



Ghelamco Invest NV
(Previously denominated as International Real Estate Construction NV)
Half year results 30.06.2014

Sustained growth from continued development, construction and marketing efforts in core market segments

- **Net profit for the period of 3,311 KEUR (vs. 2,677 KEUR as of 30.06.13)**
- **Solvency ratio of 26% (30% as per 31.12.13)**
- **Finalisation of construction and delivery of the Blue Towers in Gent (28,600 sqm office space in total) and welcoming of the first tenants in the course of the first semester of 2014**
- **Significant construction efforts on the Waterview project (part of the redevelopment project of Vaartkom Leuven and comprising +/- 460 student homes, +/- 5,000 sqm retail space and +/- 1,000 parking spaces)**

Preliminary remark

Ghelamco Invest NV (formerly International Real Estate Construction NV) (with all of its subsidiaries) represents the Belgian and French activities of the Ghelamco Group, a leading European real estate investor and developer active in the offices, residential, retail and logistics markets.

Ghelamco Invest NV is hereafter referred to as “Ghelamco Invest” or the “Company”.

Summary

The Company closed its 2014 half-year accounts with a net profit of 3,311 KEUR, resulting from its continued and intensified development, construction and commercialisation efforts. Thanks to these efforts, the Company managed to achieve sustained growth, reflected in an increased balance sheet total of 438,005 KEUR and an equity of 28,620 KEUR. The solvency ratio – considering the related party financing, which is subordinated – amounted to 26%.

In Belgium, the Company has over the past five years intensified its project development activities (with currently over 40 projects in portfolio). As a consequence, significant part of the Belgian portfolio has in the course of the last two years evolved to the realisation phase. In this respect, significant further realisation efforts have been done on mainly the Blue Towers in the Artevelde Park in Gent, resulting in the delivery and welcoming of the first tenants during the first half of 2014.



As to divestures, (office space) parts of the Ghelamco Arena have been sold to third parties for a total sales value of 2,500 KEUR.

Key figures

Results	30.06.2014	30.06.2013
Operating result	11,425	8,318
Net result of the period	3,311	2,677
Share of the group in the net result of the period	3,300	2,637
Balance sheet	30.06.2014	31.12.2013
Total assets	438,005	370,209
Cash and cash equivalents	19,352	20,752
Net financial debt (-)	339,409	282,865
Total equity	28,620	25,290

Revenue for the first semester of 2014 amounts to 16,740 KEUR and mainly relates to rental income (2,470 KEUR) and sales of (mainly) residential projects (13,835 KEUR).

The investment property (under construction) portfolio evolved from a fair value of 214,859 KEUR per end 2013 to 243,482 KEUR per end of June 2014; evolution which is the combined result of current period's expenditures (22,735 KEUR) and fair value adjustments (5,888 KEUR). The current period's 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 2014 totals to 11,425 KEUR; net profit for the period closes with 3,311 KEUR.

Property development inventories balance increased by 15,188 KEUR to 126,691 KEUR; evolution which is the combined effect of the sale of some residential projects (Belgian coast and Gent), the sale of the commercial ground floor of the Locarno project in Knokke and further expenditures on Belgian (residential) projects (mainly the mixed Waterview project in Leuven Vaartkom).

During the period the Company was able to obtain new bank borrowings and withdraw on existing credit facilities for a total amount of 25.0 MEUR. On the other hand, reimbursements and refinancings have been done for an amount of 3.5 MEUR, bringing the total outstanding amount of bank borrowings to 168.2 MEUR (compared to 146.7 MEUR at 31/12/2013). In addition, the Company issued in the first half year of 2014 new private unsecured bonds for a total amount of 32.2 MEUR (i.e. the remaining amount within its outstanding bond program of 70 MEUR in total).



Overview

In Belgium, the Group's main development activities during the first half of 2014 related to:

- Completion, delivery and welcoming of the first tenants in the Blue Towers in Gent (28,600 sqm office space in total in the Artevelde Park). Per date of the current report, approx; 60% of the project has been leased.
- Continuation of construction works of the Waterview project in Leuven Vaartkom (mixed project of +/- 460 student homes, +/- 5,000 sqm retail and +/- 1,000 parking spaces). Per date of the current report there's significant confirmed interest from investors for the resp. parts of the project.
- Continuation of realisation efforts on the "Le 8300" luxurious wellness hotel in Knokke-Zoute (+/- 40 exclusive rooms), which is expected to be completed by mid 2015.

As to divestures/revenues:

- Sale of (office) parts in the Ghelamco Arena for a total sales value of 2,500 KEUR
- Sale of the commercial ground floor of the Locarno project in Knokke (6,300 KEUR)
- Sale of some residential projects at the Belgian coast (4,020 KEUR) and at Blaisant Park in Gent (3,467 KEUR)

Outlook

It is the Company's strategy to further diversify its development portfolio by spreading its developments over different real estate segments and/or mixed projects.

For the second half of 2014, the Company 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 Company is confident to achieve this growth and its goals for 2014 in general.

Risks

Due to its activities, the Company is exposed to a variety of financial and operational risks: including 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 International Real Estate Construction NV IFRS Consolidated Financial Statements at 31 December 2013, remain applicable for the second year-half of 2014 and are closely managed and monitored by the Company's management.

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

The Management, acting in the name of and on behalf of GHELAMCO INVEST NV, 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 Company 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
29/09/2014



Philippe Pannier
CFO
Ieper
29/09/2014

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)

+	30/06/2014	30/06/2013
Revenue	16,740	4,765
Other operating income	808	92
Cost of Property Development Inventories	-9,096	-1,289
Employee benefit expense	-208	-167
Depreciation amortisation and impairment charges	-32	-535
Gains from revaluation of Investment Property	5,888	8,545
Other operating expense	-2,675	-3,093
Operating result	11,425	8,318
Finance income	268	103
Finance costs	-6,271	-3,630
Result before income tax	5,422	4,791
Income tax expense	-2,111	-2,114
Result of the period	3,311	2,677
Attributable to		
Equity holders of parent	3,300	2,637
Non-controlling interests	11	40

Condensed consolidated statement of comprehensive income (in KEUR)

	30/06/2014	30/06/2013
Profit for the period	3,311	2,677
Exchange differences on translating foreign operations	0	0
Other	-12	
Other comprehensive income of the period	-12	0
Total Comprehensive income for the period	3,299	2,677
Attributable to		
Equity holders of parent	3,288	2,637
Non-controlling interests	11	40

Condensed consolidated balance sheet (in KEUR)

	30/06/2014	31/12/2013
ASSETS		
Non-current assets		
Investment Property	243,482	214,859
Property, plant and equipment	311	321
Investments in associates	1,380	1,380
Receivables and prepayments	2,661	2,457
Deferred tax assets	2,936	2,530
Other financial assets	375	500
Restricted cash	0	0
	251,145	222,047
Current assets		
Property Development Inventories	126,691	111,503
Trade and other receivables	39,822	12,423
Current tax assets	20	9
Derivatives	0	0
Assets classified as held for sale	975	3,475
Restricted cash	0	0
Cash and cash equivalents	19,352	20,752
	186,860	148,162
Total current assets		
	186,860	148,162
TOTAL ASSETS	438,005	370,209

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

	30/06/2014	31/12/2013
EQUITY AND LIABILITIES		
Capital and reserves attributable to the Company's equity holders		
Share capital	1,490	1,490
CTA	0	0
Retained earnings	26,998	23,710
	28,488	25,200
Non-controlling interests	132	90
TOTAL EQUITY	28,620	25,290
Non-current liabilities		
Interest-bearing loans and borrowings	229,093	230,471
Deferred tax liabilities	15,588	13,121
Other non-current liabilities	0	0
Long-term provisions	178	178
Total non-current liabilities	244,859	243,770
Current liabilities		
Trade and other payables	34,595	26,566
Current tax liabilities	263	1,437
Interest-bearing loans and borrowings	129,668	73,146
Short-term provisions	0	0
Total current liabilities	164,526	101,149
Total liabilities	409,385	344,919
TOTAL EQUITY AND LIABILITIES	438,005	370,209

Condensed consolidated cash flow statement (in KEUR)

	30/06/2014	30/06/2013
Cash flow from operating activities		
Result of the year before income tax	5,422	4,791
<i>Adjustments for:</i>		
- Change in fair value of investment property	-5,888	-8,545
- Depreciation, amortization and impairment charges	32	35
- Result on disposal investment property		
- Change in provisions		-21
- Net finance costs	5,449	3,132
- Movements in working capital:		
- change in inventory	-15,188	-11,549
- change in trade & other receivables	-27,399	767
- change in trade & other payables	5,070	7,271
- change in fair value of derivatives		
- Movement in other non-current liabilities		
- Other non-cash items	19	12
Income tax paid	-1,235	-106
Interest paid	-4,496	-3,235
Net cash from operating activities	-38,214	-7,448
Cash flow from investing activities		
Interest received	268	103
Purchase of property, plant & equipment	-22	
Purchase of investment property (*)	-20,997	-48,861
Proceeds from disposal of investment property	2,500	6,700
Cash in/outflow re. other non-current financial assets	-79	-3,495
Net cash flow used in investing activities	-18,330	-45,553
Financing Activities		
Proceeds from borrowings	58,603	32,381
Repayment of borrowings	-3,459	-6,147
Dividends paid		-13
Net cash inflow from / (used in) financing activities	55,144	26,221
Net increase in cash and cash equivalents	-1,400	-26,780
Cash and cash equivalents at 1 January	20,752	28,355

Cash and cash equivalents at the end of the period

19,352	1,575

(*): investment property expenditures per 30/06/2014 include capitalized interest expenses for an amount of 932 KEUR.

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 2013	1,490	0	17,783	73	19,346
Foreign currency translation (CTA)					
Profit/(loss) for the year			2,637	40	2,677
Dividend distribution			-13		-13
Change in non-controlling interests					
Change in the consolidation scope					
Other				1	1
Balance at 30 June 2013	1,490	0	20,407	114	22,011
Balance at 1 January 2014	1,490	0	23,710	90	25,290
Foreign currency translation (CTA)					
Profit/(loss) for the year			3,300	11	3,311
Dividend distribution					
Change in non-controlling interests					
Change in the consolidation scope				31	31
Other			-12		-12
Balance at 30 June 2014	1,490	0	26,998	132	28,620



Notes to the condensed consolidated interim financial statements at 30 June 2014

1. Basis of preparation

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

The new interpretations and standards that were applicable in 2014 did not have any significant impact on the group financial statements.

2. Significant accounting policies

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

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

The accounting policies adopted are consistent with those followed for the preparation of the Company’s consolidated financial statements for the year ended 31 December 2013.

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.

	30/06/2014	31/12/2013
Property Development Inventories	126,596	111,386
Raw materials	77	77
Finished goods	18	40
	126,691	111,503

The inventory mainly relates to residential projects (both finalized and under construction) at the Belgian coast, mainly in Knokke and Oostduinkerke, the ‘Nieuwe Filature’ brownfield site in Gent (24,000 m² plot, for the development of an approx. 35,000 m² mixed residential, student flat and retail space project) and the Waterview project (+/- 460 student homes, +/- 5,000 sqm retail space and +/- 1,000 parking spaces in Vaartkom Leuven).

4. Investment property (under construction)

Balance at 31 December 2013	214,859
Acquisition of properties	2,925
Acquisition through business combinations	
Subsequent expenditure	19,810
Transfers	
- Assets classified as held for sale	
- Other transfers	
Adjustment to fair value through P/L	5,888
Disposals	
CTA	
Other	
Balance at 30 June 2014	243,482

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 m²);
- C. Land + Construction ongoing (fair value based on the residual method);
- D. Completed Projects held for investment.

Country + SPV	Commercial Name	Valuation	Cat	30/06/2014	31/12/2013
				KEUR	KEUR
BELGIUM					
Leisure Property	Golf Knokke Zoute	Man	A	30,784	26,159
WRP	Wavre Retail Park	Man	A	12,600	12,600
L-Park	L-Park	CBRE	D	39,000	35,200
Retail Gent	Retail Gent	CBRE	D	17,450	17,450
Parking Gent	Parking Gent	CBRE	C/D	30,221	28,848
Parking Estates	Parking Estates	CBRE	C/D	2,371	2,371
Zeewind	Zeewind	Man	D	1,737	1,737
Schelde Offices	Schelde Offices	Cushman	C/D	26,339	20,478
Arte Offices	Arte Offices	Cushman	C/D	24,516	19,107
Ring Hotel	Ring Hotel	Man	B	4,189	1,155
Ring Multi	Ring Multi	Cushman	C/D	18,645	17,935
Docora	Ghelamco Arena Offices	Cushman	C/D	14,662	13,300
Ring Offices	Ring Offices	Cushman	C/D	2,350	2,350
Le 8300	Le 8300	Man	C	18,618	16,169
TOTAL :				243,482	214,859

Legend : Man = Management valuation, CBRE = CBRE valuation report, Cushman = Cushman & Wakefield valuation report

Some parts of the Ghelamco Arena multifunctional space have per end of June 2014 already been (pre-)sold, and have for that as of 30/06/2014 been reclassified to assets held for sale (975 KEUR).

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

- 6.00% to 6.65% for Belgian office projects, depending on the location, specifics and nature of the investment (vs. 6.00% to 6.65% per 31/12/2013);
- 6.25% to 7.0% for other Belgian (mainly retail) projects, depending on the specifics, nature and location of the investment (vs. 6.25% to 6.50% per 31/12/2013).

5. Interest bearing loans and borrowings

	30/06/2014	31/12/2013
Non-current		
Bank borrowings – floating rate	41,566	73,581
Other borrowings	187,527	156,890
Finance lease liabilities		
	229,093	230,471
Current		
Bank borrowings – floating rate	126,668	73,146
Other borrowings – floating rate	3,000	0
Finance lease liabilities		
	129,668	73,146
TOTAL	358,761	303,617

5.1 Bank borrowings

During the period, the Group obtained new secured bank loans expressed in EUR and drew on existing credit facilities for a total amount of 25.0 MEUR, all of which are Euribor based. On the other hand, reimbursements (and/or refinancings) have been done for a total amount of 3.5 MEUR, net of prolongation of a number of borrowings.

When securing debt finance for its (larger) projects, the Company always negotiates long term agreements with its banks. Under these agreements, the bank swaps land acquisition loans (usually 2-year term) into development loans (usually 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 Company have accepted the above as a “framework” for past, current and future co-operation.

For the purpose of these financial statements, the Company treated its bank borrowings (or the maturing part of it) as current when the swap date from “acquisition loan into development loan” falls within the next accounting year.

Non-current borrowings (41,566 KEUR) are maturing within a 3 years period.

With respect to the outstanding short-term borrowings, it is to be mentioned that in the second half of 2014 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 swap to investment loan).

34% of the outstanding non-current borrowings is maturing within a 3 years-period, 45% is maturing between 3 and 5 years, 21% is maturing after more than 5 years.



5.2 Bonds (109,646 KEUR)

The Company has in 2012 issued private unsecured bonds for a total amount of 42 MEUR (25.05 MEUR bond serie A, 16.95 MEUR bond serie B). These bonds, which are secured by a first demand guarantee from Ghelamco Group Comm. VA and of which the issuance has been coordinated by KBC Securities and Belfius Bank, have been underwritten by a select group of institutional investors and high-net-worth individuals. Bonds serie A has as maturity date 13/12/15 and bears a fixed interest of 7.0%. Bonds serie B has as maturity date 13/12/17 and bears a fixed interest of 7.875%.

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

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

Total balance of outstanding bonds per balance sheet date (109.646 KEUR) represents the amount of issue (112 MEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees), which are amortized over the term of the bonds.

5.3 Other loans

Remaining outstanding loans (80,881 KEUR) mainly relate to intercompany loans from the Ghelamco Group cash pool (Peridot SL), to which the Company has access at all times. These intercompany loans are granted at arm's length conditions.

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2014.

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

The 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 bond issue have been complied with as of balance sheet date.

6. Revenue

Revenue can be detailed as follows:

	30.06.2014	30.06.2013
Sales of Residential Projects	13,835	3,175
Rental Income	2,470	1,370
Other	435	220
TOTAL REVENUE	16,740	4,765

The rental income as of 30 June 2014 relates to rent from commercial projects (mainly L-Park Leuven, the Brico Plan-It retail hall in Gent, the Blue Towers, the Artevelde Park parking project and multifunctional space in the Ghelamco Arena).

The (mainly) residential projects sales as of 30 June 2014 mainly relate to:

- Villas and apartments at the Belgain coast (4,020 KEUR)
- Blaisant Park Gent (3,467 KEUR; invoicing of 41 apartments and 43 parking spaces under the Breyne legislation)
- Ground floor retail space in the Locarno project in Knokke (6,300 KEUR)

7. Other items included in operating profit/loss

	30/06/2014	30/06/2013
Gains from revaluation of Investment Property	5,888	8,545

Fair value adjustments over the first half of 2014 amount to 5,888 KEUR, which is mainly the result of current period's further investment and leasing efforts, in combination with evolution in market conditions (yield and rent level evolution).

	30/06/2014	30/06/2013
Other operating expenses		
Taxes and charges	153	178
Insurance expenses	47	159
Audit, legal and tax expenses	540	498
Sales expenses	558	327
Housing costs (mainly maintenance)	206	62
Operating expenses with related parties	933	1,758
Miscellaneous	238	111
Total:	2,675	3,093

8. Finance income and finance costs

	30/06/2014	30/06/2013
Foreign exchange gains		
Interest income	268	103
Other finance income		
Total finance income	268	103
Interest expense	-5,717	-3,235
Other interest and finance costs	-554	-395
Foreign exchange losses		
Total finance costs	-6,271	-3,630



9. Transactions with related parties

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

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

Ghelamco Invest NV (the "Company") is the holding company of the Belgian and French activities of Ghelamco Group Comm. VA, which is in turn the holding company of the Investment Group. Ghelamco Invest NV, together with its subsidiaries, constitute the reporting entity for the purpose of these interim condensed financial statements.

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

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

Construction and development services

The Company has entered into property development and construction contracts with property development and construction companies ("Contractors") – the indirect subsidiaries of the Development Holding (International Real Estate Services Comm. VA (parent company of Ghelamco's "Development Holding")):

- Ghelamco Belgium with its registered office in Ieper;

Engineering and architectural design services

APEC Architectural Engineering Projects Limited (a limited liability company registered under the laws of Ireland), legal subsidiary of International Real Estate Services Comm. VA (the parent company of Ghelamco's "Development Holding") coordinates engineering and architectural design services provided to the Company's larger projects, in accordance with terms of the respective contracts.

Other related party transactions

The excess cash balances generated by the Company's real estate development activities can, besides being reinvested in own projects and subsidiaries' projects, to an extent and within the requirements of the terms and conditions of the recent bond issue, also be invested/deposited in entities belonging to the Ghelamco Group in the form of short and long-term loans. These loans are granted at arm's length conditions .



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

Purchases of construction, engineering and architectural design:	-16,494
related party trade receivable	117
related party trade accounts payable	-2,452
related party non-current loans receivable	-
related party non-current trade and other receivable	1,960
related party interests receivable	307
related party C/A receivable	19,575
related party non-current loans payable	-75,881
related party interests payable	-11,560
related party C/A payable	-

10. Post balance sheet events

- Increase of existing construction bank loans by +/- 21,0 MEUR, mainly connected with the Waterview project in Leuven Vaartkom.



Deloitte.

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

Ghelamco Invest NV and subsidiaries (previously International Real Estate Construction NV)

**Report on review
of the consolidated interim financial
information for the six-month period
ended 30 June 2014**



Deloitte.

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

Ghelamco Invest NV and subsidiaries (previously International Real Estate Construction NV)

Report on review of the consolidated interim financial information for the six-month period ended 30 June 2014

To the management

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the condensed consolidated balance sheet as at 30 June 2014, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the period of six months then ended, as well as selective notes 1 to 11.

Report on the consolidated interim financial information

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

The condensed consolidated balance sheet shows total assets of 438,005 (000) EUR and the condensed consolidated income statement shows a consolidated profit (group share) for the period then ended of 3,300 (000) EUR.

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

Scope of review

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



Deloitte.

Conclusion

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

Diegem, 29 September 2014

The independent auditor

A handwritten signature in blue ink, appearing to read "Rik Neckebroeck".

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