



IMMOBEL
since 1863

INTERMEDIARY REPORT

As of 30 June 2018

CONTENTS

1.	Interim management report	2
2.	Interim condensed consolidated financial statements	17
2.a.	Consolidated statement of comprehensive income (in thousand EUR)	17
2.b.	Consolidated statement of financial position (in thousands EUR)	18
2.c.	Consolidated statement of cash flow position (in thousands EUR)	19
2.d.	Consolidated statement of changes in equity (in thousands EUR)	20
2.e.	Notes to the interim condensed consolidated financial statements	21
3.	Statement of the responsible persons	42
4.	Auditor's report	43



1. INTERIM MANAGEMENT REPORT

Highlights

- IMMOBEL's revenues in the first half of 2018 increased by 77 % to EUR 97.7 million while its net income (Group share), amounted to EUR 15 million.
- The results for the first half of 2018 show strong growth driven by increased residential sales. This trend is expected to continue in the second half of 2018.
- The sale of an office building in the centre of Warsaw (Cedet) is expected to contribute significantly to the results for 2018.
- IMMOBEL has already exceeded its 2018 acquisition target by 30 % by adding more than 130,000 m² of mainly residential projects in Belgium to its portfolio. This was achieved through the acquisition of a stake in the development company Urban Living Belgium, as well as 5,700 m² of offices in Luxembourg.
- The company's balance sheet remains strong, with equity of EUR 302.7 million and net debt of EUR 308.4 million as at the end of June 2018. This position gives it the necessary financial leeway for further growth and diversification of earnings.
- For the full year 2018, IMMOBEL is confirming an increase of 10 % in the dividend.

Strong financial results ...

The table below provides the key consolidated figures for the first six months of the year (EUR million):

Results	30/06/2018	30/06/2017	Variance
Revenues	97.7	55.1	+77%
Net income Group share	15.0	5.3	+183%

Balance sheet	30/06/2018	31/12/2017	Variance
Equity	302.7	303.6	-0,3%
Net debt	308.4	251.0	+23%

- The increase in **revenue** was driven by higher sales in the residential segment across Belgium, Luxembourg and Poland. This was mainly generated by a portfolio of residential projects in Belgium amounting to EUR 53.6 million (among which Parc Seny (EUR 11.1 million), O'Sea (EUR 8.4 million), Lake Front (EUR 6.3 million), Chambon (EUR 5.5 million) and Greenhill Park (EUR 4.5 million)), in Luxembourg amounting to EUR 36.5 million (Infinity) and in Poland amounting to EUR 5.7 million (Granary Island).
- Strong **growth in net income** was driven by revenue-related developments and the contribution of joint-venture projects in Belgium and Luxembourg (among which Universalis Park and Ernest).
- The increase in **net debt** mainly reflects the reduction in cash resulting from, among other things, the acquisition of Urban Living Belgium, the reimbursement of a bond and the payment of the 2017 dividend.



... driven by strong performance of its portfolio

The current development portfolio encompasses 822,000 m², 800,000 m² of which are spread across Belgium, Luxembourg and Poland and 22,000 m² of which represent a 15 % stake in Nafylian & Partners, an affiliate for residential development in France.

In Belgium, IMMOBEL continued with over 10 residential projects launched in 2017 (154,200 m²).

- Various major projects are currently being commercialised and are in the construction phase. The table below illustrates the excellent sales performance of IMMOBEL's teams:

Project	m ²	% sold	Construction	Completion
Universalis Park	110,000	65 % (of phase 1)	started Q4 2015	Q4 2018
O'Sea	88,500	67 % (of phase 1)	started Q1 2017	Q2 2019
Mobius	60,000	100 % (of phase 1)	started Q1 2018	Q4 2019
Ernest	50,000	100 % (of phase 1)	started in 2014	2016
		70 % (of phase 2)	started Q4 2017	Q2 2020
Lake Front	12,000	100 % (of phase 1)	started Q3 2014	Q3 2016
		100 % (of phase 2)	started Q2 2016	Q3 2018
Riverview	11,000	89 %	started Q3 2015	Q4 2017
Parc Seny	13,200	45 %	started Q4 2017	Q2 2019
Royal Louise	8,000	30 %	started Q1 2018	Q2 2020
Greenhill Park	6,000	68 %	started Q3 2017	Q3 2019
t Zout	4,700	46 %	started Q4 2017	Q3 2019

- The permit application has been submitted for various projects such as the second phase of O'Sea (24,000 m²), Universalis Park (57,000 m²), De Brouckère (43,800 m²), îlot Saint-Roch (26,000 m²) and Lebeau (41,000 m²).
- The Landbanking department (400 hectares) posted turnover of EUR 8.5 million in the first half of 2018.

In Luxembourg, IMMOBEL achieved a turnover of EUR 36.5 million in the first half of 2018 following the remarkable success of the commercialisation of mainly residential projects under development.

The table below indicates various major projects that are currently pre-sold:

Project	m ²	% sold	Construction	Completion
Livingstone	36,000	99 % (of phase 1)	started Q4 2018	Q4 2020
		99 % (of phase 2)	started Q1 2018	Q1 2020
Infinity	33,300	100 % (Working & Shopping)	started Q4 2017	Q4 2019
		94 % (living)	started Q4 2017	Q2 2020
Fuussbann	8,100	90 %	started Q1 2017	Q2 2019



- Furthermore, the Polvermillen project (26,600 m²) is in the permit application stage.

In Poland, IMMOBEL achieved a turnover of EUR 5.7 million from residential sales, mainly through the first phase of the Granary Island project (62,000 m²), which is already 81 % pre-sold.

- IMMOBEL has submitted a building permit application for the subsequent phases of the Granary Island project (41,700 m²). In addition, the construction phase of the Central Point building (18,000 m² offices) in the centre of Warsaw has begun.
- IMMOBEL is planning to sell the Cedet office building (23,000 m²), the office areas of which have already been fully let, by the end of 2018 to an Asian investment fund. The sale is expected to have a very positive impact on the net result for the second half of 2018.

In France, IMMOBEL is working on the integration of its affiliate for residential development, Nafilyan & Partners, of which it currently owns 15 % and which is to be gradually acquired in full by 2020. The turnover of Nafilyan & Partners amounted to EUR 57.5 million for the first six months of 2018, with 22 projects under commercialisation.

An enhanced & growing international presence

During the first half of 2018, IMMOBEL strengthened the implementation of its strategic business plan, focusing on residential development and international expansion. The objective is to set up a diversified portfolio generating growth and recurring results. *"We already expect more than 50 % of net results to come from the residential sector this year across the 4 geographical zones in which we are active, and this trend is set to continue in the coming years"*, explains Alexander Hodac, CEO IMMOBEL Group.

- IMMOBEL has already exceeded its 2018 acquisition target by taking a 30 % stake in Urban Living Belgium (± 130,000 m² - IMMOBEL's share with 10 projects) in order to expand its development portfolio, mainly in Flanders (Antwerp and Ghent), but also Wallonia (Liège).
At the end of July, IMMOBEL acquired the company Thomas SA, owner of a 5,700 m² office building located at the entrance to the new major clinic district that is undergoing redevelopment in Luxembourg-Strassen.
- Following a strategic review, IMMOBEL has decided to further strengthen its international presence by entering the office development market in Paris, taking advantage of its position in the residential market in Paris its expertise in office development and through its affiliate Nafilyan & Partners. *"The acquisition of Nafilyan & Partners was a first step in the development of a larger Paris-based platform. Beyond the residential market, Paris offers genuine opportunities for offices, supported by a positive economic environment in France and Europe"*, explains Marnix Galle, Executive Chairman of IMMOBEL Group. *"This is why we hired Julien Michel, Head of Office Development and formerly with AXA Investment Managers France, who will be in charge of launching office development operations at IMMOBEL France starting on 15 October"*, he adds.
- IMMOBEL has also backed the services of a new CFO for the Group, Karel Breda, who holds a degree from KU Leuven and an MBA from the University of Chicago. Before joining IMMOBEL, Karel Breda was CFO for the South Asia, Middle East and Africa region for GDF Suez (2011). He then moved to Engie E&P in the Netherlands (2014) and subsequently became Engie Solar's CEO for the Middle East, Asia and Turkey. His international experience and in-depth knowledge of major corporate structures will provide IMMOBEL with insight that is essential to the company's further expansion into European markets.



Capital structure: an enabler for further growth

- The solidity of IMMOBEL's balance sheet, with an equity position of EUR 302.7 million and net debt of EUR 308.4 million, gives the company sufficient financial leeway to further grow its portfolio and therefore its earnings.

Activities of the IMMOBEL Group during the first half of 2018

Here is an overview of the principal projects in the IMMOBEL Group's portfolio as at 30 June 2018 (in order of the project's surface area).

UNIVERSALIS PARK – 110,000 M² - BRUSSELS, BELGIUM (IMMOBEL SHARE: 50 %)	
Status as at 30 June 2018	Phase 1: 15.000 m ² - 65 % sold. Phase 2: ± 40,000 m ² - submission of planning permission and environmental permit Q4 2018.
Project's features	The Universalis Park project is a large-scale development, mainly residential, situated on the la Plaine site (ULB/VUB -Delta) and which will be completed in several phases. This project will be made up of a great residential mix, combining apartments with student housing, care homes/assisted living facilities and kindergartens. An office component could also be integrated into the development.
Residential units	Phase 1: 161 apartments Phase 2: - Lot A: ± 30 subsidised housing - Lot B: care home ± 60 beds, serviced residences ± 60 room and ± 65 student studios - Lot C: ± 120 apartments - Lot D: ± 300 student rooms
Programme	± 600 apartments ± 650 student accommodations 2 care homes 1 kindergarten A few commercial units
Permit obtained	Phase 1 (UP1 ABC): Planning permission: Yes - Environmental permit: Yes Phase 1 (UP1 DE): Planning permission and environmental permit in consideration (expected Q3/Q4 2019) Phase 2 (UP2 ABCD): Planning permission and environmental permit to be submitted for Q4 2018
Construction period	Q4 2015 / Q4 2025

O'SEA – 88,500 m² - Ostend, Belgium	
Status as at 30 June 2018	Phase 1 (O'Sea Charme): ongoing - 67 % sold. Phase 2 (O'Sea Beach): planning permission submitted in May 2018.
Project's features	In a well located district of Ostend – close to the seafront – this sustainable residential complex project is being developed in several phases. Creating a new perfectly integrated district, it will offer a choice of made to measure living spaces: houses, apartments, serviced residences, studios...
Residential units	Phase 1 (O'Sea Charme): 10 houses - 18 studios - 50 accommodations in assisted living facilities - 36 larger apartments - 57 apartments (tower with 15 levels)



	Phase 2 (O'Sea Beach): 104 serviced residences - 120 apartments (spread over 3 towers)
Programme	88,500 m ² of residential spaces in 4 phases (8 years). Phase 1 – 19,000 m ² : 167 residential units - 3 retail businesses - 1 restaurant - 1 kindergarten Phase 2 – 24,000 m ² : 224 residential units
Permit obtained	Phase 1: Planning permission: Yes – Environmental permit: Yes Phase 2: Planning permission and environmental permit expected in Q4 2018
Construction period	Q1 2017 / Q2 2019 (phase 1) – Q1 2017 / Q2 2025 (total)

COURS SAINT-MICHEL – 70,000 m² - Brussels, Belgium (IMMOBEL share: 50 %)

Status as at 30 June 2018	The purchase deed was signed on 22 March 2018. Leaseback by ING for 5 to 7 years starting from this date. Program in development.
Project's features	The Cours Saint-Michel project will completely redesign and redevelop the former headquarters of ING in Etterbeek. It's a mixed use, user-friendly area oriented towards economic actors, active in European matters. This ambitious project of more than 70,000 m ² has many advantages: its highly strategic location, in a green setting, close to the train- and underground stations Mérode and Thieffry and very close to the European district.
Residential units	To be determined
Programme	To be determined
Permit obtained	Planning permission: No - Environmental permit: No
Construction period	2023 - 2030

MÖBIUS – 60,000 m² - Brussels, Belgium

Status as at 30 June 2018	Permits obtained in December 2017. Tower I (fully occupied by Allianz): the definitive program has been developed. Tower II: contacts with potential occupants have been made, without concrete discussions yet.
Project's features	The project comprises two elegant elliptical towers in the north of Brussels, in the very heart of the business district. These totally passive buildings offer a breathtaking panoramic view and make full use of natural light. Set around a central core, the office floors benefit from a pure design and from a terrace on the 21st floor.
Programme	2 office buildings
Permit obtained	Planning permit: Yes - Environmental permit: Yes
Construction period	Tower I: Q1 2018 / Q4 2019 Tower II: To be determined



BELAIR (RAC 4) – 56,100 m² - Brussels, Belgium (IMMOBEL share: 40 %)	
Status as at 30 June 2018	The procedure of the environmental impact study is ongoing, whereby a different architecture is being examined. Architect Max Dudler joined the project team and a first proposal was presented. The planning permission and the environmental permit should be obtained by the beginning of 2019.
Project's features	The remaining portion of the gigantic redevelopment of the former city administrative centre schedules a substantial residential complex, which will also have retail space and public facilities.
Residential units	460 apartments
Programme	4,900 m ² of commercial space - 6,500 m ² of public facilities - 44,700 m ² of residential space (traditional and subsidised housing units)
Permit obtained	Planning permission: No - Environmental permit: No
Construction period	Q3 2019 / Q3 2025

ERNEST – 50,000 m² - Brussels, Belgium (IMMOBEL share: 50 %)	
Status as at 30 June 2018	Phase 1: Residence for students and the elderly - 100 % sold and delivered in full. Residential spaces: 99 % sold and delivered in full. Phase 2: apartments for sale (more than 70 % sold), retail, kindergartens and liberal professions on sale. Construction site ongoing. Hotel part - 100 % sold. Parking "Keyenveld" - 53 % sold.
Project's features	Between the Avenue Louise and the European District, in a trendy area, this prestigious urban rehabilitation project (former Solvay headquarters), is a mixed-use complex in several phases. It is made up of high class apartments and several other facilities which encourage a diverse array of lifestyles (senior citizens, families, students, hotel).
Residential units	Phase 1: 110 apartments & penthouses – (95 student rooms ("The Place to")) - 1 rest home (114 beds) Phase 2: 198 apartments & penthouses - 1 kindergarten - 1 hotel – 3 retail spaces – 4 liberal professions
Programme	50,000 m ² comprising residential spaces, a residence for students, a care home, a kindergarten, a hotel, a few commercial spaces and offices.
Permit obtained	Planning permission: Yes - Environmental permit: Yes
Construction period	Phase 1: Completed (2014 - 2016) Phase 2: Q4 2017 / Q4 2020

DE BROUCKÈRE – 43,800 m² - Brussels, Belgium (IMMOBEL share: 50 %)	
Status as at 30 June 2018	Architect Henning Larsen joined the project team. Development of the plans is under way. Submission of the permit Q4 2018. The planning permission should be obtained by the beginning of 2020.
Project's features	Situated in the heart of Brussels and a stone's throw from the Grand Place, the project involves the demolition-reconstruction (and renovation of the listed parts) of the head office of the insurance company Allianz to make way for a mixed, mainly residential block.



	It is still possible for stand-alone and/or build-to-suit office or hotel solutions to be incorporated into the programme currently under consideration. The ground floors will be redesigned to liven up the streets and the Place de Brouckère through shops and services.
Residential units	335 apartments en student housing
Programme	23,000 m ² of residential space - 4,500 m ² of student housing - 7,000 m ² of offices - 3,800 m ² of retail - 5,500 m ² of hotel
Permit obtained	Planning permission: No - Environmental permit: No
Construction period	Demolition and asbestos removal works to begin in 2020, after Allianz has moved into its new head office, built by IMMOBEL (Möbius)

LEBEAU – 41,000 m² - Brussels, Belgium	
Status as at 30 June 2018	Program was determined and an international architecture competition is under way with four candidates. The designation of the winner is expected in mid-July.
Project's features	The "Lebeau - Sablon" project is a unique, mixed-use complex situated on Place du Grand Sablon, one of the most exclusive districts in Brussels. The project offers very high-end residential apartments, retail outlets, student housing and offices. It is located right next to the most popular restaurants, the smartest shops and the Brussels Central railway station.
Residential units	± 200 apartments
Programme	22,000 m ² of residential space - 7,000 m ² of student housing - 10,000 m ² offices - 2,000 m ² retail
Permit obtained	Planning permission: No – Environmental permit: No
Construction period	Q1 2020 / Q3 2023

DOMAINE DES VALLÉES – 37,000 m² - Grez-Doiceau, Belgium (IMMOBEL share : 50 %)	
Status as at 30 June 2018	86 % sold.
Project's features	Located right next to a train station and a few kilometres from Wavre, this friendly new neighbourhood blends harmoniously into a beautiful sloped 10 ha site, offering plenty of ventilation and beautiful views to most of the properties. Quality public spaces, a playground and a number of shops complete this new neighbourhood.
Residential units	203 houses and apartments
Programme	Public Private Partnership (PPP) comprising 203 residential units (158 2- or 3-façade houses and 45 apartments) including 37 units sold to the APIBW (Agence de promotion immobilière du Brabant Wallon) - 6 commercial units - 1 kindergarten
Permit obtained	Planning permission: Yes – Environmental permit: Yes
Construction period	Q4 2015 / Q4 2019



ÎLOT SAINT-ROCH – 26,000 m² - Nivelles, Belgium	
Status as at 30 June 2018	First phase of remediation finalized and approved. Optimization of the program. Regular meetings with the City of Nivelles. Validation of the schedule and the new masterplan with the City of Nivelles. Submission of the permit Q4 2018.
Project's features	In the centre of Nivelles, between the railway station and the Collegiate, the project schedules the transformation of an industrial eyesore into an ecologically-responsible district. This new concept is set to include residential accommodation, services and shops, within a garden setting and including pleasant common areas (terraces, rooftops...).
Residential units	± 250 houses and apartments
Programme	14 residential blocks, comprising ± 240 dwellings, ± 10 single-family homes, retail and offices
Permit obtained	Planning permission: No – Environmental permit: No
Construction period	Q3 2019 / Q4 2023 (to be confirmed)

VAARTKOM – 13,500 m² - Leuven, Belgium	
Status as at 30 June 2018	Obtention of a planning permission in Q4 2017. Construction works started in Q2 2018. The offices were sold to an end user. Renovation work started. Cooperation agreement concluded with an operator of serviced residences. Preparations for sales have started.
Project's features	This mixed-use residential complex enjoys an exceptional location with views over the canal and offer residential apartments, serviced studios and an office building.
Residential units	111 serviced residences
Programme	10,500 m ² serviced residences – 3,000 m ² offices
Permit obtained	Planning permission: Yes – Environmental permit: Yes
Construction period	Q2 2018 / Q3 2020

PARC SENY – 13,200 m² - Auderghem, Belgium	
Status as at 30 June 2018	Construction works ongoing (structural work). Definitive amending permit obtained in Q4 2017. Marketing started in June 2017 – 45 % sold.
Project's features	At Auderghem, just back from the Boulevard du Souverain, and very close to Herrmann Debroux metro station, this project benefits from an extremely green setting with trees. The project consists of transforming a 1970's building into a sustainable residential complex of high quality and next to the Parc Seny.
Residential units	120 apartments
Programme	120 apartments, including studios, 1-, 2- and 3-bedroom apartments and penthouses 156 underground car parking spaces 128 underground bicycle parking spaces 16 underground motorbike parking spaces



	137 storages
Permit obtained	Planning permission: Yes - Environmental permit: Yes
Construction period	Q4 2017 / Q2 2019

LAKE FRONT – 12,000 m² - Knokke-Heist, Belgium

Status as at 30 June 2018	Phase 1: delivered - 100 % sold. Phase 2: delivery in Q2/3 2018 - 100 % sold.
Project's features	Just a few minutes' walk from the magnificent urban centre of Knokke-Heist, this residential complex overlooks the Duinenwater lake. It offers exclusive apartments with a view over the water, a stone's throw from the railway station, the new golf course, the swimming pool and the beach.
Residential units	Phase 1: 70 apartments - Phase 2: 50 apartments
Programme	12,000 m ² of residential space
Permit obtained	Planning permission: Yes – Environmental permit: Yes
Construction period	Phase 1: Q3 2014 / Q3 2016 Phase 2: Q2 2016 / Q3 2018

RIVERVIEW – 11,000 m² - Nieuwpoort, Belgium

Status as at 30 June 2018	Provisional acceptance of the first apartments in Q3 2017 – 89 % sold. The project was recently completely delivered.
Project's features	Just a few minutes from the city centre and the seafront, in the sought-after district of the leisure port at Nieuwpoort, this complex with its contemporary architecture is oriented towards the former Veurne-Nieuwpoort canal (Riverview) at the level of the old town (Heritage). A veritable oasis of light, it offers spacious apartments and penthouses benefiting from terraces.
Residential units	101 apartments, duplexes and penthouses
Programme	11,000 m ² of residential space
Permit obtained	Planning permission: Yes – Environmental permit: Yes
Construction period	Q3 2015 / Q4 2017

ROYAL LOUISE – 8,000 m² - Brussels, Belgium

Status as at 30 June 2018	Executable planning permission obtained in Q3 2017. Works have started Q2 2018. Sales have started and 30 % of the apartments have already been sold.
Project's features	Just a few dozen metres from the Place Stéphanie, this residential complex offers exclusive apartments with terraces overlooking the garden at the centre of the lot. Its exceptional location, in the immediate vicinity of the best restaurants and boutiques Brussels has to offer, represents the best in an urban lifestyle.
Residential units	77 apartments
Programme	8,000 m ² of residential space



Permit obtained	Planning permission: Yes – Environmental permit: Yes
Construction period	Q1 2018 / Q2 2020

GREENHILL PARK – 6,000 m² - Brussels, Belgium	
Status as at 30 June 2018	Construction started Q3 2017. 21 units out of 31 sold - 68 % sold.
Project's features	Set in the heart of a tree-lined site alongside the Woluwe Park, this luxury residence comprises two elegant buildings featuring timeless architecture. The top of the range residences offer an open view over the private garden, and benefit from a complete range of residential services.
Residential units	31 apartments and penthouses
Programme	6,000 m ² of residential space
Permit obtained	Planning permission: Yes – Environmental permit: Yes
Construction period	Q3 2017 / Q3 2019

KONINGSLAAN – 5,300 m² - Knokke-Heist, Belgium (IMMOBEL share : 50 %)	
Status as at 30 June 2018	Permit issued in March 2018, appeal of residents in consideration at the Permanent Delegation.
Project's features	This high-quality apartment complex offers immediate proximity to the waterfront and the center of Knokke-Heist. The project also includes a horeca surfaceout of the ground floor.
Residential units	43 apartments
Programme	43 apartments among which 10 duplexes – 1 retail space of 320 m ² – 43 parking spaces – 106 bicycle stands
Permit obtained	Planning permission: Yes (but in appeal) - Environmental permit: N/A
Construction period	To be determined

T'ZOUT – 4,700 m² - Koksijde, Belgium	
Status as at 30 June 2018	Start of commercialization in Q3 2017. Start of construction Q4 2017. 25 units out of 54 sold – 46 % sold.
Project's features	The 't Zout project is a unique residential complex of serviced apartments situated in Coxyde (Sint-Idesbald), between the magnificent town centre and the sea. This human-scale project offers a pleasant, easy lifestyle in this very attractive Belgian seaside resort.
Residential units	54 serviced residences
Programme	4,700 m ² of serviced residences and common areas
Permit obtained	Planning permission: Yes – Environmental permit: Yes
Construction period	Q4 2017 / Q3 2019



PARC SAINTE-ANNE – 3,500 m² - Auderghem, Belgium	
Status as at 30 June 2018	22 units out of 26 are sold – 85 % sold.
Project's features	Located in a beautiful park very close to the Domaine de Val Duchesse, this residential complex schedules contemporary residential units (from studio to penthouse) with elegant finishing materials. Each apartment benefits from a terrace with a view over the park or the interior lot, a calm and luminous haven.
Residential units	26 apartments
Programme	1 residential building with 26 high standing apartments
Permit obtained	Planning permission: Yes – Environmental permit: Yes
Construction period	Q1 2016 / End of Q1 2019

LES CINQ SAPINS - 37.000 m² - Wavre, Belgium	
Status as at 30 June 2018	The servicing of the site is being finalised (provisional approval in September). Permits for apartments and the first phase of houses are pending.
Project's features	Les 5 Sapins is a new estate of houses and apartments lying on the edge of an agricultural area just a few minutes from the centre of Wavre. The architecture is on a human scale in keeping with both the region and its people.
Residential units	40 houses en 20 apartments
Programme	40 single-family houses and 2 buildings with 10 apartments
Permit obtained	Planning permission: No – Environmental permit: No
Construction period	Q4 2018 / Q4 2023

LIVINGSTONE – 36,000 m² - City of Luxembourg, Grand Duchy of Luxembourg (IMMOBEL share: 33 %)	
Status as at 30 June 2018	Receipt of the project execution agreement on 26.06.2017. Phase 1: - Submission of the planning permission application in early July 2017 - 112 units are sold and 18 reserved on a total of 131. - A long-term lease contract was concluded on the most important commercial surface. Phase 2: - Submission of the planning permission application in end of July 2017. - Marketing started mid-October 2017. - 90 units are sold and 25 reserved on a total of 116.
Project's features	Right in the heart of a dynamic district of the capital and close to the Parc de Cessange and to motorway connections, Livingstone benefits from all of the facilities by integrating a city market into its ground floor. Designed in the form of a half block, almost all of the apartments of the residence have balconies or loggias and there is a tree-lined interior courtyard.
Residential units	247 apartments
Programme	30.700 m ² residential spaces - 5.300 m ² retail
Permit secured	Planning permission: No - Environmental permit: No
Construction period	Phase 1: Q4 2018 / Q4 2020



	Phase 2: Q1 2018 / Q1 2020 Phase 3: To be determined
--	---

INFINITY – 33,300 m² - City of Luxembourg, Grand Duchy of Luxembourg	
Status as at 30 June 2018	Start of construction in October 2017. - Housing: The construction of the basement and two levels of parking is completed. - Offices: The construction of the 3rd floor above ground is completed. - Shops: The foundations are completed; the construction of the ground floor is in progress. Earthworks achieved for the Working & Shopping part. 128 units are sold and 27 reserved on a total of 165. 100 % of the commercial and office areas are already rented. 2 of the 3 conditions precedent were raised in December 2017 for the sale of the company Working & Shopping scheduled for end 2019. The construction of the building is the only condition precedents remaining before the transfer.
Project's features	Located at the entrance to Kirchberg, ideally served by transport modes and in the immediate proximity of the European Institutions, the INFINITY buildings complex offers a prestigious address with unique visibility in Luxembourg. Designed by architect Bernardo Fort-Brescia in collaboration with M3 Architects, the INFINITY project is characterised by two sculptural towers linked together by a retail gallery featuring a planted roof.
Residential units	165 apartments, penthouses and studios
Programme	33,300 m ² mixed-use spaces: 165 residential units, 6,500 m ² commercial spaces (23 boutiques, cafés and restaurants), 6,800 m ² of office space
Permit secured	Planning permission: Yes - Environmental permit: No
Construction period	Working & Shopping: Q4 2017 / Q4 2019 Living: Q4 2017 / Q2 2020

POLVERMILLEN – 26,600 m² - City of Luxembourg, Grand Duchy of Luxembourg	
Status as at 30 June 2018	Asbestos removal and demolition were completed in 2018. Phase 1: - Submission of the planning permission application in November 2017. - Remediation work will be completed in July 2018.
Project's features	This complex on the banks of the Alzette offers a totally new working framework between the city and nature. Located in the immediate vicinity of the Kirchberg plateau, it will comprise a very mixed-use ensemble: offices along with apartments, houses, lofts, studios... designed according to a sustainable approach. It aims to rehabilitate and redesign a whole new district in a particularly green setting and with respect for the soul and the history of the site.
Residential units	214 apartments and houses
Programme	25,000 m ² of residential spaces (3 apartments in 1 mansion, 17 houses, 16 lofts, 161 apartments and 17 studios) - 1,600 m ² of office space
Permit secured	Planning permission: No (phase 1) - Environmental permit: No (phase 1)
Construction period	Phase 1: Q1 2020 / Q4 2021 Phase 2: Q2 2020 / Q1 2022 Phase 3: Q4 2020 / Q2 2023



FUUSBANN – 8,100 m² - Differdange, Grand Duchy of Luxembourg (IMMOBEL share: 33 %)

Status as at 30 June 2018	The construction has started in February 2017. 43 units are sold and 2 reserved on a total of 48. The most important commercial surface is sold.
Project's features	A stone's throw from the city centre and with local shops at the foot of the building, the Fuussbann residence benefits from all the conveniences of urban life without compromising on tranquillity. Resolutely contemporary and bathed in natural light, Fuussbann offers optimal and functional apartments overlooking large terraces or gardens, along with a landscaped interior courtyard.
Residential units	48 apartments
Programme	5,900 m ² of residential space - 2,200 m ² of commercial space
Permit secured	Planning permission: Yes - Environmental permit: Yes
Construction period	Q1 2017 / Q2 2019

CENTRE ETOILE – 3,400 m² - City of Luxembourg, Grand Duchy of Luxembourg

Status as at 30 June 2018	Currently rented until 2020. Program to be revised based on the new PAG (Plan d'Aménagement Général). Planning permission application should be submitted in July 2018.
Project's features	The Centre Étoile project aims to totally redevelop an office building dating from 1992. Located on the Place de l'Étoile, it benefits from a particularly strategic position right in the heart of the capital and in the immediate vicinity of Kirchberg and the motorway connections.
Programme	Refurbishment of the 3,400 m ² office building to start at the end of the current lease
Permit secured	Planning permission: No – Environmental permit: No
Construction period	Q1 2021 / Q2 2022

GRANARY ISLAND – 62,000 m² - Gdansk, Poland (IMMOBEL share: 90 %)

Status as at 30 June 2018	Phase 1: - Start of construction works of footbridge in April 2018. - Construction works of apartments, apart-hotels and hotel are ongoing. - Hotel's plot sold to UBM in May. - Apart hotel: 74 units out of 94 are sold. - Apartments: 8 units reserved out of 26. - Retail units on ground floor: 100 % sold. - Retail units on 2 nd /3 rd floor: 20 units out of 22 are sold. - Parking: 98 units out of 133 are sold. Phase 2 : In development.
Project's features	The project involves maintaining the historical remains of granaries, enriching them with modern, functional housing with public space. Together with commercial object construction; footbridge over Motława River, reconstruction and adding the new lifting mechanism to Stągiewny bridge and expansion of the marina will be executed. Chmielna Street and its connection to Podwale Przedmiejskie will be upgraded –improving transportation system and infrastructure. Długie Pobrzeże will be modernised. In the underground car park there is more parking space planned than needed for housing.



Residential units	Phase 1: 120 apartments Phase 2: 556 apartments
Programme	62,000 m ² in 4 phases: residential spaces - 1 or 2 hotels - commercial spaces
Permit secured	Planning permission: Yes (phase 1) - Environmental permit: Yes (phase 1)
Construction period	Q1 2017 / Q4 2022

CEDET – 22,300 m² - Warsaw, Poland

Status as at 30 June 2018	Handed over for operation on 30.04.2018 based on operating permit. T-Mobile and Zdrofit premises already operating. Ongoing fit-out works. 88 % of retail space is leased. 100 % of office space is leased. Sales procedure in progress and at final stage.
Project's features	Cedet is a unique project of restoration and expansion of a historic building located at 50 Krucza Street – a modernistic pearl of Polish post-war architecture. The Cedet building that combines retail functions and highest class of office space will consist of two parts: a carefully revitalized department store and a completely new building located at intersection of Bracka and Krucza streets.
Programme	22,300 m ² office and retail space
Permit secured	Planning permission: Yes - Environmental permit: Yes Operating permit for main building: Yes
Construction period	Q1 2015 / Q2 2018

CENTRAL POINT – 19,100 m² - Warsaw, Poland (IMMOBEL share: 50 %)

Status as at 30 June 2018	Construction started on 16 May 2018 with deep foundation works. Tender for general contractor at final stage. Tenders for nominated subcontractors in progress. General contractor contract signing scheduled in August 2018.
Project's features	Central Point will be a visionary building offering occupants a refined mix of superlative office, service, retail and car parking space. And offering it where it counts – right in the business heart of Warsaw. Ideally located at the corner of Marszałkowska and Świętokrzyska Streets and atop the intersection of the only two metro lines in Warsaw. Central Point offers occupiers fast and convenient access to any part of the capital. A profusion of neighbouring restaurants, hotels, cinemas, theatres, fitness clubs and spas can be found either on the doorstep or within easy reach. And cultural history is just next door. Warsaw's PAST building is adjacent and Poland's Palace of Culture and Science is nearby.
Programme	18,000 m ² office space - 1,100 m ² retail space
Permit secured	Planning permission: Yes - Amended building permit (restricted scope): in progress
Construction period	Q2 2018 / Q2 2020



Own shares

As a result of the merger between ALLFIN (which held 29.85 % of the IMMOBEL shares before the merger) and IMMOBEL, the merged entity IMMOBEL holds a total of 1,230,398 own shares.

In accordance with IAS 32, these own shares are presented after deduction of the equity. These own shares have neither voting rights nor dividend rights.

The balance of treasury shares acquired through the merger with ALLFIN is valued at the market price on 29 June 2016, the date of the transaction, and this valuation base will no longer be modified in the future.



2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN THOUSAND EUR)

	NOTES	30/06/2018	30/06/2017
OPERATING INCOME		97 726	55 145
Turnover	7	95 789	53 929
Other operating income	8	1 937	1 216
OPERATING EXPENSES		-78 211	-46 204
Cost of sales	9	-70 118	-38 021
Cost of commercialisation	10	- 708	- 554
Administration costs	11	-7 385	-7 629
JOINT VENTURES AND ASSOCIATES		2 428	150
Gain (loss) on sales of joint ventures and associates	12		753
Share in the net result of joint ventures and associates	12	2 428	- 603
OPERATING RESULT		21 943	9 091
Interest income		637	1 105
Interest expense		-1 010	-1 018
Other financial income		906	175
Other financial expenses		-1 110	- 491
FINANCIAL RESULT	13	- 577	- 229
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		21 366	8 862
Income taxes	14	-6 353	-3 609
RESULT FROM CONTINUING OPERATIONS		15 013	5 253
RESULT OF THE YEAR		15 013	5 253
Share of non-controlling interests		18	- 46
SHARE OF IMMOBEL		14 995	5 299
RESULT OF THE YEAR		15 013	5 253
Other comprehensive income - items subject to subsequent recycling in the income statement		49	55
Currency translation		49	55
Other comprehensive income - items that are not subject to subsequent recycling in the income statement			
Actuarial gains and losses (-) on defined benefit pension plans			
Deferred taxes		-	-
TOTAL OTHER COMPREHENSIVE INCOME		49	55
COMPREHENSIVE INCOME OF THE YEAR		15 062	5 308
Share of non-controlling interests		18	- 46
SHARE OF IMMOBEL		15 044	5 354
NET RESULT PER SHARE (€) (BASIC AND DILUTED)	15	1,71	0,60
COMPREHENSIVE INCOME PER SHARE (€) (BASIC AND DILUTED)	15	1,72	0,61

The comparability of the figures between the two semesters is influenced by the implementation of the new IFRS 15 which has changed the rules for revenue recognition. This situation affects the 'turnover' and 'cost of sales' headings.



2.B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN THOUSANDS EUR)

ASSETS	NOTES	30/06/2018	31/12/2017 (restated IFRS 15)	31/12/2017
NON-CURRENT ASSETS		83 592	66 454	66 179
Intangible assets		435	405	405
Property, plant and equipment		959	1 034	1 034
Investment property		2 960	2 960	2 960
Investments in joint ventures and associates	16	35 662	26 452	26 387
Advances to joint ventures and associates		37 991	24 345	24 345
Other non-current financial assets		1 135	1 259	1 259
Deferred tax assets	17	3 565	4 377	4 167
Other non-current assets		885	5 623	5 623
CURRENT ASSETS		678 674	738 985	734 063
Inventories	18	520 836	519 973	518 514
Trade receivables	19	15 172	11 694	11 694
Contract assets	20	15 714	8 280	
Tax receivables		72	165	165
Other current assets	21	29 949	31 246	36 063
Advances to joint ventures and associates		27 830	18 934	18 934
Other current financial assets		644	768	768
Cash and cash equivalents	22	68 457	147 926	147 926
TOTAL ASSETS		762 266	805 439	800 242

EQUITY AND LIABILITIES	NOTES	30/06/2018	31/12/2017 (restated IFRS 15)	31/12/2017
TOTAL EQUITY		302 722	306 958	303 578
EQUITY SHARE OF IMMOBEL		302 687	306 941	303 561
Share capital		97 256	97 256	97 256
Retained earnings		205 300	209 603	206 224
Reserves		131	82	82
NON-CONTROLLING INTERESTS		35	17	17
NON-CURRENT LIABILITIES		305 041	340 185	338 838
Employee benefit obligations		672	672	672
Deferred tax liabilities	17	12 490	7 854	6 507
Financial debts	22	291 042	330 090	330 090
Derivative financial instruments	22	837	1 568	1 568
Trade payables		-	-	-
CURRENT LIABILITIES		154 503	158 296	157 826
Provisions		1 507	1 355	1 355
Financial debts	22	85 838	68 816	68 816
Derivative financial instruments		-	-	-
Trade payables	23	41 372	41 493	41 493
Contract liabilities	24	2 013	470	
Tax liabilities		3 631	6 211	6 211
Other current liabilities	25	20 142	39 952	39 952
TOTAL EQUITY AND LIABILITIES		762 266	805 439	800 242



2.C. CONSOLIDATED STATEMENT OF CASH FLOW POSITION (IN THOUSANDS EUR)

	NOTES	30/06/2018	30/06/2017
Operating income		97 726	55 145
Operating expenses		-78 211	-46 204
Amortisation, depreciation and impairment of assets		209	210
Change in the fair value of investment property		-	-
Change in provisions		152	- 399
Dividends received from joint ventures and associates		756	7 494
Disposal of joint ventures and associates			10 884
Repayment of capital and advances by joint ventures		2 257	14 532
Acquisitions, capital injections and loans to joint ventures and associates		-21 989	-3 714
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		900	37 948
Change in working capital	24	-30 331	-70 078
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		-29 431	-32 130
Paid interests		-5 610	-6 476
Interest received		637	1 105
Other financing cash flows		- 326	- 316
Paid taxes		-3 485	- 579
CASH FROM OPERATING ACTIVITIES		-38 215	-38 396
Acquisitions of intangible, tangible and other non-current assets		- 196	- 238
Sale of intangible, tangible and other non-current assets			4 880
CASH FROM INVESTING ACTIVITIES		- 196	4 642
Increase in financial debts		78 971	152 030
Repayment of financial debts		-100 731	-39 446
Gross dividends paid		-19 298	-20 369
CASH FROM FINANCING ACTIVITIES		-41 058	92 215
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		-79 469	58 461
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		147 926	120 638
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		68 457	179 099

Acquisitions and sales of projects, either directly or indirectly through the acquisition or the sale of project company (subsidiaries, joint ventures and associates), are not considered as investing activities and are directly included in the cash flows from the operating activities.



2.D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN THOUSANDS EUR)

	CAPITAL	RETAINED EARNINGS	ACQUISITION RESERVE	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROL-LING INTERESTS	TOTAL EQUITY
2017								
Balance as at 01-01-2017	97 189	143 694	69 501	- 43	691	311 032	3 917	314 949
Before treasury shares	97 189	143 694	124 869	- 43	691	366 400	3 917	370 317
Treasury shares	-	-	-55 368	-	-	-55 368	-	-55 368
Comprehensive income for the year	-	5 299	-	55	-	5 354	- 46	5 308
Dividendes paid	-	-18 059	-	-	-	-18 059	-2 310	-20 369
Other changes	33	26	-	52	-	111	-1 488	-1 377
Adjustment fair value treasury shares	-	-	-	-	-	-	-	-
Changes in the year	33	-12 734		107		-12 594	-3 844	-16 438
Balance as at 30-06-2017	97 222	130 960	69 501	64	691	298 438	73	298 511
Before treasury shares	97 222	130 960	124 869	64	691	353 806	73	353 879
Treasury shares	-	-	-55 368	-	-	-55 368	-	-55 368
2018								
Balance as at 01-01-2018 (before restatement IFRS 15)	97 256	136 481	69 715	- 22	131	303 561	17	303 578
Before treasury shares	97 256	136 481	124 869	- 22	131	358 715	17	358 732
Treasury shares	-	-	-55 154	-	-	-55 154	-	-55 154
Restatement IFRS 15 on opening balance (refer to note 2.e.)	-	3 379	-	-	-	3 379	-	3 379
Comprehensive income for the year	-	14 995	-	49	-	15 044	18	15 062
Dividendes paid	-	-19 298	-	-	-	-19 298	-	-19 298
Other changes	-	-	-	-	-	-	-	-
Adjustment fair value treasury shares	-	-	-	-	-	-	-	-
Changes in the year		- 924		49		- 875	18	- 857
Balance as at 30-06-2018	97 256	135 557	69 715	27	131	302 686	35	302 721
Before treasury shares	97 256	135 557	124 869	27	131	357 840	35	357 875
Treasury shares	-	-	-55 154	-	-	-55 154	-	-55 154

The share capital of IMMOBEL SA is represented by 9.997.356 ordinary shares, including 1.230.398 treasury shares.



2.E. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of preparation

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

Note 2. Accounting principles and methods

The accounting principles used are the same as those used in the preparation of the annual consolidated financial statements for the financial year ending 31 December 2017, except for the impact of the IFRS 15 and IFRS 9 standards applicable from 1 January 2018, which is detailed below:

Standards and interpretations applicable for the annual period beginning on or after 1 January 2018

- Amendments to IAS 40 - *Transfers of Investment Property*
- IFRS 9 - *Financial Instruments and the related amendments*
- Amendments to IFRS 2 - *Classification and Measurement of Share-based Payment Transactions*
- Amendments to IFRS 4 - *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
- Annual Improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 1 and IAS 28
- IFRIC 22 - *Foreign Currency Transactions and Advance Consideration*
- IFRS 15 - *Revenue from Contracts with Customers*

Standards and interpretations issued but not yet applicable for the annual period beginning on or after 1 January 2018

The Group has not anticipated the following standards and interpretations, which are not mandatory as at 30 June 2018:

- Amendments to IAS 19 - *Plan Amendment, Curtailment or Settlement* (applicable for annual periods beginning on or after 1 January 2019 but not yet adopted at European level)
- Amendments to IAS 28 - *Long-term Interests in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2019 but not yet adopted at European level)
- Amendments to IFRS 9 - *Prepayment Features with Negative Compensation* (applicable for annual periods beginning on or after 1 January 2019)
- Amendments to IFRS 10 and IAS 28 - *Sale or Contribution of Assets between an Investor and its Associate or Joint venture* (effective date deferred indefinitely, therefore adoption at European level has also been deferred)
- Annual improvements to IFRS Standards 2015-2017 Cycle (applicable for annual periods beginning on or after 1 January 2019 but not yet adopted at European level)
- IFRIC 23 - *Uncertainty over Income Tax Treatments* (applicable for annual periods beginning on or after 1 January 2019 but not yet adopted at European level)
- IFRS 14 - *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016 but not yet adopted at European level)
- IFRS 16 - *Leases* (applicable for annual periods beginning on or after 1 January 2019)
- IFRS 17 - *Insurance Contracts* (applicable for annual periods beginning on or after 1 January 2021 but not yet adopted at European level)



The process of determining the potential impacts of these standards and interpretations on the consolidated financial statements of the Group is ongoing. The Group does not anticipate any changes resulting from the application of these standards.

IFRS 15 - Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2018)

In May 2014, the IASB published a new standard relating to revenue recognition. Under this standard, revenue must be recognised when the customer gains control of the goods or services sold, for a sum which reflects what the entity expects to receive for the goods or services.

Application of IFRS 15 has been mandatory since 1 January 2018.

The main categories of sale contracts used by the Group comprise:

Sales of office buildings

The revenue from contracts for sales of office buildings was recognised under the old IAS 18 standard as one or more performance obligations for which the sale revenue was recognised on the delivery date, unless the contract was not defined as a construction contract or did not provide for continuous transfer of ownership enabling the proceeds of the sale to be recognised as the transfer took place, in other words as the work progressed.

Under IFRS 15, IMMOBEL now assesses, on a case-by-case basis:

- Whether the agreement, the contract or the transaction falls within the scope of IFRS 15, including by taking into account the probability of the entity recovering the consideration to which it is entitled;
- Whether, under a contract, the sale of the land, the development and the marketing represent distinct performance obligations;
- Whether, for each obligation, the revenue is subject to a gradual transfer of control, particularly for projects which satisfy the third criterion defined by IFRS 15.36 ("Performance creating a specific asset and giving rise to an enforceable right to payment for performance completed to date"), and must be recognised gradually.

Given that no current "Office" contract as at 31 December 2017 has been identified as establishing a gradual transfer, no material change is applicable as at 1 January 2018.

Sales of residential projects

For "Residential" projects, the analysis has distinguished the revenue from contracts for which the contractual provisions and the legal context (Breyne Act in Belgium or equivalent in Luxembourg) establish a gradual transfer of the control of the asset to the purchaser as the construction progresses from the other revenue linked to the completion of an obligation.

Projects involving residential units - Breyne Act contracts (Belgium/Luxembourg)

The legal framework in Belgium and Luxembourg gradually transfers the ownership of a residential unit to the purchaser during the construction period. In such a situation, the performance obligation is fulfilled gradually since control over the asset is transferred as the construction progresses. Viewing a performance obligation as single (with no distinction between "land" and "development") represents a change compared with the current accounting method. To date, the Group has recognised a land margin (in the deed of sale) and a development margin (as the work progresses).



A single margin is now recognised gradually for each sale as the asset under development is transferred.

This situation represents a change compared with what was applied up to 31 December 2017 since the revenues and costs were previously recorded in the income statement as follows:

- Margin on the land: the revenues and costs were recorded in the deed of sale;
- Margin on the development: the revenues and costs were recorded in accordance with the percentage of completion method.

Thus the application of IFRS 15 entails a restatement, leading to an increase of EUR 3,379 million in the opening equity as at 1 January 2018.

Projects involving residential units - other provisions (Poland)

The analysis of the regulatory framework in Poland identified the requirement to recognise the revenue upon completion of the performance obligation (upon the signing of the final deed, once the unit being sold is delivered), with no impact on the opening equity.

Other sales of residential projects

Other types of sale may occur (block sale of a project, hotel, commercial space, etc.). Such transactions are therefore subject to an analysis on a case-by-case basis using an approach similar to that described for the "Office" schemes.

Landbanking

The Group has not identified any impact on this business sector since the sales revenue is still recorded when the asset is transferred.

IFRS 9 - Financial Instruments (applicable for annual periods beginning on or after 1 January 2018)

In July 2014, the IASB published a new standard relating to financial instruments. IFRS 9 includes the following three main areas:

Classification and measurement of financial assets/liabilities

IFRS 9 requires financial assets to be classified according to their nature, the characteristics of their contractual cash flows and the economic model followed for their management.

Impairment

IFRS 9 determines the principles and the methodology to be applied to evaluate and record the credit losses expected in relation to financial assets, loan commitments and financial guarantees.

Essentially, it represents the recording of the expected impairment losses for credit risk at the time the receivables are initially recorded, or at the start of the loan commitments or financial guarantees. The main elements concerned are advances to joint ventures and associates and guarantees that may be granted to such entities. When estimating expected impairment losses, IMMOBEL applies a simplified model and assesses the risk over the lifetime of the assets.

The introduction of this new model has no significant impact on the Group's accounts as at 31 December 2017.



Hedge accounting

This provision has no impact on the Group's accounts since, to date, the Group has no derivative instrument designated as a hedging instrument.

This impact of this new standard was deemed not significant and the Group has decided not to restate the 2017 figures.

Restatement of the comparative information

For the implementation of the IFRS 15 standard, the Group has opted for the simplified retrospective method. The comparative financial statements have been restated solely in relation to the consolidated statement of financial position, the net impact being recorded in the opening position as at 1 January 2018. The data for the 2017 financial year, presented for comparison purposes in the consolidated statement of comprehensive income, has not been adjusted and continues to be presented in accordance with the accounting standard applicable in 2017.

Impacts on the statement of financial position as at 31 December 2017

The impacts of the implementation of IFRS 15 on the statement of financial position as at 31 December 2017 are presented in the following table:

OVERVIEW OF THE MAIN IMPACTS (IN THOUSANDS €)				
ASSETS	31/12/2017	Reclassifications	Adjustments	31/12/2017 (restated IFRS 15)
NON-CURRENT ASSETS	66 179	0	275	66 454
Intangible assets	405			405
Property, plant and equipment	1 034			1 034
Investment property	2 960			2 960
Investments in joint ventures and associates	26 387		65	26 452
Advances to joint ventures and associates	24 345			24 345
Other non-current financial assets	1 259			1 259
Deferred tax assets	4 167		210	4 377
Other non-current assets	5 623			5 623
CURRENT ASSETS	734 063	0	4 922	738 985
Inventories	518 514		1 459	519 973
Trade receivables	11 694			11 694
Contract assets		4 817	3 463	8 280
Tax receivables	165			165
Other current assets	36 063	-4 817		31 246
Advances to joint ventures and associates	18 934			18 934
Other current financial assets	768			768
Cash and cash equivalents	147 926			147 926
TOTAL ASSETS	800 242	0	5 197	805 439



EQUITY AND LIABILITIES	31/12/2017	Reclassifications	Adjustments	31/12/2017 (restated IFRS 15)
TOTAL EQUITY	303 579	0	3 380	306 958
EQUITY SHARE OF IMMOBEL	303 562	0	3 380	306 941
Share capital	97 256			97 256
Retained earnings	206 224		3 380	209 604
Reserves	82			82
NON-CONTROLLING INTERESTS	17			17
NON-CURRENT LIABILITIES	338 838	0	1 347	340 185
Employee benefit obligations	672			672
Deferred tax liabilities	6 507		1 347	7 854
Financial debts	330 090			330 090
Derivative financial instruments	1 568			1 568
Trade payables	-			0
CURRENT LIABILITIES	157 826	0	470	158 296
Provisions	1 355			1 355
Financial debts	68 816			68 816
Derivative financial instruments	-			0
Trade payables	41 493			41 493
Contract liabilities			470	470
Tax liabilities	6 211			6 211
Other current liabilities	39 952			39 952
TOTAL EQUITY AND LIABILITIES	800 243	0	5 197	805 439

Information on the disaggregation of the revenue

The IFRS 15 standard also requires the revenue to be presented by category and by moment of revenue recognition, as described above:



DISAGGREGATION OF REVENUE (IN THOUSANDS €)	
	30-06-18
OFFICES	0
Land	-
Building	-
Other	-
RESIDENTIAL	91 481
Residential unit per project - Breyne Act	85 775
Residential unit per project - Other	-
Other project	5 706
LANDBANKING	4 308
TOTAL TURNOVER	95 789
TIMING OF REVENUE RECOGNITION	
Point in time	10 014
Over time	85 775
TOTAL TURNOVER	95 789

Note 3. Main accounting judgments and estimates

The main accounting judgments and estimates are identical to those given on page 77/114 (Consolidated Accounts) of the Annual Report 2017. They mainly concern the deferred tax assets, impairment of assets, provisions, projects in inventory and construction contracts.

Note 4. Main risks and uncertainties

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

The Board of Directors considers that the main risks and uncertainties included in page 33/114 and following (Management Report) of the Annual Report 2017 are still relevant for the remaining months of 2018.

Note 5. Scope of consolidation

The number of entities included in the scope of consolidation evolves as follows:	30/06/2018	31/12/2017
Subsidiaries - Global method of consolidation	59	58
Joint Ventures - Equity method	27	24
Associates - Equity method	2	2
TOTAL	88	84

The following changes have been noted during the first half year of 2018 :

- Liquidation of the company Torres inv. Sp – 100 %
- Liquidation (still in progress) of the company Flex Park Prague – 100 %
- Incorporation of the companies:
 - CSM Development - 50%
 - CSM Properties – 50 %



- Immo Devaux – 100 %
- Immo Devaux II – 100 %
- IMMOBEL Urban Living – 100 %
- Plateau d’Erpent – 50 %

Note 6. Operating segment – Financial information by business segment

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

There are no transactions between the different sectors. The Group’s activity is carried out in Belgium, Grand Duchy of Luxembourg and Poland. A new project in Spain is under study.

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

In accordance with IFRS, the Company applied since 1st January 2014, IFRS 11, which strongly amends the reading of the financial statements of the Company but does not change the net income and shareholders’ equity.

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

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

SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (INTERNAL VIEW)

	30/06/2018	30/06/2017
INCOME STATEMENT		
OPERATING INCOME	117 471	116 569
Turnover	115 444	115 211
Other operating income	2 027	1 358
OPERATING EXPENSES	-94 571	-106 578
Cost of sales	-86 300	-97 526
Cost of commercialisation	- 802	- 805
Administration costs	-7 469	-8 247
JOINT VENTURES AND ASSOCIATES	- 170	- 162
Gain (loss) on sales of joint ventures and associates	-	-
Share in the net result of joint ventures and associates	- 170	- 162
OPERATING RESULT	22 730	9 829
Interest income	550	265
Interest expense	-1 521	- 857
Other financial income / expenses	- 202	- 407
FINANCIAL RESULT	-1 173	- 999
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	21 557	8 830
Income taxes	-6 544	-3 577
RESULT FROM CONTINUING OPERATIONS	15 013	5 253
RESULT OF THE YEAR	15 013	5 253
Share of non-controlling interests	18	- 46
SHARE OF IMMOBEL	14 995	5 299



SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (INTERNAL VIEW)

	TURNOVER	OPERATING RESULT	TURNOVER	OPERATING RESULT
	30/06/2018	30/06/2018	30/06/2017	30/06/2017
OFFICES				
Belgium		391	100	193
Grand-Duchy of Luwembourg			54 857	580
Poland				- 934
SUBTOTAL OFFICES		391	54 957	- 161
RESIDENTIAL				
Belgium	67 298	11 876	51 895	8 325
Grand-Duchy of Luxembourg	38 132	7 951	166	- 330
Poland	5 706	1 239		- 398
SUBTOTAL RESIDENTIAL	111 136	21 066	52 061	7 597
LANDBANKING				
Belgium	4 308	1 273	8 193	2 393
SUBTOTAL LANDBANKING	4 308	1 273	8 193	2 393
NOT ALLOCATED				
Belgium	-	-	-	-
SUBTOTAL NOT ALLOCATED				
TOTAL CONSOLIDATED	115 444	22 730	115 211	9 829
Belgium	71 606	13 540	60 188	10 911
Grand-Duchy of Luxembourg	38 132	7 951	55 023	250
Poland	5 706	1 239		-1 332
STATEMENT OF FINANCIAL POSITION			30/06/2018	31/12/2017
NON-CURRENT ASSETS			25 151	25 398
Investments in joint ventures and associates			14 762	9 627
Other non-current assets			10 389	15 771
CURRENT ASSETS			854 211	845 576
Inventories			649 854	606 585
Trade receivables and other current assets			121 569	79 657
Cash and cash equivalents			82 788	159 334
TOTAL ASSETS			879 362	870 974
TOTAL EQUITY			302 722	303 578
NON-CURRENT LIABILITIES			370 881	383 990
Financial debts			356 844	368 671
Other non-current liabilities			14 037	15 319
CURRENT LIABILITIES			205 759	183 406
Financial debts			99 667	68 888
Trade payables and other current liabilities			106 092	114 518
TOTAL EQUITY AND LIABILITIES			879 362	870 974



SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (INTERNAL VIEW)

FINANCIAL POSITION ITEMS	OFFICES	RESIDENTIAL	LAND-BANKING	CONSOLIDATED		
Segment assets	216 108	474 732	98 983	789 823		
Unallocated items ¹				89 539		
TOTAL ASSETS				879 362		
Segment liabilities	21 169	75 086	3 284	99 539		
Unallocated items ¹				477 101		
TOTAL LIABILITIES				576 640		
	BELGIUM	LUXEMBOURG	POLAND	FRANCE	SPAIN	CONSOLIDATED
Segment assets	529 964	131 129	118 691	10 000	39	789 823
Non-current segment assets	9 217	237	- 338	10 000		19 116

INVENTORIES	30/06/2018	31/12/2017
Allocation of inventories by segment is as follows:		
Offices	193 467	164 412
Residential Development	359 850	352 575
Land Development	96 537	89 598
TOTAL INVENTORIES	649 854	606 585

Allocation of inventories by geographical area is as follows:		
Belgium	435 376	390 895
Grand-Duchy of Luxembourg	104 724	114 944
Poland	109 716	100 746
Spain	38	
TOTAL INVENTORIES	649 854	606 585

RECONCILIATION TABLE

	30/06/2018		
	Operating Segment	Adjustments	Published Information
Turnover	115 444	-19 655	95 789
Operating result	22 730	- 787	21 943
Total balance sheet	879 362	-117 096	762 266

For segment information, joint ventures are consolidated using the proportional method. The adjustments result from the application of IFRS 11, resulting in the consolidation of joint ventures using the equity method.

1. Unallocated items: Assets: Deferred tax assets - Other non-current financial assets - Other non-current assets - Tax receivables - Other current financial assets - Cash and equivalents - Liabilities: Provisions - Deferred tax liabilities - Financial debts - Tax liabilities - Derivative financial instruments. Intangible assets as well as property, plant and equipment are allocated to segments based on an allocation formula.



Note 7. Turnover

Turnover is allocated as follows per segment:

	30/06/2018	30/06/2017
Offices		100
Residential	91 481	45 636
Land Development	4 308	8 193
TOTAL TURNOVER	95 789	53 929

The diversification of the Group's "customers" portfolio guarantees its independence in the market.

The promotions Chambon and Parc Saint-Anne in Brussels, Lake Front in Knokke-Heist, Riverview in Nieuwpoort, Gastuche in Wavre and O'Sea in Oostende, as well as Greenhill Park, Royal Louise and Parc Seny contribute in particular to the "Residential Development" turnover.

From an international viewpoint, the projects Infinity in Grand-Duchy of Luxembourg and Granary Island in Poland have also contributed to the turnover.

The comparability of the figures between the two semesters is influenced by the implementation of the new IFRS 15 which has changed the rules for revenue recognition. This situation affects the 'turnover' and 'cost of sales' headings.

Note 8. Other operating income

Break down as follows :

	30/06/2018	30/06/2017
Rental income on properties available for sale	-	-
Other income (recoveries of taxes and withholdings, miscellaneous invoicing...)	1 937	1 216
TOTAL OTHER OPERATING INCOME	1 937	1 216

Note 9. Cost of sales

Cost of sales is allocated as follows per segment:

	30/06/2018	30/06/2017
Offices	501	671
Land Development	-67 945	-34 230
Lotissement	-2 674	-4 462
TOTAL COST OF SALES	-70 118	-38 021

and are related to the turnover and the projects mentioned in note 7.

Cost of sales is allocated as follows per geographical area:

	30/06/2018	30/06/2017
Belgium	-39 439	-38 021
Grand-Duchy of Luxembourg	-26 561	
Poland	-4 118	
TOTAL COST OF SALES	-70 118	-38 021

and are related to the turnover and the projects mentioned in note 7.



Note 10. Cost of commercialisation

This caption includes the fees paid to third parties in relation with the turnover, which are not capitalized under "Inventories" heading.

Note 11. Administration costs

Break down as follows :

	30/06/2018	30/06/2017
Salaries and fees of personnel, members of the Executive Committee and non-executive directors	-7 184	-5 935
Project monitoring costs capitalized under "Inventories" heading	3 641	2 382
Amortisation, depreciation and impairment of assets	- 361	217
Other operating expenses (property taxes, other miscellaneous taxes, ...) which are not capitalized under "Inventories" heading	- 430	-1 101
Costs relating to the merger between IMMOBEL / ALLFIN GROUP		
Services and other goods (Including mainly rent and charges for the registered office, maintenance of buildings for sale or awaiting for development, supplies, advertising, ...)	-3 051	-3 192
TOTAL ADMINISTRATION COSTS	-7 385	-7 629

Note 12. Joint ventures and associates

The share in the net result of joint ventures and associates break down as follows

	30/06/2018	30/06/2017
Operating result	3 215	344
Financial result	- 596	- 928
Income taxes	- 191	- 19
RESULT OF THE PERIOD	2 428	- 603

Further information related to joint ventures and associates are described in note 16.

Note 13. Financial result

The financial result breaks down as follows:

	30/06/2018	30/06/2017
Cost of gross financial debt at amortised cost	-5 610	-7 054
Activated interests on projects in development	4 461	4 670
Fair value changes	817	1 746
Interest income	637	1 105
Gains and losses on sales of financial assets	-	-
Other financial income and expense	- 882	- 696
FINANCIAL RESULT	- 577	- 229

Nota 14. Income taxes

Income taxes are as follows:

	30/06/2018	30/06/2017
Current income taxes for the current year	- 905	- 277
Deferred taxes	-5 448	-3 332
TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME	-6 353	-3 609



Based on the situation per 30 June 2018, each change in tax rate of 1 % involves an increase or decrease of taxes of EUR 357 thousand - see note 17.

Note 15. Earnings per share

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

The computation of average number of shares is defined by IFRS 3 B 26.

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

	30/06/2018
IMMOBEL's share in the result of the year	14 995
IMMOBEL's share in the comprehensive income of the year	15 044

		Earnings per share	
		Net result	Comprehensive income
Average number of shares considered for basic earnings and diluted earnings			
- Outstanding shares on 30 June 2018	9.997.356	1,50	1,50
- Outstanding shares excluding treasury shares on 30 June 2018	8.766.958	1,71	1,72

Note 16. Investments in joint ventures and associates

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30/06/2018	31/12/2017
Investments in associates	9 480	9 627
Investments in joint ventures	26 182	16 759
TOTAL INVESTMENTS INCLUDED IN THE STATEMENT OF FINANCIAL POSITION	35 662	26 386

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

	30/06/2018
VALUE AS AT 1 JANUARY (before restatement IFRS 15)	26 386
Impact IFRS 15 (on equity at the beginning of the year)	65
Share in result	2 428
Acquisitions and capital injections	9 244
Dividends received from joint ventures and associates	- 226
Disposals of joint ventures and associates	
Repayment of capital	-2 257
Currency translation	22
CHANGES FOR THE YEAR	9 276
VALUE AS AT 30 JUNE	35 662

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30/06/2018
Share in the net result of joint ventures	2 598
Share in the net result of associates	- 170
SHARE OF JOINT VENTURES AND ASSOCIATES IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2 428



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

NAME	% INTEREST		BOOK VALUE OF THE INVESTMENTS		SHARE IN THE COMPREHENSIVE INCOME	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	30/06/2017
Bella Vita	50,0%	50,0%	146	2 670	- 41	- 105
CBD International	50,0%	50,0%	-1 643	-1 465	- 180	- 193
Château de Beggen	50,0%	50,0%	546	546		- 3
CSM Development	50,0%		31			
CSM Properties	50,0%		3 896		- 4	
Fanster Enterprise		50,0%				25
Foncière du Parc	50,0%	50,0%	116	119	- 2	- 1
Gateway	50,0%	50,0%	326	328	- 2	- 16
Ilot Ecluse	50,0%	50,0%	176	177		- 1
Immo Keyenveld 1	50,0%	50,0%	- 27	- 21	- 6	- 7
Immo Keyenveld 2	50,0%	50,0%	- 33	- 26	- 6	- 5
Immo PA 33 1	50,0%	50,0%	1 620	1 849	- 229	87
Immo PA 44 1	50,0%	50,0%	568	421	173	108
Immo PA 44 2	50,0%	50,0%	2 048	1 551	576	303
Pef Kons Investment		33,3%				- 116
Les Deux Princes Developem	50,0%	50,0%	667	- 51	548	- 76
M1	33,3%	33,3%	-1 110	- 850	- 260	- 181
M7	33,3%	33,3%	422	137	180	- 13
ODD Construct	50,0%	50,0%	28	30	- 1	
Plateau d'Erpent	50,0%		27		- 4	
RAC 3	40,0%	40,0%	2 984	2 982	1	37
RAC 4	40,0%	40,0%	3 452	3 614	- 162	- 141
RAC4 Developement	40,0%	40,0%	401	396	6	- 4
RAC 5	40,0%	40,0%	4 966	4 848	118	- 211
SPV WW 13	50,0%	50,0%	- 2		- 2	
Unipark	50,0%	50,0%	3 143	2 530	593	
Universalis Park 2	50,0%	50,0%	-1 332	-1 324	- 8	- 21
Universalis Park 3	50,0%	50,0%	-1 867	-1 867		- 33
Universalis Park 3AB	50,0%	50,0%	1 083	43	1 044	- 10
Universalis Park 3C	50,0%	50,0%	268	122	266	140
Urban Living	30,0%		5 282			
Vilpro		50,0%				- 4
TOTAL JOINT VENTURES			26 182	16 759	2 598	- 441
DHR Clos du Château	33,3%	33,3%	33	33		- 5
Graspa Development	25,0%	25,0%	- 553	- 406	- 170	- 157
Nafilyan	15,0%	15,0%	10 000	10 000		
TOTAL ASSOCIATES			9 480	9 627	- 170	- 162
TOTAL JOINT VENTURES AND ASSOCIATES			35 662	26 386	2 428	- 603



Note 17. Deferred Taxes

Deferred tax assets or liabilities are recorded in the balance sheet on deductible or taxable temporary differences, tax losses and tax credits carried forward. Changes in the deferred taxes in the balance sheet having occurred over the financial year are recorded in the statement of income unless they refer to items directly recognised under other comprehensive income.

Deferred taxes on the balance sheet refer to the following temporary differences:

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Tax losses				
Revenue recognition	2 997	3 487	12 188	6 361
Financial debts		112		
Fair value of financial instruments	568	568		32
Other items			302	114
TOTAL	3 565	4 167	12 490	6 507

VALUE AS AT 1 JANUARY (before restatement IFRS 15)	4 167	6 507
Impact IFRS 15 (on equity at the beginning of the year)	210	1 347
Deferred tax recognised in the consolidated statement of comprehensive income	- 812	4 636
VALUE AS AT 30 JUNE	3 565	12 490

Based on the situation per 30 June 2018, each change in tax rate of 1 % involves an increase or decrease of taxes of EUR 357 thousand.



Note 18. Inventories

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

Allocation of inventories by segment is as follows:

	30/06/2018	31/12/2017
Offices	178 114	153 239
Residential Development	246 185	275 676
Land Development	96 537	89 599
TOTAL INVENTORIES	520 836	518 514

Allocation of inventories by geographical area is as follows:

	30/06/2018	31/12/2017
Belgium	336 047	333 020
Grand-Duchy of Luxemburg	86 661	95 850
Poland	98 090	89 644
Spain	38	
TOTAL INVENTORIES	520 836	518 514

Break down of the movements of the year per segment:

	30/06/2018
INVENTORIES AS AT 1 JANUARY (before restatement IFRS 15)	518 514
Impact IFRS 15 (on equity at the beginning of the year)	1 459
Purchases/Developments/Disposals of the year	-2 981
Borrowing costs	3 844
Write-offs recorded	
CHANGES FOR THE YEAR	2 322
INVENTORIES AS AT 30 JUNE	520 836

Break down of the movements of the year per segment:	Impact IFRS 15	Purchases/Developments/Disposals	Borrowing costs	Net write-offs	Net
Offices		23 799	1 076	-	24 875
Residential Development	1 459	-33 558	2 608	-	-29 491
Land Development		6 778	160	-	6 938
Total	1 459	-2 981	3 844		2 322

Break down of the movements of the year per geographical area :	Development	Disposals	Borrowing costs	Net write-offs	Net
Belgium	201	106	2 719	-	3 026
Grand-Duchy of Luxemburg	1 258	-10 831	385	-	-9 188
Poland		7 706	740	-	8 446
Spain		38		-	38
Total	1 459	-2 981	3 844		2 322



Note 19. Trade receivables

Trade receivables refer to the following segments:

	30/06/2018	31/12/2017
Offices	1 361	839
Residential Development	13 374	10 078
Land Development	437	777
TOTAL TRADE RECEIVABLES	15 172	11 694

Note 20. Contract assets

Contract assets, arising from the application of IFRS 15, refer to the following segments:

	30/06/2018	31/12/2017 (restated IFRS 15)
Offices		
Residential Development	15 714	8 280
Land Development		
TOTAL CONTRACT ASSETS	15 714	8 280

Contract assets correspond to the difference between the income recognized under IFRS 15 and the amounts received.

Note 21. Other current assets

The components of this line item are:

	30/06/2018	31/12/2017 (restated IFRS 15)
Other receivable	26 900	28 217
of which : advances and guarantees paid	1 556	6 974
taxes (other than income taxes) and VAT receivable	9 073	7 445
receivable upon sale (escrow account)	1 000	1 094
advances and guarantees paid		358
rental income for projects in development	8 288	11 033
other	6 983	1 313
Deferred charges and accrued income	3 049	3 029
of which: on projects in development		
other	3 049	3 029
TOTAL OTHER CURRENT ASSETS	29 949	31 246

The other current assets are related to the following segments:

	30/06/2018	31/12/2017 (restated IFRS 15)
Offices	9 352	14 587
Residential Development	20 340	15 574
Land Development	257	1 085
TOTAL OTHER CURRENT ASSETS	29 949	31 246

Note 22. Information related to the net financial debt

The Group's net financial debt is the balance between the cash and cash equivalents and the financial debts (current and non-current). It amounts to EUR -308 423 thousand as at 30 June 2018 compared to EUR -250 980 thousand as at 31 December 2017.



	30/06/2018	31/12/2017
Cash and cash equivalents	68 457	147 926
Non current financial debts	291 042	330 090
Current financial debts	85 838	68 816
NET FINANCIAL DEBT	-308 423	-250 980

The Group's gearing ratio (net financial debt / equity) is 101,9 % as at 30 June 2018, compared to 82,7 % as at 31 December 2017.

Cash and cash equivalents

Cash deposits and cash at bank and in hand amount to EUR 68 457 thousand compared to EUR 147 926 thousand at the end of 2017, representing a decrease of EUR 79 469 thousand. The breakdown of cash and cash equivalents is as follows:

	30/06/2018	31/12/2017
Term deposits with an initial duration of maximum 3 months		60 000
Cash at bank and in hand	68 457	87 926
AVAILABLE CASH AND CASH EQUIVALENTS	68 457	147 926

The explanation of the change in available cash is given in the consolidated cash flow statement. Cash and cash equivalents are fully available, either for distribution to the shareholders or to finance projects owned by the different companies.

Financial debts

Financial debts decrease with EUR 22 026 thousand, from EUR 398 906 thousand at 31 December 2017 to EUR 376 880 thousand at 30 June 2018. The components of financial debts are as follows:



	30/06/2018	31/12/2017
Bond issues:		
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR	-	
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR - fair value adjustment	-	
Bond issue maturity 27-06-2019 at 6.75% - nominal amount 36.65 MEUR		35 518
Bond issue maturity 31-05-2022 at 3.00% - nominal amount 100 MEUR	99 647	99 647
Credit institutions	191 395	194 925
NON CURRENT FINANCIAL DEBTS	291 042	330 090
Bond issues:		
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR		59 936
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR - fair value adjustment		330
Bond issue maturity 27-06-2019 at 6.75% - nominal amount 36.65 MEUR	35 518	
Credit institutions	50 320	3 074
Bonds - not yet due interest		5 476
CURRENT FINANCIAL DEBTS	85 838	68 816
TOTAL FINANCIAL DEBTS	376 880	398 906
Financial debts at fixed rates	135 165	195 431
Financial debts at variable rates	241 715	197 999
Bonds - not yet due interest		5 476
Amount of debts guaranteed by securities	241 715	197 999
Book value of Group's assets pledged for debt securities	370 776	385 919
Financial debts evolve as follows:	30/06/2018	31/12/2017
FINANCIAL DEBTS AS AT 1 JANUARY	398 906	322 110
Contracted debts	78 971	168 833
Repaid debts	-95 255	-95 944
Liabilities from the reverse acquisition		
Fair value adjustments resulting from the business combination		
Change in the fair value recognized in the statement of comprehensive income	- 330	-1 980
Bonds - paid interest	-5 476	
Bonds - not yet due interest		5 476
Amortization of deferred debt issue expenses	64	411
CHANGES FOR THE YEAR	-22 026	76 796
FINANCIAL DEBTS AS AT 30 JUNE	376 880	398 906

All the financial debts are denominated in EUR.

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

As of June 30, 2018, IMMOBEL is entitled to use a Corporate credit line of EUR 10 million, which has not been used so far, and EUR 417 million of confirmed credit lines of which EUR 242 million were used at the end of June 2018.

These credit lines (Project Financing Credits) are specific for the development of certain projects. At June 30, 2018, the book value of Group's assets pledged to secure the corporate credit and the project financing credits amounts to EUR 371 million.



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

DUE IN	2018	2019	2020	2021	2022	2023	2024	Total
Bonds (*)		35 650	0	0	100 000	0	0	135 650
Project Financing Credits	96 307	65 267	57 891	0	13 650	0	8 600	241 715
Interests payable	4 838	6 811	4 133	3 342	1 592	138	138	20 992
TOTAL AMOUNT OF DEBTS	101 145	107 728	62 024	3 342	115 242	138	8 738	398 357

* The amount on the balance sheet, EUR 135 165 thousand, includes EUR 485 thousand charges to be amortized until maturity in 2019 and 2022.

Interest rate risk

Based on the situation as per 30 June 2018, each change in interest rate of 1% involves an annual increase or decrease of the interest charge on debts at variable rate of EUR 2 471 thousand.

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

At 30 June 2018, the derivative financial instruments which have been concluded to hedge future risks are the following:

Period	Instruments	Strike	Notional amounts
09/2015 - 09/2018	IRS bought	0,10%	26 000
09/2014 - 12/2019	IRS bought	0,86%	53 122
	Total		79 122

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

	30/06/2018	31/12/2017
FAIR VALUE OF FINANCIAL INSTRUMENTS		
Hedging instruments:		
- Bought IRS Options	837	1 568
TOTAL	837	1 568
CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS		
SITUATION AT 1 JANUARY	1 568	
Changes during the period:	- 731	
SITUATION AT 30 JUNE	837	

No instrument has been documented as hedge accounting at 30 June 2018.

Information on fair value of financial instruments

The following table list the different classes of financial assets and liabilities with their carrying amounts in the balance sheet and their respective fair value and analysed by their measurement category.

The fair value of financial instruments is determined as follows:

- If their maturity is short-term (eg: trade receivables and payables), the fair value is assumed to be similar at amortized cost,



- For fixed rate debts, based on discounted future cash flows estimated based on market rates at closing,
- For variable rate debts, the fair value is assumed to be similar at amortized cost,
- For derivative financial instruments, the fair value is determined on the basis of discounted future cash flows estimated based on curves of forward interest rates. This value is mentioned by the counterparty financial institution,
- For quoted bonds, on the basis of the quotation at the closing.

The fair value measurement of financial assets and financial liabilities can be characterized in one of the following ways:

- Level 1: the fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices in active markets for identical assets and liabilities,
- Level 2: the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments,
- Level 3: the fair values of the remaining financial assets and financial liabilities are derived from valuation techniques which include inputs which are not based on observable market data.

	Level of the fair value	Carrying amount 30-06-2018	Amounts recognized in balance sheet in accordance with IFRS 9		
			Amortized cost	Fair value through profit or loss	Fair value 30-06-2018
ASSETS					
Cash and cash equivalents	Level 1	68 457	68 457		68 457
Other non-current financial assets	Level 2	1 135	1 135		1 135
Other non-current assets	Level 3	885	885		885
Trade receivables	Level 4	15 172	15 172		15 172
Contract assets	Level 5	15 714	15 714		15 714
Other operating receivables	Level 6	95 842	95 842		95 842
Other current financial assets	Level 7	644	644		644
TOTAL		197 849	197 849		197 849
LIABILITIES					
Interest-bearing debt	Level 1 & 2	376 880	376 880		376 880
Trade payables	Level 2	41 372	41 372		41 372
Contract liabilities	Level 3	2 013	2 013		2 013
Other operating payables	Level 4	23 773	23 773		23 773
Derivative financial instruments	Level 5	837		837	837
TOTAL		444 875	444 038	837	444 875

Following the application of IFRS 9, there has been no change in the classification of financial instruments.

Financial commitments

For most of its financial debts, the Group has signed financial commitments. These commitments include equity, net financial debts and the relation between equity and stocks. As in previous years, the Group fulfilled these commitments, on 30 June 2018.



Note 23. Trade payables

This account is allocated by segment as follows:

	30/06/2018	31/12/2017
Offices	12 027	17 412
Residential Development	26 134	20 001
Land Development	3 210	4 080
TOTAL TRADE PAYABLES	41 372	41 493

Note 24. Contract liabilities

The contract liabilities, arising from the application of IFRS 15, relate to following segments:

	30/06/2018	31/12/2017 (restated IFRS 15)
Offices		
Residential Development	2 013	470
Land Development		
TOTAL CONTRACT LIABILITIES	2 013	470

Note 25. Other current liabilities

The components of this account are:

	30/06/2018	31/12/2017
Personnel debts	1 235	450
Taxes (other than income taxes) and VAT payable	79	2 784
Advances on sales	4 605	8 894
Advances from joint ventures and associates	9 216	7 166
Accrued charges and deferred income	887	1 749
Operating grants		1 498
Sales price Tractim (Polvermillen)	1 982	13 320
Other	2 138	4 091
TOTAL OTHER CURRENT LIABILITIES	20 142	39 952

Other current liabilities are related to the following segments:

	30/06/2018	31/12/2017
Offices	36	10 013
Residential Development	19 891	29 003
Land Development	215	936
TOTAL OTHER CURRENT LIABILITIES	20 142	39 952

Note 26. Change in working capital

The change in working capital by nature is established as follows:

	30/06/2018	30/06/2017
Inventories, including acquisition and sales of entities that are not considered as investing activities	3 742	-67 892
Other current assets	-20 901	-10 019
Other current liabilities	-13 172	7 833
CHANGE IN WORKING CAPITAL	-30 331	-70 078

Note 27. Seasonal character of the results

Due to intrinsic character of its activity, Real Estate Development, the results of the first half year 2018 cannot be extrapolated over the whole year.



These results depend from the final transactions before 31 December 2018.

Note 28. Major events that took place after the end of the interim reporting date

No significant event that may change the financial statements occurred from the reporting date on 30 June 2018 up to 11 September 2018 when the financial statements were approved by the Board of Directors.

Note 29. Related parties

The related party transactions described in Note 27 of the Notes to the Consolidated Financial Statements as at 31 December 2017 have not changed significantly at the end of June 2018.

3. STATEMENT OF THE RESPONSIBLE PERSONS

AHO Consulting bvba, represented by Mr. Alexander HODAC, in his capacity of Chief Executive Officer and KB Financial Services bvba, represented by Mr. Karel Breda, in his capacity of Chief Financial Officer state that, to the best of their knowledge:

- The interim report contains a true representation of the major events and, where appropriate, of the main transactions between the parties involved that took place during the first 6 months of the financial year and of their impact on the set of summarised accounts, as well as a description of the main risks and uncertainties for the remaining months of the financial year.
- the set of summarised financial statement, which have been drawn up in accordance with applicable accounting regulations, and which have been the subject of a limited review by the auditor, give a true representation of the financial situation and profits and losses of the IMMOBEL Group and of its subsidiaries.



4. AUDITOR'S REPORT

Report on the review of the consolidated interim financial information of Immobel SA for the six-month period ended 30 June 2018

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 2018, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows and the consolidated statement of changes in equity for the period of six months then ended, as well as selective notes 1 to 29.

Report on the consolidated interim financial information

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

The consolidated statement of financial position shows total assets of 762 266 thousands EUR and a consolidated profit (group share) for the period then ended of 14 995 thousands EUR.

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

Scope of review

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

Conclusion

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

Ghent, 12 September 2018

The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Kurt Dehoorne