



Intermediary report as of June 30, 2016

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INTERIM MANAGEMENT REPORT as at 30 June 2016

Brussels, 28 September 2016

Highlights

- Merger between ALLFIN and IMMOBEL approved by the Extraordinary General Meeting of 29 June 2016;
- Following the merger, the new group offers a less cyclical profile with more residential projects;
- New investment projects in Belgium (Prince Royal, Greenhill Park) and in Luxembourg (Centre Etoile, Infinity);
- Sale of the WestSide Village (Luxembourg) and Okraglak (Poland) projects;
- A net income of EUR 30.3 million for the first half of 2016, including the accounting impacts of the merger (net positive impact of EUR 25.2 million).

Accounting impacts of the merger

The first six months were marked by the merger between the companies ALLFIN and IMMOBEL, approved by the Extraordinary General Meeting of 29 June 2016. As detailed below, this merger makes it difficult to compare the figures for the first half of 2016 with those of the previous year due to the change in scope and the accounting impacts linked to the merger.

The financial statements are legally IMMOBEL ones but represent in practice the continuity of ALLFIN financial statements (except for the share capital of the company).

In terms of the balance sheet:

The merger between ALLFIN and IMMOBEL is regarded, for accounting purposes, as a reverse merger, in other words the legally acquired company (ALLFIN) absorbs the legally acquiring company (IMMOBEL) from an accounting perspective. This means that, on the date of the merger, all of IMMOBEL's assets and liabilities are revalued at their true value and the revaluation resulting from this exercise is recorded directly in the company's equity. As at 30 June 2016, this generated an increase in the consolidated equity of EUR 8.8 million. This implies that these EUR 8.8 million will never go through the profit and loss statement.

Moreover, IMMOBEL's first six months of "pre-merger" results (an operational loss of EUR 2.9 million and a net loss of EUR 6 million) are incorporated directly into the equity and are not included in the income statement published below.

In terms of the income statement:

Given the reverse merger of 29 June 2016, the profit and loss statement only reflects, except for the gains and losses directly related to the merger itself, the first six months of ALLFIN. In accordance with IFRS 3, negative goodwill of EUR 11.6 million linked to the merger was recorded positively in the operational income. This sum is the difference between the true value of the IMMOBEL assets and liabilities transferred (EUR 185 million) and the IMMOBEL market capitalisation on the merger date (EUR 197 million). Before the merger, the IMMOBEL shares held by ALLFIN were also the subject of a revaluation (+EUR 2.8 million).

Furthermore, as agreed in the merger agreements, ALLFIN undertook a carve-out of its non-core assets before the merger. The sale of those assets generated a capital gain of EUR 13.3 million, which was also recorded as operational income.

Finally, the other operating expenses were affected by the costs linked to the merger process, namely a

sum of EUR 2.6 million (EUR 0.2 million of which was then recategorised under equity as it was directly and legally linked to the merger – notary and auditor costs).

It is worth remembering that these accounting elements had no impact on the valuation of the two companies carried out by the various banks at the time of the merger.

Operating income

The operating income at the end of the six months stood at EUR 40.4 million. This sum includes the impacts mentioned in the previous paragraph and is broken down as follows:

- ALLFIN's operating income was EUR 12.7 million
- the impact of the carve-out was EUR 13.3 million
- the amount recognised in the operating statement for the negative goodwill linked to the merger was EUR 11.6 million
- the revaluation of the IMMOBEL shares held by ALLFIN was EUR 2.8 million

In terms of the company's activities, it will be noted that the majority of the operating income came from the new sales and the progress in the Chambon (EUR 9.6 million), Lake Front (EUR 2.2 million), Flint (EUR 3.1 million) and Ernest (EUR 2.3 million) residential projects, and from the sale of the office part of the Chambon (rue des Boiteux) project. The operating income also includes the rent (EUR 2.6 million) from the tenants of currently leased buildings before reallocation and/or conversion (mainly the Lebeau building situated at the Sablon which is leased to Proximus).

This highlights one of the advantages of the merger: IMMOBEL's profile is now less cyclical. There were no sales of offices generating margin during the first six months but the residential projects, which are more numerous and varied since the merger, generated broadly positive operating income, apart from the elements linked to the merger.

The activity of the Landbanking department was marked by the start of some significant capital works in the new landbanks at Verger de Fayenbois (15ha) (Grivegnée-Liège), Domaine des Vallées (10ha) (Gastuche-Grez-Doiceau), Havenzijde (4.5ha) (Lombardsijde-Middelkerke), Seilles (1.2ha) (Andenne) and Soignies (1.8ha). The sales in the Eghezée, Waremme, Uccle, Gastuche and Geel landbanks contributed to the half-year turnover. A number of purchase commitments were also signed for the new Grivegnée development. Finally, it should be noted that the land development permit for the Wavre plot in chemin de Vieusart (4.5ha) has been issued.

The Landbanking activity generated a margin of EUR 0.8 million (EUR 1.7 million including the developments), which is below forecast. This delay will be partially made up over the second six months (nonetheless, the margin will remain between EUR 2 million and EUR 4 million below forecast). However, as indicated in the paragraph entitled "Accounting impacts of the merger", the Landbanking activity for the first six months is not included in the IMMOBEL income statement.

Financial result

The net financial result was EUR - 4.9 million and is made up of:

- Financial revenue of EUR 1.5 million (coming mainly from the equity and bond portfolio)
- Non-capitalised financial expenses of EUR 4.6 million (mainly interest on the bonds and on the corporate credit lines)
- The negative revaluation of the interest rate hedging instruments (-EUR 1.7 million)

Net income

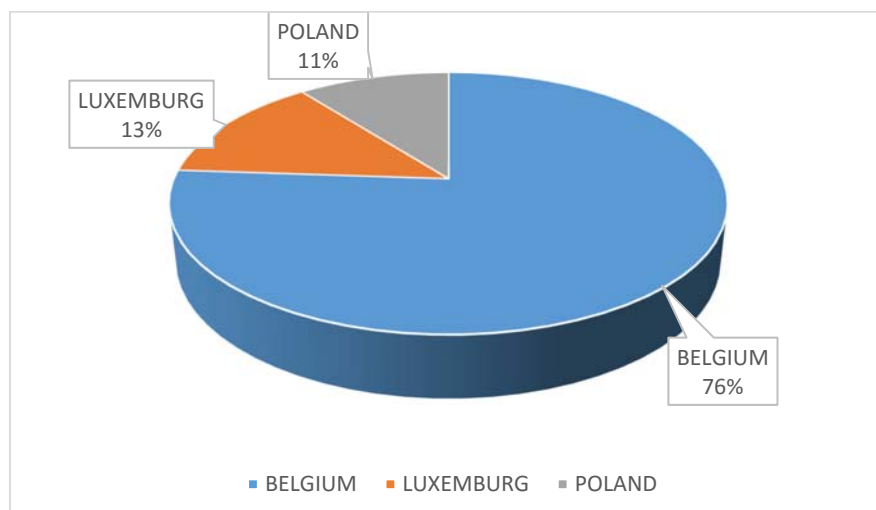
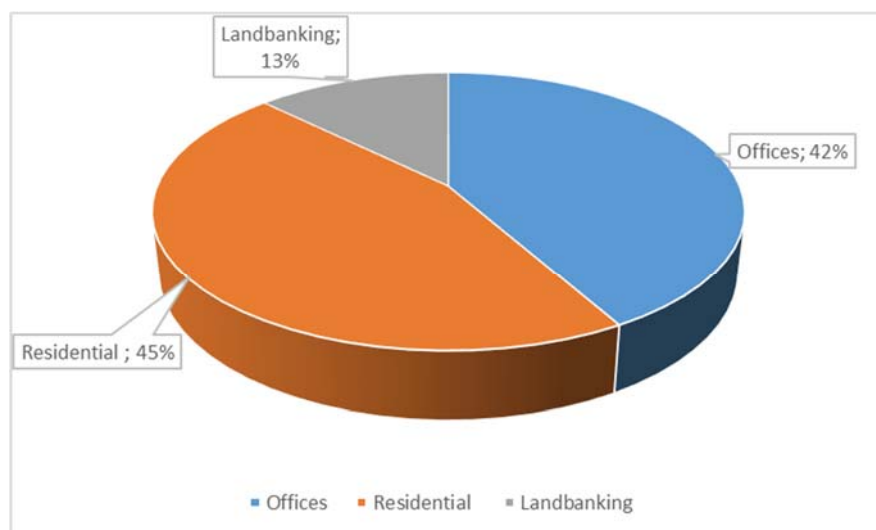
After deduction of the tax expenses, (EUR - 4 million) and minority interests (EUR - 1.2 million), the net income was EUR 30.3 million, in other words an income of EUR 5.16 per share.

Consolidated balance sheet

The total assets of the company as at 30 June 2016 were EUR 740.3 million and were composed mainly of the company's cash as at 30 June 2016 (EUR 84.8 million) and the projects in the portfolio. These are distributed between:

- the holdings in the joint companies and associate companies (EUR 88 million, mainly Belair RAC 4, Bella Vita, Universalis Park and Solvay)
- the stocks (EUR 502 million, mainly the Lebeau, O'Sea, Cedet, Möbius and Black Pearl projects).

See the distribution of the project portfolio as at 30 June 2016, by segment and by geography:



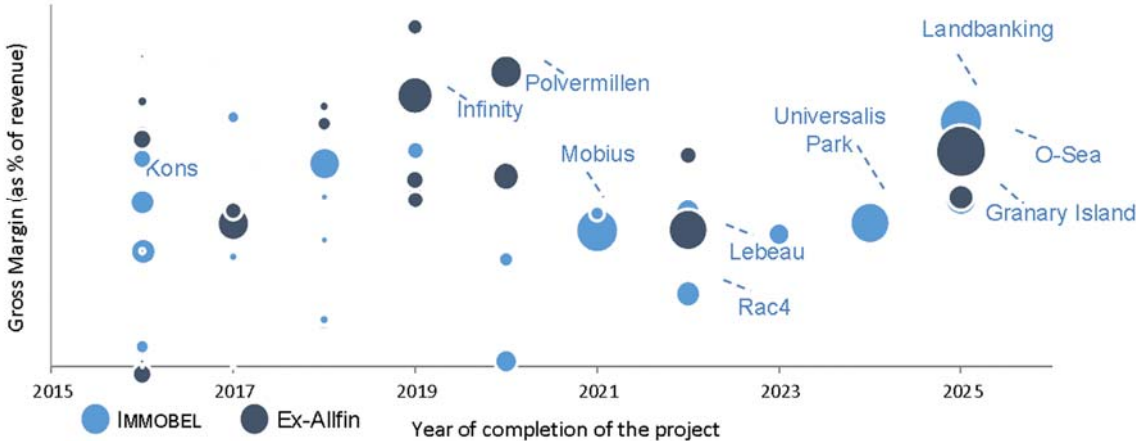
The graph below shows, for the major projects, the year in which the gross margin was achieved per project. It is important to note that, for the residential projects, the final year of sale is shown.

2016 is due to be marked by the sale of Black Pearl, Gateway and Galerie Kons. The latter two projects were initially planned for 2017 but, following some recent rentals and favourable progress made on the project, the company anticipates a sale in 2016.

The Cedet project is behind schedule in its construction and its marketing. Initially planned for the end of 2017, the delivery and sale of the project is not due to take place until the 2018 financial year.

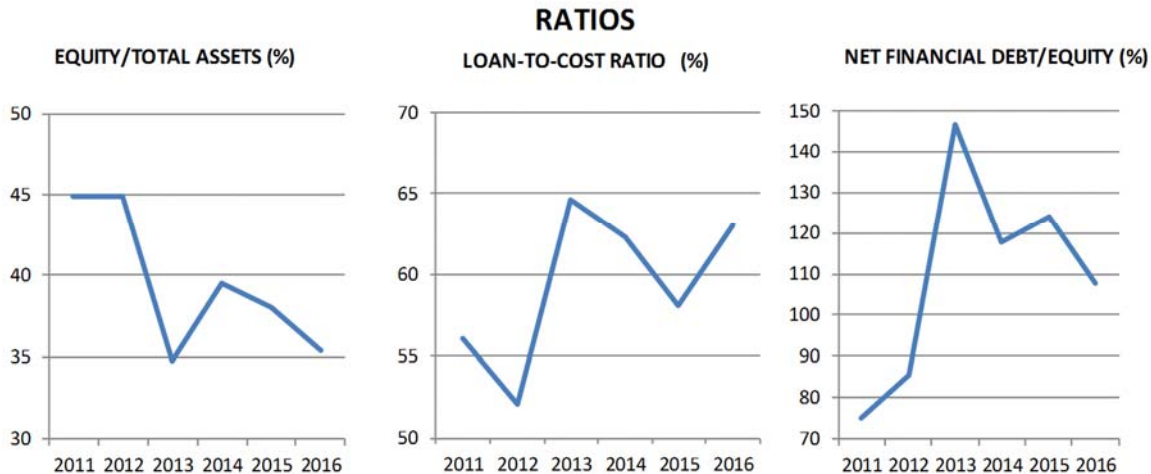
Immobel projects

Total project cost (adjusted for ownership) relative to company portfolio



The consolidated equity reached EUR 290.7 million, while the debt was EUR 349.2 million, composed mainly of the bonds (EUR 135.4 million), credit lines and project financing.

The debt ratios (calculated excluding IFRS 11) as at 30 June 2016 have changed as follows:



The loan-to-cost ratio (debts/stocks) is increasing as some large projects are reaching maturity, just like the asset-backed project financing, and are on the point of being sold (Galerie Kons, Black Pearl, etc.). This ratio does not include the cash.

By contrast, the net financial debt/equity ratio does include cash and is improving (108% as at 30 June 2016 compared with 124% as at 31 December 2015).

ACTIVITIES OF THE IMMOBEL GROUP DURING THE FIRST HALF OF 2016

Here is a description of the projects that have contributed to the activity of the IMMOBEL group during the first half of 2016 (in order of project area).

O'Sea – 88,500 m² - Oostende, Belgium	
Situation as at 30 June 2016	Phase 1 – 19,000 m ² "O'Sea Charme": permit obtained. The marketing began at the beginning of July 2016, after the permit was obtained.
Project characteristics	The O'Sea project is a residential complex situated in a strategic location in Oostende, on the Belgian coast. It is proceeding in 4 phases. This urban regeneration project, covering around 88,500 m ² , is a sustainable and totally integrated project which creates a new reference district in the heart of the city thanks to the wide choice of lifestyles it offers (permanent residents, second homes, students, families and assisted living). This major complex will redesign an already trendy section of the seafront and will boost its attraction.
Residential units	Phase 1 - O'Sea Charme: 10 houses - 18 small apartments - 50 assisted living dwellings - 33 larger apartments - 56 apartments (tower)
Programme	88,500 m ² of residential space in 4 phases (8 years). Phase 1 – 19,000 m ² : 167 residential units - 3 retail outlets - 1 restaurant - 1 crèche
Permits obtained	Planning permission: Yes - Environmental permit: Yes
Construction period	Q1 2017/2019

MOBIUS - 59,400 m² - Brussels, Belgium	
Situation as at 30 June 2016	Negotiations for the sale to an owner-occupier subject to the condition precedent of obtaining the permit. Negotiations finalised on 12 September 2016 still subject to the conditions precedent of obtaining the permit (see press release of 13 September 2016)
Project characteristics	The project is situated in the Quartier Nord [northern District], very close to the Gare du Nord station. The project has been revised by Assar for the construction of two office towers
Programme	2 office buildings (27,100 m ² and 32,300 m ²)
Permits obtained	Planning permission: New planning permission submitted Environmental permit: New permit submitted
Construction period	N.A./N.A.

BELAIR (RAC 4) – 56,420 m² - Brussels, Belgium	
Situation as at 30 June 2016	In the process of obtaining permit
Project characteristics	RAC 4 is the remaining part of the former administrative offices. It is mainly residential and will be converted into a residential, infrastructure and commercial space.
Residential units	433
Programme	4,430 m ² of commercial space, 7,840 m ² of public facilities, 44,150 m ² of residential space (conventional and subsidised dwellings)
Permits obtained	Planning permission: No - Environmental permit: No
Construction period	Q3 2017/Q2 2021

ERNEST - 50,000 m² - Brussels, Belgium	
Situation as at 30 June 2016	Phase 1 – delivery ongoing. Residences for students and the elderly: 100% sold and fully delivered. Residential spaces: more than 80% sold and marketing still ongoing. Phase 2: dwellings part awaiting permit (favourable consultation in March 2016); hotel part under due diligence (subject to permit condition), consultation planned for 28 September 2016
Project characteristics	The Ernest project is a mixed-use complex situated in the heart of Brussels (former headquarters of SOLVAY), between Avenue Louise and the European Quarter. This urban regeneration project, covering nearly 50,000 m ² , will fundamentally redesign this already very exclusive and trendy district and will increase its attractiveness.
Residential units	Phase 1: 110 apartments & penthouses - 95 student rooms ("The Place to") - 1 residence for the elderly (114 beds) Phase 2: 198 apartments & penthouses - 1 crèche - 1 hotel
Programme	50,000 m ² comprising residential areas, a student residence, a nursing home, a crèche and a hotel
Permits obtained	Planning permission: Yes - Environmental permit: Yes (Phase 2 procedure ongoing)
Construction period	Phase 1. Partially completed (2014-2016) Phase 2. Q2 2016/Q4 2019

CHAMBON - 42,452 m² - Brussels, Belgium	
Situation as at 30 June 2016	More than 85% sold and marketing still ongoing. Delivery until Q4 2016.
Project characteristics	The Chambon project is a mixed-use complex situated in the heart of the historic urban centre of Brussels (former headquarters of the CGER). This urban regeneration project, covering nearly 50,000 m ² , will fundamentally redesign the entire neighbouring district and will revitalise it.
Residential units	248 apartments & penthouses 134 studios pour students 2 hotels
Programme	20,000 m ² of office space and hotel space 30,000 m ² of residential space and retail outlets
Permits obtained	Planning permission: Yes Environmental permit: Yes
Construction period	Q1 2013/Q4 2016

DOMAINE DES VALLÉES - 37,000 m² - Grez-Doiceau, Belgium	
Situation as at 30 June 2016	61% sold in Phase 1 (169 units)
Project characteristics	This huge project, in partnership with a developer and the <i>Régie Foncière du Brabant wallon</i> [Walloon Brabant Housing Management Service], over an area of 10ha, comprises 45 apartments, 158 single-family maisonettes and 7 commercial units. This project includes 88 dwellings reserved for buyers who have links with Walloon Brabant. The conditions for accessing these 88 dwellings are based mainly on the buyers' income.
Residential units	203
Programme	203 residential units (158 houses and 45 apartments), 6 commercial units and a crèche, including 37 units purchased by the <i>Régie Foncière du Brabant wallon</i>
Permits obtained	Planning permission: Yes - Environmental permit: Yes
Construction period	Q4 2015/Q4 2019

BELLA VITA - 33,300 m² - Waterloo, Belgium	
Situation as at 30 June 2016	248 units sold out of 269
Project characteristics	First intergenerational concept in Belgium, with services such as a crèche, assisted living, health centre, swimming pool, restaurant, shop, library, gym, offices, meeting rooms, etc.
Residential units	269
Programme	182 apartments and 87 houses, a crèche, an assisted living residence, a health centre, a swimming pool, a restaurant, a shop, a library, a gym, offices, meeting rooms
Permits obtained	Planning permission: Yes - Environmental permit: Yes
Construction period	Q2 2013/Q4 2015 (end of external works and finishing works: ongoing)

INFINITY – 33,300 m² - Luxembourg-Ville, Grand Duchy of Luxembourg	
Situation as at 30 June 2016	Submission of building permit application introduced in 25 2016 as planned. Office and shop marketing ongoing. Residential marketing has start mid-September 2016 as planned.
Project characteristics	The INFINITY project is a mixed-use complex situated at the entrance to the city of Luxembourg, at the junction with the Kirchberg plateau. This mixed-use project will distinctly redraw the city's skyline thanks to its residential tower (20,000 m ²), its office tower (6,800 m ²) and its shopping centre (6,500 m ²). This complex, covering around 33,300 m ² , constitutes a sustainable and totally integrated project which will establish itself as a new, desirable location in Luxembourg. Composed of apartments, offices and shops – all of high quality –, INFINITY will boost the attractiveness of this already trendy district in the heart of the city, opposite the Philharmonie concert hall and the MUDAM museum.
Residential units	150 apartments, penthouse and studios
Programme	33,300 m ² of mixed-use space, 150 residential units, 6,500 m ² of commercial space (23 shops), 6,500 m ² of office space.
Permits obtained	Building permit application procedure will be submitted on 25 July 2016.
Construction period	From March 2016 to mid-2019.

Polvermillen – 26,600 m² - city of Luxembourg, Grand Duchy of Luxembourg	
Situation as at 30 June 2016	Submission of building permit application and marketing planned for early 2017.
Project characteristics	The Polvermillen project is a mixed-use complex nestled between the city and its natural hinterland, close to the Central Business District and the Kirchberg plateau. Ideally situated on the river and easily accessible, this project in a prime district will combine the best of both worlds for the maximum benefit of its residents. This luxury project, covering nearly 26,600 m ² , will offer a comprehensive residential programme which will contribute to the development of the district while revitalising the city.
Residential units	218 apartments and houses
Programme	25,000 m ² of residential space (1 main house, 17 houses, 18 lofts, 181 apartments and studios). 1,600 m ² of office space.
Permits obtained	PAG (<i>Plan d'Aménagement Général</i> [General Development Plan]) and PAP (<i>Plan d'Aménagement Particulier</i> [Special Development Plan]) Ministerial demolition and sanitation orders
Construction period	From September 2016 (demolition and sanitation) to early 2020

CEDET - 22,400 m² - Warsaw, Poland	
Situation as at 30 June 2016	Construction and marketing ongoing (25% of the area let)
Project characteristics	Cedet is an office building with a commercial section. It is situated in the centre of Warsaw, in the heart of the main public transport network. The project includes the restoration of the historic, protected, modernist building and the design of a new part.
Programme	Office building and shops
Permits obtained	Planning permission: Yes - Environmental permit: N/A
Construction period	Q1 2015/Q4 2017

VESALIUS - 16.133 m² - Leuven, Belgium	
Situation as at 30 June 2016	More than 85% sold
Project characteristics	The Vesalius project is a mixed-use complex situated in Leuven, close to the historic centre of the city and its world-renowned university (KUL). This project, covering 30,000 m ² , offers exclusive apartments, rooms for students, studios, retail stores, two cinemas and an auditorium organised around a magnificent plaza. This project will enable the revitalisation of the entire district adjoining the campus.
Residential units	128 apartments and studios
Programme	16,133 m ² - 68 apartments - 60 studios - 10 retail stores - 2 cinemas - 1 auditorium
Permits obtained	Planning permission: Yes - Environmental permit: Yes
Construction period	Q3 2014/Q3 2016

Lake Front – 12,232 m² - Knokke-Heist, Belgium	
Situation as at 30 June 2016	Phase 1 – construction ongoing. More than 80% sold and marketing still ongoing. Phase 2 - The construction and marketing began in May 2016.
Project characteristics	The Lake Front project is a residential complex situated in Knokke, a stone's throw from the magnificent city centre and overlooking the Duinenwater lake. This project, covering 12,000 m ² , offers some exclusive apartments facing the lake and a short distance from the new golf course, the swimming pool and the beach.
Residential units	Phase 1: 70 apartments. Phase 2: 50 apartments.
Programme	1,000 m ² of residential space
Permits obtained	Planning permission: Yes
Construction period	Phase 1: Q3 2014/Q3 2016. Phase 2: Q2 2016/Q4 2019.

THE BLACK PEARL - 11,000 m² - Brussels, Belgium	
Situation as at 30 June 2016	Building leased (usufruct) subject to the condition precedent of completing the development work and pre-sold subject to the condition precedent of the usufruct contract taking effect
Project characteristics	The Black Pearl was awarded the "2012 Exemplary Building" by the Brussels-Capital Region. It is also regarded as a passive building by PMP and will obtain an "Excellent" BREEAM certification.
Programme	Office building
Permits obtained	Planning permission: Yes Environmental permit: Yes
Construction period	Q2 2012/Q4 2014

RIVERVIEW - 10,747 m² - Nieuwpoort, Belgium

Situation as at 30 June 2016	More than 50% sold in 6 months and marketing still ongoing
Project characteristics	The Riverview project is a residential complex situated in Nieuwpoort, between the magnificent city centre and the riverbank. This project, covering 10,747 m ² , offers some exclusive apartments facing the canal (Riverview) or facing the old town (Heritage). This project will revitalise the entire district situated right next to the new marina.
Residential units	101 apartments & penthouses
Programme	10,747 m ² of residential space
Permits obtained	Planning permission: Yes - Environmental permit: Yes
Construction period	Q3 2015/Q4 2017

C de Ligne - 9,500 m² - Brussels, Belgium

Situation as at 30 June 2016	Negotiations ongoing for the renting of the entire building
Project characteristics	The C de Ligne office complex is the attractive result of the total refurbishment of a building constructed in 1958.
Programme	Office building, 3,750 m ² of archives underground.
Permits obtained	Planning permission: Yes - Environmental permit: Yes
Construction period	N.A./N.A.

Royal Louise - 8,000 m² - Brussels, Belgium

Situation as at 30 June 2016	Permit application procedure ongoing.
Project characteristics	The Royal Louise project is a residential complex situated in one of the most exclusive and trendy areas in Brussels. Barely 50m from the famous Place Stéphanie and Avenue Louise, this project will offer the most beautiful apartments with terraces overlooking a secluded private garden, moments away from the best restaurants and shopping arcades in the city. The Royal Louise will become the reference point for the urban lifestyle in Brussels.
Residential units	77 apartments
Programme	8,000 m ² of residential space
Permits obtained	Permit application procedure ongoing
Construction period	To be confirmed – After obtaining the permit. Q1 2017/Q3 2019

OKRAĞLAK - 7,900 m² - Poznan, Poland

Situation as at 30 June 2016	Sold
Project characteristics	The project consists of two buildings, Okrağlak and Kwadraciak, offering first-class office space and a shopping area on the ground floor. Multi-tenant building, currently with 19 tenants offering various services. In general: law firms, consulting companies and financial sector.
Programme	Office building and shops
Permits obtained	Planning permission: Yes - Environmental permit: N.A.
Construction period	Q2 2011/Q3 2012

Greenhill Park - 6,000 m² - Brussels, Belgium

Situation as at 30 June 2016	Permit application procedure ongoing. The marketing will begin at the end of 2016, after obtaining the permit
Project characteristics	This project is a residential complex situated in one of the greenest and most exclusive municipalities in Brussels. It is easily accessible but still in a secluded, desirable district. This luxury project, covering nearly 6,000 m ² , will offer apartments of impeccable style in an already exclusive and very trendy district.
Residential units	31 apartments or penthouses
Programme	6,000 m ² of residential space
Permits obtained	Permit application procedure ongoing
Construction period	After obtaining the permit. Q1 2017/Q2 2019.

Chient Vert - 5,000 m² - Brussels, Belgium

Situation as at 30 June 2016	In the process of obtaining the permit
Project characteristics	The current structure, which is an office building dating from the late 1980s, will be converted into an attractive, contemporary apartment block.
Residential units	42
Programme	42 apartments, 1 office unit and 1 bank branch leased to KBC Bank
Permits obtained	Planning permission: No - Environmental permit: Yes
Construction period	Q3 2016/2019

PARC SAINTE-ANNE - 3,500 m² - Brussels, Belgium

Situation as at 30 June 2016	15 units sold out of 26
Project characteristics	26 spacious, luxury apartments situated near Château Sainte-Anne, in the vicinity of a Natura 2000 area.
Residential units	26
Programme	1 residential building comprising 26 luxury apartments
Permits obtained	Planning permission: Yes - Environmental permit: Yes
Construction period	Q1 2016/Q2 2018

RÉSIDENCES TROIS RUISSEAUX ET GRAND PRÉ - 2,200 m² - Chastre, Belgium

Situation as at 30 June 2016	11 apartments sold out of 16
Project characteristics	In a land bank of 24 lots, 2 lots have been reserved for an apartment block.
Residential units	16
Programme	16 apartments (including 2 social apartments) and a crèche spread over 2 parcels of a 2-hectare site and also including 22 parcels for houses and villas
Permits obtained	Planning permission: Yes - Environmental permit: Yes
Construction period	Q2 2014/Q4 2015

FUNDING

IMMOBEL is carrying out a detailed strategic analysis of its debt and its funding. Over the coming months, it will implement the necessary actions to restructure its funding, in terms of both form and volume, in accordance with this new strategy.

Currently, the debt of EUR 349.2 million is broken down as follows:

- Bonds: EUR 135.4 million
- Corporate credit line: EUR 55 million
- Project funding: EUR 158.8 million

In December 2016, as planned, IMMOBEL will repay its bond of EUR 40 million which is maturing. This will allow an improvement in its average borrowing cost with effect from the 2017 financial year. The bond that will be repaid bore interest at 7%.

OWN SHARES

As a result of the merger between ALLFIN (which held 29.85% of the IMMOBEL shares before the merger) and IMMOBEL, the merged entity IMMOBEL holds a total of 1,230,398 own shares today. In accordance with IAS 32, these own shares are presented after deduction of the equity (with a value of EUR 55.4 million as at 30 June 2016). These own shares have neither voting rights nor dividend rights.

EVENTS AFTER THE CLOSURE

Polvermillen

After the closure on 30 June 2016, IMMOBEL acquired the shares of the company Tractim S.A. [*société anonyme* – limited company], owner of the former brownfield site called Secalt Tractel SA. More commonly known as the "former industrial site of Polvermillen", this parcel of more than 2.6 hectares in the heart of the capital will enable the group to diversify its project portfolio and consolidate its position in the Luxembourg market over the long term. This transaction complements the previous acquisition of a company that owns an adjoining plot of 26 ares. Thus, over an area of just under 3 hectares, some 25,000 m² will be dedicated to the residential development (houses, lofts, apartments, studios) comprising 210 dwellings, and 1,600 m² to offices.

Belair

IMMOBEL and its partner Breevast have also concluded the rental of the Belair building to the Brussels-Capital Region for a fixed period of 18 years. The transaction was effected on the basis of a office rent of EUR 185/m² per year and the owner being responsible for a large portion of the leasehold improvements, which should represent, at the sale, an asset value of more than EUR 50 million, taking into account the current market conditions.

Möbius 1 – Place de Brouckère

On 13 September 2016, IMMOBEL and Allianz announced that Allianz was going to vacate its offices situated in Place de Brouckère and consolidate all of its operational activities in Brussels in a new head office situated in Boulevard du Roi Albert II, in the Quartier Nord in Brussels. It chose one of the two towers of the Möbius project, being developed by IMMOBEL. Allianz has opted for a modern, green building constructed according to its specific needs, while being well served by the transport network. The move is planned between late 2019 and early 2020. Following the delivery of the Allianz Tower, after fulfilling the conditions precedent, the land in Place de Brouckère, where the current Allianz head office is situated, will be acquired.

Its redevelopment by BPI and IMMOBEL will become a reality from 2020. The Brouckère site has a permit obtained by Allianz for some 55,000 m². The programme will be revised in order to incorporate a greater urban mix. The project will comprise, for the most part, residential areas (conventional, prestige or student), offices or a hotel. The ground floors will offer a range of shops, thus being part of the dynamic redeployment plan for the pedestrian areas and for Brussels city centre.

PROSPECTS FOR THE SECOND HALF OF 2016

IMMOBEL's residential projects will continue to contribute to the gross margin for the second half of the year, both through the sales that continue dynamically and through the progress of the works currently underway, particularly the Chambon, Lake Front, Riverview and Solvay projects.

Furthermore, IMMOBEL hopes to finalise the sales of the Black Pearl and Galerie Kons projects by the end of the year. The timing of these two sales is, however, concentrated in the month of December, which presents a risks of a discrepancy as a result recording the margin in the 2017 financial year in the event of unexpected events or a delay.

ORGANISATION

The merger on 29 June also resulted in a reorganisation of the executive committee which, today, is made up of Marnix Galle¹, Alexander Hodac², Valéry Autin³, Nicolas Billen⁴ and Hilde De Valck⁵.

Since 29 August, the teams have been meeting on a single site, at Rue de la Régence, in the centre of Brussels. The integration of the two teams is going well and they are delighted to be working together to create a new spirit and a new dynamism for the largest listed developer in Belgium.

At the Board Meeting on 28 September 2016, the decision was taken to:

- Coopt Mrs Annick Van Overstraeten (CEO Lunch Garden Group) as Director as a replacement for Hilde De Valck (in her capacity as permanent representative of the company DV Consulting, H. De Valck Comm.V); Mrs Annick Van Overstraeten will be a Member of the *Comité de Nomination* [Nomination Committee] and the *Comité de Rémunération* [Remuneration Committee];
- Propose that the next Extraordinary General Meeting should appoint Mrs Karin Koks (member of the Supervisory Board of NSI, which is quoted on Eurnext Amsterdam) as a Director.

FINANCIAL CALENDAR

Annual results 2016	23 March 2017
General Meeting 2016	24 May 2017
Half-year results 2017	1 st September 2017.

¹ Mandate carried out by A³ Management sprl [*société privée à responsabilité limitée* – private limited company], represented by Mr Marnix GALLE

² Mandate carried out by AHO Consulting sprl, represented by Mr Alexander HODAC

³ Mandate carried out by the company Val U Invest sprl, represented by Mr. Valéry AUTIN

⁴ Mandate carried out by the company Pride Rock Belgium sprl, represented by Mr. Nicolas BILLEN

⁵ Mandate carried out by the company DV Consulting, H. De Valck Comm.V, represented by Mrs Hilde DE VALCK

2.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(IN THOUSANDS OF EUR)

	Notes	30-06-2016 In accordance with IFRS 3 "Reverse Acquisition" ¹	30/06/2015 *	30-06-2015 IMMOBEL SA Published
OPERATING INCOME		113 927	50 693	40 561
Turnover	7	83 794	47 702	36 828
Other operating income	8	30 133	2 990	3 733
OPERATING EXPENSES		-73 069	-30 976	-29 309
Cost of sales	9	-66 226	-24 842	-19 898
Personnel expenses		-1 031	- 815	-3 219
Amortisation, depreciation and impairment of assets		- 127	- 383	- 268
Other operating expenses	10	-5 685	-4 936	-5 924
JOINT VENTURES AND ASSOCIATES		- 452	1 121	603
Share in the net result of joint ventures and associates	11	- 452	1 121	603
OPERATING RESULT		40 406	20 837	11 855
Interest income		1 515	3 662	1 093
Interest expense		-4 585	-6 211	-4 487
Other financial income		507	3 850	16
Other financial expenses		-2 367	- 687	- 172
FINANCIAL RESULT	12	-4 930	614	-3 550
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		35 476	21 451	8 305
Income taxes	13	-3 979	-3 818	- 40
RESULT FROM CONTINUING OPERATIONS		31 497	17 634	8 265
RESULT OF THE PERIOD		31 497	17 634	8 265
Share of non-controlling interests		1,197	286	- 6
SHARE OF IMMOBEL		30 300	17 348	8 271
RESULT OF THE PERIOD		31 497	17 634	8 265
Other comprehensive income - items subject to subsequent recycling in the income statement		0	0	87
Currency translation		0	0	87
TOTAL OTHER COMPREHENSIVE INCOME		0	0	87
COMPREHENSIVE INCOME OF THE PERIOD		31 497	17 634	8 352
Share of non-controlling interests		1 197	286	- 6
SHARE OF IMMOBEL		30 300	17 348	8 358
NET RESULT PER SHARE (EUR) (DILUTED AND BASIC)	14	5.36	3.00	2.01
COMPREHENSIVE INCOME PER SHARE (EUR) (DILUTED AND BASIC)	14	5.16	2.95	2.03

* "Ex-Allfin"

¹ The merger of the companies Allfin and Immobel, effective 29 June 2016 is considered for accounting (IFRS 3) as a reverse merger. The legal acquiree company (Allfin) absorbs for accounting purposes the legal acquirer company (Immobel). As such, the first 6 months of the income statement of Immobel (before the merger) are recorded in equity and do not pass through the income statement (see Note 3 for details).

2.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(IN THOUSANDS OF EUR)

ASSETS	Notes	30-06-2016	31/12/2015 *	31-12-2015
		In accordance with IFRS 3 "Reverse Acquisition"		IMMOBEL SA Published
NON-CURRENT ASSETS		105 625	108 165	67 538
Intangible assets		164	25	169
Property, plant and equipment		759	296	730
Investment property		2 829	2 715	2 829
Investments in joint ventures and associates	15	87 945	66 122	63 373
Other non-current financial assets		4 214	28 328	-
Deferred tax assets		4 389	1 531	186
Other non-current assets		5 325	9 149	251
CURRENT ASSETS		634 666	283 186	379 607
Inventories	16	502 357	175 414	334 541
Trade receivables	17	15 262	6 712	6 037
Tax receivables		392	332	178
Other current assets	18	30 574	8 311	21 899
Other current financial assets		1 308	5 730	
Cash and cash equivalents		84 773	86 687	16 952
TOTAL ASSETS	19	740 291	391 351	447 145
EQUITY AND LIABILITIES				
	Notes	30-06-2016	31/12/2015 *	31-12-2015
		In accordance with IFRS 3 "Reverse Acquisition"		IMMOBEL SA Published
TOTAL EQUITY		290 682	165 466	194 358
EQUITY SHARE OF IMMOBEL		288 640	156 347	194 375
Share capital		97 156	60 302	60 302
Retained earnings		121 573	95 989	133 596
Reserves		69 911	56	477
NON-CONTROLLING INTERESTS		2 042	9 119	- 17
NON-CURRENT LIABILITIES		296 283	160 547	145 534
Employee benefit obligations		264	-	264
Deferred tax liabilities		8 659	6 702	-
Provisions		-	52	4
Financial debts	19	284 812	152 191	143 757
Trade payables		503	-	1 509
Derivative financial instruments	19	2 011	1 570	-
Other non-current liabilities		34	32	-
CURRENT LIABILITIES		153 326	65 338	107 253
Provisions	20	2 953	-	3 728
Financial debts	19	64 339	26 560	62 267
Trade payables	21	29 904	14 319	18 894
Tax liabilities	22	12 442	6 149	163
Derivative financial instruments	19	384	88	140
Other current liabilities	23	43 304	18 222	22 061
TOTAL EQUITY AND LIABILITIES		740 291	391 351	447 145

* "Ex-Allfin"

2.3 CONSOLIDATED STATEMENT OF CASH FLOW

(IN THOUSANDS OF EUR)

	Notes	30-06-2016 In accordance with IFRS 3 "Reverse Acquisition"	30/06/2015 *	30-06-2015 IMMOBEL SA Published
Operating income		99 533	50 693	40 561
Operating expenses		-71 506	-30 976	-29 309
Amortisation, depreciation and impairment of assets		127	383	268
Change in provisions		-	- 1	- 3
Disposal of joint ventures and associates		-	-	-
Repayment of capital and advances by joint ventures		100	2 020	13 543
Acquisitions, capital injections and loans to joint ventures and associates		- 372	- 346	-1 921
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		27 882	21 773	23 139
Change in working capital	24	-15 601	-15 878	-6 282
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		12 281	5 895	16 857
Paid interests		-2 960	-4 806	-5 212
Interest received		603	2 871	1 093
Other financing cash flows		-	-	- 156
Paid / received taxes		-1 632	-	- 74
CASH FROM OPERATING ACTIVITIES		8 292	3 960	12 508
Acquisitions of intangible, tangible and other non-current assets		0	0	- 118
Cash and cash equivalents from the merger	25	16 116	-	-
CASH FROM INVESTING ACTIVITIES		16 116	0	- 118
Increase in financial debts		76 757	5 932	18 948
Repayment of financial debts		-72 580	-8 662	-6 975
Gross dividends paid (2016 = ex shareholders ALLFIN GROUP)		-30 499	-	-3 298
CASH FROM FINANCING ACTIVITIES		-26 322	-2 730	8 675
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		-1 914	1 230	21 065
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		86 687	57 612	25 470
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		84 773	58 842	46 535

* "Ex-Allfin"

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

2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(IN THOUSANDS OF EUR)

	CAPITAL	RETAINED EARNINGS	ACQUISITION RESERVES	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROLLING INTERESTS	TOTAL EQUITY
2015 ALLFIN GROUP								
BALANCE AS AT 01-01-2015	37 054	102 373		54	0	139 481	7 825	147 306
Total comprehensive income for the year		17 348				17 348	286	17 634
Other changes		1 117				1 117	66	1 183
CHANGES OF THE PERIODE		18 465				18 465	352	18 817
BALANCE AS AT 30-06-2015	37 054	120 838		54	0	157 946	8 177	166 123
2015 IMMOBEL								
BALANCE AS AT 01-01-2015	60 302	136 156		- 57	302	196 703	8	196 711
Total comprehensive income for the year		8 271		87		8 358	- 6	8 352
Dividends paid		-3 298				-3 298		-3 298
Other changes							9	9
CHANGES OF THE PERIODE		4 973		87		5 060	3	5 063
BALANCE AS AT 30-06-2015	60 302	141 129		30	302	201 763	11	201 774
2016 IMMOBEL								
BALANCE AS AT 01-01-2016	60 302	119 237	-23 248	56		156 347	9 119	165 466
Total comprehensive income for the year		30 300		0		30 300	1 197	31 497
Merger IMMOBEL / ALLFIN Group	37 054		148 117	- 126	480	185 525	- 36	185 489
Dividends paid to shareholders ALLFIN GROUP		-27 979				-27 979	-2 520	-30 499
Treasury shares			-55 368			-55 368		-55 368
Other changes	- 200	15				- 185	-5 718	-5 903
CHANGES OF THE PERIODE	36 854	2 336	92 749	- 126	480	132 293	-7 077	125 216
BALANCE AS AT 30-06-2016	97 156	121 573	69 501	- 70	480	288 640	2 042	290 682
				69,911				

Following the merger by absorption of ALLFIN GROUP on 29 June 2016 the registered capital of IMMOBEL SA is represented by 9,997,356 ordinary shares, against 4,121,987 at 31 December 2015.

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

1. PREPARATION BASIS

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

2. ACCOUNTING PRINCIPLES AND METHODS

The retained accounting principles are the same that the principles used for the yearly consolidated financial statement at December 31, 2015.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON JANUARY 1ST, 2016

- Improvements to IFRS (2010-2012) (applicable to yearly periods after February 1st, 2015)
- Improvements to IFRS (2012-2014) (applicable to periods after January 1st, 2016)
- Amendments to IFRS 11 Joint arrangements – Accounting for acquisition of interests in joint operations (applicable to yearly periods after January 1st, 2016)
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure initiative (applicable to yearly periods after January 1st, 2016)
- Amendments to IAS 16 and IAS 38 Tangible and intangible assets – Clarification of acceptable methods of depreciation and amortisation (applicable to yearly periods after January 1st, 2016)
- Amendments to IAS 19 Employee benefits – Employees contributions (applicable to yearly periods after February 1st, 2015)

The application of these new standards had no material impact for the Group.

STANDARDS AND INTERPRETATIONS PUBLISHED FOR THE ANNUAL PERIOD BEGINNING ON JANUARY 1ST, 2016

The Company decided not to anticipate the application standards and interpretations here below that are not mandatory on June 30, 2016:

- IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after January 1st, 2018, but not yet endorsed in the EU)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after January 1st, 2016 but not yet endorsed in the EU)
- IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after January 1st, 2018 but not yet endorsed in the EU)
- IFRS 16 Leases (applicable for annual periods beginning on or after January 1st, 2019 but not yet endorsed in the EU)
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (applicable for annual periods beginning on or after January 1st, 2018 but not yet endorsed in the EU)
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (applicable for annual periods beginning on or after January 1st, 2016 but not yet endorsed in the EU)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed)
- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative (applicable for annual periods beginning on or after January 1st, 2017 but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses (applicable for annual periods beginning on or after January 1st, 2017 but not yet endorsed in the EU)

The potential impacts of these standards and interpretations on the group's consolidated financial statements are being determined.

The group does not expect any material changes resulting from the application of the standards and interpretations except for IFRS 9, IFRS 15 and IFRS 16.

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

3. MERGER BY ABSORPTION OF ALLFIN GROUP ON JUNE 29, 2016

The first half of the year 2016 has been marked by the merger between the companies ALLFIN and IMMOBEL, approved by the Extraordinary General Meeting of 29 June 2016, the "transaction".

In accordance with IFRS, the "transaction" is considered for accounting purposes as a reverse acquisition, operation by which IMMOBEL SA legally absorbed the assets and liabilities of ALLFIN GROUP, by issuing, in compensation for the transfer, an adequate number of shares entitled to vote, so the shareholders of the absorbed company legally obtained the control. of IMMOBEL merged.

In a consequence, the legal acquirer (IMMOBEL) should be considered as the accounting acquiree and the legal acquiree (**Allfin Group**) should be considered the accounting acquirer

Therefore, the consolidated financial statements prepared in accordance with IFRS represent the continuation of the financial of the company legally acquired (**ALLFIN GROUP**).

CONSOLIDATED FINANCIAL STATEMENTS REFLECT:

- The assets and liabilities of the legal subsidiary (the accounting acquirer Allfin Group) recognized and measured at their pre-combination carrying amounts;
- The identifiable assets and liabilities of the legal parent (the accounting acquiree ImmoBEL) recognized and measured in accordance with IFRS 3 – Business combination;
- The retained earnings of the legal subsidiary (the accounting acquirer Allfin Group) before the business combination;
- The consolidated statement of comprehensive income, which, the transaction being completed on 29 June 2016, represents the consolidated results of the company legally acquired (ALLFIN GROUP) for the first half of 2016 to which must be add the elements described below (Step & acquisition Badwill).
- Equity: the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the issued equity interest of the legal subsidiary (the accounting acquirer) 'outstanding immediately before the business combination to the fair value of the legal parent '(accounting acquiree) determined in accordance with this IFRS. However, the equity structure (ie the number and type of equity interests issued) reflects the equity structure of the legal parent (the accounting acquiree), including the equity interests the legal parent issued to effect the combination. Accordingly, the equity structure of the legal subsidiary (the accounting acquirer) is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of the legal parent (the accounting acquiree) issued in the reverse acquisition.

IFRS 3 B19-B27 requires that **comparative figures for the previous year** included on the financial statements (Statement of comprehensive income - Statement of financial position - Statement of cash flows and statement of changes in equity) are the consolidated figures of the acquired legally, **ALLFIN GROUP**, retroactively adjusted to reflect the legal capital of IMMOBEL. However, the figures of IMMOBEL group are also included for information on these financial statements.

The result of the semester of IMMOBEL before fusion is provided in note 3bis.

In addition, **before the merger**, Allfin proceeded to a 'carve-out' of its non-core assets, generating a gain of 13.3 MEUR, and distributed a dividend of 30.5 MEUR to its shareholders.

At the balance sheet, this carve-out resulted in Allfin to a decrease in current assets of 26.9 MEUR (mainly on inventories, investments in joint ventures and cash) and its non-current liabilities 28.9 MEUR (repayment of bank debt)

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

In accordance with IFRS, the following steps have been applied as part of the business combination :

- **Step acquisition** : ALLFIN GROUP has remeasured its interest in IMMOBEL at fair value using the stock price at 29 June 2016, and recognized a gain of **2 832 KEUR** recorded in the statement of comprehensive income;
- **Treasury shares** : the shares held by ALLFIN GROUP in IMMOBEL before the merger, 1 230 398 shares, have become treasury shares and have therefore been presented as a deduction from equity at the amount remeasured (55 368 KEUR);
- **Adjustment for accounting policies** : valuation rules of both merging entities have been compared to ensure comparability of the figures without identifying significant differences
- The direct **transaction costs** related to the capital increase were recorded deducted from the issued capital (200 KEUR); The costs related to the study of the proposed merger are included in the consolidated statement of comprehensive income Other operating expenses for 2 568 KEUR (see note 10).
- **Net assets of Immoebel** have been remeasured at fair Value and the resulting difference with the consideration transferred has been accounted for in accordance with IFRS3 Business Combinations :
 - The fair value of the consideration transferred has been measured at acquisition date, i.e. the market value of Immoebel as of 29 June 2016, 185 490 KEUR;
 - All assets and liabilities acquired of Immoebel have been measured at fair value, 197 052 KEUR, after a net revaluation of 8 763 KEUR of its assets and liabilities
 - The resulting difference between these two fair values (**badwill**) has been recognized into the consolidated statement of comprehensive income, for **11 562 KEUR**.

Badwill represents the difference between market expectations reflected in the stock price taken as fair value of the consideration transferred in application of IFRS 3 and the fair value of assets and liabilities measured individually.

TRANSITION TABLE FROM CONTRIBUTING FINANCIAL STATEMENTS TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	IMMOBEL	ALLFIN GROUP	SUBTOTAL	ADJUSTMENTS	TOTAL PRO-FORMA	IMMOBEL	PUBLISHED STATEMENTS
	(*)		(**)	(***)		(*)	
OPERATING INCOME	65 476	99 533	165 009	14 394	179 403	-65 476	113 927
Turnover	63 537	83 794	147 331		147 331	-63 537	83 794
Other operating income	1 939	15 739	17 678	14 394	32 072	-1 939	30 133
OPERATING EXPENSES	-67 716	-73 069	-140 785		-140 785	67 716	-73 069
Cost of sales	-61 636	-66 226	-127 862		-127 862	61 636	-66 226
Personnel expenses	-1 855	-1 031	-2 886		-2 886	1 855	-1 031
Amortisation & depreciation	- 72	- 127	- 199		- 199	72	- 127
Other operating expenses	-4 153	-5 685	-9 838		-9 838	4 153	-5 685
JOINT VENTURES AND ASSOCIATES	- 670	- 452	-1 122		-1 122	670	- 452
OPERATING RESULT	-2 910	26 012	23 102	14 394	37 496	2 910	40 406
Financial result	-2 731	-4 930	-7 661		-7 661	2 731	-4 930
Income taxes	- 305	-3 979	-4 284		-4 284	305	-3 979
RESULT OF THE PERIOD	-5 946	17 103	11 157	14 394	25 551	5 946	31 497
Share of non-controlling interests	- 19	1 197	1 178		1 178	19	1 197
SHARE OF THE GROUP	-5 927	15 906	9 979	14 394	24 373	5 927	30 300

(*) The first 6 months of results of IMMOBEL "before fusion" are incorporated directly in the equity and are not published in the income statement.

(**) Including transaction costs, - 2 568 KEUR, and a gain on "carve out" of 13 326 KEUR.

(***) The 14 394 KEUR include the badwill of 11 562 KEUR and the revaluation 'step acquisition' of 2 832 KEUR (see above)

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

TRANSITION TABLE FROM CONTRIBUTING FINANCIAL STATEMENTS TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	IMMOBEL	ALLFIN GROUP	SUBTOTAL	ADJUSTMENTS	PUBLISHED STATEMENTS
NON-CURRENT ASSETS	68 279	78 044	146 323	-40 698	105 625
Investments in joint ventures and associates	64 586	66 040	130 626	-42 681 1)	87 945
Other non-current assets	3 693	12 004	15 697	1 983 2)	17 680
CURRENT ASSETS	339 804	291 229	631 033	3 633	634 666
Inventories	294 789	203 935	498 724	3 633 3)	502 357
Trade receivables and other current assets	16 116	68 657	84 773		84 773
Cash and cash equivalents	28 899	18 637	47 536		47 536
TOTAL ASSETS	408 083	369 273	777 356	-37 065	740 291
TOTAL EQUITY	188 289	146 166	334 455	-43 773	290 682
Share capital	60 102	37 054	97 156		97 156
Reserves	128 223	107 034	235 257	-43 773 4)	191 484
NON-CONTROLLING INTERESTS	- 36	2 078	2 042		2 042
NON-CURRENT LIABILITIES	118 921	174 178	293 099	3 184	296 283
Financial debts	118 154	164 348	282 502	2 310 3)	284 812
Other non-current liabilities	767	9 830	10 597	874 2)	11 471
CURRENT LIABILITIES	100 873	48 929	149 802	3 524	153 326
Financial debts	47 563	13 252	60 815	3 524 3)	64 339
Trade payables and other current liabilities	53 310	35 677	88 987		88 987
TOTAL EQUITY AND LIABILITIES	408 083	369 273	777 356	-37 065	740 291

ADJUSTMENTS :

1) Step acquisition	2 832
Adjustments to fair value of investments in joint ventures and associates of Immoebel following the purchase price allocation:	9 855
Treasury shares	-55 368
Total	-42 681
2) Recognition of deferred tax assets and liabilities of Immoebel following the purchase price allocation	
3) Adjustment to fair value of assets and liabilities of Immoebel following the purchase price allocation	
4) Net adjustments to fair value	8 763
Step acquisition	2 832
Treasury shares	-55 368
Total	-43 773

The adjustments to fair value related to inventories and financial debts at fixed rate.

The details of these adjustments is available in the pro-forma accounts on the website www.immoebel.be

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

3BIS. RESULTS IMMOBEL "BEFORE MERGER"

The first 6 months of results of IMMOBEL "before fusion" are integrated directly in equity and are not in the published income statement

The result of the semester of IMMOBEL before merger, and excluding the impact of the costs related to the transaction, is negative up to - 5,946 TEUR. This result is the consequence of lack of operating margin provided by the "Offices" sector (despite the sales of Westside and Okraglak projects) and a performance of the Landbanking activity below expectations.

	30-06-2016	30-06-2015
OPERATING INCOME	65 476	40 561
Turnover	63 537	36 828
Other operating income	1 939	3 733
OPERATING EXPENSES	-67 716	-29 309
Cost of sales	-61 636	-19 898
Personnel expenses	-1 855	-3 219
Amortisation & depreciation	- 72	- 268
Other operating expenses	-4 153	-5 924
JOINT VENTURES AND ASSOCIATES	- 670	603
OPERATING RESULT	-2 910	11 855
Interest income	1 253	1 093
Interest expense	-3 868	-4 487
Other financial income	97	16
Other financial Expenses	- 213	- 172
FINANCIAL RESULT	-2 731	-3 550
Income taxes	- 305	- 40
RESULT OF THE PERIOD	-5 946	8 265
Share of non-controlling interests	- 19	- 6
SHARE OF IMMOBEL	-5 927	8 271

Offices	Residential	Landbanking	Total
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52 074	7 232	4 231	63 537
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-52 309	-6 000	-3 327	-61 636
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The "Offices" sector record the sales of the projects Westside (Gd Duchy of Luxembourg) and Okraglak (Poland) but the operating margin generated by these projects remains low (0.5 MEUR).

The "Residential" segment is influenced by the promotions Bella Vita, Charmeraie, Clos Bourgeois, Lindepark, Oostduinkerke Bredene and Chastre.

Sales did not allow to absorb ImmoBel structural costs and expenses of interests, bringing the operating result and the net result to be negative

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

4. MAIN ACCOUNTING JUDGMENTS AND ESTIMATES

Main accounting judgments and estimates are identical to those given on page 98 (paragraph 20) of the 2015 Annual Report. They mainly concern the deferred tax assets, impairment of assets, provisions, projects in inventory and construction contracts.

MAIN RISKS AND UNCERTAINTIES

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

The Board of Directors considers that the main risks and uncertainties included in pages 69 to 71 of the annual report 2015 are still relevant for the remaining months of 2016.

5. SCOPE OF CONSOLIDATION

The number of entities included in the scope of consolidation evolves as follows:

	30-06-2016	31-12-2015
Subsidiaries - Global method of consolidation	55	28
Joint Ventures - Equity method	24	18
Associates - Equity method	2	2
Total	81	48

During the first half year of 2016, the consolidation scope noted following changes :

- Disposal of 100% of shares of the company WESTSIDE	
- Liquidation of the company INTERGENERATIONNEL DE WATERLOO, 50,5% owned	
- Entry in the scope of consolidation following the merger by absorption of ALLFIN GROUP:	
- Subsidiaries - Global method of consolidation	28
- Joint Ventures - Equity method	7

6. OPERATING SEGMENT - FINANCIAL INFORMATION BY BUSINESS SEGMENT

The segment reporting is presented in respect of the operational segments. The results and asset and liability items of the segment include items that can be attributed to a sector, either directly, or allocated on an allocation formula. The core business of the Company, real estate development, includes the activities of “offices”, “residential development” and “land development”.

There are no transactions between the different sectors.

The Group’s activity is carried out in Belgium, The Grand Duchy of Luxemburg and Poland.

The breakdown of sales by country depends on the country where the activity is executed.

In accordance with IFRS, the Company applied since 1st January 2015, IFRS 11, which amends the strong readings of the financial statements of the Company but does not change the net income and shareholders’ equity.

The Board of Directors believes that the financial data in application of the proportional consolidated method (before IFRS 11) give a better picture of the activities and financial statements.

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

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

SUMMARY OF THE INTERNAL CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT	30-06-2016	30-06-2016
	Published	Internal
OPERATING INCOME	113 927	144 684
Turnover	83 794	113 911
Other operating income	30 133	30 773
OPERATING EXPENSES	-73 069	-101 864
Cost of sales	-66 226	-92 964
Personnel expenses	-1 031	-1 585
Amortisation, depreciation and impairment of assets (including reversals)	- 127	- 179
Other operating expenses	-5 685	-7 136
JOINT VENTURES AND ASSOCIATES	- 452	
Share in the net result of joint ventures and associates	- 452	-
OPERATING RESULT	40 406	42 820
Interest income	1 515	1 544
Interest expense	-4 585	-5 956
Other financial income and expenses	-1 860	-1 968
FINANCIAL RESULT	-4 930	-6 380
Share in the net result of investments in associates	0	- 38
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	35 476	36 402
Income taxes	-3 979	-4 905
RESULT FROM CONTINUING OPERATIONS	31 497	31 497
RESULT OF THE PERIOD	31 497	31 497
Share of non-controlling interests	1 197	1 197
SHARE OF IMMOBEL	30 300	30 300

CONSOLIDATED INCOME STATEMENT (INTERNAL) PER SEGMENT :

	Offices	Residen- tial	Landban- king	Unalloca- ted items (*)	TOTAL
Turnover	40 320	72 328	1 263	-	113 911
Other operating income	360	2 586	107	27 720	30 773
OPERATING INCOME	40 680	74 914	1 370	27 720	144 684
Cost of sales	-35 545	-56 425	- 993	-	-92 963
Personnel expenses, amortisation and other expenses	-2 648	-2 893	- 792	-2 568	-8 901
OPERATING EXPENSES	-38 193	-59 318	-1 785	-2 568	-101 864
OPERATING RESULT	2 487	15 596	- 415	25 152	42 820

(*) Unique accounting effects related to the merger

Impact of the carve-out	13 326
Impact of the badwill	11 562
Fair value IMMOBEL shares held by ALLFIN	2 832
Subtotal	27 720
Costs related to the study of the proposed merger	-2 568
Operating result	25 152

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

SUMMARY OF THE INTERNAL CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30-06-2016	30-06-2016
	Published	Internal
NON-CURRENT ASSETS	105 625	17 962
Investments in joint ventures and associates	87 945	199
Other non-current assets	17 680	17 763
CURRENT ASSETS	634 666	804 190
Inventories	502 357	658 314
Trade receivables and other current assets	47 536	45 069
Cash and cash equivalents	84 773	100 807
TOTAL ASSETS	740 291	822 152
TOTAL EQUITY	290 682	290 682
NON-CURRENT LIABILITIES	296 283	316 099
Financial debts	284 812	302 193
Other non-current liabilities	11 471	13 906
CURRENT LIABILITIES	153 326	215 371
Financial debts	64 339	113 398
Trade payables and other current liabilities	88 987	101 973
TOTAL EQUITY AND LIABILITIES	740 291	822 152

CONSOLIDATED FINANCIAL POSITION (INTERNAL) PER SEGMENT :

	OFFICES	RESIDEN- TIAL	LANDBAN- KING	CONSOLI- DATED
Segment assets	285 185	329 883	87 540	702 608
Unallocated items (*)				119 544
TOTAL ASSETS	285 185	329 883	87 540	822 152
Segment liabilities	40 567	43 566	5 670	89 803
Unallocated items (*)				441 667
TOTAL LIABILITIES	40 567	43 566	5 670	531 470

(*) Unallocated items: Assets: Investments in associates & participating interests available for sale - Deferred tax assets - Other non-current assets - Cash - Tax receivables - Cash and equivalents - Liabilities: Deferred tax liabilities - Financial debts - Tax liabilities - Derivative financial instruments. Intangible assets, property plan and equipment are allocated to segments based on an allocation formula.

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

SUMMARY OF THE INTERNAL CONSOLIDATED FINANCIAL STATEMENTS

	30-06-2016 Published	30-06-2016 Internal
INVENTORIES		
Allocation of inventories by segment is as follows:		
Offices	194 634	275 276
Residential	225 332	300 647
Landbanking	82 391	82 391
TOTAL INVENTORIES	502 357	658 314
Allocation of inventories by geographical area is as follows:		
Belgium	415 546	500 964
Grand-Duchy of Luxemburg	27 736	88 273
Poland	59 075	69 077
TOTAL INVENTORIES	502 357	658 314
The book value of inventories evolve as follows:		
INVENTORIES AS AT 1 JANUARY	175 414	199 674
Purchases and Developments of the year	92 859	103 121
Disposals of the year	-66 261	-77 506
Merger IMMOBEL / ALLFIN Group	298 422	430 919
Borrowing costs	1 923	2 106
MOVEMENTS DURING THE YEAR	326 943	458 640
INVENTORIES AS AT 30 JUNE	502 357	658 314

Breakdown of the movements of the period (published accounts) :

	Per segment				Per geographical area			
	Offices	Residential	Landbanking	TOTAL	Belgium	Grand-Duchy of Luxemburg	Poland	TOTAL
Purchases and Developments	26 620	66 239	-	92 859	69 604	23 255	-	92 859
Disposals	-18 792	-47 469	-	-66 261	-48 658	-17 603	-	-66 261
Merger IMMOBEL / ALLFIN Group	167 625	48 406	82 391	298 422	239 347	-	59 075	298 422
Borrowing costs	71	1 852	-	1 923	1 923	-	-	1 923
TOTAL	175 524	69 028	82 391	326 943	262 216	5 652	59 075	326 943

Breakdown of the movements of the period (internal accounts) :

	Per segment				Per geographical area			
	Offices	Residential	Landbanking	TOTAL	Belgium	Grand-Duchy of Luxemburg	Poland	TOTAL
Purchases and Developments	27 548	75 573	-	103 121	79 866	23 255	-	103 121
Disposals	-18 792	-58 714	-	-77 506	-59 903	-17 603	-	-77 506
Merger IMMOBEL / ALLFIN Group	236 649	111 879	82 391	430 919	301 305	60 537	69 077	430 919
Borrowing costs	189	1 917	-	2 106	2 106	-	-	2 106
TOTAL	245 594	130 655	82 391	458 640	323 374	66 189	69 077	458 640

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

7. TURNOVER	30-06-2016	30-06-2015*
Turnover is allocated as follows per segment:		
Offices	24 776	23 853
Residential	59 018	23 849
Landbanking	-	-
TOTAL TURNOVER	83 794	47 702

The majority of the turnover is realized in Belgium

The "Offices" turnover is mainly influenced by the sale of the Boiteux project.(Chambon).

The projects Solvay, Chambon, Flint, Lake Front and Riverview contribue in particular to the "Residential" turnover.

8. OTHER OPERATING INCOME	30-06-2016	30-06-2015*
Break down as follows :		
Rental income on properties available for sale or awaiting for development	2 413	2 033
Gain on the "Carve out" prior to the merger IMMOBEL / ALLFIN GROUP	13 326	-
Badwill resulting from the merger IMMOBEL / ALLFIN GROUP	11 562	-
Fair value IMMOBEL shares held by ALLFIN	2 832	-
Other income (recoveries of taxes and withholdings, miscellaneous re-invoicing...)	-	957
TOTAL OTHER OPERATING INCOME	30 133	2 990

The "Carve out" consists in the sale by ALLFIN GROUP of non-core assets prior to the transaction in accordance with the merger agreement.

9. COST OF SALES

Cost of sales is related to the turnover and the projects mentioned in note 7.

10. OTHER OPERATING EXPENSES	30-06-2016	30-06-2015*
Break down as follows:		
Services and other goods	-4 135	-4 040
Other expenses	-1 550	- 896
Provisions	-	-
OTHER OPERATING EXPENSES	-5 685	-4 936

Services and other goods includes in particular the related to the study of the proposed merger with ALLFIN GROUP, for an amount of KEUR 2 568.

11. JOINT VENTURES AND ASSOCIATES

The share in the result of joint ventures and associates, - 452 KEUR, relates to the Solvay project and the share of ALLFIN in the results of IMMOBEL before the merger.

12. FINANCIAL RESULT	30-06-2016	30-06-2015*
The financial result breaks down as follows:		
Cost of gross financial debt at amortised cost	-4 362	-3 940
Fair value changes on financial instruments	- 469	- 473
Fair value changes on financial assets	- 860	-
Losses on sales of financial assets	- 719	- 382
Interest income	594	2 083
Gains on sales of financial assets	910	2 981
Other financial charges & income	- 24	345
FINANCIAL RESULT	-4 930	614

*"Ex-Allfin"

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

13. INCOME TAXES

Income taxes are as follows:	30-06-2016	30-06-2015*
Current income taxes	-3 313	-1 922
Deferred income taxes	- 666	-1 896
TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME	-3 979	-3 818

14. RÉSULTAT PAR ACTION

Due to the absence of potential dilutive ordinary shares in circulation, the basic result per share is the same as the diluted result per share.

The calculation of the average number of action is determined by IFRS 3 B 26.

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

Net result from continuing operations	31 497		
Group's share in the net result for the year	30 300		
		Net earnings per share (EUR)	
		Continuing operations	Comprehensive income
Average number of shares considered for basic earnings and diluted earnings :			
- New shares issued on the basis of the exchange ratio of the merger (IFRS calculation 3 B 26)	5 875 369	5.36	5.16
- Outstanding shares at June 30, 2016	9 997 356	3.15	3.03
- Outstanding shares (excluding treasury shares) at June 30, 2016	8 766 958	3.59	3.46

15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30-06-2016	31-12-2015*
Investments in joint ventures	87 746	66 122
Investments in associates	199	-
TOTAL INVESTMENTS INCLUDED IN THE STATEMENT OF FINANCIAL POSITION	87 945	66 122

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

VALUE AS AT 1 JANUARY	66 122
Share in result	- 452
Acquisitions, capital injections and loans to joint ventures and associates	470
Repayment of capital and advances by joint ventures and associates	- 100
Fair value IMMOBEL shares held by ALLFIN	2 832
Treasury shares	-55 368
Merger IMMOBEL / ALLFIN Group	64 586
Fair value resulting from the business combination	9 855
CHANGES FOR THE YEAR	21 823
VALUE AS AT 30 JUNE	87 945

**"Ex-Allfin"

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

NAMES	% INTEREST		BOOK VALUE OF THE INVESTMENTS		SHARE IN THE COMPREHENSIVE INCOME
	30-06-2016	31-12-2015*	30-06-2016	31-12-2015*	30-06-2016
Bella Vita	50.0%	-	8 134	-	-
CBD International	50.0%	-	- 793	-	-
Château de Beggen	50.0%	-	228	-	-
Espace Trianon	50.0%	-	1 790	-	-
Fanster Enterprise	50.0%	-	1 245	-	-
Foncière du Parc	50.0%	-	124	-	-
Gateway	50.0%	-	603	-	-
Ilot Ecluse	50.0%	-	189	-	-
Intergénérationnel de Waterloo	50.0%	-	0	-	-
Pef Kons Investment	33.3%	-	20 458	-	-
M1	50.0%	-	4 595	-	-
M7	50.0%	-	551	-	-
RAC 2	40.0%	-	7 930	-	-
RAC 3	40.0%	-	3 284	-	-
RAC 4	40.0%	-	12 153	-	-
Société Espace Léopold	50.0%	-	3 023	-	-
Temider Enterprise	50.0%	-	-	-	-
Universalis Park	50.0%	-	10 612	-	-
Vilpro	50.0%	-	116	-	-
Keyenveld, PA33 - 44 - 2, les Deux Princes (Solvay)	50.0%	50.0%	13 522	11 732	1 317
Argent Office (Chambon)	50.0%	50.0%	- 18	85	-
TOTAL JOINT VENTURES			87 746	11 817	1 317
DHR Clos du Château	33.3%	-	120	-	-
Espace Midi	20.0%	-	-	-	-
Graspa Development	25.0%	-	79	-	-
IMMOBEL	-	29.85%	-	54 305	-1 769
TOTAL ASSOCIATES			199	54 305	-1 769
TOTAL JOINT VENTURES AND ASSOCIATES			87 945	66 122	- 452

**"Ex-Allfin"

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

16. INVENTORIES

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

Allocation of inventories by segment is as follows:	30-06-2016	31-12-2015*
Offices	194 634	22 434
Residential	225 332	152 980
Landbanking	82 391	-
TOTAL INVENTORIES	502 357	175 414

Allocation of inventories by geographical area is as follows:	30-06-2016	31-12-2015*
Belgium	415 546	154 038
Grand-Duchy of Luxemburg	27 736	21 376
Poland	59 075	-
TOTAL INVENTORIES	502 357	175 414

Break down of the movements of the year :	30-06-2016	31-12-2015*
INVENTORIES AS AT 1 JANUARY	175 414	159 998
Purchases and developments of the year	92 859	80 316
Disposals of the year	-66 261	-63 800
Merger IMMOBEL / ALLFIN Group	298 422	-
Borrowing costs	1 923	2 731
Change in consolidation method	-	-3 831
MOVEMENTS DURING THE YEAR	326 943	15 416
INVENTORIES AS AT 30 JUNE	502 357	175 414

17. TRADE RECEIVABLES

Trade receivables refer to the following segments:	30-06-2016
Offices	1 070
Residential	11 708
Landbanking	2 484
TOTAL TRADE RECEIVABLES	15 262

18. OTHER CURRENT ASSETS

The components of this line item are:	30-06-2016
Other receivable	25 613
of which: advances to joint ventures, associates and on projects in participation	12 390
taxes (other than income taxes) and VAT receivable	3 910
receivable on sale (escrow account)	1 583
grants and allowances receivable	1 617
advances and guarantees paid	4 380
other	1 733
Deferred charges and accrued income	4 961
of which: on projects in development	4 599
other	362
TOTAL OTHER CURRENT ASSETS	30 574

*"Ex-Allfin"

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

and are related to the following segments:	30-06-2016
Offices	13 152
Residential Development	14 873
Land Development	2 549
TOTAL OTHER CURRENT ASSETS	30 574

19. INFORMATION RELATED TO THE NET FINANCIAL DEBT

The Group's net financial debt is the balance between the cash and cash equivalents and the financial debts (current and non current). It amounts to - 264 378 KEUR as at 30 June 2016 compared to - 92 064 KEURs at 31 December 2015.

	30-06-2016	31-12-2015*
Cash and cash equivalents	84 773	86 687
Non current financial debts	284 812	152 191
Current financial debts	64 339	26 560
NET FINANCIAL DEBT	264 378	92 064

The Group's gearing ratio (net financial debt / equity) is 91% as at 30 June 2016.

CASH AND CASH EQUIVALENTS

Cash deposits and cash at bank and in hand amount to 84 773 KEUR compared to 86 687 KEUR at the end of 2015, representing a decrease of 1 914 KEUR.

The explanation of the change in available cash is given in the consolidated cash flow statement.

FINANCIAL DEBTS

Financial debts increase with 170 400 KEUR, from 178 751 KEUR at 31 December 2015 to 349 151 KEUR at 30 June 2016.

The components of financial debts are as follows:	30-06-2016	31-12-2015*
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR	59 531	-
Bond issue maturity 28-03-2018 at 5.50% - fair value adjustment	2 310	-
Bond issue maturity 27-06-2019 at 6.75% - nominal amount 36.65 MEUR	35 377	35 298
Credit institutions	187 594	116 893
NON CURRENT FINANCIAL DEBTS	284 812	152 191
Bond issue maturity 21-12-2016 at 7% - nominal amount 40 MEUR	39 923	-
Bond issue maturity 21-12-2016 at 7% - fair value adjustment	3 524	-
Credit institutions	18 552	26 560
Bonds - not yet due interest	2 340	-
CURRENT FINANCIAL DEBTS	64 339	26 560
TOTAL FINANCIAL DEBTS	349 151	178 751
Financial debts at fixed rates	140 665	89 823
Financial debts at variable rates	206 146	88 928
Bonds - not yet due interest	2 340	-
Amount of debts guaranteed by securities	206 146	143 101
Book value of Group's assets pledged for debt securities	412 919	233 142

*"Ex-Allfin"

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

Financial debts evolve as follows:	30-06-2016	31-12-2015*
FINANCIAL DEBTS AS AT 1 JANUARY	178 751	171 667
Contracted debts	76 757	20 968
Repaid debts	-74 750	-13 884
Exit from the scope of consolidation	-3 428	-
Merger IMMOBEL / ALLFIN Group	165 717	-
Fair value resulting from the business combination	5 834	-
Amortization of deferred debt issue expenses	270	-
Charges for the year	170 400	7 084
FINANCIAL DEBTS AS AT 31 DECEMBER	349 151	178 751

All the financial debts are denominated in EUR.

Except the bonds, the financing of the Group and the financing of the Group's projects are provided based on a short-term rate, the 1 to 12 month euribor, increased by commercial margin.

IMMOBEL disposes at June 30, 2016 of 2 Corporate credit lines, one of 60 MEUR, unused at June 30, the other of 30 MEUR, fully used by 30 June. These two credit lines are due in June 2017.

Moreover, IMMOBEL disposes at June 30, 2016 of confirmed bank credit lines for 227 MEUR of which 176 MEUR used at end of June 2016. These credit lines (project financing credits) are specific for certain projects in development.

FINANCIAL COMMITMENTS

The Group is, for the majority of the mentioned financial debts, subject to a number of financial commitments. These commitments are taking into account the equity, the net financial debt and its relation with the equity and the inventories. At 30 June 2016, as for the previous years, the Group was in conformity with all these financial commitments.

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

DUE IN	2016	2017	2018	2019 2020 & +	Total
Bonds	43 524		62 310	35 650	141 484 *
Bonds - Interest	2 340				2 340
Project Financing Credits	11 765	43 610	61 697	55 674 33 400	206 146
TOTAL AMOUNT OF DEBTS	57 629	43 610	124 007	91 324 33 400	349 970

* The amount on the balance sheet, 140 665 KEUR, includes 819 KEUR charges to be amortized until maturity in 2016, 2018, and 2019.

INTEREST RATE RISK

On the basis of the situation as per 30 June 2016, each change in interest rate of 1% involves an annual increase or decrease of the interest charge on debts at variable rate of 2 061 KEUR.

In the frame of the availability of long term credits, Corporate or Project Financing, the Group uses financial instruments mainly for the hedging of interest rates.

At 30 June 2016, the derivative financial instruments have been concluded to hedge future risks and are the following:

Period	Instruments	Strike	Notional amounts
09/2015 - 09/2018	IRS bought	0.10%	26 000
07/2014 - 07/2017	CAP bought	2.00%	16 000
07/2014 - 07/2017	CAP bought	2.00%	10 000
07/2014 - 07/2017	CAP bought	2.00%	10 000
09/2014 - 12/2019	IRS bought	0.855%	54 609
	Total		116 609

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2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

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

FAIR VALUE OF FINANCIAL INSTRUMENTS	30-06-2016	31-12-2015*
Hedging instruments:		
- Bought CAP Options	0	0
- Bought IRS Options	2 395	1 658
TOTAL	2 395	1 658

CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS	30-06-2016
SITUATION AT 1 JANUARY	1 658
Changes during the period:	
-Change in the fair value recognised in the consolidated income statement	469
-Merger IMMOBEL / ALLFIN Group	268
SITUATION AT 30 JUNE	2 395

No instrument has been documented as hedge accounting at 30 June 2016.

20. PROVISIONS

The components of provisions are as follows:	30-06-2016	31-12-2015*
Provisions related to the sales	2 943	-
Other provisions	10	52
TOTAL PROVISIONS	2 953	52

TOTAL PROVISIONS	RELATED TO THE		
	SALES	OTHER	
PROVISIONS AS AT 1 JANUARY	-	52	52
Use & reversal	-	- 52	- 52
-Merger IMMOBEL / ALLFIN Group	2 943	10	2 953
CHANGES FOR THE YEAR	2 943	- 42	2 901
PROVISIONS AS AT 30 JUNE	2 943	10	2 953
From which current provisions			2 953

Allocation of this position by segment is as follows:	30-06-2016
Offices	2 680
Residential	178
Landbanking	95
TOTAL	2 953

21. TRADE PAYABLES

This account is allocated by segment as follows:	30-06-2016
Offices	9 690
Residential	16 997
Landbanking	3 720
TOTAL TRADE PAYABLES	30 407
of which current trade payables	29 904

*"Ex-Allfin"

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

22. TAX LIABILITIES

This item includes 7.9 MEUR withholding tax withheld on dividends paid to the former shareholders of ALLFIN GROUP.

23. OTHER CURRENT LIABILITIES

The components of this account are:	30-06-2016
Personnel debts	338
Taxes (other than income taxes) and VAT payable	3 012
Advances received - including in particular advances received for the Gateway project (20.9 MEUR) and advances received on projects from the merger ALLFIN GROUP (MEUR 6.6)	28 751
Advances from joint ventures and associates	5 854
Accrued charges and deferred income	1 503
Operating grants	-
Other	3 846
TOTAL OTHER CURRENT LIABILITIES	43 304

Other current liabilities are related to the following segments:	30-06-2016
Offices	25 644
Residential	15 838
Landbanking	1 822
TOTAL OTHER CURRENT LIABILITIES	43 304

24. CHANGE IN WORKING CAPITAL

The change in working capital by nature is established as follows:	30-06-2016
Inventories, including acquisition and sales of entities that are not considered as business combinations	-28 521
Current assets / Current liabilities Trade receivables & Other current assets	12 920
CHANGE IN WORKING CAPITAL	-15 601

25. CASH AND CASH EQUIVALENT FROM THE MERGER

This is cash and cash equivalents from the accounting acquired company (IMMOBEL) on the date of the merger.

This cash is as follows:

Cash and cash equivalents as at 1 January 2016	16 952
Cash from operations before changes in working capital	-6 451
Change in working capital	49 838
Paid / received interests	-3 875
Paid taxes	- 254
Changes in intangible, tangible and other non-current assets	161
Increase in financial debts	4 562
Repayment of financial debts	-44 817
Net increase or decrease (-) in cash and cash equivalents	- 836
Cash and cash equivalents as at 30 June 2016	16 116

2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

26. RELATED PARTIES

Relations with related parties relate to IMMOBEL's relations with main shareholders and senior executives as well as its joint ventures and associates.

In the period under review mainly include:

Merger agreement : on April 6, 2016, Allfin and Immobel announced that an agreement was concluded to combine the activities of Immobel and Allfin by a merger by absorption of Allfin by Immobel. The closing of the transaction occurred, as planned, on June 29, 2016, following approval by the Board, the validation by the auditor, the approval by the antitrust authorities, the associated procedures for consultation and the final approval by the shareholders.

The Board of Directors of 29 September 2016 approved the contract for the Executive President and the amendment of the contract for the Chief Executive Officer, as proposed by the President of the Nomination & Remuneration Committee.

27. MAIN CONTINGENT ASSETS AND LIABILITIES

	30-06-2016	31-12-2015*
Guarantees from third parties on behalf of the Group with respect to:		
- inventories	171 228	133 149
- other assets	111	-
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	171 339	133 149
These guarantees consist of:		
- guarantees "Real estate trader" (acquisitions with registration fee at reduced rate)	32 408	14 320
- guarantees "Law Breynne" (guarantees given in connection with the sale of houses or apartments under construction)	124 824	117 650
- guarantees "Good end of execution" (guarantees given in connection with the execution of works)	11 308	-
- guarantees "Payment" and "Other" (successful completion of payment, rental...)	2 799	1 179
TOTAL	171 339	133 149
Mortgage power - Amount of inscription	473 784	336 406
Book value of Group's assets pledged for debt securities related to investment property and inventory as a whole	431 739	233 142
BOOK VALUE OF PLEDGED GROUP'S ASSETS	431 739	233 142
Amount of debts guaranteed by above securities		
- Non current debts	187 594	116 541
- current debts	18 552	26 560
TOTAL	206 146	143 101

28. SEASONAL CHARACTER OF THE RESULTS

Due to intrinsic character of its activity, Real Estate Development, and due to operations resulting from the business combination, the results of the first half year 2016 can not be extrapolated over the whole year.

These results depend from the final transactions before 30 June 2016.

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2.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS OF EUR)

29. EVENTS SUBSEQUENT TO INTERIM REPORTING DATE

No significant event that may change the financial statements occurred from the reporting date on 30 June 2016 up to 28 September 2016 when the financial statements were approved by the Board of Directors.

OTHER EVENTS OCCURRING AFTER THE CLOSURE

Polvermillen

After the closure on 30 June 2016, ImmoBel acquired the shares of the company Tractim S.A. [*société anonyme* – limited company], owner of the former brownfield site called Secalt Tractel SA. More commonly known as the "former industrial site of Polvermillen", this parcel of more than 2.6 hectares in the heart of the capital will enable the group to diversify its project portfolio and consolidate its position in the Luxembourg market over the long term. This transaction complements the previous acquisition of a company that owns an adjoining plot of 26 ares. Thus, over an area of just under 3 hectares, some 25,000 m² will be dedicated to the residential development (houses, lofts, apartments, studios) comprising 210 dwellings, and 1,600 m² to offices.

Belair

ImmoBel and its partner Breevast have also concluded the rental of the Belair building to the Brussels-Capital Region for a fixed period of 18 years. The transaction was effected on the basis of an office rent of EUR 185/m² per year and the owner being responsible for a large portion of the leasehold improvements, which should represent, at the sale, an asset value of more than EUR 50 million, taking into account the current market conditions.

Mobius 1 – Place de Brouckère

On 13 September 2016, ImmoBel and Allianz announced that Allianz was going to vacate its offices situated in Place de Brouckère and consolidate all of its operational activities in Brussels in a new head office situated in Boulevard du Roi Albert II, in the Quartier Nord in Brussels. It chose one of the two towers of the Mobius project, being developed by ImmoBel. Allianz has opted for a modern, green building constructed according to its specific needs, while being well served by the transport network. The move is planned between late 2019 and early 2020. Following the delivery of the Allianz Tower, after fulfilling the conditions precedent, the land in Place de Brouckère, where the current Allianz head office is situated, will be acquired. Its redevelopment by BPI and ImmoBel will become a reality from 2020. The Brouckère site has a permit obtained by Allianz for some 55,000 m². The programme will be revised in order to incorporate a greater urban mix. The project will comprise, for the most part, residential areas (conventional, prestige or student), offices or a hotel. The ground floors will offer a range of shops, thus being part of the dynamic redeployment plan for the pedestrian areas and for Brussels city centre.

WARNING

This report contains information that is not historical but prospective. The achievement of forward-looking statements in this report are subject to risks and uncertainties associated with many parameters, including general economic factors, interest rate and exchange rates fluctuations, the real estate market trends and his legislation, environmental and administrative standards, political stability, etc. Accordingly, results subsequently achieved could differ from those presented in the forward-looking statements. Forward-looking statements can be identified in this report by the use of words such "expects", "intends", "will", "believe", "hope", "could", "estimate", "objective", "potential" or similar term. Should known or unknown risks or uncertainties materialize, or should expectations prove inaccurate, actual results could differ from those expected. IMMOBEL undertakes no obligation to publicly update such forward-looking information.

3. STATEMENT FROM THE RESPONSIBLE PERSONS

AHO Consulting bvba, represented by M. Alexander HODAC, in his capacity of Chief Executive Officer and Val U Invest sprl, represented by M. Valéry Autin, in his capacity of Chief Financial Officer, declare that, as far as they are aware :

- the interim report contains a true representation of the major events and, where appropriate, of the main transactions between the parties involved that took place during the first 6 months of the financial year and of their impact on the set of summarised accounts, as well as a description of the main risks and uncertainties for the remaining months of the financial year.

- the set of summarised financial statement, which have been drawn up in accordance with applicable accounting regulations, and which have been the subject of a limited review by the auditor, give a true representation of the financial situation and profits and losses of the IMMOBEL Group and of its subsidiaries.

Immobel SA

Report on review of the consolidated interim financial information for the six-month period ended 30 June 2016

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position as at 30 June 2016, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of cash flows and the consolidated condensed statement of changes in equity for the period of six months then ended, as well as selective notes 1 to 29.

Report on the consolidated interim financial information

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

The condensed consolidated statement of financial position shows total assets of 740,291 (000) EUR and the condensed consolidated statement of comprehensive income shows a consolidated profit (group share) for the period then ended of 30,300 (000) EUR.

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

Scope of review

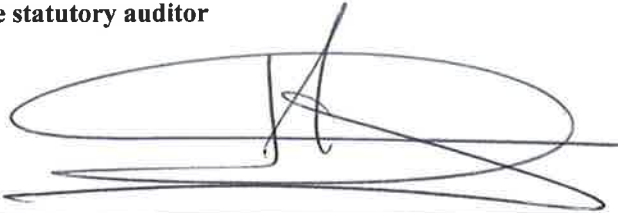
We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

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

Diegem, 28 September 2016

The statutory auditor



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