Ghelamco Invest NV
Half year results 30.06.2017

Sound financials resulting from continued efforts in development, construction and marketing efforts in core market segments

- **Net profit for the period of 3,853 KEUR (compared to 2,688 KEUR as of 30.06.16)**
- **Stable solvency ratio at 33% (compared to 34% as per 31.12.16)**
- **Sale of the Retail Leuven project to 3rd party investor in June 2017, for an amount of 9.4 MEUR, resulting in a net gain on disposal of 1.1 MEUR.**
- **Continued construction efforts and commercial successes on the 3nd phase (91 apartments and some commercial units) of the Tribeca project in Ghent, a contemporary, green project at the Nieuwevaart. Per date of the current report, approx. 80% of available units have been (pre-) sold.**
- **Start and fast progress of the construction works of the The Link office project in Berchem; with a (pre-)lease rate of approx. 70% per date of the current report.**

Preliminary remark

Ghelamco Invest 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 referrred to as "Ghelamco Invest" or the "Company".

Summary

The Company closed its 2017 half-year accounts with a net profit of 3,853 KEUR, resulting from its continued development, construction and commercialisation efforts. Thanks to these efforts, the Company again realised significant residential sales, disposed of some investment property and in addition managed to achieve further growth, reflected in an increased balance sheet total of 641,120 KEUR and an equity of 214,257 KEUR. The solvency ratio[1] slightly decreased from 34% to 33% .

[1] For 2017 calculated as equity/total assets

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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 three to four years been delivered and commercialised.

In this respect, the delivered and operational Dacar projects (consisting of the Blue Towers, the Brico Retail hall and Parking Gent) have per end 2016 been sold to the Ghelamco European Property Fund; transaction which allowed the Company to divest these projects for which the occupation rate and lease status was optimized during the past years, at an optimal market value. In connection with this sales transaction, formerly recognized gains (through fair value accounting) for an amount of +/- 31 MEUR have actually been realised. The resulting receivable balances on the Ghelamco European Property fund are currently being cashed.

In June 2017, the Retail Leuven project (5,435 sqm retail space at the Vaartkom in Leuven) has been sold to a third party investor. This transaction resulted in a gain on disposal of 1.1 MEUR.

During the current 6-month period, construction works of phase 3 of the Tribeca project in Ghent (affordable, contemporary, green project, consisting of 91 apartments and some smaller retail units) have continued. At the same time, commercialisation of this phase of the project is going well, as per date of the current report already 80% of available residential units have been (pre-)sold. Furthermore, construction of phase 2 (consisting of 72 apartments, 5 lofts, underground parking garages and retail units) is currently being finalized (and at +/- 95%), while 71 (of 72 available) residential units have been sold. Also, approx. 42% of the available retail space (5,150 sqm in total in phase 2) has been leased to Lidl, which opened its new retail shop on 15 February 2017.

In addition, stripping/demolition and construction works have resp. been finalized and kicked-off in the Brussels Edition and Spectrum projects. Per date of the current report, approx. 78% 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 pre-sold, while over 90% 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 reserved and/or presold.

Moreover, construction works in the 'The Link' project in Berchem (27,000 sqm office space and approx. 540 underground parking spaces, divided over 2 buildings) have started, while marketing efforts have per date of this report already resulted in a (pre-)lease rate of approx. 70%.

Key figures

Results	**30.06.2017**	**30.06.2016**
Operating result	11,402	10,163
Net result of the period	3,853	2,688
Share of the group in the net result of the period	3,888	2,689
Balance sheet	**30.06.2017**	**31.12.2016**
Total assets	641,120	605,547
Cash and cash equivalents	17,263	15,273
Net financial debt (-)	360,423	341,263
Total equity	214,257	210,408

Revenue for the first semester of 2017 amounts to 29,596 KEUR and mainly relates to rental income (1,947 KEUR) and sales of residential projects (27,202 KEUR).

The investment property (under construction) portfolio evolved from 225,224 KEUR per end 2016 to 252,915 KEUR per end of June 2017; evolution which is the combined result of current period's expenditures (23,392 KEUR), transfers (5,168 KEUR), disposals (-8,650 KEUR) and fair value adjustments (7,781 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 2017 totals to 11,402 KEUR; net profit for the period closes with 3,853 KEUR.

Property development inventories balance decreased by 4,253 KEUR to 186,381 KEUR; evolution which is the combined effect of further expenditures on Belgian (residential) projects (mainly connected with the construction of the Tribeca project in Ghent) and the sale of some (residential) projects (mainly invoicing of installments under the Breyne legislation in the Tribeca project in Ghent and the Edition project in Brussels).

During the period the Company was able to obtain new bank borrowings and withdraw on existing credit facilities for a total amount of 28.2 MEUR. On the other hand, reimbursements and refinancings have been done for an amount of 7.6 MEUR, bringing the total outstanding amount of bank borrowings to 160.0 MEUR (compared to 139.4 MEUR at 31/12/2016).

Overview

The Company's main development activities during the first half of 2017 related to:
- Finalization of the construction works of phase 2 of the Tribeca project at the Nieuwevaart in Ghent (mixed project of +/- 35,000 sqm lettable/sellable area in total of which phase 2 offers 72 apartments, 5 lofts, underground parking garages and commercial units). Per date of the current report 71 of 72 available units have been sold and 42% of the retail space has been leased.
- Continuation of the construction works of phase 3 of the Tribeca project (offering 91 apartments and some smaller retail units). Construction progress is approx. 65%. About 80% of availabe residential units have been (pre-)sold.
- Continuation of the construction works of the business hotel next to the Ghelamco Arena (125 hotel rooms, 83 extended stay rooms and 98 underground parking bays).
- Stripping, demolition and start of construction works in the Brussels Edition (Louizalaan) and Spectrum (Avenue Bischoffsheim) projects. Per date of the current report, approx. 78% of the apartments in the Edition project have been (pre-)sold, while over 90% of the apartments in the Spectrum project have been reserved and/or pre-sold. In addition, leasing negotiations for significant areas in the offices-part of the Spectrum project are currently well advanced.
- Start and fast progress of the construction works in 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 (pre-)lease rate of approx. 70%.

As to divestures and/or revenues:
- Current period's revenues mainly related to 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, further commercialisation of the residential part of the Waterview project in Leuven Vaartkom (8 units sold during the first half of 2017), first installments (connected to 24 units and 25 garages) in the Edition project in Brussels and the sale of villas and apartments at the Belgian coast.
- In addition, in June 2017 the Retail Leuven project at the Vaartkom in Leuven was disposed and sold to a third party investor.

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 2017, 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 2017 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 Ghelamco Invest NV IFRS Consolidated Financial Statements at 31 December 2016, remain applicable for 2017 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 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
22/09/2017

Philippe Pannier
CFO
Ieper
22/09/2017

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.

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Condensed consolidated income statement (in KEUR)

	30/06/2017	30/06/2016
Revenue	29,596	49,080
Other operating income	6,347	1,596
Cost of Property Development Inventories	-19,225	-37,851
Employee benefit expense	-179	-281
Depreciation amortisation and impairment charges	-97	7
Gains from revaluation of Investment Property	7,781	3,826
Other operating expense	-12,820	-6,214
Share of results of associates		0
Operating result	**11,402**	**10,163**
Finance income	1,853	1,425
Finance costs	-6,634	-6,844
Result before income tax	**6,621**	**4,744**
Income tax expense	-2,767	-2,056
Result of the period	**3,853**	**2,688**
Attributable to		
Equity holders of parent	3,888	2,689
Non-controlling interests	-35	-1

Condensed consolidated statement of comprehensive income (in KEUR)

	30/06/2017	30/06/2016
Profit for the period	3,853	2,688
Exchange differences on translating foreign operations	0	0
Other	0	0
Other recyclable comprehensive income of the period	0	0
Total Comprehensive income for the period	**3,853**	**2,688**
Attributable to		
Equity holders of parent	3,888	2,689
Non-controlling interests	-35	-1

Condensed consolidated statement of financial position (in KEUR)

	30/06/2017	31/12/2016
ASSETS		
Non-current assets		
Investment Property	252,915	225,224
Property, plant and equipment	675	589
Investments in associates		0
Receivables and prepayments	5,020	4,851
Deferred tax assets	3,683	4,892
Other financial assets	11,318	4,272
Restricted cash	0	0
	273,611	**239,828**
Current assets		
Property Development Inventories	186,381	190,634
Trade and other receivables	163,289	159,223
Current tax assets	0	14
Derivatives	0	0
Assets classified as held for sale	575	575
Restricted cash		
Cash and cash equivalents	17,263	15,273
Total current assets	**367,508**	**365,719**
TOTAL ASSETS	**641,120**	**605,547**

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

	30/06/2017	31/12/2016
EQUITY AND LIABILITIES		
Capital and reserves attributable to the Company's equity holders		
Share capital	146,490	146,490
CTA		0
Retained earnings	67,623	63,733
	214,113	210,223
Non-controlling interests	144	185
TOTAL EQUITY	**214,257**	**210,408**
Non-current liabilities		
Interest-bearing loans and borrowings	233,174	277,013
Deferred tax liabilities	19,264	19,048
Other non-current liabilities	0	0
Long-term provisions	120	120
Total non-current liabilities	**252,558**	**296,181**
Current liabilities		
Trade and other payables	29,425	17,789
Current tax liabilities	368	1,646
Interest-bearing loans and borrowings	144,512	79,523
Short-term provisions	0	0
Total current liabilities	**174,305**	**98,958**
Total liabilities	**426,864**	**395,139**
TOTAL EQUITY AND LIABILITIES	**641,120**	**605,547**

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Condensed consolidated cash flow statement (in KEUR)

	30/06/2017	30/06/2016
Cash flow from operating activities		
Result of the year before income tax	**6,621**	**4,744**
Adjustments for:		
- Share of results of associates		0
- Change in fair value of investment property	-7,781	-3,826
- Depreciation, amortization and impairment charges	97	-7
- Result on disposal investment property	-1,146	
- Change in provisions		-20
- Net finance costs	3,663	4,606
- Movements in working capital:		
- change in inventory	-915	28,360
- change in trade & other receivables	-4,066	-47,297
- change in trade & other payables	10,103	-1,848
- change in fair value of derivatives		
- Movement in other non-current liabilities		
- Other non-cash items	-10	34
Income tax paid	-1,777	-687
Interest paid	-3,983	-5,047
Net cash from operating activities	**807**	**-20,988**
Cash flow from investing activities		
Interest received	1,853	1,425
Purchase of property, plant & equipment	-183	-28
Purchase of investment property	-22,013	-7,718
Capitalized interest in investment property paid	-2,090	-1,418
Proceeds from disposal of investment property	9,682	0
Net cash outflow on acquisition of subsidiaries	0	0
Net cash outflow on other non-current financial assets	-7,215	821
Movement in restricted cash accounts		
Net cash flow used in investing activities	**-19,967**	**-6.918**
Financing Activities		
Proceeds from borrowings	28,775	10,747
Repayment of borrowings	-7,625	-7,795
Capital increase		
Dividends paid		
Net cash inflow from / (used in) financing activities	**21,150**	**2,952**

Net increase/(decrease) in cash and cash equivalents	**1,991**	**-24,954**
Cash and cash equivalents at 1 January	**15,273**	**35,141**
Cash and cash equivalents at the end of the period	**17,264**	**10,187**

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 2016	**146,490**	**0**	**38,527**	**176**	**185,193**
Capital increase					**0**
Profit/(loss) for the period			2,689	-1	**2,688**
Dividend distribution					
Change in non-controlling interests					
Change in the consolidation scope					**0**
Other			1		**1**
Balance at 30 June 2016	**146,490**	**0**	**41,217**	**175**	**187,882**
Balance at 1 January 2017	**146,490**	**0**	**63,733**	**185**	**210,408**
Capital increase					**0**
Profit/(loss) for the period			3,888	-35	**3,847**
Dividend distribution					**0**
Change in non-controlling interests				-6	**-6**
Change in the consolidation scope					**0**
Other			2		**2**
Balance at 30 June 2017	**146,490**	**0**	**67,623**	**144**	**214,257**

Segment reporting

A segment is a distinguishable component of the Company which is engaged either in providing products or services (business segment), or in providing products or services within a particular economic area (geographic segment) and which is subject to risks and rewards that are different to those of other segments.
As the vast majority of the assets (and resulting income) of the Company is geographically located in Belgium, and Management has a regional approach in decision taking, no segmenting has been included in this financial reporting.

Notes to the condensed consolidated interim financial statements at 30 June 2017

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 are applicable from 2017 did not have any significant impact on the Company’s financial statements. The Company is currently assessing the possible impact, if any, of standards to be applied as from 2018 (IFRS 9 and 15).

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 2016.

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.

	30/06/2017	**31/12/2016**
Property Development Inventories	186,331	190,570
Raw materials	50	64
Finished goods	0	0
	186,381	**190,634**

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 m^2 site on which an approx. 35,000 m^2 mixed residential and retail space project is currently being realised)
- some plots in Courchevel for the development of (combined) residential/hotel projects
- the Arval site in Evere (+/- 10,800 sqm) for the future development of a mixed real estate project
- two sites located at the Louizalaan and the Boulevard Bischoffsheim in Brussels for the realisation of (combined) residential-retail projects, both currently under construction
- Capitalized Eurostadium study costs and expenditures related to the acquired leasehold
- Land parts in the Carlton site in Knokke-Zoute, in a joint-venture structure with a 3rd party, for the development of a high-end residential project. Construction works have started in the first semester of 2017.

4. Investment property (under construction)

Balance at 31 December 2016	**225,224**
Acquisition of properties	3,571
Acquisition through business combinations	
Subsequent expenditure	19,821
Transfers	5,168
- Assets classified as held for sale	
- Other transfers	
Adjustment to fair value through P/L	7,781
Disposals	-8,650
CTA	
other	
Balance at 30 June 2017	**252,915**

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-pemit 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	30/06/2017	31/12/2016
				KEUR	**KEUR**
BELGIUM					
Leisure Property Invest	Golf Knokke Zoute	Man	A	49,295	44,661
WRP	Wavre Retail Park	Man	A	8,000	8,000
Zeewind	Zeewind	Man	D	1,746	1,746
Ring Hotel	Ring Hotel	Cushman	C	19,980	13,512
Ring Multi	Ghelamco Arena Multifunctional space	Cushman	D	21,675	22,625
Meetdistrict	Meetdistrict	Cushman	D	34,450	34,400
Ghelamco Invest	Le 8300 – Zoute House	Cushman	C	26,570	22,580
Waterview/Parking Leuven	Waterview Parkings	Man	D	8,530	8,434
Waterview/Retail Leuven	Waterview Retail space	Cushman	D	0	8,650
Bischoffsheim Leasehold + Freehold	Spectrum	CBRE	C	45,820	41,500
Kubel/Construction Link	The Link	JLL	C	27,940	19,116
DNF/Filature Retail	Filature Retail	Man	D	8,908	n/a
TOTAL :				**252,915**	**225,224**

Legend : Man = Management valuation, CBRE = CBRE valuaton report, Cushman = Cushman & Wakefield valuation report, JLL = Jones Lang Lasalle

The average yields used in the expert valuations (applying residual method) on 30 June 2017 are as follows:

- 5.25% to 7.25% for Belgian office projects, depending on the location, specifics and nature of the investment (vs. 5.25% to 7.25 per 31/12/2016);
- 6.25% to 6.85% for other Belgian (mainly retail) projects, depending on the specifics, nature and location of the investment (vs. 6.00% to 7.00% per 31/12/2016).

As stated above, on 28 June, the delivered and operational Retail Leuven project (5.435 sqm retail space at the Vaartkom in Leuven) has been sold to a third party investor. The deal was structured as a share deal based on an net asset value of the property of 9.4 MEUR. This sale resulted in a gain on disposal of investment property of 1.1 MEUR.

On the other hand, the Filature Retail project has been transferred from inventory to IP, in connection with the progress and commercial status of the project.

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5. Interest bearing loans and borrowings

	30/06/2017	31/12/2016
Non-current		
Bank borrowings – floating rate	85,455	59,864
Other borrowings (Bonds)	147,719	217,149
Finance lease liabilities		
	233,174	**277,013**
Current		
Bank borrowings – floating rate	74,512	79,523
Other borrowings (Bonds)	70,000	0
Finance lease liabilities		
	144,512	**79,523**
TOTAL	**377,686**	**356,536**

5.1 Bank borrowings

During the period, the Company obtained new secured bank loans expressed in EUR and withdrew on existing credit facilities for a total amount of 28.2 MEUR, all of which are Euribor based. On the other hand, reimbursements (and/or refinancings) have been done for a total amount of 7.6 MEUR, net of prolongation of a number of bank 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.

74% of the outstanding non-current bank borrowings is maturing within a 3 years-period, 26% is maturing after more than 3 years.

With respect to the outstanding short-term bank borrowings, it is to be mentioned that in the second half of 2017 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).

5.2 Bonds (147,719 KEUR non-current, 70,000 KEUR current)

The Company has in 2012 issued private unsecured bonds for a total amount of 42 MEUR (25.05 MEUR bond serie A, maturing on 13/12/15 and bearing a fixed interest of 7.0% - 16.95 MEUR bond serie B, maturing on 13/12/17 and bearing a fixed interest of 7.875%). These bonds were secured by a first demand guarantee from Ghelamco Group Comm. VA and were underwritten by a select group of institutional investors and high-net-worth individuals.
In December 2015, the Company redeemed its 2012 private unsecured bonds for the 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).

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 was coordinated by KBC Securities and Belfius Bank.

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 in July 2015 resulted in the issue of a first tranche of 79,100 KEUR and in December 2015 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 transparancy, governance and reporting requirements to the benefit of the investors.

Total balance of outstanding bonds per balance sheet date (217,719 KEUR) represents the amount of issue (220 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

There are no other loans outstanding as of 30 June 2017.

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2017.
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 issues have been complied with as of balance sheet date.

6. Revenue

Revenue can be detailed as follows:

	30.06.2017	30.06.2016
Sales of Residential Projects	27,202	43,336
Rental Income	1,947	3,884
Other	447	1,860
TOTAL REVENUE	**29,596**	**49,080**

The rental income as of 30 June 2017 relates to rent from commercial projects (mainly Ring Multi and Meetdistrict in the Ghelamco Arena).

The residential projects sales as of 30 June 2017 mainly relate to:

- Villas and apartments at the Belgain coast (6,355 KEUR)
- Invoicing under the Breyne legislation in the Tribeca project in Ghent (7,849 KEUR re. phase 2 and 10,139 KEUR re. phase 3). For phase 2, 99% of the available units have been sold, while progress and sales invoicing is at 95%. For phase 3, 40 units (of 91 available) have been sold in the first half of 2017, for which progress and sales invoicing is at 65%.
- Student units in the Waterview project in Leuven Vaartkom (1,160 KEUR; 8 units sold in the first half of 2017)
- First installments (4.002 KEUR re. 24 apartments, 25 garages and 24 storage areas) in the Edition project at the Louizalaan in Brussels (offering 59 apartments in total).

7. Other items included in operating profit/loss

Other operating income

The current period's other operating income (6,347 KEUR) mainly relates to the gain on disposal of Retail Leuven (1,145 KEUR) and a purchase price adjustment on last year's sale of the Dacar site to Ghelamco European Property Fund (4.9 MEUR).

	30/06/2017	30/06/2016
Gains from revaluation of Investment Property	7,781	3,826

Fair value adjustments over the first half of 2017 amount to 7,781 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).

	30/06/2017	30/06/2016
Other operating expenses		
Taxes and charges	555	558
Insurance expenses	82	95
Audit, legal and tax expenses	1,751	875
Sales expenses	778	2,017
Rental guarantee expenses	430	182
Housing costs (incl maintenance)	684	692
Operating expenses with related parties	1,098	1,148
Impairment on inventory	6,124	-
Miscellaneous	1,318	647
Total:	**12,820**	**6,214**

The decrease in sales expenses is related to the decreased commission expenses in connection with the Waterview (student houses) project, which is per date of the current report sold out for over 95%.

The overall increase in operating expenses is mainly related to some impairment reserves recognized on a limited number of inventory projects, mainly resulting from adjustments of some commercial parameters.

8. Finance income and finance costs

	30/06/2017	30/06/2016
Foreign exchange gains		
Interest income	1,853	1,425
Other finance income		
Total finance income	**1,853**	**1,425**
Interest expense	-5,515	-6,031
Other interest and finance costs	-1,119	-813
Foreign exchange losses		
Total finance costs	**-6,634**	**-6,844**

9. 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)	**30.06.2017**				
	At fair value through P/L- held for trading	**Available for sale**	**Loans and receivables/fin. liab. at amortised cost**	**Fair value**	**Fair value level**
Other financial investments					
Other financial assets		-	11,318	11,318	2
Non-current receivables					
Receivables and prepayments			5,020	5,020	2
Restricted cash			-	-	
Current receivables					
Trade and other receivables			161,718	161,718	2
Derivatives	-			-	
Cash and cash equivalents			17,263	17,263	2
Total Financial Assets	**0**	**0**	**195,320**	**195,320**	
Interest-bearing borrowings - non-curr.					
Bank borrowings			85,455	85,455	2
Bonds					2
Bonds (Euronext)			147,719	148,254	1
Other borrowings			-	-	2
Interest-bearing borrowings - current					
Bank borrowings			74,512	74,512	2
Bonds			70,000	72,163	2
Other borrowings			-		2
Current payables					
Trade and other payables			25,583	25,583	2
Total Financial Liabilities	**-**	**-**	**403,269**	**405,968**	

Financial instruments (x € 1 000)	31.12.2016				
	At fair value through P/L- held for trading	**Available for sale**	**Loans and receivables/fin. liab. at amortised cost**	**Fair value**	**Fair value level**
Other financial investments					
Other financial assets		-	4,272	4,272	2
Non-current receivables					
Receivables and prepayments			4,851	4,851	2
Restricted cash			-	-	
Current receivables					
Trade and other receivables			157,482	157,482	2
Derivatives	-			-	
Cash and cash equivalents			15,273	15,273	2
Total Financial Assets	**0**	**0**	**181,878**	**181,878**	
Interest-bearing borrowings - non-curr.					
Bank borrowings			59,864	59,864	2
Bonds			69,504	74,964	2
Bonds (Euronext)			147,645	146,572	1
Other borrowings			-	-	2
Interest-bearing borrowings - current					
Bank borrowings			79,523	79,523	2
Bonds			-	-	2
Other borrowings			-		2
Current payables					
Trade and other payables			15,144	15,144	2
Total Financial Liabilities	**-**	**-**	**371,680**	**376,067**	

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).

10. 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 Group;

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

And per end 2016 the Ghelamco European Property Fund has been put in place, fourth holding company which in first instance acquires delivered projets (for which the occupation rate and lease status has been optimized during the past years) from the Investment Holding for keeping them as income generating products in portfolio for a longer time period. Furthermore this longer-term strategy demands a different financing structure. For that, projects may be transferred from the Investment Holding to the Property Fund.

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 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"), subsidiaries of International Real Estate Services Comm. VA (the 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.

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

Purchases of construction, engineering and architectural design:	-22,806
related party trade receivable	2,681
related party trade accounts payable	-2,150
related party non-current loans receivable	1,815
related party non-current trade and other receivable	-
related party interests receivable	4,264
related party C/A receivable	143,154
related party non-current loans payable	-
related party interests payable	-
related party C/A payable	-

11. Post balance sheet events

- On 15 September a binding put/call agreement has been signed with a 3rd party regarding the commercialization of the remaining 44 units in the Waterview studend houses project, for a total sales amount of 4.4 MEUR. Involved party will in first instance sell the remaining units on the market, and will take over the remaining unsold units per 15 January 2018. Per date of the current report, 38 units have already been sold.

GHELAMCO

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Ghelamco Invest NV and subsidiaries

Report on the review of the consolidated interim financial information for the six-month period ended 30 June 2017

GHELAMCO

Deloitte.

Report on the review of the consolidated interim financial information of Ghelamco Invest NV and subsidiaries for the six-month period ended 30 June 2017

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position as at 30 June 2017, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows 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 and subsidiaries ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The consolidated condensed statement of financial position shows total assets of 641,120 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 3,888 (000) EUR.

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

Scope of review

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

Conclusion

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

Zaventem, 26 September 2017

The statutory auditor

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