issued public bonds (tranche PC and PD) to qualified investors within a new 200 MPLN program for a total amount of 68.6 MPLN. These bonds have a term of 3 to 4 years and bear an interest of Wibor 6 months +5.0%.

Also, Ghelamco Invest Sp. z o.o. in 2014 issued private euro-bonds for a total amount of 6.3 MEUR. These bonds have as maturity date end September 2018 and bear an interest rate of Euribor 6 months + 4.3%.

And finally, Ghelamco Invest Sp. z o.o. has end 2014 issued public retail bonds for an amount of 50.0 MPLN within a new 250 MPLN program. These bonds have as maturity date mid June 2019 and bear an interest rate of Wibor 6 months + 3.5%.

The proceeds of the above bond issues have to an extent (278,100 KPLN) been applied to redeem and/or roll-over other/existing outstanding bonds and to service the (interests on) the resp. bond programs. The remainder of the bond proceeds is to be applied for the financing of the Group's further investment projects within the Warsaw metropolitan area, in Wroclaw or Katowice.

Total bonds balance outstanding per balance sheet date (131,766 KEUR) represents the amount of issue (546.6 MPLN + 6.3 MEUR) less capitalized issue costs, which are amortised over the term of the bonds.

Interest sensitivity analysis
An increase/decrease of 100 basis points in the (average) interest rates on the floating rate bonds debt at the reporting date, with all variables held constant, would have resulted in a 1,120 KEUR lower/higher profit before tax for 2014.

16.3 Other borrowings: Other

31/12/2014 12,046 KEUR

Other borrowings in EUR at 31 December 2014 include:

- Tallink Investments Ltd.: 1,344 KEUR
- Ghelamco Poland Sp. z o. o: 176 KEUR
- Rent deposits: 14 KEUR (non-current)
- 7 MEUR short-term loan from a third party investor, related to a specific Polish project, maturing on 30/09/2015 and bearing an interest rate of 7%
- 3,500 KEUR debt (3,000 KEUR short, 500 KEUR long) regarding the take-over of rights&obligations on space in the Ghelamco Arena for the realization of offices
- Others 10 KEUR

31/12/2013 8,914 KEUR

Other borrowings in EUR at 31 December 2013 include:

- Tallink Investments Ltd.: 1,436 KEUR (non-current)
- Ghelamco Poland Sp. z o. o: 205 KEUR (non-current)
- Rent deposits: 215 KEUR (non-current)
- 7 MEUR short-term loan from a third party investor, related to a specific Polish project, maturing on 31/05/2014 and bearing an interest rate of 10%
- Others : 58 KEUR (58 KEUR non-current)

16.4 Miscellaneous information

No defaults of payments or breaches of borrowing agreements occurred as of 31 December 2014.

Bank borrowings are secured by amongst others the respective property development projects, including land and in-process construction, pledge on the respective 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 banks are sometimes subject to a number of covenants (Loan to Value, Loan to Cost, Debt Service Cover). During the year and per end of the year, 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.

At 31 December 2014, the Investment Holding has bank loans available to be drawn for a total amount of 166,600 KEUR in Poland, 12,717 KEUR in Belgium and 52,695 KUSD in Russia and has bonds, which can still be tapped on its Polish bond programs for an amount of 305 MPLN.

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17. Financial instruments

The table below summarizes all financial instruments by category in accordance with IAS 39 and discloses the fair values of each instrument and the fair value hierarchy:

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
Total Financial Assets	**290**	**0**	**242,493**	**242,783**	
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
Total Financial Liabilities	**-**	**-**	**664,379**	**672,518**	

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Financial instruments (x € 1 000)	**31.12.2013**				
	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		2,451	500	2,951	2
Non-current receivables					
Receivables and prepayments			65,665	65,665	2
Restricted cash			471	471	2
Current receivables					
Trade and other receivables			72,028	72,028	2
Derivatives	1,842			1,842	2
Cash and cash equivalents			70,182	70,182	2
Total Financial Assets	**1,842**	**2,451**	**208,846**	**213,139**	
Interest-bearing borrowings - non-curr.					
Bank borrowings			311,198	311,198	2
Bonds Poland			41,044	41,044	2
Bonds Belgium			77,509	77,509	2
Other borrowings			1,914	1,914	2
Finance lease liabilities			22	22	2
Interest-bearing borrowings - current					
Bank borrowings			123,616	123,616	2
Bonds Poland			48,225	48,225	2
Other borrowings			7,000	7,000	2
Finance lease liabilities			10	10	2
Current payables					
Trade and other payables			47,383	47,383	2
Total Financial Liabilities	**-**	**-**	**657,921**	**657,921**	

The above table provides an analysis of financial instruments grouped into Levels 1 to 3 based on the degree to which the fair value (recognized on the statement of financial position or disclosed in the notes) is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- Other financial assets AFS are participations at cost. The fair value of these assets cannot be measured reliably as these concern unlisted entities

The fair value of interest bearing liabilities does not materially differ from carrying amount, since largest part relates to floating interest bearing debts. The fair value of long term interest bearing debts (in absence of published price quotations in an active market) is calculated as the present value of cash flows discounted at the relevant current market interest rates adjusted for a company-specific margin. The fair value of short-term interest bearing debts and floating interest-bearing debts is assumed equivalent to their carrying amount.

Largest part of the Investment Holding's interest bearing liabilities are floating interest bearing debts. Mainly Belgian bonds are fixed interest bearing debts.

18. Provisions

Balance at 1 January 2013		**178**
Additional provisions recognized		
Reductions		
Reversals		
Unwinding of discount		
Other		
Balance at 31 December 2014		**178**
	Non-current	***178***
	Current	***0***

The long-term provisions mainly relate to minor (immaterial) trade disputes.

19. Deferred taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred taxes arise mainly from the temporary differences in respect of valuation of IP(UC), external borrowing costs capitalized and tax losses carried forward.

in thousands €	**31/12/2014**	**31/12/2013**
Deferred tax assets	6,432	2,840
Deferred tax liabilities	-23,770	-23,925
TOTAL	**-17,338**	**-21,085**

Deferred tax assets/(liabilities) arise from the following:

In thousands €	**Temporary differences**		**Unused tax losses and credits**	
	Investment property	**Other**	**Tax losses**	**Tax credits**
Balance at 1 January 2013	**-17,431**	**-956**	**4,853**	
Recognised in income statement	-7,556	-1,179	1,360	
Recognised in other comprehensive income				
Recognised directly in equity				
Reclassified from equity to profit or loss				
Acquisitions				
Disposals				
Other		-176		
Balance at 31 December 2013	**-24,987**	**-2,311**	**6,213**	
Recognised in income statement	3,372	-229	1,012	
Recognised in other comprehensive income				
Recognised directly in equity				
Reclassified from equity to profit or loss				
Acquisitions				
Disposals				
Other		-408		
Balance at 31 December 2014	**-21,615**	**-2,948**	**7,225**	**-**

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable.

The following deferred tax assets have not been recognized at the reporting date:

in thousands €	**31/12/2014**	**31/12/2013**
DTA on unused tax losses	11,937	8,082
DTA on unused tax credits	3,402	3,387
TOTAL	15,339	11,469

Tax losses in the Polish SPVs can be carried forward for a period of 5 years. In this respect, no deferred tax assets have been recognized on tax losses carried forward in these SPVs to the extent it is deemed not probable that sufficient taxable profit will be available to allow the benefit of part of these tax losses. Tax losses in the Ukrainian SPVs can be carried forward for a period of 4 years.

Tax losses in the other countries can be carried forward for an indefinite period of time.

No deferred tax liability has been recognized on undistributed profits in the subsidiaries as the Investment Holding is able to control the distribution of profits and as such, distribution to the Investment Holding is not probable in the foreseeable future.

20. Trade and other payables

Trade and other payables are analysed as follows:

	31/12/2014
Trade payables: third parties	11,783
Trade payables: related parties	5,663
Related parties current accounts payable	5,254
Misc. current liabilities	20,776
Deferred income	2,901
Current employee benefits	81
Total trade and other payables	**46,458**

	31/12/2013
Trade payables: third parties	16,477
Trade payables: related parties	6,806
Related parties current accounts payable	9,585
Misc. current liabilities	15,604
Deferred income	4,812
Current employee benefits	93
Total trade and other payables	**53,377**

Trade payables towards related parties include amongst others the amounts payable to the Development Holding for construction and engineering coordination services received. On 31/12/2014, the trade payables include 5,663 KEUR towards related parties (vs. 6,806 KEUR last year), as follows:

- Ghelamco NV: 406 KEUR (zero last year)
- Apec Ltd: 891 KEUR (795 KEUR last year)
- Ghelamco Poland Sp. z o.o: 668 KEUR (3,835 KEUR last year)
- Ghelamco Russia: 2,926 KEUR (zero last year)
- Others: 772 KEUR (2,176 KEUR last year)

Outstanding balance on related parties C/A payable (5,254 KEUR) is mainly towards Ghelamco Poland Spzoo (5,175 KEUR).

Miscellaneous current liabilities mainly relate to interest payable, VAT payable, accruals, rent deposits and others.

As was also the case last year, the outstanding deferred income balance mainly relates to deferred income from pre-sales in the QBik residential project.

Trade payables are non-interest bearing and are settled in accordance with the contractual terms. The carrying amounts of trade and other payables approximate their fair value, as those balances are short-term.

21. Current tax liabilities

Current tax payables can be allocated to the following countries (in KEUR):

- Belgium: 829 KEUR
- Luxembourg: 629 KEUR
- Spain: 335 KEUR
- Cyprus: 436 KEUR
- Poland: 78 KEUR

Total for 2014: **2,307 KEUR** (vs. 2,353 KEUR in 2013)

22. Revenue

Revenue is mainly generated from the following sources:

in thousands €	31.12.2014	31.12.2013
Sales of Residential Projects		
Projects Belgium	32,238	6,756
Projects Poland	14,835	15,822
Rental Income	22,156	26,884
Other	350	600
TOTAL REVENUE	**69,579**	**50,062**

Rental income as of 31 December 2014 relates to rent from commercial projects in Belgium (5,509 KEUR), Poland (1,620 KEUR), Russia (12,665 KEUR) and Ukraine (2,362 KEUR).

The residential projects sales as of 31 December 2014 mainly relate to:

- Villas and apartments at the Belgian coast (7.788 KEUR)
- (Retail) ground floor of the Locarno project in Knokke (6,300 KEUR)
- Blaisantpark Gent: invoicing in accordance with the Breyne legislation re. 47 apartments (of 67 in total) and 51 parkings; sale of 19 student units (8,718 KEUR in total)
- 43 student homes (of 461 in total) and parkings to resp. third parties and the City of Leuven in the Waterview project (5,785 KEUR in total)
- Exploitation licence for 115 senior home (bed-)places and land positions in Wezembeek-Oppem in connection with the senior homes project which the Company is further realising in a joint venture structure (2,676 KEUR in total).
- Soft loft apartments in the QBik project, Warsaw (14,835 KEUR)

Overview of future minimum rental income

The cash value of future minimum rental income until the first expiry date of the non-cancellable leases is subject to the following collection terms:

in thousands €	31.12.2014	31.12.2013
Future minimum rental income:		
Less than 1 year	25,348	21,960
Between 1 and 2 years	29,585	26,393
Between 2 and 3 years	29,854	26,984
Between 3 and 4 years	26,943	26,720
Between 4 and 5 years	23,400	23,359
More than five years	77,297	109,901
TOTAL FUTURE MINIMUM RENTAL INCOME	**212,427**	**235,317**

The decrease compared with last year is related to the sale of the L-Park project in Belgium and the Katowice Business Point, Marynarska 12/T-Mobile Office Park and Lopuszanska Business Park projects in Poland in the course of 2014.

23. Other items included in operating profit/loss

Other operating income and expenses in 2014 and 2013 include the following items:

	2014	2013
Other operating income		
Net gains on disposal of investment property	9,416	1,849
Other	4,535	3,463
Net gains on disposals of property, plant and equipment	-	-
total:	**13,951**	**5,312**

Current year's other operating income includes the net gain on disposal of the Katowice Business Point, Marynarska 12/T-Mobile Office Park and Lopuszanska Business Park projects in Poland (7,757 KEUR) and the L-Park project in Leuven (1,659 KEUR).

In addition re-charges of fit-out expenses to tenants (in mainly the Blue Towers in Gent) are included (for an amount of approx. 1.6 MEUR).

Other operating income also to an extent relates to income from related parties. It concerns re-invoicing of costs within the framework of Service Level Agreements with (mainly) Ghelamco NV, Apec Ltd and IRS NV. Also refer to note 29.3.

	2014	2013
Gains from revaluation of Investment Property	11,335	52,137

Fair value adjustments over 2014 amount to 11,335 KEUR, which is mainly the result of current year's further investment and leasing efforts in Poland (mainly on the Warsaw Spire) and Belgium (mainly on the Artevelde Park/Ghelamco Arena and the Waterview project), in combination with evolution in market conditions (yield and rent level evolution).

On the other hand, the current political and economic situation in Russia and Ukraine and its resulting effects (mainly the devaluation of the UAH and the RUB; adverse evolution in consumer confidence and spending; investors and tenants delaying decisions, causing significant decrease in investment and leasing volumes; even capital flight) has caused a significant disruption of the markets in those regions. This has in turn a significant downward impact on the yields and rent levels and thus on the market value of the Group's projects in both countries and has by consequence resulted in the recognition of negative fair value adjustments of resp. 19,501 KEUR and 822 KEUR on the Russian and Ukrainian real estate investments.

It is however to be noted that main part of the Group's investments in both regions consists of delivered projects which are (if not fully) to a significant extent leased to renowned multinational companies. In addition, Group management expects that the above difficult situation is of a temporary nature.

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

Belgium	7,538
Poland	24,120
Russia	-19,501
Ukraine	-822
	11,335

	2014	2013
Other operating expenses		
Operating lease/ rental/housing expenses	854	278
Taxes and charges	2,881	2,680
Insurance expenses	285	688
Audit, legal and tax expenses	4,368	3,232
Traveling	1,188	1,259
Promotion	1,167	1,344
Bank fees	480	271
Sales/agency expenses	8,849	7,192
Rental guarantee expenses	4,226	1,838
Correction earn-out Trinity Park III	-	560
Operating expenses with related parties	4,236	4,864
Maintenance & management	1,834	2,140
Fit-out expenses Senator	530	-
Miscellaneous	5,604	3,117
Total:	**36,502**	**29,463**

Other operating expenses with related parties mainly concern the re-invoicing of costs within the framework of Service Level Agreements with IRS Comm. VA and Deus Comm. VA. Also refer to note 29.3.

In general, the overall increase of other operating expenses goes to a significant extent together with the disposal in 2014 of three large Polish projects to Starwood Capital (Katowice Business Point, Marynarska 12/T-Mobile Office Park and Lopuszanska Business Park), the disposal of the L-Park project and commission expenses paid in the Waterview (student houses) project in Belgium.

	2014	2013
Employee benefit expenses		
Wages and salaries	942	914
Social security costs	248	247
Other		-
Total:	**1,190**	**1,161**

24. Cost of Property Development Inventories

The various items comprising the costs of Property Development Inventories are as follows:

	2014	2013
Movement in inventory	26,647	5,917
Purchases (*)	-62,798	-26,903
	-36,151	**-20,986**

(*) See Note 29.2
Purchases (mainly from related parties) related to Investment Property projects are not included in the above purchases, as those have directly been recorded on IP. It concerns an amount of 177,215 KEUR (transfers of 2,845 KEUR not included).

25. Finance income and finance costs

The various items comprising the financial income and financial costs are as follows:

	2014	2013
Foreign exchange gains	-	-
Interest income	4,298	3,563
Other finance income		-
Total finance income	**4,298**	**3,563**
Interest expense	-25,403	-23,977
Other interest and finance costs	-5,411	-2,446
Foreign exchange losses	-722	-7,805
Total finance costs	**-31,536**	**-34,228**

It is to be noted that interest expenses related to Investment Property projects are not included in the above 2014 and 2013 figures, as those have directly been capitalized on IP. It concerns an amount of 14,323 KEUR (vs. 10,582 KEUR last year).

Interest expenses mainly relate to interests on bank loans and bonds.

Interest income mainly includes interests on loans to related parties.

It is in addition to be mentioned that current year's finance costs include an amount of 0.7 MEUR foreign exchange losses (while last year's finance costs included an amount of 7.8 MEUR foreign exchange losses). Main part of these exchange differences is unrealized (and connected with the conversion of outstanding loans). It concerns a snapshot per year-end, impact of which mainly depends on the evolution of the EUR/PLN-RUB-UAH exchange rate.

Other finance costs mainly relate to the partly release to the profit and loss statement of the capitalized bond issue expenses (which are amortized over the duration of the resp. bonds) and hedge results (mainly re. the marking to market of the as of balance sheet date outstanding (currency and interest) hedging contracts: 1,552 KEUR unfavourable vs. 80 KEUR unfavourable last year). Except for this last item, all financial income and expenses mentioned in the table above are related to financial instruments measured at amortized cost.

26. Income taxes

Income tax expense recognized in the consolidated income statement:

	31.12.2014	31.12.2013
current income tax	2,267	1,831
deferred tax	-799	7,375
Total	**1,468**	**9,206**

The tax charge on the Investment Holding's result before taxes differs from the theoretical amount that would have resulted from applying the average applicable tax rates to the profits of the consolidated companies. The analysis is as follows:

The income tax expense for the period can be reconciled to the accounting profit as follows:

in thousands €	31.12.2014	31.12.2013
Result before income taxes	-7,594	24,615
Income tax expense/gain calculated at 33,99%	-2,581	8,367
Effect of different tax rates in other jurisdictions	2,000	-1,970
Effect of non-deductible expenses	655	1,356
Effect of revenue that is exempt from taxation	-605	-2,264
Effect of use of previously unrecognized tax losses	-341	-534
Effect of current year losses for which no DTA is recognized	3,204	3,860
Effect of tax incentives not recognized in the income statement	-264	-62
Effect of under/over-accrued in previous years	-58	200
Effect of change in local tax rates	450	817
Release of 31/12/12 DTL re. Wevelgem Retail Park sale (shares)		-705
Effect of share deal Rubia	-13	
Effect of share deal RPI	-321	
Effect of share deal L-Park	-571	
Other	-87	141
INCOME TAX EXPENSE RECOGNISED IN INCOME STATEMENT	**1,468**	**9,206**

The theoretical tax rate used for the above reconciliation is the statutory corporate tax rate of 33.99% payable by corporate entities in Belgium on taxable profits under tax law.

Tax incentives not recognized in the income statement mainly relate to notional interest deduction and ‘DBI’.

27. Contingent liabilities and contingent assets

27.1 (Bank) guarantees

All external borrowings of the Investment Holding are secured by corporate guarantees and/or surety ship agreements issued by the respective sub-holding (Ghelamco Invest NV, Safe Holding Belgium NV or Granbero Holdings Ltd.). These guarantees cover mostly cash deficiency risk, cost overrun, completion risk and interest & repayment shortfall risk. No calls on the guarantees were made in 2014 and 2013.

Company	Project name	Amount of bank loan-books (KEUR)		Corporate guarantees as per 31/12/2014 (KEUR)	
BELGIUM					**Guarantee by Ghelamco Invest NV**
Dianthus	Katelijne	EUR	778	778	Corporate Guarantee
Retail Leuven Waterview Parking Leuven	Waterview	EUR	16.464	13.650	Cash deficiency guarantee, subordination declaration
WRP	Wavre Retail Park	EUR	5.906	5.906	Cash deficiency guarantee
Leisure Property Invest	Golf Knokke Zoute	EUR	13.500	5.000	Corporate Guarantee, cash deficiency, cost overrun, subordination declaration Peridot
Docora	offices Artevelde stadion	EUR	7.923	5.000	Corporate Guarantee, cash deficiency, cost overrun
Nepeta	East Dune	EUR	1.399	1.399	Corporate Guarantee, cash deficiency, cost overrun subordination declaration Peridot
Zeewind	Zeewind	EUR	570	570	Corporate Guarantee, cash deficiency
Retail Gent	Retail Gent	EUR	12.820	12.820	Corporate Guarantee, cash deficiency, subordination declaration Peridot, minimal rent guarantee
Parking Estates	Parking Estates Gent	EUR	775	14.500	Corporate Guarantee, cash deficiency, cost overrun
Schelde Offices	Blue Towers	EUR	16.051	16.051	Corporate Guarantee, cash deficiency, cost overrun, subordination declaration Peridot
Arte Offices	Blue Towers	EUR	14.431	14.431	Corporate Guarantee, cash deficiency, cost overrun, subordination declaration Peridot
De Nieuwe Filature	De Nieuwe Filature	EUR	4.300	4.300	Corporate Guarantee, cash deficiency
Parking Gent	Parking Gent	EUR	13.725	14.500	Corporate Guarantee, cash deficiency, cost overrun, subordination declaration Peridot

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Ring Multi Ring Offices	deel Ghelamco Arena	EUR	10.125	4.000	Corporate Guarantee, cash deficiency

POLAND					**Guarantee by Granbero Holdings Ltd.**
Warsaw Spire SKA	Warsaw Spire	EUR	77.963	77.963	Corporate Guarantee, cash deficiency
Sienna Towers SKA	Sienna Towers	EUR	7.707	7.707	Corporate Guarantee, cash deficiency
Proof SKA	Woronicza QBIK	EUR (*)	1.043		Suretyship agreement
SBP SKA	Wroclaw Business Park	EUR	7.000	7.000	Corporate Guarantee, Cash deficiency
Foksal SKA	Foksal	EUR	3.982	3.982	Corporate Guarantee, Cash deficiency
Sobieski SKA	Sobieski Towers	EUR	3.429		Suretyship and cash deficiency
Postepu SKA	Prostepu 2	EUR(*)	2.018		Suretyship and cash deficiency
Grzybowska77 SKA	Grzybowska 77	EUR(*)	7.239		Suretyship agreement
Dahlia SKA	Woloska 24	EUR	3.966		Suretyship and cash deficiency

RUSSIA					**Guarantee by Safe Holding Belgiuim**
BelyRast	Dmitrov Logistics Park Building C	USD	6.333	5.432	support deed re. cash deficiency guarantee (and in the event of default by Safe Holding Belgium, by Ghelamco Group)
BelyRast	Dmitrov Logistics Park Building B	USD	48.793	7.895	support deed re. cash deficiency guarantee (and in the event of default by Safe Holding Belgium, by Ghelamco Group)

(*): Bank loan itself is denominated in PLN.
(**): Cost overrun guarantee not applicable anymore given finalization of the project

No corporate guarantees were given by the Investment Holding to ensure repayment of the bank loans of the related parties under the common control of the ultimate beneficial owners at 31 December 2014 (but not part of the Investment Group).

The Investment Holding does not apply cross liability, meaning that Ghelamco Invest NV, Safe Holding Belgium NV and Granbero Holdings Ltd do not guarantee loans of affiliates belonging to other internal holdings.

27.2 Representations and warranties provided with respect to the real estate projects sold

Each and every respective seller of shares in the Investment Holding acts as a guarantor with respect to the representations and warranties contained in the real estate sales contracts concluded in the past. This mainly concerns representations regarding the title on shares, property, financial matters, tax matters and contractual matters. The resp. sellers' liability for the breach of these representations and warranties generally covers a period of 2 to 3 years from the date of sale (except representations regarding the tax matters covering the period of five to seven years in accordance with local statutory requirements).

Management's past experience shows that the resp. sellers received very limited amounts of warranty claims on its properties. Based on its assessment of the risk, the Investment Holding has not deemed it necessary to recognize any provision for representations and warranty obligations.

27.3 Guarantees received from the contractors

The statutory warranty obligations born by construction service providers cover the risk of structural and other defects of the properties. Construction service providers (including related parties of the Investment Holding) have a legal obligation to remediate any construction defects that become apparent within the first five years (in Poland; and up to ten years in Belgium and Ukraine) after completion of the construction for structural elements. Shorter guarantee periods apply for other elements, depending on the nature of such elements (each sub-contractor bears similar "back-to-back" obligations).

27.4 Securities on assets

Special Purpose Vehicles (SPV) entering into external financing are offering following collateral:

- first ranking ceiling mortgage on the property belonging to the SPV (land + buildings) (limited mortgage amount in Belgium, combined with a power of attorney to establish further mortgages);
- registered pledge on the borrower's shares;
- assignment of most receivables (inter alia leases, rents, sales, performance bonds, insurance income, …);
- cash deficiency/cost overrun (letter of comfort) by the shareholder (if applicable);
- submission to execution (only for Polish projects).

No cross guarantees on assets have been granted by the different SPV's, nor other types of surety ships, cost overruns or debt service commitments.

28. Commitments

28.1 (Capital) Commitments

(Capital and other) expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2014	**2013**
Architectural and Engineering contracts	24,541	27,196
Construction contracts	162,591	154,831
Purchase of land plots	2,117	3,136
Purchase of shares (connected with landbank)	-	
Total	**189,250**	**185,162**

At 31 December 2014, the Investment Holding has entered into a number of contracts with third parties for the acquisition of the following assets (land plots) or shares:

Binding contracts

- Poland: none per end 2014. Last year's commitment related to plots of land for commercial property development for 2,855 KEUR.
- Belgium: Per end 2014 preliminary contracts for the acquisition of some smaller plots in the Brussels periphery and in Knokke were outstanding for a total amount of 2,117 KEUR. The related deeds have actually been signed in the course of Q1 2015.

Non-binding contracts

- Different other option contracts or rights to acquire property without the obligation for the Investment Holding to take up the property.

As an investor in commercial and residential properties, the Investment Holding is committed to continue investment in properties in different countries under the contracts with construction companies, often in cooperation with related parties of the Investment Holding.

As to the above architectural and engineering contracts and construction contracts, expenditures are spread over the coming 2 to 3 years, depending on management decision to move forward with the involved projects.

The Investment Holding in addition declares sufficient flexibility on the commitments, as significant part of those commitments are contracted with related party entities belonging to the Development Holding.

For the on-going construction contracts the respective SPV's concluded binding construction financing contracts with different banks.

Main construction contracts in the above overview relate to the following projects:

- Warsaw Spire: 102,214 KEUR
- Woloska 24: 27,116 KEUR
- Waterview project in Leuven: 14.8 MEUR construction contracts in total
- Ring Hotel project in Gent: 8.5 MEUR construction contracts in total

28.2 Operating lease commitments (land lease rights)

	Poland		**Russia**	
	2014	**2013**	**2014**	**2013**
Within 1 year	688	1,210	313	197
After 1 year but not more than 5 years	2,752	2,009	1,182	790
More than 5 years	50,248	37,742	10,110	6,995
	53,688	**40,961**	**11,605**	**7,982**

The Investment Holding has entered into non-cancellable operating leases for the land rights with basic lease terms ranging from 49 years (Russia) to 99 years (Poland). All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.
No such leases occur in Belgium or in Ukraine, where land is held under freehold.

28.3 Rental guarantees

Poland:
In connection with the sale of two office projects in 2014 (Marynarska 12/T-Mobile Office Park and Lopuszanska Business Park), rental guarantee and master lease agreements have been closed for resp. the (at the time of the sale) not leased office and parking space. Rental guarantee agreements have a period of 60 months, master lease agreements have a 84 months period. In this respect, a rental guarantee provision of 1,600 KEUR has been recognized in the consolidated financial statements at 31/12/14.

In connection with the sale of two office projects in 2013, master lease agreements were closed for the (at the time of the sale) not leased space, for a period of 60 months. In this respect, no liabilities have been recognized in the consolidated financial statements at 31 December 2014.

Belgium:
In connection with the sale of the L-Park project in 2014 to AXA Belgium, a master lease agreement has been closed for the (at the time of the sale) not leased office space. The master lease agreement has a period of 9 years.

29. Related party transactions

The Investment Holding is together with the Development Holding and the Portfolio Holding – related parties – under common control of the ultimate beneficial owners, Mr. & Ms. Gheysens.

Balances and transactions between the Company and its subsidiaries have been eliminated in consolidation and are not disclosed in this note. Details of transactions between the Investment Holding and other related parties (belonging to the Development Holding and the Portfolio Holding) are described below.

29.1. Relationships with the directors and management

For the year ending 31 December 2014, a total amount of approx. 7,500 KEUR was paid to the members of the Management Committee. This amount includes management service fees charged by the Management Committee members to the legal entities included in the scope of these consolidated financial statements.

This amount comprises the full compensation. No other short- or long-term benefits, stock option plans or other post-employment benefits have been granted to the members of the Management Committee.

29.2. Trading transactions: Purchase of construction, engineering and other related services from related parties

Construction and Development Services

The Investment Holding has entered into property development and construction contracts with property development and construction companies (“Contractors”) – the indirect subsidiaries of the 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.

Each of these entities provide services to the real estate companies of the Investment Holding in their respective geographical areas, in accordance with the terms of the property development contracts, including but not limited to:

- obtaining pre-approvals and design documents necessary to the development of the project;
- performing construction works in accordance with the required permits, approvals, regulations, plans and specifications;
- ordering materials and equipment necessary for completion of the construction works;
- entering into contracts with utility providers, other entities and authorities, enabling exploitation of the constructed buildings;
- obtaining required occupancy permits and/or socio-economical permits;
- ensuring compliance with local regulations, namely regarding safety, fire protection, labour and health conditions, construction law;
- maintaining insurance in relation to the construction works throughout the entire construction period.

In accordance with the conditions of the property development contracts, the Contractor has the right to use building sites during the entire period of construction. The Contractor transfers this right to use the site, together with the constructed buildings, to the Investment Holding after the occupancy permit has been granted by the local authorities or after signature of the building’s delivery protocol between the Investment Holding’s real estate company and the Contractor. The Contractor retains an obligation to remedy all defects noted in the minutes of hand-over from the Investment Holding to the tenants (when tenants take possession of their premises).

Construction service providers (including Contractors) in Belgium, Poland and other countries have a legal obligation to bear repair costs of any construction defects that become apparent within a warranty period after the construction is completed. The Contractors have an obligation to remedy all structural construction defects that become apparent during the statutory warranty period of 10 years in Belgium and Ukraine and 5 years in Poland and Russia.

The price for the construction and other related services is the fixed price agreed at the inception of the contract. The payments are executed based on the invoices issued on a bi-weekly to monthly basis. With regards to completed and handed-over works, the parties sign a works protocol every fortnight to month after approval by an independent project monitor appointed by the external financial party. The prices for the services reflect normal commercial terms and conditions in each territory, with average margins of around 15% to 20%.

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 the Development Holding) coordinate engineering and architectural design services provided to the Investment Holding 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 Investment Holding. These services include:

- detailed functional, technical, structural and surface-related programmes and finishing work;
- assistance in selection of engineers in charge of assignments;
- detailed preliminary architectural project and establishment of the building project in accordance with the local statutory requirements;
- establishment of all documents, permit application and verification and obtaining all approvals required to submit a building permit application and submission of a building application;
- detailed architectural implementation plan, coordination of the technical studies, definition of specifications and details;
- supervision of the work during the entire construction period;
- assistance during the preliminary acceptance and with obtaining the operating permit;
- commercial costs.

The price of these services is determined during the feasibility phase of the property development project as a function of the investment value of the project (excluding cost to acquire land) and is usually fixed at 11.5% of the construction value of the project. This fee is paid by a real estate investment entity upon achievement by Apec Ltd or Safe Invest Sp. z o.o of the milestones agreed in the contract (approval of the preliminary design, submission of the building permit file, implementation file, achievement of commercial goals, etc). The prices for the services reflect normal commercial terms and conditions in each territory.

29.3. Acquisitions and disposals of shares and other related party transactions

2014
Except for the finalisation of the merger operation as described in section 4.4 of this report and the sale of the shares of Portfolio Invest Ltd. to the Development Holding as described in section 4.5 of this report, there have been no share transactions or other significant transactions with related parties in 2014.

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2013
Except for the finalization of the contribution process of Polish SPV shares in closed-end investment fundst, the step-up operation connected to the change in Polish tax law and the merger operation connected with a simplification exercise on Ghelamco Consortium level, there were no share transactions or other significant transactions with related parties in 2013. In this respect, reference is made to the more detailed description in last year’s report.

Other

The excess cash balances generated by the Investment Holding's real estate investing activities can, besides being reinvested in the entities belonging to the Investment Holding, to an extent and within the requirements of the terms and conditions of the recent bond issues, also be invested/deposited in entities belonging to the Development Holding and Portfolio Holding in form of short and long-term loans. These loans are granted at the arm's length conditions.

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

	31/12/2014	31/12/2013
Purchases of construction, engineering and architectural design:	-128,826	-113,105
related party trade receivable	3,253	5,369
related party trade accounts payable	-5,663	-6,806
related party non-current loans receivable	41,209	39,172
related party interests receivable	15,161	11,890
related party C/A receivable	51,791	42,991
related party non-current other receivable	1,960	1,960
related party non-current loans payable	-1,572	-1,665
related party interests payable	-1,772	-1,489
related party C/A payable	-5,254	-9,585

30. Events after balance sheet date

- 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 project (approx. 16,615 sqm office space and 174 parkings).

- On 19 March 2015 the City of Brussels has retained the BAM/Ghelamco Consortium as 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, over 6.000 VIP places and over 14.000 parking spaces. The project is expected to be realized in 2018.

31. Auditor's Report

Deloitte.

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Ghelamco Group Comm. VA

Independent auditor's report on the consolidated financial statements for the year ended 31 December 2014

Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée
Registered Office: Berkenlaan 8b, B-1831 Diegem
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Ghelamco Group Comm. VA

Independent auditor's report on the consolidated financial statements for the year ended 31 December 2014

We are pleased to report to you on the audit assignment which you have entrusted us. This report includes our opinion on the consolidated financial statements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Ghelamco Group Comm. VA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. The consolidated statement of financial position shows total assets of 1,267,826 (000) EUR and the consolidated income statement shows a consolidated loss (group share) for the year then ended of 9,693 (000) EUR.

Responsibility of the management for the preparation of the consolidated financial statements

The management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the independent auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the management the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Deloitte.

Unqualified opinion

In our opinion, the consolidated financial statements of Ghelamco Group Comm. VA give a true and fair view of the group's net equity and financial position as of 31 December 2014, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Diegem, 25 March 2015

The independent auditor

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BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Rik Neckebroeck