

## **Ghelamco Invest NV 2015 results**

### **Sustained growth and sound results from continued development, construction and marketing efforts in core market segments**

#### **Results 2015**

The Company closed its 2015 accounts with an operating profit of 29,044 KEUR, resulting from its continued development, construction and commercial efforts. Thanks to these efforts, the Company realised significant residential sales on the one hand and in addition managed to create significant added value on its larger commercial projects; which is reflected in an increased balance sheet total of 621,359 KEUR and an equity of 185,193 KEUR. The solvency ratio remains stable and amounts to 30% (vs. 30% per 31/12/14).

#### **Investment and leasing activities**

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 two to three years been delivered and commercialised.

Over the past year, further leasing successes have been achieved on mainly the Blue Towers (+/- 28,000 sqm office project) in Ghent, resulting in an occupation rate per date of the current report of approx. 95%. In addition, during 2015 further realisation efforts were done in the Waterview project in Leuven (mixed retail, student housing and parking space project at the Vaartkom), resulting in the delivery of the retail and parking parts of the project and the welcoming of the first tenants. The residential part of the project was delivered mid 2015 and over 75% of available student units have per date of the current report been sold.

In the course of 2015, the Meetdistrict – innovative and high-end business and congress center in the Ghelamco Arena offering a.o. over 500 flexible office workplaces, meeting rooms and a 350 seats auditory – has been formally opened. Phase 1 of the business centre is per date of the current report occupied for over 90%; phase 2 (offering approx. 250 workplaces) is currently being finalized and will be delivered in Q2 2016.

Mid March 2015 the City of Brussels has retained Eurostadium Brussels as preferred bidder for the construction of the Euro-stadium on parking C of the Heizel site. This new national stadium will amongst others comprise 60,000 seats, 6,000 VIP places and over 14,000 parking spaces.

#### **Divestures**

Except for the divestiture of the remaining office space in Ring Offices (approx. 1,250 sqm) in Ghent, which has been sold for an amount of 2,920 KEUR, there have been no other divestitures of investment property. In this respect, 2015 has for the Company in first instance been an investment and growth year, which is reflected in the above mentioned balance sheet increase.



## Corporate governance and capital structure

In connection with the growing importance which management attaches to corporate governance and the further professional structuring of the Company, the Board of Directors of Ghelamco Invest has per end May 2015 been extended with a non-executive member and an independent member. In addition, the Board has formally installed an audit committee. Still in the above respect and with the intention to further strengthen the capital structure of the Company, Ghelamco Invest's capital has in June 2015 been increased by 50 MEUR and in December 2015 by another 35 MEUR.

## Key figures (KEUR)

<b>Results</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Operating result	29,044	20,008
Net result of the year	10,355	4,557
Share of the group in the net result of the year	10,248	4,544
<b>Balance sheet</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
Total assets	621,359	424,397
Cash and cash equivalents	35,141	39,837
Net financial debt (-)	358,725	257,923
Total equity	185,193	89,835

2015 revenue amounts to 64,168 KEUR and mainly relates to rental income (6,919 KEUR) and sales of residential projects (56,312 KEUR). (Residential) sales mainly relate to apartments and student units in Blaisant Park in Ghent, student units in the Waterview project in Leuven Vaartkom and residential projects at the Belgian coast.

The investment property (under construction) portfolio evolved from a fair value of 223,360 KEUR per end 2014 to 265,150 KEUR per end 2015. This evolution results from current period's expenditures (21,789 KEUR), fair value adjustments (22,011 KEUR), disposals (-2,410 KEUR) and transfers (400 KEUR). The current year's favorable fair value adjustments result from sustained investment and leasing efforts, in combination with market evolution (in terms of yields and rent levels).

The 2015 operating result totals 29,044 KEUR; net profit for the year (share of the group) amounts to 10,248 KEUR.

The property development inventories balance increased by 73,912 KEUR to 206,631 KEUR. This evolution is the combined effect of the sale of residential projects (see above) on the one hand and further expenditures on Belgian residential projects on the other hand (mainly the residential part of the Waterview project in Leuven and the Blaisantvest and Tribeca projects in Gent). In addition, the company has expanded its portfolio through a number of acquisitions: mainly 2 sites located at the Louizalaan and the Boulevard Bischoffsheim in Brussels for the future development of mixed residential-office-retail projects, the hotel Pomme de Pin in Courchevel, France for the future development of a residential project consisting of approx. 6,000 sqm apartments with hotel service, and the shares of a company holding the long-term leasehold rights on a building at Rue de la Banque in Brussels.

On 10 June 2015 the capital was increased by 50 MEUR (in cash) through the issue of 97,080 new shares. On 30 December 2015 the capital has been increased another time: by 25 MEUR (in cash, of which 10 MEUR was paid in) through the issue of 48,540 new shares on the one hand and by 25 MEUR (via contribution in kind and) through the issue of another 48,540 new shares on the other hand. These mentioned capital increases have been fully subscribed by Ghelamco Group Comm. VA, parent company of Ghelamco Invest NV.



During the year the Company was able to obtain new bank borrowings and withdrew on existing credit facilities for a total amount of 53.1 MEUR. Reimbursements and refinancings have been done for an amount of 24.6 MEUR, bringing the total outstanding bank borrowings to 177.9 MEUR (compared to 149.4 MEUR at 31/12/2014).

In addition, the Company 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.

On the other hand, the Company has in December redeemed its 2012 private unsecured bonds for a total amount of 42 MEUR (serie A for an amount of 25.05 MEUR on its contractual maturity date 13/12/15 and serie B for an amount of 16.95 MEUR on the same date, through early redemption), bringing the total amount of outstanding bonds per 31 December 2015 to 216,004 KEUR (net of capitalized issue costs).

## **Outlook**

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

In 2016 the Company will continue this strategy. In addition, specific evolutions in its active markets and real estate segments will be closely monitored. 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 its 2016 goals in general.

*The independent auditor Deloitte Bedrijfsrevisoren, represented by Rik Neckebroeck, has confirmed that his audit procedures, which have been substantially completed, have not revealed any material adjustments which would have to be made to the accounting information disclosed in this report.*

*The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union.*



**Condensed consolidated income statement (KEUR)**

	<b>2015</b>	<b>2014</b>
Revenue	64,168	37,747
Other operating income	2,586	4,288
Cost of Property Development Inventories	-39,484	-19,348
Employee benefit expense	-387	-402
Depreciation amortisation and impairment charges	-35	-70
Gains from revaluation of Investment Property	22,011	7,538
Other operating expense	-19,815	-8,955
Share of results of associates	0	-790
<b>Operating profit – result</b>	<b>29,044</b>	<b>20,008</b>
Finance income	1,100	607
Finance costs	-13,425	-13,205
<b>Profit before income tax</b>	<b>16,719</b>	<b>7,410</b>
Income tax expense/income	-6,364	-2,853
<b>Profit for the year</b>	<b>10,355</b>	<b>4,557</b>
<b>Attributable to:</b>		
Equity holders of parent	10,248	4,544
Non-controlling interests	107	13



**Condensed consolidated balance sheet (KEUR)**

	<b>31/12/2015</b>	<b>31/12/2014</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment Property	265,150	223,360
Property, plant and equipment	148	277
Investments in associates	0	590
Receivables and prepayments	2,163	2,580
Deferred tax assets	5,181	2,985
Non-current assets held for sale	0	0
Other financial assets	3,637	561
Restricted cash	0	0
<b>Total non-current assets</b>	<b>276,279</b>	<b>230,353</b>
<b>Current assets</b>		
Property Development Inventories	206,631	132,720
Trade and other receivables	102,719	20,512
Current tax assets	14	0
Derivatives	0	0
Assets classified as held for sale	575	975
Restricted cash	0	0
Cash and cash equivalents	35,141	39,837
<b>Total current assets</b>	<b>345,080</b>	<b>194,044</b>
<b>TOTAL ASSETS</b>	<b>621,359</b>	<b>424,397</b>



	<b>31/12/2015</b>	<b>31/12/2014</b>
<b>Capital and reserves attributable to the Group's equity holders</b>		
Share capital	146,490	61,490
CTA	0	0
Retained earnings	38,527	28,278
	<u>185,017</u>	<u>89,768</u>
Non-controlling interests	176	67
<b>TOTAL EQUITY</b>	<u><b>185,193</b></u>	<u><b>89,835</b></u>
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	328,325	165,346
Deferred tax liabilities	19,068	12,190
Other non-current liabilities	0	0
Long-term provisions	140	178
<b>Total non-current liabilities</b>	<u><b>347,533</b></u>	<u><b>177,714</b></u>
<b>Current liabilities</b>		
Trade and other payables	21,434	23,605
Current tax liabilities	1,658	829
Interest-bearing loans and borrowings	65,541	132,414
Short-term provisions	0	0
<b>Total current liabilities</b>	<u><b>88,633</b></u>	<u><b>156,848</b></u>
<b>Total liabilities</b>	<u><b>436,166</b></u>	<u><b>334,562</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>621,359</b></u>	<u><b>424,397</b></u>