

**Ghelamco Group Comm. VA
Half year results 30.06.2018**

Sound results and balance sheet structure from continued investment and commercialisation efforts in core market segments

- Net profit for the period of 18,377 KEUR (vs. 19,105 KEUR 30.06.17)
- Solvency ratio of 42,36% (40,71% as per 31.12.17)
- Good progress in construction works on the Warsaw HUB (113,000 sqm office space in Warsaw CBD), the Big project (10,200 sqm office space in Krakow), the residential Foksal project (55 high-end apartments in Warsaw) and finalization of the foundation works of the Spinnakker Tower (57,000 sqm office project in Warsaw CBD)
- Continued commercialisation efforts resulting in increased lease rates for the Wronia 31 project (16.000 sqm office space in Warsaw CBD; approx. 89% leased; taking into account extension options signed) and the Woloska 24 project (23,200 sqm office space in the Mokotow District of Warsaw, approx. 94% pre-leased)
- Sale of the Wavre Retail Park project to 3rd party investor in June 2018, for an amount of 8.0 MEUR
- Sale of +/- 50% of the retail spaces in the Tribeca project in 28 June 2018, for an amount of 6.1 MEUR
- Finalisation of construction and delivery of the The Link office project in Berchem; with a lease rate of over 95% per date of the current report
- Finalisation of construction and ongoing delivery of the Tribeca project in Ghent, a contemporary, green project at the Nieuwevaart. Per date of the current report, over 90% of available residential units (163 apartments, 13 houses and 5 lofts) have been sold.
- Good progress of construction works in the Edition and Spectrum projects in Brussels; commercialisation efforts appear very successful: 100% of 22 available residential units in the Spectrum project and all but one of 59 available residential units in the Edition project have been (pre-)sold.

Preliminary remark

Ghelamco (Consortium)'s business activities are structured in three major holdings under common control of the ultimate shareholders (jointly referred to as "Ghelamco"):

- Investment Holding: comprises resources invested in the development of real estate projects in Belgium, Poland, Russia and Ukraine and the intra-group Financing Vehicles – referred to as "Investment Group" or the "Group";



- Development Holding: represents international entities that provide construction, engineering and development services to the Investment Group;
- Portfolio Holding: consists of all other activities and real estate investments controlled by the ultimate shareholders.
- Since end 2016: Ghelamco European Property Fund: comprising the real estate projects kept as income generating products for a longer time.

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

Summary

The Group closed its 2018 half-year accounts with a net profit of 18,377 KEUR, after continued investment and commercialisation efforts. Thanks to these efforts the Group realised significant residential sales, disposed of some investment property (mainly the Wavre Retail Park and part of Tribeca Retail), while it managed to create added value through further investing in existing and new developments. This is reflected in a balance sheet total of 1,775,015 KEUR and an equity of 751,961 KEUR. The solvency ratio amounted to 42,36%.

In Poland, the investing activities have during the first half of 2018 mainly been focused on:

- The continued construction of the Warsaw HUB project at Rondo Daszynskiego, comprising 3 towers on a podium with retail function of approx. 113,000 sqm in Warsaw CBD. The delivery is expected Q1 2020.
- The finalisation of the foundation works of the Spinnaker, 57,000 sqm offices project at Rondo Daszynskiego in Warsaw;
- The progressed construction works on the Foksal project, including the renovation of the historic buildings, located in the historic heart of Warsaw. The project comprises the realisation of 55 high-class apartments (approx. 6,424 sqm in total) and commercial space of approx. 595 sqm. Per date of the current report, approx. 25% of available residential units have already been pre-sold.
- The further construction works on the Big project (Krakow), totalling approx. 10,200 sqm of office space and two levels of underground parking lots (141 parking spaces). Finalisation of the construction works is expected by end 2018. Per date of the current report, approx. 91% of office space have already been leased.

Continued leasing efforts have resulted in an occupation rate of over 89% (signed expansion options included) for the recently delivered Wronia project in the close vicinity of the Warsaw Spire and Plac Europejski Square and a lease rate of over 94% for the delivered Woloska 24 project located in the Mokotow district of Warsaw. In addition, the Big project in Krakow (under constructions) has per date of the current report already been pre-leased for approx. 91% and the Vogla (retail project) was leased at approx. 87%.

As a result of further commercialisation efforts, over 98% of the available units in the residential Woronicza Qbik project (355 residential soft lofts and 16 ground floor commercial units, in the Mokotow District of Warsaw) have been sold per mid 2018.

In Belgium, the Company has over the past years intensified its project development activities (with currently over 40 projects in portfolio). As a consequence, a significant number of Belgian projects have in the course of the last years been delivered and commercialised or sold.

In June 2018, the Wavre Retail project (plot in Wavre for the realisation of an SME-park (warehousing, showroom and offices) of over 27,000 sqm) has been sold to a third party investor. The sales price amounted to 8 MEUR, equalling the carrying value per books. Also per end June 2018, approx. half of the available retail units (+/- 2,500



sqm) and 95 adjacent parkings in the Tribeca project in Ghent have been sold to a third party investor, for a net sales price of 6,1 MEUR.

During the current 6-month period, construction works of the last phase (phase 3) of the Tribeca project in Ghent have been finalized. While this last phase of this affordable, contemporary, green project is being delivered, currently over 90% of available residential units (163 apartments, 13 houses and 5 lofts) have been sold; and as stated above also approx. 50% of the available retail space was sold.

In addition, the construction of the The Link office project in Antwerp (27,000 sqm leasable space and approx. 540 underground parking spaces, divided over 2 buildings) has been finalised and the building is currently being delivered. Marketing efforts have per date of this report resulted in a lease rate of over 95%.

Moreover, construction works in the Brussels Edition and Spectrum projects have well advanced. Per date of the current report, all but one of the available residential units in the Edition project (offering 59 luxurious apartments, underground parking spaces and retail space on the ground floor) have been sold, while 100% of the apartments in the Spectrum project (mixed project offering 15,000 sqm office space, 22 apartments and approx. 170 underground parking spaces) have been sold. For significant areas in the offices-part of the Spectrum project, well advanced lease negotiations are currently ongoing.

Key figures

Results	30.06.2018	30.06.2017
Operating result	43,327	39,592
Net result of the year	18,377	19,105
Share of the group in the net result of the year	17,808	18,490
Balance sheet	30.06.2018	31.12.2017
Total assets	1,775,015	1,791,808
Cash and cash equivalents	80,160	129,526
Net financial debt (-)	818,830	765,202
Total equity	751,961	729,489

Revenue for the first semester of 2018 amounts to 39,321 KEUR and relates to rental income (12,331 KEUR) and sales of (residential) projects (26,512 KEUR).

The investment property (under construction) portfolio evolved from 910,579 KEUR per end 2017 to 967,570 KEUR per end of June 2018; evolution which is the combined result of current period's expenditures (64,552 KEUR), disposals (15,113 KEUR), fair value adjustments (38,771 KEUR), transfers (-23,111 KEUR) and currency translation impact (8,108 KEUR). The current period's net favorable fair value adjustment is mainly the consequence of the Group's sustained investment and leasing efforts, in combination with market evolution (in terms of yields and rent levels).

The operating result for the first half-year of 2018 totals to 43,327 KEUR; net profit for the period closes with 18,377 KEUR.

Property development inventories balance decreased by 20,343 KEUR to 265,237 KEUR; evolution which is mainly the combined effect of :

- Further expenditures on Belgian (residential) projects (mainly connected with the construction of the Tribeca project in Ghent and the Edition and Spectrum projects in Brussels);
- The sale of some (residential) projects (mainly real estate at the Belgian coast and invoicing of installments under the Breyne legislation in the Tribeca project in Ghent and the Edition and Spectrum projects in Brussels)

- Some transfers, e.g. transfer of the Arval site to investment property, in view of the development of a retail park;
- the construction works of apartments in the Foksal project in Warsaw (55 high-class apartments of which 27% is (pre-) sold per mid 2018) and on the other hand the continued commercialisation of the Woronicza Qbik project (355 residential soft lofts in Warsaw and some commercial space, with a sales rate of over 98% per mid 2018).

During the period the Group was able to obtain new bank borrowings and withdraw on existing credit facilities for a total amount of 67.7 MEUR. On the other hand, reimbursements and refinancings have been done for an amount of 31 MEUR, bringing the total outstanding amount of bank borrowings to 407,2 MEUR (i.e. a net increase by 36,7 MEUR compared to the outstanding balance of 370,5 MEUR at 31/12/2017). Also considering the outstanding bonds (231,955 KEUR net outstanding private and public bonds in Poland and 247,475 KEUR net outstanding private and public bonds in Belgium) and some other loans (12,3675 KEUR), leverage¹ amounts to 46%.

Overview by country

Belgium

In Belgium the Group's main development activities during the first half of 2018 related to:

- Finalisation of the construction works and ongoing delivery of phase 3 of the Tribeca project (offering 91 apartments and some smaller retail units).
- Finalisation of the construction and ongoing delivery of the The Link project in Berchem (27,000 sqm office space and approx. 540 underground parking spaces), while parallel marketing efforts have already resulted in a lease rate of over 95%.
- Continuation of the construction works in the Brussels Edition (Louizalaan) and Spectrum (Avenue Bischoffsheim) projects. Construction progress is for both projects respectively at 60% and 30%. And per date of the current report, approx. 99% of the apartments in the Edition project have been sold, while all the apartments in the Spectrum project have been sold. In addition, leasing negotiations for significant areas in the offices-part of the Spectrum project are currently well advanced.

As to divestures and/or revenues:

- Current period's revenues mainly related to installment invoicing (under the Breyne legislation) connected to apartments and parking spaces in phase 2 and 3 of the Tribeca project at the Nieuwevaart in Ghent, the sale of the (29) remaining student units in the Waterview project in Leuven Vaartkom, invoicing under the Breyne legislation connected to apartments in the Edition and Spectrum project in Brussels and the sale of villas and apartments at the Belgian coast.
- In addition, in June 2018 the Wavre Retail Park project was disposed and sold to a third party investor. The transaction was structured as a share deal. The preliminary contract was signed in 2017, while the deal was closed in 2018. Also the in June 2018, two leased retail units and 95 adjacent parking spaces in the Tribeca project in Ghent were sold to a third party investor.

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



Poland

In Poland, the Company in first instance maintained its existing land bank, except for the sale of a smaller plot at Marynarska 12.

As stated, the Company further invested in the construction of the Warsaw HUB project, for which construction works were kicked off end 2016. The construction status at 30 June 2018: finalisation stage of construction works of (part of) the podium and the hotel (approx. 21,000 sqm) which is part of one of the towers. An agreement with InterContinental Hotels Group was already signed in 2017 for the operating of the hotel. The delivery of the project is expected in Q1 2020.

Additionally, the Big project construction works in Krakow, at the junction of Kapalenka and Zielinskiego street, are currently being finalised in view of the delivery by end 2018. Also, the foundation works of the Spinnaker at Rondo Daszynskiego are being finalised. Finally, construction works on the Foksal project (55 exclusive high-end apartments at 13/15 Foksal Street located in the historic heart of Warsaw) are well advanced per mid 2018.

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

- The Wronia 31 project in Warsaw CBD (+/- 16,000 sqm) has been leased for over 89%, while negotiations for significant parts of the remaining space are ongoing.
- The Woloska 24 project in the Warsaw Mokotow District (+/- 23,200 sqm) has been leased for over 94%, while negotiations for parts of the remaining space are ongoing.
- The Big project in Krakow (+/- 10,200 sqm) has been leased for approx. 91%.
- In the Warsaw HUB project, in addition to the hotel contract, lease agreements with a fitness club operator, agreements for a co-working space, office space, cafeteria and restaurant have been signed and negotiations with potential tenants of commercial and office sections are pending. In total, lease agreements were signed for approx. 35,500 sqm (and taking into account extension options signed, the level of rented space is approx. 38,500 sqm).

As to divestures and/or revenues:

- Current period's (residential) sales revenues mainly related to the further commercialisation of the Woronicza Qbik project (355 residential soft lofts in the Mokotow District of Warsaw). Per end of June 2018, over 98% of available units have been sold.
- There have been no divestures of commercial projects during the first half of 2018.

Russia

In Russia, the first (building A, approx. 60,000 sqm) and second phase (building B, approx. 76,000 sqm) of the Dmitrov Logistics Park – class A warehouse complex of four buildings totalling approx. 243.000 sqm of lettable area in the northern part of the Moscow Region – have in the past years been delivered and are currently leased for resp. 70% and 100%. The occupation permit of building C1 (20,000 sqm) has been received early 2017 and building C2 and C3 (26,000 sqm) have been delivered in September 2017.

The political and economic situation and its effects on markets and (warehouse) tenant activity is further closely monitored. In Russia, the yields remained quite stable, the RUB and the market rental levels for (refrigerated) warehousing are however still under pressure. This has resulted in the recognition of further negative fair value adjustment on mainly the Dmitrov project in portfolio.



Outlook

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

For the second half of 2018, the Group will continue its sustained growth. In addition, it will closely monitor specific evolutions in its active markets and real estate segments. Considering its sound financial structure and the expected further market evolutions (in terms of tenant activity and evolution in yields), the Group is confident to achieve this growth and its goals for 2018 in general.

Risks

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

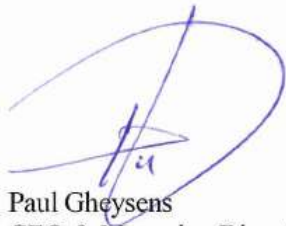
These risks, which are described in detail in the Ghelamco Group Comm. VA Consolidated IFRS Financial Statements at 31 December 2017, remain applicable for 2018 and are closely managed and monitored by the Group's management.

As from 2015 the Group insured its capital risk on Russia, against expropriation and/or nationalisation.

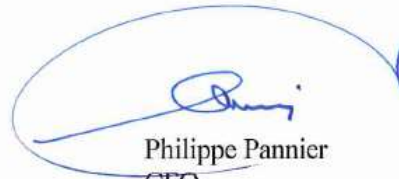
Declaration in accordance with Art. 13 of the Belgian Royal Decree of 14 November 2007

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

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



Paul Gheysens
CEO & Managing Director
Ieper
24/09/2018



Philippe Pannier
CFO
Ieper
24/09/2018

About Ghelamco

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

Condensed consolidated income statement (in KEUR)

	30/06/2018	30/06/2017
Revenue	39,321	52,861
Other operating income	7,216	26,942
Cost of Property Development Inventories	-18,047	-22,044
Employee benefit expense	-578	-732
Depreciation amortisation and impairment charges	-447	-407
Gains from revaluation of Investment Property	38,771	12,441
Other operating expense	-22,870	-29,469
Share of results of in joint-ventures	-39	0
Operating result	43,327	39,592
Finance income	6,956	6,602
Finance costs	-19,777	-21,550
Result before income tax	30,506	24,644
Income tax expense	-12,129	-5,539
Result of the period	18,377	19,105
Attributable to		
Equity holders of parent	17,808	18,490
Non-controlling interests	569	615

Condensed consolidated statement of comprehensive income (in KEUR)

	30/06/2018	30/06/2017
Profit for the period	18,377	19,105
Exchange differences on translating foreign operations	4,117	-11,423
Other	-27	
Other comprehensive income of the period	4,090	-11,423
Total Comprehensive income for the period	22,467	7,682
Attributable to		
Equity holders of parent	21,898	7,067
Non-controlling interests	569	615

Condensed consolidated statement of financial position (in KEUR)

	30/06/2018	31/12/2017
ASSETS		
Non-current assets		
Investment Property	967,570	910,579
Property, plant and equipment	491	527
Intangible assets	3,537	3,708
Investments in joint-ventures	12,703	6,340
Receivables and prepayments	258,552	250,911
Deferred tax assets	13,144	11,845
Other financial assets	4,523	4,155
Restricted cash	0	0
	1,260,520	1,188,065
Current assets		
Property Development Inventories	265,238	285,581
Trade and other receivables	137,977	187,898
Current tax assets	45	163
Derivatives	0	0
Assets classified as held for sale	31,075	575
Restricted cash	0	0
Cash and cash equivalents	80,160	129,526
	514,495	603,743
TOTAL ASSETS	1,775,015	1,791,808

Condensed consolidated statement of financial position (in KEUR) (cont'd)

	30/06/2018	31/12/2017
EQUITY AND LIABILITIES		
Capital and reserves attributable to the Company's equity holders		
Share capital	28,194	28,194
CTA	11,264	7,147
Retained earnings	705,183	687,402
	744,641	722,743
Non-controlling interests	7,320	6,746
TOTAL EQUITY	751,961	729,489
Non-current liabilities		
Interest-bearing loans and borrowings	654,385	694,110
Deferred tax liabilities	39,550	29,106
Other non-current liabilities	6,333	2,249
Long-term provisions	0	0
Total non-current liabilities	700,268	725,465
Current liabilities		
Trade and other payables	71,780	133,289
Current tax liabilities	6,401	2,947
Interest-bearing loans and borrowings	244,605	200,618
Short-term provisions	0	0
Total current liabilities	322,786	336,854
Total liabilities	1,023,054	1,062,319
TOTAL EQUITY AND LIABILITIES	1,775,015	1,791,808

Condensed consolidated cash flow statement (in KEUR)

	30/06/2018	30/06/2017
Cash flow from operating activities		
Result of the year before income tax	30,506	24,644
<i>Adjustments for:</i>		
- Share of results in joint-ventures	39	
- Change in fair value of investment property	-38,771	-12,441
- Depreciation, amortization and impairment charges	447	361
- Result on disposal investment property	647	-17,620
- Change in provisions	0	0
- Net finance costs	6,674	16,184
- Movements in working capital:		
- change in inventory	4,867	-6,018
- change in trade & other receivables	53,187	-2,666
- change in trade & other payables	-50,439	8,188
- change in fair value of derivatives	0	0
- Movement in other non-current liabilities	4,084	-1,527
- Other non-cash items	-121	-67
Income tax paid	588	-2,937
Interest paid	-8,894	-17,361
Net cash from operating activities	2,814	-11,260
Cash flow from investing activities		
Interest received	3,690	3,273
Purchase of property, plant & equipment	-240	-656
Purchase of investment property	-67,757	-53,502
Capitalized interest in investment property	-7,481	-6,950
Proceeds from disposal of investment property	14,466	566,747
Net cash outflow on acquisition of subsidiaries	1,689	
Cash in/outflow on other non-current financial assets	-8,009	-241,901
Net cash flow used in investing activities	-63,642	267,011
Financing Activities		
Proceeds from borrowings	70,000	97,253
Repayment of borrowings	-55,876	-325,315
Net cash inflow from / (used in) financing activities	14,124	-228,062

Net increase/(decrease) in cash and cash equivalents	-46,704	27,689
Cash and cash equivalents at 1 January	129,526	59,001
Effects of exch. rate changes in non-EUR countries	-2,662	-20,113
Cash and cash equivalents at the end of the period	80,160	66,578

Condensed consolidated statement of changes in equity (in KEUR)

	Attributable to the equity holders			Non-controlling interests	Total equity
	Share capital	Cumulative translation reserve	Retained earnings		
Balance at 1 January 2017	73,194	21,291	665,418	5,379	765,282
Foreign currency translation (CTA)		-11,423			-11,423
Profit/(loss) for the period			18,490	615	19,105
Dividend distribution					0
Change in non-controlling interests					0
Change in the consolidation scope					0
Other			1	-6	-5
Balance at 30 June 2017	73,194	9,868	683,909	5,988	772,959
Balance at 1 January 2018	28,194	7,147	687,402	6,746	729,489
Foreign currency translation (CTA)		4,117			4,117
Profit/(loss) for the period			17,808	569	18,377
Dividend distribution					0
Change in non-controlling interests					0
Change in the consolidation scope				5	5
Other			-27		-27
Balance at 30 June 2018	28,194	11,264	705,183	7,320	751,961

Notes to the condensed consolidated interim financial statements at 30 June 2018

1. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2017 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The new interpretations and standards that are applicable from 2018 did not have any significant impact on the Group financial statements.

IFRS 15 Revenue from Contracts with Customers, establishes a unique and all-encompassing model of principles that an entity must apply to account for income arising from a contract with a customer. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and their corresponding interpretations. IFRS 15 is effective for the annual reports beginning on or after 1 January 2018, with early adoption permitted, and has been endorsed by the EU, so as its clarifications (issued on 12 April 2016).

The Company has adopted this standard as from 1 January 2018, according to the complete retrospective method without practical exemptions. This adoption has not created any significant impact on the results of the company. The various flows of income for the Company mainly relate to rental incomes that are covered by IFRS 16 (in 2018 still IAS 17), and residential sales which are covered by IFRS 15.

Belgium: Analysis of the the new IFRS 15 criteria has indicated that land and construction related to a residential unit both together constitute a single performance obligation. In addition, in accordance Belgian Breynne legislation (for off-plan apartment sales), it is assessed that sold assets have no alternative use and that right to payment for the Company exists; for that, revenue is recognized over-time; i.e. through percentage of completion.

Poland: Analysis of the the new IFRS 15 criteria has indicated that land and construction related to a residential unit both together constitute a single performance obligation. In addition, in accordance with relevant local laws and regulations, transfer of control for residential units is at delivery; for that revenue is recognized at delivery or completion of contract.

IFRS 9 Financial Instruments published in July 2014 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements, which align hedge accounting more closely with risk management. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

The Company applied this standard as from 1 January 2018. This adoption has not generated significant impact on the half-year financial statements as of 30 June 2018.

IFRS 9 requires the Company to recognize in advance expected credit losses on its financial assets through the application of default impairment percentages on (mainly trade) receivables, based on the defaults experienced over the last two accounting years. The Company did encounter no or very limited defaults during the last two years and applied the simplified expected losses model, in which the life-time expected losses are calculated for the trade receivables and the current forecast macroeconomic information does not impact the historic default rates.

Therefore, the Company did not have to correct the trade receivables closing balance as of 31 December 2017. The same applies as of 30 June 2018: no impairment recognition through the profit and loss statement was deemed necessary.

The Company is currently assessing the possible impact, if any, of standards to be applied as from 2019 (IFRS 16). IFRS 16 introduces significant changes in accounting for leases for the lessee, removing the distinction between operational and financial leases and recognising assets and liabilities for all leases (aside from exemptions for short-term leases or low-value assets). Unlike accounting for leases by the lessee, IFRS 16 keeps almost all provisions from IAS 17 Leases regarding accounting for leases by the lessor. This means that lessors must continue to classify leases as operational or financial leases.

2. Significant accounting policies

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

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

The accounting policies adopted are consistent with those followed for the preparation of the Group's consolidated financial statements for the year ended 31 December 2017 and the new interpretations and standards that are applicable from 2018, to the extent applicable.

3. Property development inventories

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

	30/06/2018	31/12/2017
Property Development Inventories	265,180	285,521
Raw materials	54	56
Finished goods	4	4
	265,238	285,581

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

In Poland, the main movements were noted in the Woronicza Qbik balance (-1,702 KEUR to 1,273 KEUR) in line with current period's sales of remaining units and the Foksal balance (+3,103 KEUR to 22,635 KEUR) in connection with the progress of the construction works of this high-end residential project.

In Belgium, the inventory mainly relates to:

- residential projects at the Belgian coast (both finalized and under construction), mainly in Knokke and Oostduinkerke
- the Tribeca site in Ghent (24,000 m² site on which an approx. 35,000 m² mixed residential and retail space project is currently being delivered)
- some plots in Courchevel for the development of (combined) residential/hotel projects
- two high-end residential projects located at the Louizalaan (Edition) and the Boulevard Bischoffsheim (Spectrum) in Brussels, both currently under construction
- Capitalized Eurostadium IP rights on the design, study costs and expenditures related to the acquired leasehold.

The Arval project (retail park in Evere, offering approx. 5,375 sqm leasable space) has been transferred from inventory to IP, in connection with the progress and commercial status of the project.

	30/06/2018		31/12/2017	
Inventories – Poland	70,705	27%	70,390	25%
Inventories – Belgium	194,528	73%	215,187	75%
Inventories – Other countries	5		4	
	265,238	100%	285,581	100%

Eurostadium Brussels

The board of the directors confirms its statement mentioned in the Consolidated Financial Statements as at December 31, 2017 (p. 89). Since that date the situation has not significantly changed, however as a matter of cautious governance the company has registered additional costs related to the Eurostadium project in its P&L. As to the capitalised Eurostadium expenditures which still amount to 23.6 MEUR, the board of directors acknowledges that the current status of the file constitutes an uncertainty but remains of the opinion that the capitalized expenses will be recovered in the future either through a decision of the Council of Permit Disputes, a new permit request or, if necessary, a claim.

4. Investment property (under construction)

Balance at 31 December 2017	910,579
Acquisition of properties	447
Acquisition through business combinations	
Subsequent expenditure	64,105
Transfers	
- Assets classified as held for sale	-30,500
- Other transfers	7,389
Adjustment to fair value through P/L	38,771
CTA on current year FV adj	1
Disposals	-15,113
CTA	-8,108
Other	
Balance at 30 June 2018	967,570

Investment Properties are stated at fair value as determined by either independent appraisers or by management and are classified in 4 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 approval held for development and investment (fair value based on the potential of constructing leasable sqm);
- C. Land with a building permit + construction ongoing (fair value based on the residual method);
- D. Completed Projects held for investment.



Country + SPV	Commercial Name	Valuation	Cat	30/06/2018	31/12/2017
				KEUR	KEUR

BELGIUM

Leisure Property Invest	Knocke Village	Man	A	57,489	44,541
WRP	Wavre Retail Park	n/a	n/a	0	8,000
Zeewind	Zeewind	Man	D	1,746	1,746
Ring Hotel	Ring Hotel	n/a	n/a	0	21,200
Ring Multi	Ghelamco Arena Multifunctional space	Cushman	D	21,725	21,720
Meetdistrict	Meetdistrict business center	Cushman	D	34,900	34,750
Ghelamco Invest	Zoute House	Cushman	C	23,047	22,500
Waterview/Parking Leuven	Waterview Parkings	n/a	n/a	0	8,530
Dianthus	Arval site	Man	D	6,000	
Bischoffsheim Leasehold + Freehold	Spectrum	CBRE	C	56,386	49,840
Kubel/Construction Link	The Link	JLL	C	77,429	59,453
DNF/Filature Retail	Filature Retail	Man	D	5,500	10,000
Docora	Rafc Tribune 1	Cost	D	36,006	35,571

POLAND

Apollo Invest	Spinnaker Tower	Savills	C	62,003	57,857
Postepu SKA/Business Bud SKA	Postepu Business Park	KNF	B	7,120	7,120
Sienna Towers SKA	The HUB	KNF	C	139,942	101,479
Sobieski SKA	Sobieski Tower	BNP	B	32,493	31,077
Market SKA	Mszczonow Logistics	ASB	A	2,810	2,849
SBP SKA	Synergy Business Park Wroclaw	JLL	B	24,630	25,294
Grzybowska 77 Sp. K. + Isola SKA	Grzybowska	KNF	D/A	24,400	23,920
Wronia SKA	Wronia 31	KNF	D	60,820	59,265
Sigma SKA	Chopin + Stixx	KNF	B/D	41,622	40,766
Vogla SKA	Wilanow Retail	Savills	D/A	16,100	11,260
Tillia BIS Spzoo	Powisle	Cresa	A	5,964	7,690
Dahlia SKA	Woloska 24	Cresa	D	57,475	56,553
Synergy	Katowice	JLL	A	3,800	4,000
Canna SKA	Big, Kapelanka, Krakow	Man	C	18,659	7,209

RUSSIA

Bely Rast e.a.	Dmitrov Logistic Park	JLL	D/C	137,415	144,500
Ermolino	Logistic Park Ermolino	JLL	A	7,498	7,722

UKRAINE

Urban Invest	Kopylov Logistics Park 2	UKR	A	803	730
Vision Invest	Warsaw Road Dev.	UKR	B	3,788	3,437

TOTAL :

956,070

910,579



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

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

- 4.75% to 8.65% for Belgian office projects, depending on the location, specifics and nature of the investment (vs. 4.97% to 8.75% per 31/12/2017);
- 5.5% to 6.5% for other Belgian (mainly retail) projects, depending on the specifics, nature and location of the investment (vs. 6.25% to 6.85% per 31/12/2017).
- 5.25% to 8.50% for the Polish projects depending on the specifics, nature and location of the developments (vs. 5.25% to 8.00% per 31 December 2017).
- 11.25% to 15.00% DCF discount rates and 10.25% on terminal value for Russian projects (vs. 11.25% to 15.00% and 10.25% per 31/12/2017)

The net increase in investment property (+ 56,991 KEUR) is mainly related to the further investments in projects (64,552 KEUR) and fair value adjustments (38,771 KEUR), compensated by disposals (- 15,113 KEUR) and CTA impact (- 8,108 KEUR). The remainder of the net increase can be attributed to transfers from inventory to IP and IP to assets held for sale.

In June 2018, the Wavre Retail project has been sold to a third party investor. The transaction value amounted to 8 MEUR, equalling the carrying value per books. The sales transaction was structured as a share deal. Also per end June 2018, approx. half of the available retail units (+/- 2,500 sqm) and 95 adjacent parkings in the Tribeca project in Ghent have been sold to a third party investor, through an asset deal, for a net sales price of 6,1 MEUR.

On the other hand, the Ring Hotel project has been transferred to assets held for sale, in connection with the currently ongoing sales process of the project to a hotel group. Carrying value in assets held for sale amounts to 24 MEUR, which equals the sales amount per preliminary contract. In the same respect, the Waterview Parkings project (585 parkings tower in the Vaartkom, Leuven) has been transferred to assets held for sale, in view of the sale of the project to the City of Leuven. Carrying value in assets held for sale amounts to 6.5 MEUR, which equals the agreed amount in the decision of the City Council.

In turn, the Arval site in Evere has in the current period been transferred to investment property, in view of the development of a retail park offering approx. 5,375 sqm leasable space.

5. Investments in joint-ventures

Investments in joint-ventures amount to 12,703 KEUR and mainly relate to the (50%) participating interest in Carlton Retail NV, which is connected with the One Carlton high-end residential project in Knokke Zoute. The increase is explained by the contribution in kind of Carlton land parts by RHR NV, subsidiary of the Company, in Carlton Retail NV early 2018.

6. Interest bearing loans and borrowings

	30/06/2018	31/12/2017
Non-current		
Bank borrowings – floating rate	251,070	255,712
Other borrowings	403,237	438,349
Finance lease liabilities	78	49
	654,385	694,110
Current		
Bank borrowings – floating rate	156,123	114,807
Other borrowings – floating rate	88,482	85,811
Finance lease liabilities		0
	244,605	200,618
TOTAL	898,990	894,728

6.1 Bank borrowings

During the period, the Group obtained new secured bank loans expressed in EUR and PLN and withdrew on existing credit facilities for a total amount of 61.4 MEUR. On the other hand, reimbursements (and/or refinancings) have been done for a total amount of 24.7 MEUR, net of prolongation of a number of borrowings. This resulted in a net increase by 36.7 MEUR compared to the outstanding bank loans balance of 370.5 MEUR at 31/12/2017.

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

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

With respect to the outstanding short-term bank borrowings, it is to be mentioned that in the second half of 2018 part will be reimbursed following the contractual terms, but significant parts will also be repaid upon sale/disposal of the related projects and parts will be prolonged or refinanced (e.g. through resp. swap to development or investment loan).

50% of the outstanding non-current bank borrowings is maturing within a 3 years-period, 32% is maturing between 3 and 5 years and 18% is maturing after more than 5 years.

6.2 Bonds

Belgium

The Group has (via Ghelamco Invest, parent company of the Belgian activities) in the second half of 2013 and the first half of 2014 issued private unsecured bonds for a total amount of 70 MEUR, secured by a first demand guarantee from Ghelamco Group Comm. VA, having as maturity date 28/02/2018 and bearing an interest rate of 6.25%. This bond program was coordinated by KBC Securities and Belfius Bank. Per 31 December 2017 only 15,770 KEUR was still outstanding on this program, after early redemption of bonds for an amount of 54,230 KEUR in November 2017. The remainder has been reimbursed on maturity date.



In addition, the Ghelamco Invest has on 24 June 2015 launched a new EMTN bonds program for a maximum amount of 150 MEUR. First tap on this program has resulted in the issue of a first tranche of 79,100 KEUR and in December the remaining amount of 70,900 KEUR has been raised. The bonds, which are listed on Euronext, have as maturity date 3/07/2020 (first tranche) and 14/06/2021 (second tranche), bear an interest rate of 4.5% (first tranche) and 4.125% (second tranche) and are secured by a first demand guarantee from Ghelamco Group Comm. VA. The program has been coordinated by Belfius, BNP and KBC. Both tranches have been underwritten by institutional investors and high-net-worth individuals. Since its bond listing on Euronext, Ghelamco Invest is formally considered as a Public Interest Entity (PIE), with related transparency, governance and reporting requirements to the benefit of the investors.

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

On 20 November 2017, Ghelamco Invest has again issued bonds for a total amount of 101,600 KEUR, within a new 250 MEUR EMTN bonds program. First tap on this program resulted in the issue of a tranche of 54,200 KEUR with a 7 years term and bearing an interest of 4.8% and of a tranche of 47,400 KEUR with a 5 years term and bearing an interest of 4.3%. The bonds are secured by a first demand guarantee from Ghelamco Group Comm. VA. The transaction has been coordinated by KBC, BNP, Société Générale and ABN Amro as managers and has been underwritten by institutional investors.

Bond proceeds have partly (i.e. for an amount of 54,230 KEUR) been used for the early redemption of the 70 MEUR 2013 bonds (maturing on 28/02/2018), in connection with a tender offer on the latter bonds. The remainder of the proceeds is used for further investments in the Company's core markets.

Total balance of outstanding bonds per balance sheet date (247,475 KEUR) represents the amount of issue (251,600 KEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees), which are amortized over the term of the bonds.

Poland

The Company has in the current period (on 16 June 2018, via Ghelamco Invest Sp. z o.o.) within its pending programmes issued public retail bonds (tranche PJ) for a total amount of 9,080 KPLN. These bonds have a term of 3 years and bear an interest of Wibur 6 months + 3.65%. The bonds series is secured by a guaranty granted by Granbero Holdings Ltd.

The proceeds of the above bond issues have been applied to redeem other/existing outstanding bonds, to service the (interests on) the resp. bond programs and for the financing of the Company's further investment projects within the Warsaw metropolitan area, in Wroclaw or Katowice.

The Company has in the current period redeemed outstanding bonds (partly through early redemption, partly on maturity date) for a total amount of 39,420 KPLN.

Total bonds balance outstanding per balance sheet date (231,955 KEUR) represents the amount of issue (997 KPLN + 6.3 MEUR) less capitalized issue costs, which are amortised over the term of the bonds.

Shortly after period-end, in July 2018, bonds have been redeemed for a total amount of 182,840 KPLN, all on maturity date.

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2018.

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

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

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

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

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

7. Revenue

Revenue can be detailed as follows:

	30.06.2018	30.06.2017
Sales of Residential Projects		
Projects Belgium	23,519	27,202
Projects Poland	2,993	1,894
Rental Income	12,331	23,318
Other	478	447
TOTAL REVENUE	39,321	52,861

Rental income as of 30 June 2018 relates to rent from commercial projects in Belgium (2,322 KEUR), Poland (4,922 KEUR), Russia (5,087 KEUR).

The rental income mainly stems from:

- Belgium: the rental income as of 30 June 2018 relates to rent from commercial projects (mainly Ring Multi and Meetdistrict in the Ghelamco Arena).
- Poland: the rental income as of 30 June 2018 relates to rent from commercial projects (mainly Woloska, Wronia and Plac Vogla: 2,9 MEUR in total). The significant decrease compared to last year is mainly connected to the sale of the Warsaw Spire per mid 2017 to Ghelamco European Property Fund. Warsaw Spire rental income in the comparable period ended 30 June 2017 amounted to 9,8 MEUR.

The residential projects sales as of 30 June 2018 mainly relate to:

- Villas and apartments at the Belgian coast (2,909 KEUR)
- Invoicing under the Breyne legislation in the Tribeca project in Ghent (5,126 KEUR). For phase 2, 99% of the available units have been sold, while progress and sales invoicing is at 100%. For phase 3, 6 units have been sold in the first half of 2018, which brings the total sales rate of phase 3 at 80% while progress and sales invoicing is at 85%.
- Student units in the Waterview project in Leuven Vaartkom (3,432 KEUR; all 29 remaining units sold in the first half of 2018).
- Invoicing under the Breyne legislation in the Edition project (8,540 KEUR re. 58 apartments and related garages and storage areas) and in the Spectrum project (1,761 KEUR re. 22 apartments and related garage and storage areas) in Brussels. Progress and sales invoicing in Edition is at 60% and in Spectrum at 30%.
- Residential (and commercial) units in the Woronicza Qbik project, Warsaw (with a sales rate of over 98% per date of the current report); and
- The sale of a plot at Marynarska 12, Warsaw.

8. Other items included in operating profit/loss

Other operating income

The current period's other operating income (7,216 KEUR) mainly relates to re-charges of real estate tax, co-owners expenses, fit-out expenses to tenants (mainly Wronia) and the release to the profit and loss statement of the previously booked provision for rental guarantees connected to the Warsaw Spire sale of last year (3,300 KEUR).

Last year's other operating income (26,942 KEUR) related to a significant extent to the gain on disposal of the Warsaw Spire, the gain on disposal of Retail Leuven and the gain on disposal of Kopylov Logistics Park (17.6 MEUR in total).

	30/06/2018	30/06/2017
Gains from revaluation of Investment Property	38,771	12,441

Fair value adjustments over the first half of 2018 amount to 38,771 KEUR, which is mainly the result of current period's further engineering, development, construction and leasing efforts, in combination with evolution in market conditions (in terms of yields and rent rate levels).

In Poland, main fair value adjustments have been recognized on the HUB, the Big project and the Plac Vogla retail park.

In Belgium, main fair value adjustments have been recognized on the Ring Hotel, Link and LPI Knocke Village projects. The fair value increase on Knocke Village has been recognized after the decision of end June 2018 of the City Council, which approves the master plan (RUP).

In Russia, the political and economic situation and its effects on markets and (warehouse) tenant activity is further closely monitored. The yields remained quite stable, the RUB and the market rental levels for (refrigerated) warehousing are however still under pressure. This has resulted in the recognition of further negative fair value adjustment on the Dmitrov project in portfolio.

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

Belgium	18,995
Poland	31,221
Russia	-11,869
Ukraine	424
	<u>27,271</u>

	30/06/2018	30/06/2017
Other operating expenses		
Operating lease/ rental expenses	717	233
Taxes and charges	2,272	2,333
Insurance expenses	344	229
Audit, legal and tax expenses	3,332	3,022
Traveling	773	748
Promotion	1,036	1,620
Sales expenses (agency fees and w/o agency fees)	3,525	2,969
Maintenance cost (projects)	172	1,448
Rental guarantee expenses	1,512	1,405
Operating expenses with related parties	5,058	5,201
PPA mBank	1,493	-
Impairment	53	6,124
Write-off VAT receivable	-	2,337
Miscellaneous	2,583	1,799
Total:	22,870	29,469

The overall decrease in operating expenses is mainly related to some impairment reserves recognized in prior year's financial statements on a limited number of inventory projects, mainly resulting from adjustments of some commercial parameters, and the write-off of a doubtful VAT receivable.

In the current period, other operating expenses also include the impact of a purchase price adjustment on the sale of mBank realised end of 2017.

Operating expenses with related parties mainly relate to fit-out expenses, which have in turn been re-charged to tenants (as explained above).

9. Finance income and finance costs

	30/06/2018	30/06/2017
Foreign exchange gains		3,329
Interest income	6,956	3,273
Other finance income		
Total finance income	6,956	6,602
Interest expense	-13,630	-19,457
Other interest and finance costs	-2,101	-2,093
Foreign exchange losses	-4,046	-
Total finance costs	-19,777	-21,550

The interest expenses dropped significantly compared to last year's comparable period, mainly due to the sale of the (delivered and operational) Warsaw Spire as per mid 2017.



Furthermore, financing costs on not yet delivered projects are capitalized while financing costs on delivered/income generating projects are expensed.

Current period's financial result includes an amount of (mainly unrealized) FX losses, connected with the relative weakening of the PLN vs. the EUR; while last year's financial result was significantly impacted by FX gains (mainly related to the conversion at spot rate of the outstanding (EUR) bank loans).

The other finance costs mainly relate to the amortisation of capitalized bond issue expenses.

10. Income taxes

	30/06/2018	30/06/2017
Current income tax	-2,842	-2,756
Deferred tax	-9,287	-2,783
Total income tax	-12,129	-5,539

The deferred tax expenses are mainly related to the recognition of deferred tax liabilities on the fair value accounting of investment property.

11. Financial instruments

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

Financial instruments (x € 1 000)	30.06.2018				
	At fair value through P/L-held for trading	Available for sale	Financial assets and liabilities at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			4,523	4,523	2
Non-current receivables					
Receivables and prepayments			258,552	258,552	2
Restricted cash					2
Current receivables					
Trade and other receivables			130,880	130,880	2
Derivatives	-				2
Cash and cash equivalents			80,160	80,160	2
Total Financial Assets	-	-	474,115	474,115	
Interest-bearing borrowings - non-curr.					
Bank borrowings			251,070	251,070	2
Bonds Poland			153,924	158,027	1
Bonds Belgium					2
Bonds Belgium (Euronext)			247,475	250,004	1
Other borrowings			1,916	1,916	2
Finance lease liabilities					
Interest-bearing borrowings - current					
Bank borrowings			156,123	156,123	2
Bonds Poland			78,031	80,234	1
Bonds Belgium					2
Other borrowings			10,451	10,451	2
Finance lease liabilities					2
Current payables					
Trade and other payables			65,328	65,328	2
Total Financial Liabilities	-	-	964,318	973,152	

Financial instruments (x € 1 000)	31.12.2017				
	At fair value through P/L-held for trading	Available for sale	Financial assets and liabilities at amortized cost	Fair value	Fair value level
Other financial investments					
Other financial assets			4,155	4,155	2
Non-current receivables					
Receivables and prepayments			250,911	250,911	2
Restricted cash					2
Current receivables					
Trade and other receivables			179,260	179,260	2
Derivatives					2
Cash and cash equivalents			129,526	129,526	2
Total Financial Assets	-	-	563,852	563,852	
Interest-bearing borrowings - non-curr.					
Bank borrowings			255,712	255,712	2
Bonds Poland			189,210	193,694	1
Bonds Belgium					2
Bonds Belgium (Euronext)			246,688	250,491	1
Other borrowings			2,450	2,450	2
Finance lease liabilities			49	49	
Interest-bearing borrowings - current					
Bank borrowings			114,807	114,807	2
Bonds Poland			59,455	60,228	1
Bonds Belgium			15,770	15,770	2
Other borrowings			10,586	10,586	2
Finance lease liabilities					2
Current payables					
Trade and other payables			125,728	125,728	2
Total Financial Liabilities	-	-	1,020,456	1,029,515	



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).

12. Transactions with related parties

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

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

Construction and development services

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

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

Engineering and architectural design services

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



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

	30/06/2018
Purchases of construction, engineering and architectural design:	-36,306
related party trade receivable	3,368
related party trade accounts payable	-22,518
related party non-current loans receivable	189,663
related party non-current trade and other receivable	
related party interests receivable	29,098
related party C/A receivable	66,131
related party non-current loans payable	-897
related party interests payable	-1,878
related party C/A payable	-4,048

13. Post balance sheet events

- The repayment of Polish bonds in July 2018, for a total amount of 182,840 KPLN (41,9 MEUR equivalent), all on maturity date.
- On 19 July, a preliminary agreement has been signed with a hotel group for the sale of the Ring Hotel adjacent to the Ghelamco Arena in Ghent. In this respect, the hotel will be sold in its current (closed construction) status, at a total sales value of 24 MEUR. Formalisation and closing of the deal is expected to take place in the course of Q4 2018.
- On 27 August, the City Council of Leuven decided to purchase the Waterview Parkings project (585 parkings tower in the Vaartkom, Leuven) for an amount of 6.5 MEUR.
- On 17 September, the Company signed a share purchase agreement with AG Real Estate for the acquisition of the shares of the company holding the Silver Tower site in Brussels, in view of the future development of an office project offering approx 54,280 sqm gross leasable space. The shares transaction was based on a transaction value of 22.2 MEUR.



Statutory auditor's report to the board of directors of Ghelamco Group Comm. VA on the review of the condensed consolidated interim financial information as at June 30, 2018 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Ghelamco Group Comm. VA as at June 30, 2018, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed 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 condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 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 conducted in accordance with International Standards on Auditing 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2018 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.



Statutory auditor's report to the board of directors of Ghelamco Group Comm. VA on the review of the condensed consolidated interim financial information as at June 30, 2018 and for the six-month period then ended

Emphasis of matter

Without modifying our conclusion, we draw attention to note 3 of the condensed consolidated interim financial information which describes the uncertainty regarding the realization of the Eurostadium project and the Board of Directors' assessment of the recoverability of capitalized expenses related to this project.

Antwerp, September 26, 2018

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
Statutory Auditor
represented by

A handwritten signature in blue ink, appearing to read "Filip De Bock", written over a horizontal line.

Filip De Bock
Réviseur d'Entreprises / Bedrijfsrevisor