IMMOBEL

since 1863

2016

CONTENT

MÖBIUS

OUR IDENTITY

IMMOBEL is the **largest listed Belgian property developer**.

Since its foundation in 1863, the Group has developed and marketed **innovative urban projects** in response to the needs of cities and their inhabitants.

Thanks to its bold strategy and a talented workforce of around a hundred people, IMMOBEL has succeeded in diversifying its expertise in the **residential, office, retail and landbanking** development sectors and has successfully expanded internationally to the **Grand Duchy of Luxembourg and Poland**.

Its portfolio now totals **more than 850,000 m² under development**, and the Group has a **market capitalisation of more than 550 MEUR**, establishing its position as a market leader.

VISIT OUR COMPLETE ANNUAL REPORT ON:
ANNUALREPORT2016.IMMOBEL.BE/EN/

OUR STRATEGY

Ever since it was founded, IMMOBEL has had the capacity to reinvent itself through time, in order to always be able to adapt and to remain one of the major references in Belgian real estate. In 2016, the merger with ALLFIN led to the creation of a more profitable model, oriented towards growth and the optimisation of its experience and its resources. In order to continue down this path, IMMOBEL has opted for a strategy based on three key pillars.

A PORTFOLIO OF ICONIC AND COMPLEMENTARY PROJECTS 01

The strategic vision of IMMOBEL is deployed around three domains of activity – offices, residential and building plots – at an international level (Belgium, Luxembourg, Poland). This diversified approach has enabled it to constitute a portfolio which is better protected from economic cycles and the whims of local markets. On top of this, IMMOBEL addresses very distinct categories of clients: institutional bodies, private or public investors, and individuals. It also takes great care to cooperate with the most suitable partners according to the specific characters and needs of each project.

> “The team has doubled up to 15 people and continues to grow thanks to exclusive and qualitative projects.”
>
> Olivier BASTIN,
> CEO IMMOBEL LUXEMBOURG

02 A GROUP ORIENTED TOWARDS GROWTH, PROFITABILITY AND THE HUMAN ASPECT

IMMOBEL is convinced that the keys to the success of a development lie in understanding the risks and rigorously managing them. It is in this way that the greatest challenges are taken on, and the best projects developed. This is why IMMOBEL optimises the acquisition and development of its operations through calling upon its expertise and its know-how. This guiding principle is reflected in the choices made by the group, and by its performance: while over recent years, almost 90% of gross margin has been produced by office activities, residential and building plots played a far stronger role in 2016. This activity now generates an average of 50% of the company's margin in Belgium and Luxembourg. And IMMOBEL does not intend to stop half way down the road, but expects this figure to rise to around 60% in the near future.

60%
of the company's margin will be produced by residential land building plots on the near future

03 FOCUS ON OPTIMISATION

In following its vision, IMMOBEL gives priority to maintaining its portfolio in the best possible condition, always keeping it up to date and in line with the times.
The objective: invest rapidly in developments which respond to new urban needs. Projects are thus conceived in order to meet demanding needs such as location, size and architectural quality. In parallel with this, IMMOBEL does not hesitate to ensure that its projects meet the strictest environmental standards, and even attempts to surpass them. It systematically favours soft mobility modes, such as proximity to public transport services and communications routes. And finally, where building land is concerned, it has entered into an ambitious phase of putting purchasers at the heart of its strategies. IMMOBEL stands apart from its competitors by offering integrated sales and after-sales services. Of very high quality, these services provide personalised assistance at every stage of the acquisition and asset realisation process, from signing the contract to moving in.

OUR COMMITMENTS

SUSTAINABLE AND ECOLOGI-CALLY-RESPONSIBLE DEVELOPMENT

Conscious of the role it plays in making use of the ground and in the evolution of planning concepts, IMMOBEL places sustainable development at the very heart of its priorities. Its commitment is translated into concrete realizations, which form part of a future-oriented policy.

It is with this in mind that IMMOBEL selects strategic and central locations for its projects, in order to encourage 'soft mobility' and the use of multi-modal transport hubs. It also creates innovative residential complexes (a mix in urban, community and generational terms), pays great attention to including green areas and facilities such as shared workspaces, kindergardens, elderly homes and hotels.

And finally, it opts for buildings with excellent energy performance, planted roofs, optimal acoustic and thermal insulation, solar panels and much more too...

ACTING FOR THE LESS PRIVILEGED

In the same way, IMMOBEL opened the doors of its Royal Louise building on the Rue du Prince Royal, during a winter, to create an area to accommodate refugees. This initiative demonstrates the actions of solidarity which IMMOBEL wishes to undertake: construct buildings for the people who will live in them... and provide a roof for others in the meantime.

"Our projects have to stand out not just from an architectural point of view, but also for the added value they offer to the city."

Alexander HODAC, Managing Director

SOCIAL INITIATIVES TO IMPROVE LIVING SPACES

As a pioneer in terms of integration, IMMOBEL encourages social and urban insertion in all its forms, within the framework of all of its projects. With a conviction that everyone can evolve by creating added value, it supports local initiatives which will enable inhabitants to benefit from facilities and services which encourage living together.

ART AT THE CENTRE OF GROUP PROJECTS

IMMOBEL does not envisage its responsibility to society without making a contribution to the arts and culture, in order to breathe new life into a district or stimulate the city of tomorrow. It thus makes use of the time spent awaiting permits to create ephemeral concepts and place areas at the disposition of artists or organizations.

It is in this way, during 2016, artist Denis Meyers was able to immerse himself in the Solvay building before its partial demolition, in order to create a piece of street art on more than 25,000 m^2. This concept is without equivalent in Europe. This spectacular exhibition enlivened the whole district and gave an exceptional dimension to the city of Brussels.
For more information: www.remember-souvenir.me.

OUR VALUES

KNOW-HOW AND EXPERIENCE

With the strength of 150 years of existence behind it, IMMOBEL is able not only to assert its durability, but above all its desire to continue to aim high. It is the thoroughness of its approach which enables it to redefine standards in real estate development, and to cover different periods by constructing buildings and districts which take their place in the heritage of our cities.

CONFIDENCE

IMMOBEL undertakes everything within a constructive spirit, with the objective of building relationships of confidence with its partners – experts, authorities, investors and other stakeholders. This approach is seen in the degree of loyalty and balanced dialogue which it engenders in its partnerships. Along with this, IMMOBEL has a resolutely optimistic vision of its mission to shape the city of tomorrow, taking full account of economic, political and environmental changes.

DRIVEN BY A DESIRE TO SURPASS THEMSELVES

Almost 100 talented individuals, spread across 3 countries (Belgium, Luxembourg, Poland) but driven by the same energy, motivation et vision: Do what you say, say what you do. And much more too. Developers, sales people, technicians, architects, members of marketing teams, legal, corporate and finance experts: so many skills are involved at the various stages of a project. The enthusiasm of the teams can be found at each stage of their achievements.

SEEKING EXCELLENCE

IMMOBEL never compromises on quality. Firmly rooted in its teams is the conviction never to leave any detail to chance, and constantly to strive for excellence in their work. Skill, precision and efficiency guarantee the quality of their achievements.

2017 WINNER
BEST REFURBISHED BUILDING
mipim AWARDS

AGILITY & FLEXIBILITY

Knowing how to adapt to market constraints, renewing its portfolio, its offering, its services. Being aware that every project is unique and calls for original solutions. Acting rapidly in order to satisfy all interested parties. It is in this way that IMMOBEL has been demonstrating, on a daily basis, and for more than 150 years, its capacity for constantly reinventing itself, while always taking care to respect its identity.

PASSION

IMMOBEL is convinced that it is through giving a substantial degree of responsibility to each person, that the leadership qualities of its teams are brought out. It thus opts for recruiting passionate people, demands that they show their capacities for surpassing themselves, and encourages them to go in pursuit of the most ambitious objectives.

TRANSPARENCY & FINANCIAL STRENGTH

The excellent management of equity and the profitability of its assets are the advantages which guarantee the financial strength of IMMOBEL. As the largest quoted Belgian real estate developer, it is committed to meriting the confidence of its investors and shareholders, guaranteeing them transparent and thorough management oriented towards growth.

VISION

By melding together daring, intuition and skill, IMMOBEL and those who manage it are demonstrating a visionary spirit. This clear vision procures it the respect and confidence of players in those markets in which it is active, along with the appreciation of all its partners, who salute its ability to anticipate the major challenges of our cities and our society.

MESSAGE FROM THE CHAIRMAN

2016 was always going to be a year of transition for IMMOBEL with all attention being devoted to the issue of the merger.

850,000 m²
of projects under development

The priority was to create a dynamic for several projects that have dragged on for years, tying up capital, and to lease and sell fully finished office buildings.

The exceptional qualities of the combined teams and our new colleagues have led to an unprecedented dynamism and results.

Our other strategic objectives were to consolidate our position in our various markets: (i) keep residential up to date, (ii) strengthen landbanking and provide it with added value, (iii) continue with our successes in Luxembourg, (iv) monitor Poland for its qualities and results, strengthen the division and set up a residential department.

Leased office buildings that had already been for sale for years were sold (Westside Village in Luxembourg, Okraglak in Poland). Black Pearl was leased to the European Commission and sold. RAC 2, an office building that had been completed since June 2015, was leased to the Brussels Capital Region and sold at a record price. Gateway, at Brussels Airport, leased to Deloitte, was completed and definitively sold to Befimmo.

The situation improved in terms of from difficult projects from urban development and economic points of view (Parc Seny, Chien Vert, Îlot Saint-Roch, ...). Work on the large Universalis Park project consisting of more than 100,000 m² begun with a very successful start of sales. The construction permit for the equally ambitious O'Sea project in Ostend was obtained and the construction contract was assigned (for a first phase). Chambon - winner of Best Refurbished Building at MIPIM Awards 2017 -

"The fantastic qualities of the combined teams and our new employees have led to an unprecedented dynamism and results."

(former ASLK site in the centre of Brussels) and the first phase of Ernest (former Solvay headquarters in Ixelles) were finished and are almost sold out.

2017

You cannot sell the same property twice. **The fact that we are already ahead of our five-year business plan will result in 2017 being a year with less profit, where more can be sown than harvested.**

The start of several major projects: Ernest phase 2, O'Sea in Ostend, Infinity at Kirchberg (in Luxembourg) and the Polvermillen site in the centre of Luxembourg, etc...

The completion and letting of the headquarters of ING Luxembourg (Galerie Kons) with its sale to AXA were finalized end of March.

Despite its superb location in Warsaw, the Cedet project needs special attention. The complex work on this listed building will exceed the planned overall budget. Contrary to our initial business plan, completion is currently scheduled for the first half of 2018 instead of 2017. The margin on this project should meet expectations. CBD One, which is one of the best located office buildings in Warsaw is also experiencing a delay. All permits have been obtained but a third party is formulating privatisation claims on the street alongside the project. The intention is now to commence work in 2018.

The 60,000 m² mixed-use project in Gdansk is going extremely well with a provisional pre-sale (subject to conditions) of a hotel and the selling of many apartments.

The Polish team is being drastically reorganised. The Belgian senior team is now travelling biweekly to provide assistance and supervision.

Luxembourg is going extremely well. The team has been doubled to 15 people and will continue to grow given the major and lucrative projects that we have there.

2018 AND BEYOND

The years 2018, 2019 and 2020 should be peak years which will represent the culminating point of our existing pipelines and the strategies developed. Greenhill Park, two projects in Knokke-Heist, first and second phase of O'Sea, Infinity, Polvermillen, Centre Etoile, Cedet, CBD One, Granary Island, Ernest, Universalis Park, RAC 4 and Parc Seny should all be in various advanced stages of completion or sales. Construction works on the iconic 40,000 m² building in the Sablon district of Brussels and the 50,000 m² site at the Place de Brouckère should have started. The Allianz headquarters should have been delivered, close to Brussels North station.

2017
year where more can be sown than harvested

> “The proposed gross dividend for financial year 2016 is 2 EUR per share, an amount that will increase by 4 till 10% a year subject to the absence of any currently unforeseen exceptional events.”

DIVIDEND

The Board of Directors has confirmed its intention to propose a recurring and increasing dividend to Shareholders. The outlook makes this possible.

It will propose to the General Meeting to grant for financial year 2016 a gross dividend of EUR 2 per share to the Shareholders, an amount that will increase by 4% to 10% a year subject to the absence of any currently unforeseen exceptional events.

OWN SHARES, CAPITAL STRUCTURE AND STRATEGY

The group has relatively high equity capital as a result of the merger. The Board of Directors has looked at all the alternatives regarding the appropriation of own shares and it has been decided that these will be retained as own shares without voting or dividend rights until additional capital needs would arise. The planned strategy consists of growth in Poland and the penetration of a fourth market. In addition, we will maintain our present scale in Belgium and Luxembourg, given our already relatively dominant position and the fact that we are interested only in projects above a certain scale.

We repaid a bond issue of 40 MEUR in 2016 and some lines of credit were also paid off. A study has shown that our best course is to issue a new bond of up to 100 MEUR. Interest rates are at a historic low point and the bond will give us an ideal balance between our various financial instruments. It will also help to reduce our cost of capital and make us more competitive. Our debt ratio will remain at a healthy level.

COMPLIANCE

Much work is being done to strengthen the checks and balances in the company.

The Board of Directors has been reinforced, and now comprises nine directors, five of whom are independent and four of whom are women; the directors are of three different nationalities. Specific attention has been paid to the need for thorough professionalism, a good overall perspective with profound expertise in the necessary fields, and independence of thought in the interests of the company and of all its shareholders and stakeholders.

The intensity of reporting has been substantially increased in the company. A control department has been established, tasked with monitoring the company’s operations closely. All this information is processed by the CFO and the CEO, who report to the Executive Committee, the Audit Committee and ultimately the Board of Directors.

IMPORTANT NOTE

Europe and the world are enjoying economic growth yet find themselves in uncharted waters, with social and economic risks unseen since the Second World War. The group will take these macro factors fully into account in its decision-making policy. The skills, capital, capital markets and motivation are in place for our group to experience steady and significant growth in the decades to come, with an ROE vision of at least 15%. **Our ambitions should not get out of hand though. We must always consider the world we live in and act accordingly.** The long-term vision set out by IMMOBEL over 150 years ago must remain the guiding thread in our policy.

Finally, **it is the Board's wish to continue ALLFIN's charity policy and to allocate a small portion of our net profits to charitable causes.** These relate to three categories: health care, culture, and above all, how we can contribute to greater social cohesion and inclusion in our society. We are currently looking into specific projects and we will post details of the fine initiatives that we are able support on our website so that every shareholder can read with pride about the good causes to which he or she is contributing.

Marnix Galle
Executive Chairman

Having arrived at IMMOBEL in order to breathe some fresh air into it, Alexander Hodac was given the mission of communicating his dynamism to his teams with a strong philosophy: to always listen to them in order to help them to advance and surpass themselves.

"Having been named Managing Director of IMMOBEL in December 2015 at the age of 34, I knew from the outset that this mission would be quite a challenge! Since then, the Group has gone through some major changes, including the merger with ALLFIN in June 2016 – which gave us a certain degree of recognition but which also highlighted what was really at stake.

My role today is that of the conductor of a committed orchestra. I wish to make IMMOBEL grow and become a company with a long term portfolio and an international reach. Last year, 2016, was a year of revelation rather than transition. A year during which Marnix Galle and myself were able to bring our ideas about the world and the real estate market together in concrete terms, and put them into practice. The first results of this work as a duo speak for themselves. We have surpassed the objectives we set ourselves.

But we didn't do this all alone. IMMOBEL has also set itself a human objective, of which I am trying to be the first ambassador: to listen to the men ands women who work here, bring all of our teams together towards the same goal and the same common vision.

IMMOBEL had been seen as something of an old lady and yet all of the members of staff – all generations together – possess exceptional skills and are ready to innovate. I think that this deep-rooted transformation is already making itself felt on the market, but also in the choice of challenges we have the intention to take up. In particular, that of developing innovative and profitable projects".

OUR HIGHLIGHTS

01 SALE OF THE OKRAGLAK PROJECT IN POZNAN IN POLAND

JANUARY 2016

This project with a lettable area of 8,000 m² located in the centre of Poznan is sold for 17 MEUR to a well-known London investor. It had been in the portfolio since 2011.

02 UNIVERSALIS PARK: A NEW HIGHLY RECOGNISED PARTNER

MARCH 2016

Following the sale of the shares of Alcor SA, the group enters into a partnership with Thomas & Piron to develop this 8.5ha mixed project in the commune of Ixelles. It schedules residential accommodation, a kindergarten, offices and shops along with a rest home, in an environment characterised by lots of green.

03 SALE OF 100% OF THE SHARES OF WESTSIDE SA IN LUXEMBOURG

APRIL 2016

The Westside Village complex (11,600 m²) of the Capellen business park is transferred to a company under the control of the UFG European Commercial Real Estate Fund I SA for a total of 34.5 MEUR. It had been in the portfolio since 2010 and although the sale did not produce a margin, it freed up cash for other acquisitions.

04 IMMOBEL AND ALLFIN MERGE

JUNE 2016

On June 29th 2016, IMMOBEL and ALLFIN become a single entity, following the merger through absorption, approved virtually unanimously by the Extraordinary General Meeting. This new entity immediately becomes the largest quoted Belgian real estate developer. The transaction leads to a stock market capitalisation of over 550 MEUR and assets of over 920 MEUR.

05 IMMOBEL LUXEMBOURG EXPANDS ITS PORTFOLIO WITH THE POLVERMILLEN PROJECT

JULY 2016

The Luxembourg subsidiary of IMMOBEL acquires, via the Tractim S.A. company, a plot of over 2.6ha in the centre of the capital. Destined for mixed use, the project is located on a former industrial site and schedules a residential and office development (210 residential units, 1,600 m² of offices), notable for its desire to create a new district between the city and the countryside.

06 TWO BIRDS WITH ONE STONE: MÖBIUS AND DE BROUCKÈRE ARE SET TO REDESIGN THE BRUSSELS SKYLINE

SEPTEMBER 2016

The sale of one of the Möbius towers for more than 85 MEUR is set to be followed by the start of works in 2017 on this North District project. Allianz should be able to move into the 26,600 m² building at the end of 2019. The current headquarters of Allianz, on the Place de Brouckère, will also be re-developed in 2020 by IMMOBEL and BPI.

07 BELLA VITA: SUCCESSFUL INAUGURATION OF AN INTER-GENERATIONAL COMPLEX

SEPTEMBER 2016

With the support of the Municipal College of Waterloo, this project has been developed in partnership with JCX. Its objective is to create a totally new, convivial and evolving living area for all of its occupants: 182 apartments, 87 houses, a kindergarten, a care centre, a swimming pool, over 250 carparking spaces and many more facilities. By the time of the inauguration, the units had been almost entirely delivered and sold.

08 INFINITY WORKING IN LUXEMBOURG WELCOMES A PRESTIGIOUS TENANT

SEPTEMBER 2016

Law firm Allen & Overy has signed a head of terms for the rental of all of the 6,800 m² of the Kirchberg office building (Portes de l'Europe) in order to install its headquarters – more than 150 members of staff – by 2020.

09 PRESENTATION OF AN INNOVATIVE AND SUSTAINABLE PROJECT IN NIVELLES

NOVEMBER 2016

The rehabilitation of a former industrial site, the Îlot Saint-Roch will be located on a 3ha site very close to the 'Collégiale de Nivelles'. It is being designed to be an ecologically responsible and convivial concept, in collaboration with the local inhabitants and authorities.

10 DEVELOPMENT ACTION IN FLANDERS

DECEMBER 2016

The acquisition of 40ha of building land from construction group Bostoen for 20 MEUR confirms the expansion strategy in East and West Flanders.

11 SALE AND RENTAL OF THE "BELAIR" PROJECT (RAC 2)

DECEMBER 2016

IMMOBEL and BREEVAST sell the RAC 2 company, which owns the "Belair" project to Real I.S. SMART for a price which values its assets at 59 MEUR. The project involves a 9,500 m² office building which will accommodate the new 'security' headquarters of the Brussels Capital Region for a fixed 18-year term from 2018.

12 BLACK PEARL DELIVERED AND THE OWNING COMPANY SOLD

DECEMBER 2016

This 11,000 m² office building is delivered to the European Union for a fixed 15-year term. At the same time, The Green Corner, the company which owns Black Pearl, is sold to REAL I.S. for a price which values its assets at 56 MEUR.

13 GATEWAY (BRUSSELS AIRPORT) FINISHED AND DELIVERED

DECEMBER 2016

Deloitte takes possession of this 35,000 m² office building, developed in partnership with CODIC in order to install its new headquarters. In parallel with this, the sale of Gateway to Befimmo is finalised for almost 150 MEUR.

OUR MAIN PROJECTS

Among all of the developments of IMMOBEL, these five iconic projects are particularly good illustrations of the new direction the group has decided to take, and of its values: located on strategic and ideally located sites, they combine an approach which is as innovative as ever, with an urban vision based on mobility and the new demands of the city of tomorrow.

INFINITY

LUXEMBOURG – MIXED USE – 33,000 M²

Located at the entry to the City of Luxembourg on the Kirchberg plateau, this ambitious architectural complex (designed by international architectural bureau Arquitectonica in collaboration with the Luxembourg firm M3 Architectes), is made up of a top of the range residential tower (Infiniti Living) and an office tower (Infiniti Working), connected to each other by a commercial link with attractive retailers (Infiniti Shopping). Marketing of the project has got off to a successful start, in terms of all three functions (residential, offices and shops) as witnessed by the long term take-up of the office space by law firm Allen & Overy.

GATEWAY

BELGIUM – OFFICES – 35,000 M²

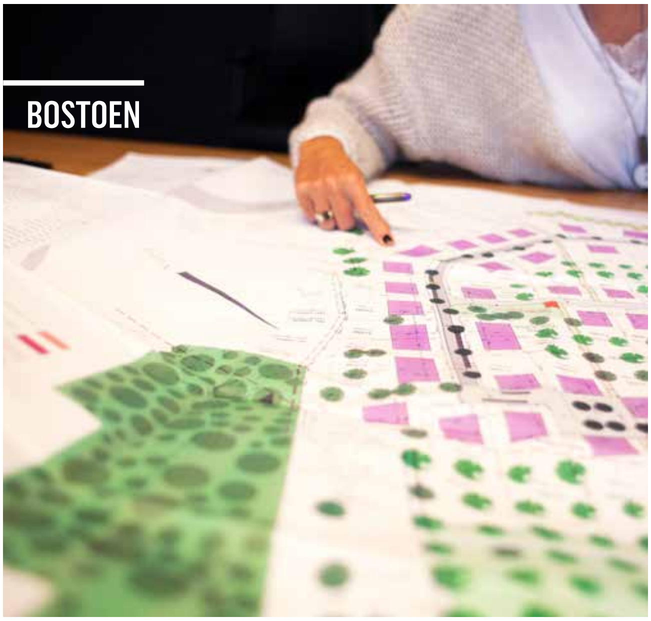
The Gateway is a large size building developed by CODIC and IMMOBEL within the site of Brussels Airport itself. This former U-shaped complex was for a long time home to Sabena, and benefits from an optimal location and perfect accessibility, alongside the airport's departures hall and its railway station. Offering high performance levels and innovative in nature, the building has been delivered to the international consultancy firm Deloitte, which will install its new Belgian headquarters in the building, and was at the same time sold to Befimmo. An undeniable demonstration of the know-how of IMMOBEL, along with its capacity to adapt itself and to develop build-to-suit projects.

BELGIUM – RESIDENTIAL – 50,000 M²

This important and emblematic urban rehabilitation project located right in the historic centre of Brussels (in the former headquarters of the CGER), and designed by A2RC Architects and Jaspers-Eyers Architects, required particularly detailed and precise work and represented a project of titanic proportions. It accommodates high class apartments, student flats, elegant penthouses, shops and offices along with the new easyHotel which opened during the second half of 2016. A second exclusive hotel establishment is shortly set to see light of day, and will offer its guests a welcoming setting which will show this prestige building with its rich history, to the best.

POLAND – MIXED USE – 60,000 M²

Following substantial investments made by the City of Gdansk in order to redevelop the banks of Granary Island (or Greniers Island), IMMOBEL launched itself into the redevelopment of this exceptional site, largely destroyed during the second world war. Designed with architectural bureau RKW, this multi-functional and audacious project includes apartments, a hotel, many retail units and offices, and is aiming to re-stimulate an entire piece of heritage. Marketing of a first residential phase began successfully in November and the hotel plot has been sold to developer UBM, which will install a 4-star Holiday Inn.



BELGIUM (FLANDERS) – LANDBANKING – 40HA

The purchase of 40ha of building land for residential development in Flanders aptly demonstrates the ambition to expand building activities in 2016. This activity, which involves 13 sites, results from an effective collaboration with residential developer Bostoen, which had already built houses on IMMOBEL owned land. The objectives of the project: develop these parcels into residential zones with the accent on living together, security, sustainability and "green".

OUR KEY FIGURES

SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (MEUR)[1]

INCOME STATEMENT

	2012	2013	2014	2015	2016
	IMMOBEL SA PUBLISHED				
Operating income	133.7	65.1	183.1	103.6	**346.1**
Operating expenses	-114.3	-54.5	-151.8	-93.2	**-273.4**
Operating result	**19.4**	**10.6**	**31.2**	**10.5**	**72.7**
Financial result	-6.8	-9.3	-9.6	-8.9	**-5.4**
Share in the results of associates	0.0	0.2	-0.2	-0.3	**-2.0**
Result before taxes	**12.6**	**1.5**	**21.4**	**1.3**	**65.3**
Income taxes	-0.9	0.0	-1.4	-0.6	**-11.6**
Result for the year	**11.7**	**1.5**	**20.0**	**0.7**	**53.6**
Share of IMMOBEL	**11.7**	**1.5**	**20.0**	**0.7**	**52.5**

346 MEUR
operating income in 2016

FINANCIAL POSITION

ASSETS	2012	2013	2014	2015	2016
	IMMOBEL SA PUBLISHED				
Non-current assets	**7.7**	**6.5**	**5.0**	**4.6**	**18.5**
Intangible assets and goodwill	0.0	0.1	0.2	0.2	**0.1**
Tangible assets and investment property	3.9	3.6	3.6	3.6	**3.8**
Financial assets	2.4	1.1	0.8	0.4	**3.7**
Other	1.4	1.7	0.5	0.5	**10.9**
Current assets	**409.9**	**520.4**	**492.2**	**506.9**	**767.9**
Inventories	359.9	464.7	423.5	456.8	**584.0**
Cash	26.9	31.4	32.0	24.5	**128.9**
Other	23.1	24.4	36.7	25.6	**55.1**
TOTAL ASSETS	**417.6**	**527.0**	**497.2**	**511.6**	**786.4**

584 MEUR
projects in portfolio (stocks)

EQUITY AND LIABILITIES	2012	2013	2014	2015	2016
	IMMOBEL SA PUBLISHED				
Equity	**187.7**	**183.2**	**196.7**	**194.4**	**314.9**
Non-current liabilities	**136.2**	**152.4**	**166.8**	**156.9**	**324.1**
Financial debts	135.5	151.5	164.5	155.0	**319.0**
Other	0.7	0.9	2.3	1.8	**5.1**
Current liabilities	**93.7**	**191.4**	**133.7**	**160.3**	**147.3**
Financial debts	51.8	148.8	99.4	110.4	**68.4**
Other	41.9	42.7	34.3	49.9	**79.0**
TOTAL EQUITY AND LIABILITIES	**417.6**	**527.0**	**497.2**	**511.6**	**786.4**

1. In compliance with IFRS regulations, the company has been applying the IFRS 11 standard since 1 January 2014. This standard considerably modifies the interpretation of the company's financial statements, without nonetheless modifying net results and shareholder equity. The Board of Directors considers that the financial data before IFRS 11 provide a better picture of activities and financial statements. It is these data that are presented and compared.
2. For 2016, including own shares (1,230,398).
3. Gross return for 1 year : (last closing price + dividends paid during the year - first stock price for the period) / first stock price for the period.

KEY CONSOLIDATED FIGURES[1]

> "A repayment of our bond loans will substantially reduce our average interest rate."
>
> **Valéry Autin, CFO**

KEY FIGURES IMMOBEL GROUP (MEUR)

	2012	2013	2014	2015	2016
	IMMOBEL SA PUBLISHED				
Net result, Group's share	11.7	1.5	20.0	0.7	**52.5**
Equity, Group's share	187.7	183.2	196.7	194.4	**311.0**
Market capitalization[2]	116.4	148.4	177.5	174.2	**530.0**

FIGURES PER SHARE (EUR)[2]

	2012	2013	2014	2015	2016
	IMMOBEL SA PUBLISHED				
Number of shares at year-end (thousand)	4,122	4,122	4,122	4,122	**9,997**
Net result, Group's share	2.8	0.4	4.9	0.2	**5.2**
Value of equity	45.6	44.4	47.7	47.2	**31.1**
Gross ordinary dividend	1.40	0.00	2.40	0.00	**2.00**
Net ordinary dividend	1.05	0.00	1.80	0.00	**1.40**

STOCK MARKET RATIOS

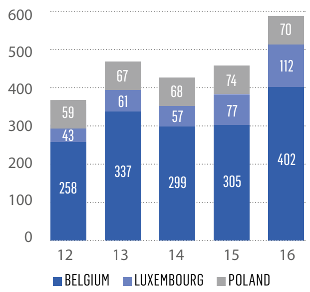
	2012	2013	2014	2015	2016
	IMMOBEL SA PUBLISHED				
Stock price on 31 December (EUR)	28.3	36.0	43.1	42.3	**53.0**
Maximum quotation (EUR)	28.9	37.4	44.5	52.7	**53.8**
Minimum quotation (EUR)	24.2	28.4	36.5	40.1	**38.2**
Stock price / book value	62.0%	81.0%	90.3%	89.7%	**170.4%**
Gross return for 1 year[3]	22.0%	32.0%	24.0%	0.0%	**25.3%**
Gross ordinary dividend / last stock price	4.9%	0.0%	5.6%	0.0%	**3.8%**
Net ordinary dividend / last stock price	3.7%	0.0%	4.2%	0.0%	**2.6%**

2.00 EUR

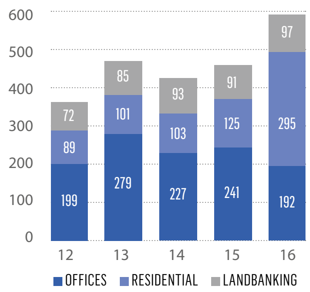
/ share gross dividend

PORTFOLIO (STOCKS)

EVOLUTION OF THE PORTFOLIO BY COUNTRY (MEUR)

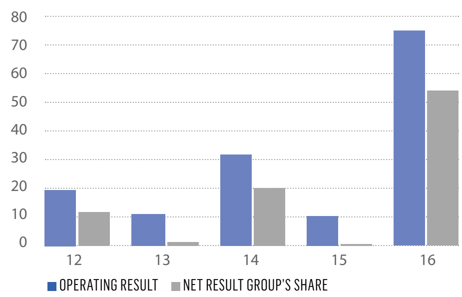


EVOLUTION OF THE PORTFOLIO BY SEGMENT (MEUR)



RESULT

OPERATING RESULT / NET RESULT (MEUR)



INFORMATION TO OUR SHAREHOLDERS

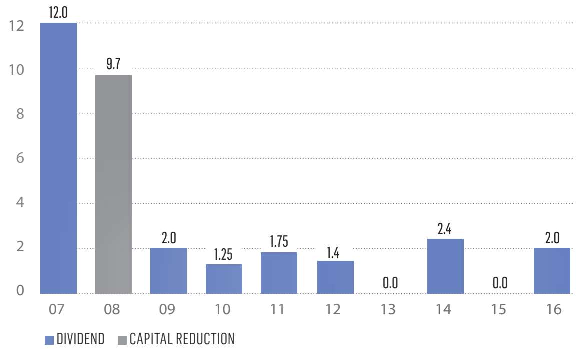
SHARE PRICE EVOLUTION

SHARE PRICE EVOLUTION IN 2016 (EUR)

SHARE PRICE EVOLUTION OVER A 5-YEAR PERIOD (EUR)

DIVIDEND POLICY

SHARE PRICE EVOLUTION OVER A 10-YEAR PERIOD (EUR)



In 2008 the Board of Directors adopted the following dividend policy: IMMOBEL pays out between 40 and 50% of the consolidated annual net result.

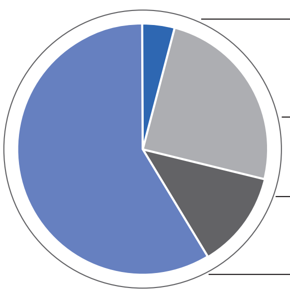
Some conditions laid down in the bond issues of December 2011 and March 2013 also provide that the company may not distribute more than 50% of its annual net result.

For the fiscal year 2016 the proposed gross dividend amounts to 2 EUR per share.

For reference, the following amounts were paid in previous years: 2.40 EUR for 2014, no dividend in 2013, 1.40 EUR in 2012, 1.75 EUR in 2011 and 1.25 EUR in 2010. In the period 2010-2016, the average gross yearly dividend amounted to 1,26 EUR gross per share.

SHAREHOLDING STRUCTURE

SHAREHOLDERS AS 31/12/2016 (%)



In accordance with of article 29 of the Law of 2 May 2007 on the disclosure of stakes held in issuers whose shares are admitted to trading on a regulated market, IMMOBEL has been informed by the following Shareholders that they hold the following shares:

SHAREHOLDERS	VOTING RIGHTS	% OF TOTAL SHARES
A³ CAPITAL nv + VEMACO nv + A³ MANAGEMENT bvba, all having its registered seat at 1000 Brussels, quai des Péniches 52	5,875,369	58.77%
IMMOBEL SA, having its registered seat at 1000 Brussels 1000 Brussels, rue de la Régence 58	1,230,398	12.30%
CAPFI DELEN ASSET MANAGEMENT NV having its registered seat at 2020 Antwerp, Jan Van Rijswijcklaan 178	412,196	4.12%
FREE FLOAT	2,479,393	24.81%
TOTAL	**9,997,356**	**100%**

FINANCIAL CALENDER

Publication of annual accounts 2016	23 March 2017
Ordinary General Meeting 2016	24 May 2017
Publication of 2016 half-year results	1 September 2017
Publication of 2017 annual accounts	March 2018
Ordinary General Meeting 2018	24 May 2018

OUR LEADERSHIP

As of March 31, 2017, the Board of Directors of IMMOBEL consists of 9 Directors. The Executive Committee consists of 6 members, while the Management Team of 13 people manages the daily work of nearly 100 talents.

BOARD OF DIRECTORS

Marnix GALLE,
Executive Chairman of the Board of Directors

Alexander HODAC,
Managing Director

Astrid DE LATHAUWER, Director &
Chairman of the Remuneration Committee

Karin KOKS - VAN DER SLUIJS,
Director

Sophie LAMBRIGHS,
Director

Pierre NOTHOMB, Director &
Chairman of the Audit & Finance Committee

Annick VAN OVERSTRAETEN,
Director

Piet VERCRUYSSE,
Director

Jacek WACHOWICZ,
Director

EXECUTIVE COMMITTEE

Marnix GALLE,
Executive Chairman of the Board of Directors

Alexander HODAC,
Managing Director

Valery AUTIN,
Chief Financial Officer

Nicolas BILLEN,
Head of Development

Hilde DE VALCK,
Head of Project Structuring & Financing

Karim ZOUAOUI,
Head of Business Development

Rudi OP 'T ROODT,
Head of Technical Department

MANAGEMENT TEAM

Olivier BASTIN,
CEO IMMOBEL LUXEMBOURG

Sophie GRULOIS,
Head of Legal Services

Bartlomiej HOFMAN,
CEO IMMOBEL POLAND

Sandrine JACOBS,
Head of Marketing and Communications

Joëlle MICHA,
Head of Corporate Affairs

Olivier XHONNEUX,
Head of Landbanking

MARKET ANALYSIS: BELGIUM

I. OFFICE MARKET IN BELGIUM

A. BRUSSELS

2016 proved to be a stand-out year for the Brussels office market, with the strongest demand registered in four years. Two stories dominated the headlines through the year, the return of the public sector and the re-emergence of corporates in the final quarter of the year.

B. REGIONS

Regional activity in 2016 showed there is life in office markets outside of Brussels. Antwerp drove the market higher with 110,600 m² of take-up, while Ghent, Mechelen, and Liège also performed well, besting their numbers from the year before.

C. DEMAND

Total office take-up in Belgium registered 756,702 m² in 2016, a 31% improvement year-over-year. Brussels demand amounted to 455,869 m², while regional demand was 300,833 m².

Belgian public sector demand drove the market higher with 195,985 m² of take-up, a 95% increase over the previous year. The three largest deals of the year were all from the Belgian government totaling 93,900 m². Corporates surged in Q4 and increased by one-third in 2016.

D. VACANCY

Steady take-up, limited new stock, and the conversion of office space to alternative uses have kept vacancy in check. In Brussels, vacancy declined to 9.30% for the year, while Antwerp and Ghent experienced 12.1% and 5.1% vacancy, respectively. High quality, grade A space is particularly scarce in major markets.

E. DEVELOPMENT

Office completions remained limited in 2016. The next two years, though, should bring more than 137,000 m² of speculative space to the Brussels market. Works are progressing in the Kievit and Post X districts in Antwerp, while major markets in Wallonia such as Liège will add significant space in the intermediate term.

F. RENT

Prime office rent remains €285/m² in Brussels. In Ghent and Antwerp it is €155/m² and €150/m², respectively, while Liège increases to €140/m². Overall, rents remain stable.

G. INVESTMENT

Total CRE investment in Belgium amounted to €3.7 billion in 2016. This was the second best post-crisis year for real estate investment in Belgium.

Offices accounted for €1.68 billion of the investment total, of which €1.46 billion (87.3%) was direct to Brussels properties.

Key stats: 9.3% Brussels vacancy; 285eur/sqm/yr prime rent; 4.75% prime yield for standard leases

sources: CBRE

II. RESIDENTIAL MARKET IN BELGIUM

A. BRUSSELS

The upward trend in Brussels residential real estate reached a new high in 2015. Preliminary 2016 figures are mixed, with fewer transactions counted though high H1 2016 prices registered. Market fundamentals are still broadly supportive of Brussels residential real estate.

B. REGIONS

Varying dynamics are impacting the residential real estate market outside of Brussels. Select smaller towns are seeing a movement of retirees from homes to apartments, while larger cities like Antwerp and Ghent are being supported by a growing foreign base.

C. POPULATION

Last year Belgium added 58,866 people (0.53%) among its ranks. This increase consisted of 11,205 from the net natural balance and 47,682 from net international migrations. Over the last decade, the top ten communes in terms of growth have all been found in the Brussels Capital Region.

The number of households has also been increasing in Belgium but at a slower rate than the wider population. Households at the beginning of 2015 counted 4,822,301.

D. HOUSING STOCK

New stock increased by 42,029 net units in 2015. Of these, 32,993 (78.5%) were apartments.

The City of Brussels has responded to rapid population growth with apartment construction of 1,530 units in 2015 alone. This is almost one-third of the total 4,651 units added in the Brussels Region. Bruges and Leuven have also added notably to stock.

E. PRICES

Average transaction prices for apartments leveled off in 2014 only to rebound in 2015, registering a 5% increase for Belgium as a whole. Markets with notable price increases were Antwerp (10.9%), Mechelen (15.0%), Charleroi (10.6%), and Liège (8.1%), while Brussels Region (2.0%) and Leuven (4.2%) were more moderate. Ghent, though, claimed the greatest increase as prices jumped more than 18%.

Apartment prices were recorded at €220,340 in Belgium, €229,715 in Brussels, €201,064 in Antwerp, €259,040 in Ghent and €149,950 in Liège. Preliminary data indicate a mixed year for prices in 2016.

F. NEW BUILDS

Exit prices for typical new apartments in Brussels range from 2,200 €/m² to 4,000 €/m², with luxury projects reaching upwards of 6,000 €/m². In Antwerp, exit values are 2,500 €/m² to 3,500 €/m² and more than 5,000 €/m² in select new towers.

Key stats: 221,375 avg price of apartments in Belgium through H1 2016; 44,585 residential building permits issued through Oct 2016; 42,029 net new housing completions in 2015.

sources: FOD Economie, BISA, CBRE

III. LANDBANKING IN BELGIUM

A. HOUSING STOCK

The most recent numbers by the FPS Economy, SMEs, Self-Employed and Energy indicate a housing stock of 5,318,905 residential units in Belgium in 2015. 58.2% of all residential units are located in Flanders, 31.2% in Wallonia and 10.6% in Brussels.

The proportion of apartments in the total Belgian housing stock has increased by 30% in the last 10 years. 1 out 4 housing units is an apartment nowadays.

B. BUILDING PERMITS

The statistics on building permits authorized in 2016 are available for the first three quarters of the year. The number of permits was up significantly compared to 2015. For the total of Belgium, construction permits were obtained for 41,403 residential units in the first 9 months of the year, up 18.1% compared to the same period in 2015.

The strong performance was solely due to Flanders, where permits for 33,273 residential units (+32.6%) were obtained. Especially the construction of apartments is growing strong, showing a rise of 46.1% as compared to 2015.

In Brussels and Wallonia, building permits are on a negative trend since 2014, and less permits were introduced or granted in the first 9 months of 2016 for the construction of residential units as a whole and apartments in particular.

MARKET ANALYSIS: LUXEMBOURG

I. OFFICE MARKET IN LUXEMBOURG

A. LUXEMBOURG CITY

2016 continued the trend of a strong office letting and investment market in Luxembourg. City districts outperformed recent years, as areas like the CBD, Kirchberg, Gasperich and Station remain attractive prospects for occupiers and investors.

B. PERIPHERY

Office markets outside of the city are relatively limited. The Airport area has seen an impressive absorption of vacant space, while Esch-Belval has limited availabilities. Closer to the city, Strassen and Bertrange have been the target of significant investment.

C. DEMAND

Total office take-up in Luxembourg registered 219,000 m² in 2016. Though a decrease year-over-year, 2016 was still one of the best post-crisis years for the office market. City districts performed well at 169,000 m², while decentralised and peripheral areas claimed 50,000 m² of office take-up.

Banking and finance and business services were the star performers in 2016, with 89,900 m² and 62,000 m² of take-up, respectively. Government and EU activity was fairly quiet.

D. VACANCY

Approximately 227,500 m² of stock was vacant at the end of 2016, putting the vacancy rate at a healthy 5.7%. City districts remain very tight: vacancy is 2.6% in the CBD, 4.6% in the Kirchberg area, and 6.6% in the Station district. The markets outside of the city vary significantly. The Airport and Esch-Belval maintain low availabilities while other select districts push upwards of 17%.

E. DEVELOPMENT

Office development was relatively low in 2016, around 85,000 m². For 2017, 217,700 m² is expected to come online, followed by 173,000 m² in 2018.

F. RENT

The strong letting market and moderate new supply means rents are well supported. Prime rents are highest in the CBD at €46/m²/mo. Average rents for the City districts are €35.6/m²/mo, while the peripheral average is €23/m²/mo.

G. INVESTMENT

Total CRE investment in Luxembourg was recorded at €1.38 billion, the highest figure since 2007.

Office investment was the biggest driver at more than €1 billion.

Key stats: 5.7% vacancy; 46eur/sqm/mo prime rent; 4.25% prime yield.

sources: CBRE

II. RESIDENTIAL MARKET IN LUXEMBOURG

A. LUXEMBOURG CITY

Massive population growth from strong international immigration combined with a robust economy and high spending power has driven residential real estate in Luxembourg. Prices for new build apartments have been pushed above 6,000 €/m² within the city.

B. REGIONS

As the city becomes expensive and crowded, people are increasing looking towards decentralised and peripheral areas for more accommodating values. Luxury developments are underway for those still wanting comfort, though prices of 5,000 to 6,000 €/m² are still commonplace.

C. POPULATION

Last year the Luxembourg population grew by 13,290 people (2.36%) to 576,249. Foreigners, already more than 45% of the population, made up 10,550 of this figure, while Luxembourgers added the remaining 2,740.

D. HOUSING STOCK

New stock increased by 3,021 units in 2014 (the latest figures). Of these, 1,744 (57.7%) were apartments.

New residential development has largely been concentrated in the most populous areas such as Luxembourg City (489 apartments in 2014), Esch (381 apartments), and Capellen (185 apartments).

E. PRICES

Residential real estate prices escalated further in 2016, as demand continues to outpace supply. The average sale price for all apartments in Luxembourg in 2015 was €395,101 or 4,899 €/m². For existing apartments this was €356,483 or 4,470€/m². The latest figures through Q3 show prices for all apartments at 5,312 €/m² and existing apartments at 4,851 €/m².

F. NEW BUILDS

Exit prices for new apartments in Luxembourg averaged €457,313 in 2015, a 7.0% increase year-over-year. This translates to a relative price of 5,589 €/m². In Q3 2016 this was €454,036 or 6,182 €/m².

Zooming in, Strassen claims the highest average transaction prices for new apartments at 7,592 €/m² through Q3 2016 and ranging from 6,522 to 8,948 €/m².

New building permits count 3,705 through September 2016, approximately 5% down from same period in 2015.

Key stats: 454,036 EUR avg apartment prices for new builds through Q3 2016; 3,705 residential permits through Sept 2016; 46.7% foreigners residing in Luxembourg as of Jan 1, 2016.

sources: Statec, LISER

IMMOBEL
since 1863

MARKET ANALYSIS: POLAND

I. OFFICE MARKET IN POLAND

A. WARSAW

The Warsaw office market continues to grow at a tremendous rate. Despite the impressive take-up, new supply is expected to slightly outpace demand for the intermediate term. This demand is spread well between central and more peripheral zones.

B. REGIONS

Though diverse, the regional cities in Poland all share large construction projects. Krakow is among the fastest growing cities due to international companies settling here, while Wroclaw is seeing an expansion of existing firms. Tricity has absorbed new space well.

C. DEMAND

Office take-up in Poland totaled 1.344 million m² in 2016. Of this figure, 757,700 m² (56.4%) occurred in Warsaw and 586,600 m² (43.6%) occurred in regional markets. Krakow is the largest of these regional markets, claiming 32% of 2016 activity.

Demand in Warsaw was almost entirely from corporates in this past year. Professional services accounted for 21% of activity followed by manufacturing industry and energy at 20%. Overall, demand is well diversified among sectors.

D. VACANCY

Strong development has kept upward pressure on vacancy rates. For Warsaw, this was 14.2% at the end of 2016 and 10.8% in regional markets.

E. DEVELOPMENT

New office development is proceeding at record levels. Completions totaled 417,700 m² in Warsaw in 2016, increasing modern stock by 9.0%. An additional 855,900 m² is currently under construction.

In regional markets, modern stock has doubled over the last five years. In 2016, completions amounted to 490,600 m², or a 14.3% increase of modern stock. 859,700 m² is currently under construction in regional markets.

F. RENT

The rate of new construction has slightly outpaced demand, putting light downward pressure on prime headline rents through the intermediate future. Prime rent in Warsaw is €23/m²/mo and €15/m²/mo in the regions.

G. INVESTMENT

Poland is the standout performer of the CEE Region. More than €4.5 billion of CRE was transacted in 2016, 13% more than in 2015.

Office investment hit a record €1.8 billion, as prime office yields compressed to 5.35%.

Key stats: 14.2% Warsaw vacancy; 23EUR/sqm/mo prime rent; 5.35% office prime yield.

sources: CBRE

II. RESIDENTIAL MARKET IN POLAND

A. WARSAW

New residential construction and sales continued with pace in 2016. Warsaw added 25,935 new residential units (Q1-Q3) and saw another 28,372 start construction. This large new supply has helped keep prices in check, though demand remains high.

B. REGIONS

Regional cities have also continued to grow, but with greater variation. Krakow and Wroclaw both experienced construction completions more than 20% higher than the same period (Q1-Q3) in 2015.

C. POPULATION

The population of Poland declined slightly year-over-year to 37.967 million people. Though population growth has been flat for some years, economic growth, increasing spending power, and FDI have contributed to a developing housing market.

D. HOUSING STOCK

At the end of 2015, 67% of the residential stock was located in urban areas. The five largest cities claimed 20.3% of the stock despite housing just 16.6% of the population.

In the first three quarters of 2016, there were 112,071 new residential units completed. Of this, 72,204 (64.4%) were in urban areas. This is a 18.6% increase over the same period in 2015.

E. PRICES

In terms of prices, recent activity shows the residential market is stable. In the primary market, residential prices have grown steadily (in local currency) since 2012 and stand at 7,696 PLN/m² at the end of Q3 (1,770 €/m² at 0.23 EUR to PLN). Average rents have grown slightly this year.

New builds

Q4 2016 was a record quarter for units sold at more than 18,000 (inclusive of paid reservations) in the six largest markets. This brings the annual total to 62,000, and supports the rapid absorption of new units into the market. Rent-to-buy investors are believed to make up a significant portion of the demand.

Additionally, recent legislation is influencing the market. Laws such as the 'Home for the Young' buoys new entrants, and 'Housing Plus' offers subsidies for low-income households. Mortgage standards are expected to tighten through 2018, however, applying some brakes to an otherwise hot market.

Key stats: 7,696 PLN/sqm average residential price of new builds; 148,708 residential permits through Q3 2016; 64.4% of new stock through Q3 2016 is located in urban areas.

sources: Natl Bank of Poland (NBP), REAS, Eurostat, Central Statistics Poland

MANAGEMENT REPORT

Ladies and Gentlemen,

We have great pleasure in presenting our report on the activities of the IMMOBEL Group during 2016.

The new IMMOBEL Group, following the merger between ALLFIN and IMMOBEL on 29 June 2016, published its annual results on 31st December 2016, which reached a record high with net consolidated accounts totalling EUR 52.5 million.

This amount includes one-off accounting impacts linked to the merger, which have contributed EUR 14.9 million to the annual results. As a going concern, the net results would hence be established at EUR 37.6 million.

The year 2016 was marked by the sale of the office projects Black Pearl (11,000 m² in Brussels) and RAC 2 (9,500 m² in Brussels, 40% IMMOBEL stake), and by the delivery and sale of the Gateway (35,000 m² in Zaventem, 50% IMMOBEL stake).

Residential activities have remarkably contributed to the annual results, notably thanks to the Chambon (42,452 m² in the centre of Brussels), Lake Front (12,000 m² in Knokke-Heist), and Flint (4,129 m² in Leuven, 65% IMMOBEL stake) projects. The landbanking activities have also experienced a record year with 273 plots and units sold, representing a turnover of EUR 16.2 million.

This income generated a net consolidated profit of € 52.50 million, compared to € 0.7 million in 2015 (IMMOBEL SA before the merger).

I. BUSINESS DEVELOPMENT (art. 96 § 1, 1° et art. 119, 1° Companies Code)

A. IMMOBEL GROUP BUSINESS

Sales for the year came to € 262.18 million (before IFRS 11: € 307.29 million) compared to € 53.93 million (before IFRS 11: € 96.64 million) in 2015 for IMMOBEL and € 87,96 million for ALLFIN Group SCA.

A) BELGIUM

Landbanking

The bookvalue of the Landbanking inventory amounts to € 96,9 million.

IMMOBEL has purchased approximately 40 hectares of land for residential development from the Bostoen real estate group. The sale involves 13 sites situated primarily in East and West Flanders, of which one with conditions precedent.

Sales involved 14.5 hectares of land comprising, among others, 198 building plots situated in landbanks in Uccle, Bredene, Geel, Eghezée, Grivegnée, Landenne, Seilles, Waremme and Gingelom.

Still in the framework of the Landbanking activity, IMMOBEL has sold, alone or in partnership more than 30 houses and 45 apartments as part of the following projects: Clos de la Charmeraie and Clos Bourgeois in Brussels, Duinenzicht in Bredene, Grands Prés and Trois Ruisseaux in Chastre, George Grard in Oostduinkerke and Domaine des Vallées in Grez-Doiceau.

Sales and rentals

- On 6 December 2016, IMMOBEL, in partnership with Breevast, finalised the sale of RAC2 SA, owner of the office building C de Ligne (9,500 m²), situated in Brussels, to the foreign investor: REAL IS SMART. The building had been rented out a few months earlier in its entirety by the Brussels Capital Region.
- On 19 December 2016, closely following its occupation by the European Commission, IMMOBEL finalised the sale of Green Corner SA, owner of the Black Pearl office building (11,000 m²), situated in Brussels, to a foreign investor REAL IS for its real estate fund BGV VII Europa.
- On 22 December 2016, IMMOBEL, in partnership with Codic, delivered to Deloitte (tenant) and Befimmo (investor), the Gateway office building (35,000 m²) situated in Zaventem on the Brussels airport site. This delivery leads to the sale of the last part of the works to Befimmo and the beginning of the lease with Deloitte.
- During 2016, IMMOBEL has sold, alone or in partnership, 362 houses and apartments as part of the following projects: Belair, Universalis Park, Green Hill Park, Solvay and Chambon in Brussels, Lindepark in Tervuren, Bella Vita in Waterloo, Lakefront in Knokke-Heist, O'Sea in Ostend, Riverview in Nieuwpoort, Flint and Vesalius in Leuven.

Acquisitions

On 13 September 2016 IMMOBEL finalised the purchase of the Allianz head office on place de Brouckère in Brussels. This purchase is subjected to a number of conditions precedent among which the delivery by IMMOBEL of a new building to be built in the North quarter for Allianz (27,100 m²). The de Brouckère site will be developed in partnership with BPI in view of creating a mix of housing, offices, etc

Permits and works:

- In June 2016 IMMOBEL secured a new permit for the Parc Seny site in Auderghem, following the full overhaul of the project comprised of 120 apartments, car parks and cellars.
- The permits related to the development of the last phase of the RAC site (RAC4) were submitted in September 2016.

- The Bella Vita site in Waterloo was inaugurated in September 2016, thus concluding more than 4 years of works. This new neighbourhood is made up of 269 houses and apartments, a care home, an assisted living facility, a crèche and a large number of services available to local residents (restaurant, nursery, etc.).
- Works related to the first Universalis phase (15,000 m²) were launched in June 2016.
- Demolition of the Chien Vert building in Woluwe-Saint-Pierre started in September 2016.
- The care home (114 beds) and student housing (95 units) constructed on the Solvay site in Ixelles have been delivered.
- Road maintenance works have been completed in the landbanks in Andenne, Eghezée, Grivegnée, Montzen, Soignies, Soumagne, Stembert and Waremme.

B) Grand Duchy of Luxembourg

Sales/Reservations:

- IMMOBEL Luxembourg has finalised the sale of WestSide S.A., owner of the Westside Village site (11,600 m²), situated in Capellen, to a foreign investment fund UFG EUROPEAN COMMERCIAL REAL ESTATE FUND IS.A., SICAV-SIF.
- 30% of the residential surface area in the M7 "Fuussbann" project (in partnership – 33%), situated in Differdange, has been the subject of a reservation contract in 2016.
- 39% of the residential surface area in the M1 "Livingstone" project (in partnership – 33%), situated in Luxembourg, has been the subject of a reservation contract in 2016.
- 25% of the residential surface areas in the INFINITY LIVING project, situated in Luxembourg, has been the subject of a reservation contract in 2016 (marketing launched in mid-September).

Acquisitions:

- On 24 March 2016, IMMOBEL Luxembourg acquired Centre Étoile GmbH, owner of a building rented out until the end of 2020 with a surface area of 3,400 m² in the very heart of the capital. This purchase will allow for the development of the Centre Étoile project covering five office levels.
- On 12 July 2016, IMMOBEL Luxembourg acquired 90% of Tractim S.à r.l., owner of a plot covering more than 2.6 hectares in the very heart of the city of Luxembourg. This acquisition has allowed for the acquisition of the land necessary for the development of the Polvermillen residential project (26,600 m²).
- On 4 February 2016, IMMOBEL Luxembourg signed a synallagmatic contract for a long-term lease with the FUAK (Fonds d'Urbanisation et d'Aménagement du plateau du Kirchberg). This agreement enabled it to acquire the land necessary for the development of the INFINITY project (33,000 m²), situated at the beginning of the capital's business district.

Permits and works

- On 8 July 2016, IMMOBEL Luxembourg received the latest ministerial order definitively laying down the conditions for the remediation of the Polvermillen industrial wasteland in the very heart of Luxembourg.
- Remediation and demolition works on the Polvermillen site were started in October 2016.
- IMMOBEL Luxembourg has received a building permit for the construction of 48 accommodations in Differdange as part of the M7 "Fuussbann" project (in partnership – 33%), delivered on 5 October 2016.

C) POLAND

Sales/Reservations:

- On 13 January 2016, IMMOBEL sold the OKRAGLAK project for approximately EUR 17 million.
- On 24 March 2016, IMMOBEL signed an agreement in principle with UBM for the sale of the hotel section of the first phase in the Granaria Island project (4-star hotel with approximately 240 rooms) in Gdansk, northern Poland.
- The reservation rate for the residential section of the first phase in the Granaria Island project (116 apartments) has reached 33%.

Rental

- The pre-rental ratio of the CEDET project in Warsaw reached nearly 30% as at 31 December 2016.

Permits and works

- In November 2016 IMMOBEL Poland secured the building permit for the first phase in the Granaria Island project, which will enable it to start works during the first half of 2017.
- Following restitution claims involving parcels adjacent to ours, the start of the works on the CBD One project, scheduled for 2017, will be pushed back to 2018.
- Works in progress on the Cedet project have incurred a delay notably due to complexity of the construction site and the status of this listed building. Delivery of the building, initially scheduled for 2017, will take place during the first half of 2018.

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B. COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

A) Key indicators

CONSOLIDATED TURN-OVER PER SECTOR AND PER COUNTRY (MEUR)

	IFRS 11				BEFORE IFRS 11			
	Belgium	Grand-Duchy of Luxembourg	Poland	Total	Belgium	Grand-Duchy of Luxembourg	Poland	Total
Offices	103.20	-	-	103.20	125.64	-	-	125.64
Residential	142.79	-	-	142.79	165.57	-	-	165.57
Landbanking	16.18	-	-	16.18	16.18	-	-	16.18
Total	**262.17**	**0.00**	**0.00**	**262.17**	**307.39**	**0.00**	**0.00**	**307.39**

CONSOLIDATED OPERATIONNAL RESULT PER SECTOR AND PER COUNTRY (MEUR)

	IFRS 11				BEFORE IFRS 11			
	Belgium	Grand-Duchy of Luxembourg	Poland	Total	Belgium	Grand-Duchy of Luxembourg	Poland	Total
Offices	17.20	-0.79	-0.77	15.64	18.63	-0.52	-0.59	17.52
Residential	20.58	-0.67	-0.20	19.71	22.95	-0.50	-0.07	22.38
Landbanking	4.22			4.22	4.66	-	-	4.66
Non allocated	28.13			28.13	28.13	-	-	28.13
Total	**70.12**	**-1.46**	**-0.97**	**67.70**	**74.37**	**-1.02**	**-0.66**	**72.69**

CONSOLIDATED STOCK EVOLUTION PER SECTOR AND COUNTRY (MEUR)

	IFRS 11				BEFORE IFRS 11			
	Belgium	Grand-Duchy of Luxembourg	Poland	Total	Belgium	Grand-Duchy of Luxembourg	Poland	Total
Offices	47.38	19.38	54.08	120.84	56.67	70.84	64.61	192.12
Residential	195.87	24.52	4.99	225.38	248.80	41.20	4.99	294.99
Landbanking	96.89	-	-	96.89	96.89	-	-	96.89
Total	**340.14**	**43.90**	**59.07**	**443.11**	**402.36**	**112.04**	**69.60**	**584.00**

B) Consolidated accounts

INCOME STATEMENT (MEUR WITH IFRS 11)

	ALLFIN GROUP SCA		IMMOBEL SA
	31-12-2016	**31-12-2015**	**31-12-2015**
Operating result	67.70	37.36	7.08
Financial result	-3.87	-5.48	-6.43
Result before taxes	63.82	31.88	0.65
Taxes	-10.18	-6.25	0.05
Income for the year	**53.64**	**25.63**	**0.70**
IMMOBEL share of income	**52.47**	**24.36**	**0.74**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR WITH IFRS 11)

	ALLFIN GROUP SCA		IMMOBEL SA
	31-12-2016	**31-12-2015**	**31-12-2015**
Inventories	443.12	175.14	334.50
investments in joint ventures and associates	70.22	66.12	63.40
Trade receivables and other assets	82.26	63.40	32.30
Cash	120.64	86.69	16.90
TOTAL ASSETS	**716.23**	**391.35**	**447.10**
Shareholder equity	314.95	165.49	194.40
Lont-term financial debt	281.58	152.19	147.80
Short-term financial debt	40.53	26.56	62.20
Trade payables and other liabilities	79.17	47.11	42.70
TOTAL EQUITY AND LIABILITIES	**716.23**	**391.35**	**447.10**

C) IMMOBEL SA company accounts

Income Statement

The operating profit amounts to € 9.3 million for the past financial year compared, mainly due to the sale of Gateway works in December and to the Landbanking sales.

The financial result amounts to € 14.9 million. It is mainly composed of interest charges on group financings (bonds and corporate lines) partially offset by interests income coming from the loans granted to subsidiaries and is positively influenced by the gain on sales of financial fixed assets, 18.7 MEUR, mainly the investments in subsidiaries The Green Corner and RAC 2.

IMMOBEL's financial year ended with a net profit of € 21.5 million.

The Balance Sheet

The total Balance Sheet amounts to € 583,2 million and is mainly composed of financial investments in subsidiaries (€ 283,6 million), inventories directly hold by IMMOBEL SA (€ 92,9 million), short receivables on subsidiaries (€ 116,9 million), own shares (€ 55 million) and cash (€ 67,2 million).

The equity amounts to € 307,5 million as of 31 December 2016. The liabilities are mainly composed of long term debts (€ 205,9 million) and short term debts (€ 69,8 million).

Allocation of results

The profit to be allocated, taking into account the amount carried forward from the previous year and the merger with ALLFIN, amounts to € 121.2 million.

Given the dividend policy approved by the Board of Directors and the 2016 results, the Board of Directors proposes to the General Meeting of Shareholders of 24th May 2017 to distribute a gross dividend of 2 EUR per share in circulation for the year 2016, an amount that will increase by 4 to 10% a year, subject to the absence of any currently unforeseen exceptional events.

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.

Without the list being exhaustive, we would like to mention the following in particular:

- Market risk

  Changes in general economic conditions in the markets in which IMMOBEL's properties are located can adversely affect the value of IMMOBEL's property development portfolio, as well as its development policy and, consequently, its growth prospects.

  IMMOBEL is exposed to the national and international economic conditions and other events and occurrences that affect the markets in which IMMOBEL's property development portfolio is located: the office property market in Belgium (mainly in Brussels), Luxembourg and Poland; and the residential (apartments and plots) property market (Belgium, Luxembourg and Poland).

  This diversification of both business and countries means it can target different clients, economic cycles and sales volumes.

  Changes in the principal macroeconomic indicators, a general economic slowdown in Belgium or one or more of IMMOBEL's other markets, or on a global scale, could result in a fall in demand for office buildings or residential property or building plots, higher vacancy rates and higher risk of default of service providers, building contractors, tenants and other counterparties, any of which could materially adversely affect IMMOBEL's value of its property portfolio, and, consequently, its development prospects.

IMMOBEL has spread its portfolio of projects under development or earmarked for development so as to limit the impact of any deterioration in the real estate market by spreading the projects in terms of time and nature.

- Operational risk

IMMOBEL may not be able to dispose of some or all of its real estate projects.

IMMOBEL's revenues are determined by disposals of real estate projects. Hence, the results of IMMOBEL can fluctuate significantly from year to year depending on the number of projects that can be put up for sale and can be sold in a given year.

Furthermore, it cannot be guaranteed that IMMOBEL will find a buyer for the transfer of its assets or that the transfer price of the assets will reach a given level. IMMOBEL's inability to conclude sales can give rise to significant fluctuations of the results.

The policy of diversification implemented by IMMOBEL for the last 5 years and the recent merger with ALLFIN has allowed it to reduce its concentration on and therefore its exposure to offices in Brussels with an increased portfolio of residential and landbanking projects, which should give it a revenue base and regular cash flows.

The development strategy adopted by IMMOBEL may prove to be inappropriate.

When considering property development investments, IMMOBEL makes certain estimates as to economic, market and other conditions, including estimates relating to the value or potential value of a property and the potential return on investment. These estimates may prove to differ from reality, rendering IMMOBEL's strategy inappropriate with consequent negative effects for IMMOBEL's business, results of operations, financial condition and prospects.

IMMOBEL takes a prudent approach to the acquisition and development of new projects and applies precise selection criteria. Each investment follows a clear and strict approval process.

IMMOBEL could face an increase in risk following the expansion of its activities in Poland.

IMMOBEL has acquired several office / residential / commercial projects in development or to be developed in Poland since 2011, thus confirming its strategy to continue its expansion in Poland.

While IMMOBEL has already carried out development projects in Poland in the past, its experience in managing projects outside Belux and its knowledge of this new market, its regulations and its standards is more limited.

IMMOBEL's development projects may experience delays and other difficulties.

Before acquiring a new project, IMMOBEL carries out feasibility studies with regard to urban planning, technology, the environment and finance, usually with the help of specialised consultants. Nevertheless, these projects are always subject to a variety of risks, each of which could cause late delivery of a project and consequently increase the length of time before it can be sold, engender a budget overrun or cause the loss or decrease of expected income from a project or even, in some cases, its actual termination.

Risks involved in these activities include but are not limited to: (i) delays resulting from amongst other things adverse weather conditions, work disputes, construction process, insolvency of construction contractors, shortages of equipment or construction materials, accidents or unforeseen technical difficulties; (ii) difficulty in acquiring occupancy permits or other approvals required to complete the project; (iii) a refusal by the planning authorities in the countries in which IMMOBEL operates to approve development plans; (iv) demands of planning authorities to modify existing plans; (v) intervention by pressure groups during public consultation procedures or other circumstances; and (vi) upon completion of the development project, occupancy rates, actual income from sale of properties or fair value being lower than forecasted.

Taking into account these risks, IMMOBEL cannot be sure that all its development projects (i) can be completed in the expected timeframe, (ii) can be completed within the expected budgets or (iii) can even be completed at all. It is in the framework of controlling this risk and others that IMMOBEL has increased the diversification of its business/countries/clients, which allows it to reduce its concentration on any particular project or another.

Furthermore, IMMOBEL has some projects where an asset under development is preleased or pre-sold to a third party and where IMMOBEL could incur substantial liabilities if and when such projects are not completed within the pre-agreed timeline.

IMMOBEL may be liable for environmental issues regarding its property development portfolio.

IMMOBEL's operations and property development portfolio are subject to various laws and regulations in the countries in which it operates concerning the protection of the environment, including but not limited to regulation of air, soil and water quality, controls of hazardous or toxic substances and guidelines regarding health and safety.

Such laws and regulations may also require IMMOBEL to obtain certain permits or licenses, which it may not be able to obtain in a timely manner or at all. IMMOBEL may be required to pay for clean-up costs (and in specific circumstances, for aftercare costs) for any contaminated property it currently owns or may have owned in the past.

As a property developer, IMMOBEL may also incur fines or other penalties for any lack of environmental compliance and may be liable for remedial costs. In addition, contaminated properties may experience decreases in value.

IMMOBEL may lose key management and personnel or fail to attract and retain skilled personnel.

Loss of its managerial staff and other key personnel or the failure to attract and retain skilled personnel could hamper IMMOBEL's ability to successfully execute its business strategies.

IMMOBEL believes that its performance, success and ability to fulfil its strategic objectives depend on retaining its current executives and members of its managerial staff who are experienced in the markets and business in which IMMOBEL operates. IMMOBEL might find it difficult to recruit suitable employees, both for expanding its operations and for replacing employees who may resign, or recruiting such suitable employees may entail substantial costs both in terms of salaries and other incentive schemes.

The unexpected loss of the services of one or more of these key individuals and any negative market or industry perception arising from such loss could have a material adverse effect on IMMOBEL's business, results of operations, financial condition and prospects.

The conduct of its management teams, in Belgium, Luxembourg and in Poland, is therefore monitored regularly by the CEO and the Nomination Committee, one of the organs of the Board of Directors.

IMMOBEL is subject to the risk of litigation, including potential warranty claims relating to the lease, development or sale of real estate.

In the normal course of IMMOBEL's business, legal actions, claims against and by IMMOBEL and its subsidiaries and arbitration proceedings involving IMMOBEL and its subsidiaries may arise. IMMOBEL may be subject to other litigation initiated by sellers or purchasers of properties, tenants, contractors and subcontractors, current or former employees or other third parties.

In particular, IMMOBEL may be subject to warranty claims due to defects in quality or title relating to the leasing and sale of its properties. This liability may apply to defects in properties that were unknown to IMMOBEL but could have, or should have, been revealed.

IMMOBEL may also be subject to claims by purchasers of its properties as a result of representations and warranties about those properties given by IMMOBEL at the time of disposal.

IMMOBEL makes sure to control these risks with a systematic policy of taking out adequate insurance cover.

IMMOBEL is exposed to risk in terms of liquidity and financing.

IMMOBEL is exposed to risk in terms of liquidity and financing which might result from a lack of funds in the event of non-renewal or cancellation of its existing financing contracts or its inability to attract new financing.

IMMOBEL does not initiate the development of a project unless financing for it is assured by both internal and external sources for the estimated duration of its development.

IMMOBEL gets its financing from several firstrate Belgian banking partners with which it has maintained longstanding good relations and mutual trust.

IMMOBEL is exposed to risk linked to the interest rate which could materially impact its financial results.

Given its current and future indebtedness, IMMOBEL is affected by a short or long-term change in interest rates, by the credit margins taken by the banks and by the other financing conditions.

IMMOBEL's financing is mainly provided on the basis of short-term interest rates (based on the Euribor rates for 1 to 12 months) with the exception of the 2011 and 2013 bond issues, which are fixed-rate. As part of a comprehensive risk management coverage programme, IMMOBEL introduced a policy to implement, as appropriate, adequate coverage against the risks associated with the interest rates on its debt through financial instruments.

Feasibility studies for each project are based on the predictions for long-term rates.

IMMOBEL is exposed to a currency exchange risk which could materially impact its results and financial position.

Following its entering in the Polish market, IMMOBEL is subject to currency exchange risks. There is the foreign currency transaction risk and the foreign currency translation risk.

IMMOBEL also makes sure whenever possible to carry out all of its operations outside the Eurozone in €, by having purchase, lease and sales contracts drawn up for the most part in €.

IMMOBEL is subject to regulatory risk.

Any development project depends on obtaining urban planning, subdivision, urban development, building and environmental permits.

A delay in granting them or failure to grant them could impact on IMMOBEL's activities. Furthermore, the granting of a subdivision permit does not mean that it is immediately enforceable. An appeal against it is still possible.

Furthermore, IMMOBEL has to respect various urban planning regulations. Local authorities or public administrations might embark on a revision and/or modification of these regulations, which could have a material impact on IMMOBEL's activities.

IMMOBEL is exposed to counterparty risk.

IMMOBEL has contractual relations with multiple parties, such as partners, investors, tenants, contractors, financial institutions, architects. The inability of such counterparty to live up to their contractual obligations could have an impact on IMMOBEL's operational and financial position. IMMOBEL pays great attention, through appropriate studies, to the choice of its counterparties.

Changes in direct or indirect taxation rules could impact the financial position of IMMOBEL.

IMMOBEL is active in Belgium, Luxemburg and Poland. Changes in direct or indirect fiscal legislation in any of these could impact IMMOBEL's financial position.

II. IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR (art. 96 § 1, 2 and art. 119, 2 Belgian Companies' Code)

Il There were no events after the balance sheet date that had a significant impact on the company's accounts except for:

- The authenticated deed passed on 10 January 2017 concerning the acquisition of the building on which the Royal Louise project will be developed;
- The lease contract signed on 16 February 2017 with the FUAK – Fonds d'Urbanisation et d'Aménagement du plateau du Kirchberg (Kirchberg Plateau Urbanisation and Development Fund) – confirming the purchase agreement for the long-term lease on the site, which will enable the development of the INFINITY project (Luxembourg).

III. Circumstances likely to have a significant influence on the development of the Group (art. 96 § 1, 3° and 119, 3° Belgian Companies' Code)

To the Directors' knowledge, there should not be any circumstances likely to have any significant influence on the development of the Group.

IV. ACTIVITIES IN TERMS OF RESEARCH & DEVELOPMENT (art. 96 § 1, 4° and art. 119, 4° Companies Code)

In as much as it is necessary the Board of Directors reiterates that, given the nature of its business, the Group did not engage in any research and development activities during the year which has just ended.

V. USE OF FINANCIAL INSTRUMENTS (art. 96 § 1, 8° and art. 119, 5° Companies Code)

The Board of Directors confirms that IMMOBEL used financial instruments intended to cover any rise in interest rates. The market value of these financial instruments was € 1,8 million at 31st December 2016.

VI. JUSTIFICATION OF THE INDEPENDENCE AND COMPETENCE OF AT LEAST ONE MEMBER OF THE AUDIT & FINANCE COMMITTEE (art. 96 § 1, 9 and art. 119, 6 Belgian Companies' Code)

Mrs Karin KOKS - van der SLUIJS and Mr Pierre NOTHOMB, appointed to the positions of Directors on November 17 and September 25, 2015 respectively, meet all the independence criteria stated in art. 524 and art. 526ter of the Belgian Companies' Code and sit on the Board of Directors and the Audit & Finance Committee of IMMOBEL as independent Directors. They hold university degrees, occupy positions as Directors in international groups and, as such, hold mandates in the Audit Committees of other companies and organisations.

VII. ADDITIONAL INFORMATION

In as far as it is necessary, the Board of Directors reiterates:

- That IMMOBEL has not set up any branches (art. 96 § 1, 5° Companies Code) and
- that, given the results of the Company, there has been no reason to justify the application of continuity accounting rules (art. 96 § 1, 6° Companies Code).

Concerning the information to be inserted in accordance with art. 96 § 1, 7 of the Belgian Companies' Code, the Board reports:

- that during the past financial year the Board of Directors of the Company did not decide to increase the capital of IMMOBEL within the framework of the authorised capital (art. 608 Company Code);
- that neither IMMOBEL nor any direct subsidiary or any other person acting in their own name but on behalf of IMMOBEL or a direct subsidiary has acquired or sold IMMOBEL shares (art. 624 Company Code).

VIII. APPLICATION OF ARTICLE 523/524 BCC – « CORPORATE OPPORTUNITIES »

The Board of Directors reports that it has applied the conflict of interest procedure in relation to the following resolutions:

A. Art. 523 Belgian Companies' Code :

1. BOD 7 March 2016 – Approval of the Business Plan in connection with the merger

"Marnix Galle informed the Board that he has a potential conflict of interest within the meaning of article 523 of the BCC with regard to Agenda item 4. This potential conflict of interest arises because Marnix Galle is the ultimate controlling shareholder of ALLFIN. He declared that he will abstain from voting in accordance with article 523 of the BCC.

Hilde De Valck informed the Board that she has a potential conflict of interest of a functional nature with regard to Agenda item 4. This functional conflict of interest arises because Hilde De Valck is a member of the executive team of ALLFIN. She declared that she will abstain from voting in line with the Company's Code.

The other ALLFIN Nominates, i.e. Sophie Lambrighs and Piet Vercruysse, informed the Board that, in the spirit of the Company's Code, they feel they should not attend the Board for the deliberation and resolution on Agenda item 4.

(…)

Point 4 - Approval of the Business Plan (Art. 523 BCC)

(…)

Resolution: Following the deliberation, the Board (without presence of the ALLFIN Nominates) approved the Business Plan, such as proposed by the CEO and the CFO, reviewed by the AFC and commented on today, and decided to send it as such to the bankers to allow them to proceed to the valuation of the Company."

2. BOD 18 April 2016 – Approval of the merger

The formal decisions in relation to the merger between IMMOBEL and ALLFIN were taken at a meeting of the Board of Directors on 18 April 2016. The procedure laid down in Art. 523 BCC was applied to all the resolutions. Pursuant to article 523 of the BCC, resolutions taken in 2016 must be disclosed in this Annual Report relating to the financial year 2016. For the sake of transparency, the Company had decided to already publish the minutes of the meeting of the Board of Directors on 18 April 2016 relating to the proposed merger on their website pursuant to questions they received from a shareholder in the framework of the extraordinary shareholder's meeting that had to decide on the merger.

Please see: https://onedrive.live.com/?authkey=%21ABrS8k51c7N47Y4&cid=372D3DB24C6666B1&id=372D3DB24C6666B1%2110715&parId=372D3DB24C6666B1%2110615&o=OneUp.

3. BOD 29 June 2016 - Remuneration of the CEO and the Executive Chairman

"Before the deliberation started, A3 Management BVBA, represented by Marnix Galle and AHO Consulting BVBA, represented by Alexander Hodac, declared that they had a potential conflict of interest, as defined under article 523 of the Belgian Company Code, with respect to the Agenda.

This potential conflict of interest arises because A3 Management BVBA, represented by Marnix Galle and AHO Consulting BVBA, represented by Alexander Hodac, as Executive Directors of the Company, are the beneficiaries of the remuneration to be decided upon by the Board of Directors.

In accordance with article 523, the Statutory Auditor of the Company will be informed of the existence of the conflict of interest.

Marnix Galle and Alexander Hodac did not participate to the deliberations or the resolutions.

The proposed resolution will have the following financial consequences for the Company:

- a maximum total cash compensation of EUR 465,000 (excl VAT) per year for the CEO, and
- a maximum total cash compensation of EUR 490,000 (excl VAT) per year for the Executive Chairman, as well as an advantage in kind (car lease, cost of fuel and car related expenses) valued at approximately EUR 25,000 per year.

The Board of Directors is of the opinion that the proposed remuneration packages are in line with market standards and are justified in view of their role and the efforts that are requested from them.

Deliberation and discussions: Remuneration of the CEO and the Executive Chairman

The Chairman of the RAC presented a memo prepared by Towers Watson, detailing the proposed packages for both the Executive Chairman and the CEO (sent to the Directors prior to the Meeting) and summarized the recommendation of the RAC in this respect.

The Chairman of the RAC explained that the packages proposed in the Towers Watson memo include a long-term incentive (LTI) component, which is an important incentive tool, but which is currently not in place at IMMOBEL. Such plan was deemed appropriate, necessary and in line with market practices by the Directors; they estimated that decisions on its structure and introduction should be made without delay after a further analysis and recommendation of the RAC.

Resolution: At the request of the Board of Directors, the RAC will further analyse how to implement LTI to be able to make a proposal to the next Board of Directors, who would then be able to make a proposal to the Shareholders.

Resolution: Upon recommendation of the RAC, the Board of Directors decided to grant the CEO, on a yearly basis, as from July 1st, 2016, a total cash compensation of maximum EUR 465,000, composed of:

- a base remuneration of EUR 310,000; and
- a variable remuneration of up to 50 % of the base remuneration (target bonus) linked to the performance criteria proposed by Towers Watson and decided by the Board of Directors.

Resolution: Upon recommendation of the RAC, the Board of Directors decided to grant the Executive Chairman on a yearly basis, as from July 1st, 2016, a total cash compensation of maximum EUR 490,000, composed of:

- a base remuneration of EUR 325,000; and
- a variable remuneration of up to 50 % of the base remuneration (target bonus) linked to the performance criteria proposed by Towers Watson and decided by the Board of Directors.

In addition, the Board of Directors decided to grant the Executive Chairman the following advantage in kind: car lease, cost of fuel and other car related expenses.

Resolution: Taking into account the above resolutions, the Board of Directors mandated:

(i) the RAC and Astrid De Lathauwer to prepare a management agreement for the Executive Chairman with a severance payment of up to 12 months, as well as an amendment to the current management agreement for the CEO;

(ii) ADL Comm. V, represented by Astrid De Lathauwer, and Arfin sprl, represented by Pierre Nothomb, to finalize and sign the management agreement for the Executive Chairman and the amendment to the management agreement for the CEO, with effect as of July 1st, 2016;

(iii) ADL Comm. V, represented by Astrid De Lathauwer, and Arfin sprl, represented by Pierre Nothomb, to finalize and send the KPI letter to the Executive Chairman of the Board and the updated KPI letter to the CEO."

B. Art. 524 Belgian Companies' Code :

Although legally not required, in order to guarantee the at arms' length character of the negotiations in relation to the merger between IMMOBEL and ALLFIN, the Board had decided to voluntarily apply a procedure similar to the procedure as set out in Article 524 CC and has appointed a committee of three independent to analyse the benefits and risks associated with the merger and to negotiate the terms and conditions of the merger and the related transaction documents and to express itself on the Merger in accordance with the requirements of Article 524 CC. An independent expert was also appointed.

The Committee of Independent Directors has drawn up a special report dated April 18th, 2016, the conclusions of which are:

"Assessment as to Whether the Proposed Transaction Would or Could Cause a Manifestly Unfair Prejudice to the Company in Light of its Strategy

In light of the foregoing considerations, the Committee believes that the Merger would not cause a manifestly unfair prejudice ("kennelijk onrechtmatige nadeel"/"dommages manifestement abusifs") to the Company in light of its strategy, within the meaning of Article 524, §2, BCC.

Assessment of any Benefits to the Company that Would Balance or Outweigh any Prejudice Identified

In view of the foregoing considerations, the Committee believes that the benefits of the Merger balance or outweigh any prejudice identified."

Assessment of the Statutory Auditor in accordance with Article 524 §3 of the Companies Code

"In accordance with Article 524 §3 of the Companies Code, we have reviewed:

- *the minutes of the Board of Directors meeting of 18 April 2016*
- *the report of the Committee of the Independent Directors*
- *the valuation report of the independent expert KBC Securities prepared to the attention of the Committee of Independent Directors*

Based on our work performed, nothing has come to our attention that causes us to believe that the economic and verifiable data included in the minutes of the Board of Directors meeting of 18 April 2016 and the report of the Committee of the Independent Directors are not accurate".

The Board of Directors reminds the merger has been approved by the Extraordinary General Meeting of June 29th, 2016. All legally required documents were made available for all the Shareholders previously, in order to allow them this approval.

IX. CORPORATE GOVERNANCE STATEMENT (art. 96 § 2 Companies Code), including the remuneration report (art. 96 § 3 Companies Code) and the description of the INTERNAL CONTROL SYSTEMS and the RISK MANAGEMENT (art. 119, 7° Companies Code)

The Corporate Governance Statement is part of this Director's report.

X. TAKE OVER BID

Pursuant to article 34 of the Royal Decree of 14th November 2007 concerning the obligations of issuers of financial instruments admitted for trading on a regulated market, the Board of Directors of IMMOBEL states that the following information could have an incidence in case of takeover bid (being understood that the other elements are currently not applicable for IMMOBEL) :

1° the capital amounts to EUR 97,356,533.86 represented by 9,997,356 shares, without par value, each representing an equal part of the capital (art. 4 of the Articles of Association).

2° the Board of Directors is authorised to increase the share capital to a maximum amount of EUR 97,000,000.00 (article 13 of the Articles of Association), in view of the fact that the exercise of this power is limited in the event of a public takeover bid by article 607 of the Company Code – the Board is authorised, for a period of 3 years from the publication in the Belgian official journal thereof to acquire and dispose of shares of the company when this acquisition or disposal is necessary to avoid serious and imminent damage (art. 14 of the Articles of Association);

- regarding the appointment and replacement of members of the Board of Directors, the Articles of Association specify that the Board of Directors consists of at least 5 members, appointed by the General Assembly, on the proposal of the Nomination Committee, and for a period of at most 4 years;

- for amendments to the Articles of Association, there is no regulation other than that determined by the Company Code.

XI. MANAGEMENT & AUDIT OF THE COMPANY – EXECUTIVE COMMITTEE

A. Board of Directors

During the General Shareholders Meeting that will be take place on 24th May, you will have to vote on the renewal of the mandate of the company Zou2 sprl, represented by Mrs. Sophie LAMBRIGHS for a duration of 4 years expiring at the General Shareholders Meeting that will be hold in 2021.

Moreover, we remind you that Mrs. Annick VAN OVERSTRAETEN[1] joined the Board of Directors of IMMOBEL following her cooptation by the Board of Directors of 28 September 2016, in replacement of Mrs. Hilde DE VALCK[2] , who resigned on 29th June 2016, and that Mrs. Karin KOKS – van der SLUIJS was elected to the Board of Directors during the Extraordinary Shareholders Meeting of 17th November 2016.

B. Statutory Auditor

Moreover, during this same General Meeting, you will also have to express an opinion on the reappointment of the Statutory Auditor, civil society under form of a SCRL Deloitte Reviseurs d'Entreprises. It is proposed to renew his mandate as Statutory Auditor for a period of 3 years ending after the Annual General Meeting to be held in 2020 for a fee of EUR 127,000 (excluding fees and disbursements) per year, indexed annually. The Statutory Auditor will be represented by Mr. Kurt DEHOORNE as lead partner.

C. Executive Committee

It is also reminded you, the functions exercised by Mr. Jean-Paul BUESS*, Philippe HELLEPUTTE and Bartlomiej HOFMAN, and by Mrs. Joëlle MICHA* as Members of the Executive Committee of IMMOBEL reached an end in the course of the first half of 2016, following the merger with ALLFIN Group. The Board of Directors warmly thanks them.

On the Board of Directors of 29th June 2016, Mr. Marnix GALLE* and Mrs. Hilde DE VALCK* were asked to join as Members of the Executive Committee, which is composed since 22nd March 2017.

- Alexander HODAC*, Chief Executive Officer, Chairman of the Executive Committee;
- Marnix GALLE*, Executive Chairman;
- Valéry AUTIN*, Chief Financial Officer;
- Nicolas BILLEN*, Head of Development;
- Hilde DE VALCK*, Head of Project Structuring & Financing;
- Rudi op 't ROODT*, Head of Technical Department; and
- Karim ZOUAOUI*, Head of Business Development.

* * *

[1] Permament representative of the civil company A.V.O. Management sprl.
[2] Permament representative of the company DV Consulting, H. De Valck Comm.V

We therefore ask you to approve the terms of this report and grant discharge to the Members of the Board and the Statutory Auditor.

* * *

Agreed at the Meeting of the Board of Directors on 22nd March 2017.

AHO CONSULTING bvba représentée par Alexander Hodac Administrateur Délégué	A3 MANAGEMENT bvba représentée par Marnix Galle Président du Conseil

* acting for a company.
** acting for a company, since 1st February 2016.
*** acting for a company, since 1st January 2016.

CORPORATE GOVERNANCE STATEMENT

IMMOBEL adheres to the principles of corporate governance contained in the Belgian Corporate Governance Code published on 12 March 2009 (hereafter Code 2009), which is available on the GUBERNA website: www.guberna.be.

IMMOBEL believes that its Corporate Governance Charter and the present Corporate Governance Statement reflect both the spirit and the rules of the Belgian Corporate Governance Code.

The Corporate Governance Charter describes in detail the structure of the Company's governance and its policies and procedures in matters of governance. This Charter can be consulted on the Company's website: www.immobel.be.

This section of the Annual Financial Report contains information concerning the way IMMOBEL put the principles of governance into practice during the past year.

I. DECISION-MAKING BODIES (AS PER MARCH 22ND 2017)

A. THE BOARD OF DIRECTORS

A) COMPOSITION

Name	Function	Date first appointment	End of term	Professional addres
Marnix GALLE[1]	Executive Chairman	September 25th, 2014	AGM 2018	Regentschapsstraat 58, 1000 Brussel
Alexander HODAC[2]	Managing Director	December 1st, 2015	AGM 2019	Regentschapsstraat 58, 1000 Brussel
Astrid DE LATHAUWER[3]	(Independant) Director	August 26th, 2015	AGM 2020	c/o Ontex BVBA – Aalst Office Korte Keppestraat 21, 9320 Erembodegem

[1] In carrying out the functions concerned in the present report, Mr Marnix GALLE acts as the permanent representative of the company A³ Management sprl.

[2] In carrying out the functions concerned in the present report, Mr Alexander HODAC acts as the permanent representative of the company AHO Consulting sprl.

[3] In carrying out the functions concerned in the present report, Mrs Astrid DE LATHAUWER acts as the permanent representative of the company ADL Comm.V since May 26th, 2016; precedently she executed her mandate in her personal name.

Karin KOKS - van der SLUIJS	(Independant) Director	November 17, 2016	AGM 2020	't Breede Weer 10, 2265 EH Leidschendam (Nederland)
Sophie LAMBRIGHS[4]	Director	September 25, 2014	AGM 2017	c/o Home Invest Belgium SA, Woluwelaan 60, 1200 Brussel
Pierre NOTHOMB[5]	(Independant) Director	September 25th, 2015	AGM 2019	c/o Deminor SA/NV Joseph Stevensstraat 7, 1000 Brussel
Annick VAN OVERSTRAETEN[6]	(Independant) Director	September 28th, 2016	AGM 2018	c/o Lunch Garden SA/NV Olympiadenlaan 2, 1140 Brussel
Piet VERCRUYSSE	Director	September 25th, 2014	AGM 2020	Rue Clément Delpierre 67, 1310 La Hulpe
Jacek WACHOWICZ	(Independant) Director	February 18, 2016	AGM 2019	Platnicza 44, 01-832 Warszawa, Poland

The curriculum vitae of each Director in function (or of its permanent representative) can be summarized as follows:

Marnix GALLE, 53, completed a "Bachelor Degree in Arts & Sciences" with Economics as a major and Law as a minor at Tulane University in New Orleans, Louisana, USA. He began his professional career at Cegos Belgium in 1987 as a consultant and made his first steps in real estate in 1989 (family portfolio) until 2002. He created his own company ALLFIN in 2001, which became one of Belgium's leading real estate developers. ALLFIN Group acquired in 2014 a 29% stake in IMMOBEL, listed on Euronext Stock Exchange since 1863. ALLFIN and IMMOBEL merged in 2016 after which he became its Executive Chairman. He is also Chairman of Urban Land Institute Belgium (2015-2018) as well as Director, Member and Trustee of several leading European and American associations. He is married to Michèle Sioen; they have six children.

[4] In carrying out the functions concerned in the present report, Mrs Sophie LAMBRIGHS acts as the permanent representative of the company ZOU2 sprl.
[5] In carrying out the functions concerned in the present report, Mr Pierre NOTHOMB acts as the permanent representative of the company ARFIN sprl.
[6] In carrying out the functions concerned in the present report, Mrs Annick VAN OVERSTRAETEN acts as the permanent representative of the civil company A.V.O. - Management sprl.

Alexander HODAC, 36, after having obtained a degree in business engineering (Solvay/VUB), he started his professional career at Deloitte Corporate Finance-Real Estate (2005-2013) and served as Chief Commercial Officer of the Belgian residential REIT Home Invest Belgium from 2013 till 2015. In this last function, he was responsible for the entire acquisition and disposal process of existing assets/ portfolios and development projects with an investment value of up to 30 MEUR and a size of 30-150 units.

Astrid DE LATHAUWER, 53, after studying art history in Ghent and international politics and diplomatic sciences at KU Leuven, she started her career at Monsanto, first in the Marketing department, then as HR Manager for Eastern Europe. Afterwards she joined AT & T, where she works for eight years at various positions in Europe and the United States. In 2000 she went back in Belgium and joined Belgacom where she became Executive Vice President Human Resources for the Group in 2003. From January 2012 till September 2014, she worked at Acerta as General Manager of the branch Acerta Consult. Since October 2014 she is Group HR Director at Ontex. She is also an Independent Director at Colruyt Group since September 2011.

Karin KOKS - van der SLUIJS, 48, has a Master Degree in Business Economics and a Bachelor degree in Commercial Economics and is a CFA Charterholder. During her 25-year career in the property industry, of which 16 years in international non-listed real estate, she worked with institutional clients, selecting and managing European and global real estate funds. In her five years with MN Vermogensbeheer she managed the European property portfolio. Subsequently she was at Aberdeen Asset Management for 10 years. Currently she holds the position of non-executive board member of Genesta Capital and Fund Management S.à r.l., as well as Chairman of the Investment Committee. In addition, she serves as Supervisory Board member (and member of the Audit Committee) of the Dutch stock listed real estate company NSI N.V. , as External consultant for Accord Europe Ltd and as Senior Advisor at Masterdam B.V. two real estate corporate finance companies.

Sophie LAMBRIGHS, 45, started her career within the construction industry, in Brussels and Paris with a degree in civil engineering and construction (ULB) and an Executive Master in Management (Solvay Business School). Currently she is CEO of the regulated real estate company Home Invest Belgium, and Managing Director of its subsidiary Home Invest Development, in charge with the development of the projects for the REIT. Before joining Home Invest Belgium in June 2014, she was Consultant and Member of the Executive Committee of IMMOBEL. Precedently she was working within the real estate department of Axa Belgium, first as Project Manager and finally as Investment Manager. She was also a member of the Board of Directors of the REIT Retail Estates.

Pierre NOTHOMB, 54, obtained a Master's degree in applied economics (UCL Louvain-la-Neuve). He joined Deminor at its launch 25 years ago, and has had (or still holds) numerous assignments with the Board of Directors of various companies or associations (such as ForSettlement (Fortis), Modulart, Imperbel, DBAssociates, Cercle de Lorraine, Domaine du Pont d'Oye, Epsylon) and of several Deminor group companies. Additionally, he is also active as a member of the audit committee of Sabam, Imperbel and of the Epsylon psychiatric hospitals group (La Ramée - Fond'Roy). Prior to joining Deminor in 1991, he served with Coopers & Lybrand (now PriceWaterhouse Coopers) as Senior Auditor, and afterwards as corporate finance consultant with Petercam Securities.

Annick VAN OVERSTRAETEN, 51, has a Degree in Economics (KUL – 1987) and obtained a Master's in Management (IAG-UCL – 1992) and began her career in 1987 at Philips, as Project Leader within the Human Resources department. During the period 1991 till 1999, she continued her career in retail, specifically in the textile sector (New-D, Mayerline) and then moved into food world at Confiserie Leonidas, where she held the post of Commercial & Marketing Director (1999-2004). From 2004 to 2009, she served as Director of Operations of Quick Restaurants Belux SA. Currently she is Chief Executive Officer and Director of Lunch Garden Group since 2010, Independent Director of QSR Belgium NV/SA and Independent Board Member of Euro Shoe Group NV.

Piet VERCRUYS SE, 67, graduated in law (magna cum laude) at KU Leuven in 1973 after technical studies. Admitted to the Brussels Bar in 1973, he also was assistant at KU Leuven from 1976 till 1979. He is co-founder of the law firm Vercruysse & Kadaner. He became Honorary Solicitor in 2003, and was a director of ALLFIN and ALLFIN Group between 2004 and 2010. He currently is Director of several non-listed holding companies.

Jacek WACHOWICZ, 50, after studying at University of Warsaw, he started his career at Raiffeisen Bank in Warsaw in 1992 as currency and bond trader. Afterwards he joined Cargill in Cobham (UK), where he first continued in the same field, and then as an Investment Manager responsible for proprietary equity investments in real estate transactions and non-performing loan portfolios in Central Europe. In 2007, after working five years at Heitman in London and Warsaw as Senior Vice-President, responsible for real estate investments, he joined TriGranit Development as Managing Director for Poland. Afterwards he went in a temporary partnership with ALLFIN Lux, to acquire and develop real estate assets in Poland. From 2009 till 2010 he served as Consultant to the Warsaw stock listed, Austria based developer - Warimpex. Since 2010 he is with a Warsaw stock listed company - GTC - currently as the Chief Investment Officer and Member of the Management Board.

B) ACTIVITY REPORT

Pursuant to article 18 of the Articles of Association, the Board shall be convened by the Chairman of the Board of Directors, the Managing Director or two Directors.

In principle, the Board meets at least three times a year (in March, September and December). Additional meetings may be organized at any time, with reasonable notice. This frequency enables the Directors, among other things, to review the half-yearly accounts in September and the annual accounts in March, as well as the budgets in December. In 2016, the Board met on ten occasions, especially as a consequence of the merger with ALLFIN.

B. THE COMMITTEES OF THE BOARD OF DIRECTORS

A) THE AUDIT & FINANCE COMMITTEE

the Audit & Finance Committee shall have at least the following roles:

- monitoring the statutory audit of the annual and consolidated accounts, including following up on any questions and recommendations made by the External Auditor;
- monitoring the financial reporting process;
- monitoring the effectiveness of the Company's internal control and risk management systems;
- if there is an internal audit, monitoring the internal audit and its effectiveness; and
- reviewing and monitoring the independence of the External Auditor, particularly regarding the provision of additional -services to the Company (Article 526bis of the Belgian Companies Code).

The charter foresees that the Audit & Finance Committee is made up of at least three members, which are all non-executive Directors and of which a majority are independent Directors. At least one member is competent in accounting and auditing matters. Since the entry into force of the Law of December 7, 2016, the chairman of the Audit & Finance Committee is appointed by the Board of Directors himself, and may not be its Chairman.

The Board of Directors ensures that the Audit & Finance Committee has sufficient relevant expertise to fulfil its role effectively, notably in accounting, audit and financial matters.

COMPOSITION:

Pierre NOTHOMB, Chairman,
Karin KOKS - van der SLUIJS[7], and
Piet VERCRUYSSE[8],Members.

In 2016, the Audit & Finance Committee met four times, at the request of its Chairman.

[7] Since November 17th, 2016, in replacement of Mrs Astrid DE LATHAUWER.
[8] Since June 29th,, 2016, in replacement of Mrs Hilde DE VALCK.

B) THE REMUNERATION COMMITTEE

The "Remuneration & Appointments Committee", which met four times in 2016, was divided into two separate committees at the Board of Directors of September 28th, 2016: the "Remuneration Committee" and the "Nomination Committee", having both their responsibilities as assigned by law and mentioned in the Corporate Governance Charter of IMMOBEL.

The task of the Remuneration Committee consists of:

- making proposals to the Board of Directors on:
  - the remuneration policy for non-executive Directors and members of the Executive Committee, as well as, where appropriate, on the resulting proposals to be submitted by the Board of Directors to the shareholders; and
  - the remuneration of Directors and members of the Executive Committee, including variable remuneration and long-term incentives, stock-related or not, in the form of stock options or other financial instruments, and regarding the arrangements on early termination, and where applicable, on the resulting proposals to be submitted by the Board of Directors to the shareholders.
- submitting a remuneration report to the Board of Directors (see attachment);
- explaining this report during the annual general shareholders' meeting.

The Remuneration Committee consists of only non-executive Directors. At least most them are independent Directors which have the necessary expertise in remuneration policy.

A non-executive Director chairs the Remuneration Committee.

COMPOSITION:

Astrid DE LATHAUWER, Chairwoman,
Annick VAN OVERSTRAETEN[9], and
Piet VERCRUYSSE[10], Members.

In 2016 the Remuneration Committee met once, since it split off, at the request of its Chairwoman.

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[9] Since September 28th, 2016, in replacement of Mr Pierre NOTHOMB.
[10] Since June 29th, 2016.

C) THE NOMINATION COMMITTEE[11]

Its task consists of:

- drafting appointment procedures for members of the Board of Directors, the Chief Executive Officer and the other members of the Executive Committee;
- periodically assessing the size and composition of the Board of Directors and making recommendations to the Board of Directors regarding any changes;
- identifying and nominating, for the approval of the Board of Directors, candidates to fill vacancies as they arise;
- ensuring that the appointment and re-election process is organised objectively and professionally;
- advising on proposals for appointment originating from shareholders; and
- properly considering issues related to succession planning.

The Nomination Committee consists of most independent non-executive Directors.

The Chairman of the Board chairs the Committee. The Chairman can be involved but should not chair the Nomination Committee when dealing with the appointment of his successor.

COMPOSITION:

Marnix GALLE[12], Chairman,
Astrid DE LATHAUWER[13], and
Annick VAN OVERSTRAETEN[14], Members.

In 2016 the Nomination Committee met once, at the request of its Chairman.

[11] The "Remuneration and Appointments Committee", which met four times in 2016, was divided into two separate committees at the Board of Directors of September 28th, 2016: the "Remuneration Committee" and the "Nomination Committee", having both their responsibilities as assigned by law and mentioned in the Corporate Governance Charter of IMMOBEL.

[12] Since September 28th, 2016, date of creation of the Nomination Committee.

[13] Since September 28th, 2016, date of creation of the Nomination Committee.

[14] Since September 28th, 2016, date of creation of the Nomination Committee.

D) THE INVESTMENT COMMITTEE[15]

is in charge of:

- formulating the objectives, policies and strategies of the Company's real estate investments; and
- monitoring ongoing projects when these projects entail a substantial part of the Company's portfolio and when Executive Management has flagged a project as considerably deviating from its original business plan.

The Board of Directors convenes in principle four times a year which does not allow investment decisions-making in line with industry's expectations. The Board of Directors therefore delegates purchasing powers to the Executive Committee for all investments up to MEUR 40 per project, including acquisition price and total development costs (including e.g. construction costs, financing costs, fees and taxes) based on the proposed feasibilities, taking into account the Company's share in case of a project in partnership. This means that the Executive Committee can, at its discretion, purchase property or similar rights for projects, the total cost of which amounting up to MEUR 40 without prior consent of the Investment Committee or the Board of Directors. Both the Investment Committee and the Board of Directors will ratify the purchase decision at their first subsequent meeting.

The Board of Directors further delegates purchasing powers to the Investment Committee for all investments up to MEUR 140, including acquisition price and total development costs (including e.g. construction costs, financing costs, fees and taxes), taking into account the Company's share in case of a project in partnership. This means that the Investment Committee can, at its discretion, mandate the Executive Committee to purchase property or similar rights for projects, the total cost of which not exceeding up to MEUR 140 per project without prior consent of the Board of Directors. The Board of Directors will ratify the purchase decision at is first subsequent meeting.

All investment processes must be based on extensive research, including a feasibility survey.

The Investment Committee consists of at least four Directors, including the Executive Chairman and the Chief Executive Officer.

COMPOSITION:

Alexander HODAC, Chairman,
Marnix GALLE,
Karin KOKS – van der SLUIJS[16],
Sophie LAMBRIGHS and
Jacek WACHOWICZ[17], Members.

In 2016 the Investment Committee met six times, at the request of its Chairman.

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[15] Formerly the Investment and Asset Management Committee ("IAMC" in abridged form).
[16] Since November 17th, 2016, date of her appointment as Director.
[17] Since February 18th, 2016, date of his appointment as Director.

C. THE EXECUTIVE COMMITTEE

The Executive Committee of the Company is composed of the Executive Chairman, the Chief Executive Officer and of the Members of the Executive Committee. He is primarily in charge of following tasks:

- consider, define and prepare, under the leadership of the Executive Chairman and the Chief Executive Officer, proposals and strategic options that could contribute to the Company's development. This responsibility covers (i) strategic planning, including the analysis of strategies, activity plans and budgets submitted by the Company's departments; and (ii) drawing up the business plan and budgets of the Company for proposal, discussion and approval by the Board of Directors;
- monitor the developments of the Company by analyzing the compliance of the feasibility, the deadlines and the quality of the projects while making sure to maintain or improve quality standards of the Group;
- present to the Board of Directors a complete, timely, reliable and accurate preparation of the Company's financial statements, in accordance with the applicable accounting standards and policies of the Company;
- prepare the Company's required disclosure of the annual accounts and other material, financial and non-financial, information;
- propose the financial strategy to the Board of Directors;
- monitor the performance of the Company's departments in line with their strategic objectives, business plans and budgets; and
- draw up and implement the Company's policies which the Executive Chairman and the Chief Executive Officer consider to fall within the competence of the Executive Committee.

COMPOSITION[18]:

Alexander HODAC, Chairman,
Valéry AUTIN,
Nicolas BILLEN,
Hilde DE VALCK,
Marnix GALLE,
Rudi op 't ROODT[19], and
Karim ZOUAOUI[20], Members.

The Members of the Executive Committee are not related to each other.

[18] As per March 22nd, 2017.
[19] Since March 22nd, 2017.
[20]

The “curriculum vitae” of the Members of the Executive Committee in function (except for Marnix GALLE and Alexander HODAC, already listed above) can be summarized as follows:

Valéry AUTIN, 39, before joining IMMOBEL in February 2016, he worked for the real estate investor Teychené Finance, in charge of research, purchasing and financing of real estate assets in Belgium and the Grand Duchy of Luxembourg (since November 2012). After studying at the Solvay Business School (1996-2001) and having obtained a degree in Finance & Business Administration, he began his professional career with Arthur Andersen (which became Deloitte afterwards). In early 2008 he returned to Deloitte (after an interlude at CFE, as Chief Financial Officer of the division "International Real Estate", responsible for legal and financial structuring of real estate transactions) and became Senior Manager in charge of clients in the real estate sector and the development of the business line "Real Estate Services". Between January 2010 and October 2012, he was Chief Financial Officer and member of the Executive Committee of Ascensio. Since September 2010, he was also assistant of the course "Advanced Accounting" at the Solvay Business School.

Nicolas BILLEN, 37, has joined IMMOBEL as Senior Development Director in September 2015, after an interlude of a few months (creation and launching of an internet start-up) especially allowing him to discover a new sector of activity and to complete his financial knowledge. Before, he worked for ALLFIN Group for nearly 7 years, first as commercial director, afterwards as development director. After his candidacies in Economic, Social and Politic Sciences at the Université Catholique de Louvain (2002), he pursued his studies at EPHEC and obtained his Bachelor in Marketing in 2004. Afterwards, he acquired a first rewarding experience in real estate as Junior Account Manager at King Sturge and joined Jones Lang LaSalle in 2004 as Account Manager. He left JLL in 2008 as Key Account Manager after having contributed to the reinforcement of the visibility of the departments “Office Agency” and “Investment” on the market.

Hilde DE VALCK, 53, has joined IMMOBEL since the merger with ALLFIN Group in June 2016. In 2009, she became Chief Financial Officer at ALLFIN Group. She is Master in Commercial and Financial Sciences (EHSAL) and graduated from the «International Management Program » of the Vlerick Business School; she started her career in 1986 at VGD Auditors. Afterwards she was, for more than 15 years, Financial Manager, then Chief Financial Officer at Group Staels, a group internationally active in the textile and clothing industry.

Rudi op ‘t ROODT, 53, joined ALLFIN in 2013 as Head of Technical Department. Since the merger with ALLFIN, he is responsible for the technical management and smooth development of all projects of IMMOBEL. He started his career at Van Roey SA (General Contractor), where, as Project Manager, he was responsible for the execution of large construction projects (industrial, hospitals, offices, hotels …). In 1996, he became Director of the company Vernibouw / Eribel, involved in outfitting buildings. In 2006, after more than 19 years in the field of construction, he joined the real estate sector: first at CIP and CIP Luxembourg (Project Director), and later at Project T & T (Operational Director). He has a degree in Civil Engineering (KUL 1987).

Karim ZOUAOUI, 47, served since 2013, until the absorption by IMMOBEL in June 2016, as Head of Development at ALLFIN, where he made acquisitions and major developments in Brussels and Flanders. Before he was responsible for 5 years of the new acquisitions and expansion of Ghelamco Group in Belgium. He made his first professional experience at Cetelem, specialized in consumer credit (BNP Paribas). After that, he worked over 12 years in the telecom sector where he held various management positions, specializing in the management of retail channels (wholesale distribution), B2C and Trade Marketing. He is a member of RICS and completed his degrees in marketing (RIHO, Brugge), business economics (VLEKHO, Brussels) and sales management (EHSAL, Brussels) with a Post Graduate in real estate expertise at Solvay Business School (ULB, Brussels).

D. THE MANAGEMENT TEAM

The Executive Chairman and the Chief Executive Officer have established a Committee that assist them in the practical implementation of the executive powers (the "Management Team"). The Board of Directors have approved the creation of this Committee.

The Management Team is accountable for the exercise of its powers vis-à-vis the Executive Chairman and the Chief Executive Officer, and is in charge with the introduction of efficient systems of internal control and risk management as well as to ensure the day-to-day management of operations. It draws up and implements the policies of IMMOBEL the Executive Chairman and the Chief Executive Officer esteems to be of its competences.

Under the responsibility of the Executive Chairman and the Chief Executive Officer, he:

- gives leadership, advise and support to IMMOBEL's various subsidiaries and departments;
- manages and organizes the support functions within IMMOBEL covering areas such as legal, tax, accounting and financial matters.

Philippe HELLEPUTTE, seated, in his capacity as Head of Landbanking, in the Executive Committee until after the merger with ALLFIN, then within the Management Team until his retirement in late January 2017. The Board of Directors thanks him for his commitment at IMMOBEL during his long career within the Group. He continues to execute certain missions within the Group.

COMPOSITION[21]:
Valéry AUTIN[22], Head of Finance,
Olivier BASTIN, CEO IMMOBEL Luxembourg,
Nicolas BILLEN[23], Head of Development,
Hilde DE VALCK[24], Head of Project Structuring and Financing,
Sophie GRULOIS[25], Head of Legal Services,
Bartlomiej HOFMAN, CEO IMMOBEL Poland,
Sandrine JACOBS[26], Head of Marketing and Communication,
Joëlle MICHA[27], Head of Corporate Affairs,
Rudi op 't ROODT[28], Head of Technical Department,
Olivier XHONNEUX[29], Head of Landbanking[30], and
Karim ZOUAOUI[31], Head of Business Development.

The "curriculum vitae" of the Members of the Management Team (except those for the Members of the Executive Committee, already listed above) can be summarized as follows:

Olivier BASTIN, 46, began his career in the banking sector (BACOB, 1994-1995) before joining the real estate sector at Intermarché where he contributed to the expansion of the brand in Wallonia (1995-1996). In 1997, he joined Jones Lang LaSalle where he was Head of the Office Agency Department for Belgium (1997-2005) before becoming Managing Director of the Luxembourg offices of the group (2005-2011). In 2010, he combined this function with that of Head of Capital Markets for Belux. He left JLL in late 2011 to join ALLFIN as CEO of the Luxembourg entity. He owns a degree in Applied Economics (ULG, 1988-1992) and an MBA (ULG & Maastricht University, 1993-1994).

Sophie GRULO IS, 41, joined IMMOBEL further to the merger with ALLFIN Group in June 2016; she served as legal counsel of the latter since 2013. Previously, she worked for 2 years at PwC - Financial Services & Real Estate (FSRE) and acquired her experience in real estate at Goodman where she worked for more than 7 years as in-house lawyer. She started her career at the bar and worked for Freshfields for 2 years. She obtained her law degree at the KUL and has a LL.M. in "International Business Law" from King's College London.

[21] As per March 22nd, 2017
[22] Permanent representative of the company Val U Invest sprl.
[23] Permanent representative of the company Pride Rock Belgium sprl.
[24] Permanent representative of the company DV Consulting, H. De Valck Comm.V.
[25] Permanent representative of the company SG Management sprl.
[26] Permanent representative of the company Happybizz sprl.
[27] Permanent representative of the company JOMI sprl.
[28] Permanent representative of the company 2Build Consultancy sprl.
[29] Permanent representative of the company Avimore sprl.
[30] As from February 2017.
[31] Permanent representative of the company K2 Concept sprl.

Bartlomiej HOFMAN, 42, joined the Group in 2011 as head of our Polish subsidiary (Head of IMMOBEL Poland) and is Member of the Royal Institution of Chartered Surveyors (RICS). Prior to joining IMMOBEL, he has worked, since 1999, for Knight Frank and DTZ, specializing in the office sector, and from 2005, he was General Manager in charge with the Polish operations of the Austrian based investment fund Europolis (now CA Immo). He holds a Master degree from Warsaw University in International Relations and a Postgraduate degree in Property Valuation from Warsaw Technical University.

Sandrine JACOBS, 42, joined the Group in 2011 as head of our Polish subsidiary (Head of IMMOBEL Poland) and is Member of the Royal Institution of Chartered Surveyors (RICS). Prior to joining IMMOBEL, he has worked, since 1999, for Knight Frank and DTZ, specializing in the office sector, and from 2005, he was General Manager in charge with the Polish operations of the Austrian based investment fund Europolis (now CA Immo). He holds a Master degree from Warsaw University in International Relations and a Postgraduate degree in Property Valuation from Warsaw Technical University.

Joëlle MICHA, 47, joined the Group in 2000 as Company Secretary of the real estate investment trust Cibix. Then, since 2007, Head of Corporate Affairs, Compliance Officer and since 1st January 2016, Head of Legal & Corporate Affairs of IMMOBEL. Prior she worked as a Lawyer for Loeff Claeys Verbeke (currently Allen & Overy), as an authorised agent in a private bank (Bank Delen), and at the BFIC (currently FSMA) in the Markets Supervision department. She holds a Master in Law (UCL), a Master in Taxation (HEC-Liège), she also obtained the "Certified European Financial Analyst" qualification (ABAF) and is Member of the IPI (Owner, Broker and Trustee). She is a Company Director in Belgium and the Grand Duchy of Luxembourg.

Olivier XHONNEUX, 45, joined IMMOBEL in 2012 as Operations and Project Manager with the aim of developing and optimizing the activities of the "Lanbanking" department of the Group. In this context, he helped to develop a new strategy and targeted marketing tools for the Landbanking Department. Passionated about real estate and landbanking, he started his career at Redevco (1996-2002) as a Business lawyer in real estate management and real estate development. He then managed the project development of shopping malls by Foruminvest (2002-2010) and by City Mall (2010-2012). He holds a Master in Law (UCL), a certificate in European and International Law (Leiden - NL), and followed the program "Executive Programme en Immobilier" at the Solvay Business School. He is also a member of IPI.

II. INTERNAL CONTROL AND RISK MANAGEMENT

The Belgian legislative framework for internal controls and risk management consists in the Law of 17 December 2008 (in application of the European Directive 2006/43 concerning corporate financial control), the Belgian Corporate Governance Code 2009 and Law of 6 April 2010 (CG Law).

The IFRS 7 likewise defines additional requirements with regards to management of risks related to financial instruments.

Nevertheless, the current Belgian legislative and normative framework specify neither the model of internal control to which the companies for which it is intended should conform, nor the modalities for implementing it (level of detail required).

IMMOBEL uses a system of risk management and internal control that was drawn up internally based on the "COSO[32]" model of internal control.

The COSO methodology is organized around five elements:

- the internal control environment
- risk analysis
- control activities
- information and communication, as well as
- supervision and monitoring.

[32] Abbreviation of "Committee of Sponsoring Organizations of the Treadway Commission".

THE INTERNAL CONTROL ENVIRONMENT

The element "internal control environment" focuses on the following components:

Precise definition of the company's objectives:

IMMOBEL is the largest listed Belgian property developer. Since its foundation in 1863, the Group has devised, developed and marketed innovative urban projects in response to the needs of cities and their inhabitants. Thanks to its bold strategy and a talented workforce of around a hundred people, IMMOBEL has succeeded in diversifying its expertise and currently operates in the residential, office, retail and landbanking development sectors. Already in a leading position in the Belgian property market, IMMOBEL has also expanded internationally, in the Grand Duchy of Luxembourg and in Poland. Its portfolio now totals more than 850,000 m² of projects under development and the Group has a market capitalisation in excess of 550 MEUR.

IMMOBEL draws on all its skills and expertise to implement iconic projects whose hallmarks are sophisticated urban thinking and a pioneering approach. The Chambon project, a tour de force of urban regeneration in the centre of Brussels, the ambitious Infinity complex in Luxembourg and the redevelopment of the historic Granary Island site in Gdansk (Poland) are all examples of its outstanding development work.

A definition of the roles of the decision-making bodies:

IMMOBEL has a Board of Directors, an Investment Committee, an Audit & Finance Committee, a Remuneration Committee, a Nomination Committee and an Executive Committee.

Responsibility for drawing up IMMOBEL's strategy and for controlling the way it does business belongs primarily to the Board of Directors. The main responsibilities of the different Committees have been mentioned above (cfr. Decision-making bodies).

Risk culture:

IMMOBEL takes a prudent attitude. Managing a portfolio of diversified projects that create long-term value through its three lines of activity.

Application of ethical standards and integrity:

IMMOBEL has a Good Behaviour Code that describes the principles of ethics and integrity that apply to each of the Directors and the Members of the Executive Committees as well as all the employees and external collaborators. This Code deals with aspects of conflict of interest, professional secrecy, corruption, and misuse of corporate funds and even business gifts.

IMMOBEL has also a Dealing and Disclosure Code whose main purpose is, among others, to ensure that Persons Discharging Managerial Responsibilities do not misuse, or place themselves under suspicion of misusing certain price sensitive information, ("Inside Information" as defined in the Dealing and Disclosure Code). Certain obligations are also imposed on persons closely associated with them (such as certain of their relatives or entities controlled by them).

The position of Compliance Officer has been created.

Measures geared to ensuring the level of competence:

- Competence of the Directors: Given their experience, the Directors possess the competencies and qualifications necessary to assume their responsibilities, particularly in matters of finance, accounting, investment and remuneration policy.

- Competence of the Members of the Executive Committee and other staff: a recruitment process geared to the profiles required, adequate training and a policy of remuneration and evaluation based on the achievement of realistic and measurable goals make it possible to ensure the competence of IMMOBEL's staff.
- IMMOBEL has introduced a remuneration procedure dealing with remuneration policy for the Directors and the Members of the Executive Committees, that complies with the requirements of the Law of 6 April 2010 on Corporate Governance. During 2016, it has been more in particularly decided to
  - modify the remuneration of the Directors (approved by the Extraordinary General Meeting of November 17th latest), regarding, on the one side, the approval of the "Performance Share Plan 2017-2019" to the benefit of the Executive Chairman and the Chief Executive Officer, and on the other side, on the revision of the remuneration of the non-executive Directors as from that Extraordinary General Meeting; and
  - uniformize the principles and modalities of the variable remuneration in the contracts of the Members of the Executive Committee, active in Belgium.

RISK ANALYSIS

IMMOBEL regularly carries out risk identification and evaluation exercises. They are mapped out and formal action plans are drawn up to deal with those risks for which the level of control is deemed to be inadequate. The Audit & Finance Committee monitors the implementation of these action plans.

The principle risks to which IMMOBEL is exposed are set out in detail in section I.B of the Directors' Report.

CONTROL ACTIVITIES

The control activities correspond to the regulations and procedures used to deal with the principal risks identified. Here are the main regulations and procedures established within IMMOBEL, we would like to mention:

- Feasibility studies are carried out systematically, allowing project margins to be monitored. The feasibility studies are then analysed by the developer, project manager, the Head of Development, the Head of Project Structuring & Financing and the CFO, together with the Executive Chairman and/or the Chief Executive Officer.
- The Executive Committee can, at its discretion, purchase property or similar rights for projects, the total cost (including e.g. construction costs, financing costs, fees and taxes) of which amounting up to MEUR 40 without prior consent of the Investment Committee or the Board of Directors. Furthermore, the Investment Committee can, at its discretion, mandate the Executive Committee to purchase property or similar rights for projects, the total cost (including e.g. construction costs, financing costs, fees and taxes) of which not exceeding up to MEUR 140 per project, without prior consent of the Board of Directors. The Board of Directors will ratify the purchase decision at is first subsequent meeting.
- A review of the discrepancies between the budget and the actual financial situation of the projects is carried out monthly by the Head of Project Structuring & Financing. Any significant differences observed are submitted to the Management bodies.
- The accounts department and future financial requirements are monitored and regular reports submitted to the Management bodies.
- The principle of multiple approvals exists at every phase of the engagement process. So, the double signature procedure applies to approval of all transactions and the signatories are specified in function of the sums involved in the transaction.

INFORMATION AND COMMUNICATION

IMMOBEL uses an appropriate software program as its financial management information system. In the transition period after the merger with the ALLFIN Group, IMMOBEL also uses another specific accounting and financial software. The maintenance and development of these systems is subcontracted to a partner.

Data continuity is also subcontracted to a partner who is contractually bound to follow a strict procedure to establish a reliable and secure information storage system.

For the entities in the IMMOBEL Group accounting is partially outsourced to a firm specialised in financial services. The finance department of IMMOBEL is naturally always in charge of the closure process and drafting the Annual Report, the Consolidated Financial Statements drawn up according to IFRS standards and the Annual Accounts. As from May 2017 it is intended to organise some insourcing of the accounting services.

Communication with the personnel and the various employees of IMMOBEL is appropriate to the size of the business. It is based mainly on work sessions, verbal communications from the management to the personnel as a whole, or internal e-mail notes signed mostly by the Chief Executive Officer.

In order to ensure rapid communication and equal treatment of all Shareholders, IMMOBEL publishes the Agenda and the Minutes of the Annual General Meetings, the half-yearly and annual Financial Results, Press Releases, the Articles of Association, the Corporate Governance Charter and the Annual Report on its website. Certain information is also published in the press.

SUPERVISION AND MONITORING

The Audit & Finance Committee is responsible for supervising internal control. For the year 2016 and previously the Audit & Finance Committee did not consider it necessary to create the position of internal auditor to assist it in his mission, given the size and the activities of the Company and the Group.

Given the increase size and the activities of the Company and the Group, the Audit & Finance Committee will reassess in 2017 whether it is necessary or not to create a position of internal auditor to assist it in this mission.

In order to evaluate the control environment regularly, the Audit & Finance Committee entrusts the auditor with certain specific missions involving more thorough examination of internal control, consisting of testing the existing controls and identifying possible weaknesses compared to best practice. The Audit & Finance Committee ensures that the recommendations are implemented if the need arises.

III. RULES AND PROCEDURES

Transactions and other contractual relationships between the Company, including associated companies, with the Directors, the Members of the Executive Committee and the other staff

During 2016, the Board of Directors decided to initiate the procedure provided for in Article 523 BCC, in the framework of the deliberations of the Board of Directors regarding the merger with its reference shareholder ALLFIN Group, as well as the remuneration to be allocated to the Executive Chairman and to the Chief Executive Officer after the merger.

Furthermore, the Board of Directors has also applied the Corporate Opportunities-procedure once, and more especially in September 2016.

There have also been two transactions: one between a Director of the Company and a Group subsidiary, and another between a collaborator of the Group and a Group subsidiary.

Application of the rules cited above has not given rise to any difficulty.

Comments on the measures taken by the Company in the context of the Directive on insider trading and manipulation of the market

The Dealing and Disclosure Code intends to ensure that Directors, senior executives and other staff of IMMOBEL and affiliated entities do not misuse information which they may have about IMMOBEL which is not available to other investors.

These rules have been supplemented by an internal note summarizing the main legal obligations in this matter, particularly taking into account the new Regulation on Market Abuse as entered into force on July 3rd latest, with a view to increasing an awareness of their obligations in those concerned.

The Compliance Officer is tasked with ensuring compliance with said rules in order to reduce the risk of abuse of the market by insider trading. The Compliance Officer keeps lists of people who have or are liable to have privileged information and who know or cannot reasonably be unaware of the privileged nature of this information.

These rules provide, among others, in:

- A prohibition against Persons exercising managerial responsibilities to carry out transactions on their own behalf or on behalf of a third party, whether directly or indirectly, relating to the shares or debt instruments of IMMOBEL or to derivatives or other Financial Instruments linked thereto during the Closed Periods and the Prohibited Periods;
- The possibility given to the Compliance Officer, without being obliged, to authorize a Person exercising managerial responsibilities to negotiate during a Closed Period or a Prohibited Period (in specific cases);
- The obligation of Persons exercising managerial responsibilities to inform the Compliance Officer prior to the transaction, for their own account, on their own responsibility, relating to the shares or debt instruments of IMMOBEL or to derivatives or other related Financial Instruments, outside the Closed Periods and the Prohibited Periods;

- The obligation of Persons exercising managerial responsibilities and persons closely associated with them to notify the Compliance Officer and the FSMA of any transactions they have made for their own account in shares or debt instruments of such Issuers or on derivative instruments or other related financial instruments. Such notification shall be made within three working days from the date of the transaction. This notification obligation does not apply as long as the total amount of transactions carried out during the same calendar year does not exceed the threshold of EUR 5,000. These persons obliged to notify may, but must not, authorize IMMOBEL to make such notifications to FMSA on their behalf. In such cases, they must always notify IMMOBEL of such relevant transactions promptly and no later than two working days from the date of the transaction;
- The obligation for Persons exercising managerial responsibilities to ensure that their investment managers, persons who organize or carry out business transactions on their behalf or any other person who organizes or carries out transactions on their behalf do not trade during the Closed Periods or the Prohibited Periods, including when the investment managers are authorized financial intermediaries acting under a fully discretionary investment management mandate.

During the past financial year, the job of Compliance Officer at IMMOBEL was carried out by Mrs Joëlle MICHA.

Application of the rules cited above has not given rise to any difficulty.

Legal and arbitration procedures

The Board of Directors of IMMOBEL assesses that, except those disclosed in the Note 27 to the Consolidated Financial Statements "Main contingent assets and liabilities", no governmental, legal or arbitration proceeding exists that may have, or have had in the recent past, significant effects on the financial position or rentability of the Company and that the Company is not aware of proceedings which are pending that could cause these governmental, legal or arbitration proceedings.

IV. INFORMATION ABOUT THE ISSUED CAPITAL

A. SHAREHOLDING STRUCTURE

Based on the transparency declarations received by IMMOBEL, following shareholders are the most important (since June 29th, 2016):

<table>
<tr><th>Shareholder at December 31, 2016</th><th>Voting rights</th><th>% of the gross number of shares[33]</th></tr>
<tr><td>A^3 CAPITAL nv[34]
having its registered seat at 1000 Brussel,
Akenkaai 52</td><td rowspan="3">5 875 369</td><td rowspan="3">58,77 %</td></tr>
<tr><td>VEMACO nv[35]
having its registered seat at 1000 Brussel,
Akenkaai 52</td></tr>
<tr><td>A^3 MANAGEMENT bvba[36]
having its registered seat at 1000 Brussel,
Akenkaai 52</td></tr>
<tr><td>IMMOBEL sa/nv (own shares / Treasury shares)
having its registered seat at 1000 Brussel,
Regentschapsstraat 58</td><td>1 230 398</td><td>12,30 %</td></tr>
<tr><td>CAPFI DELEN ASSET MANAGEMENT nv[37]
having its registered seat at 2020 Antwerpen,
Jan Van Rijswijcklaan 178</td><td>412 196</td><td>4,12 %</td></tr>
</table>

There are no special voting rights and, to the extent known by the Company, no shareholder agreements. Further to a decision of the Board of Directors, the dividend rights of the treasury shares kept by IMMOBEL are suspended. In application of the Belgian Companies Code, these shares have no voting rights.

[33] A gross number of 9,997,356 shares were issued.
[34] Company controlled by Mr. Marnix GALLE.
[35] Company controlled by Mr. Marnix GALLE.
[36] Company controlled by Mr. Marnix GALLE.
[37] Mutual fund.

B. ELEMENTS THAT COULD HAVE AN INFLUENCE IN CASE OF A TAKEOVER BID ON SECURITIES ISSUED BY THE COMPANY

During the General Meeting of November 17th, 2016, the Shareholders have authorized the Board of Directors to increase the Company's capital by a maximum amount of 97,000,000 EUR, in one or more occasions, dates and manner to be determined by the Board of Directors, and for a term of five years from the publication of this authorization in the Belgian Official Gazette.

The Company may acquire or take as security its own shares under the conditions determined by the law. The Board of Directors is authorized to sell, on the stock exchange or outside, at the conditions it determines, without prior authorization of the General Meeting, in accordance with the law.

By decision of the Extraordinary General Meeting of Shareholders of November 17th, 2016 the Board of Directors is authorized, for a term of 3 years dating from said Extraordinary General Meeting, to purchase or dispose of shares in the Company when this purchase or disposal is necessary to prevent any serious imminent harm. This authorization is granted for a period of three (3) years dating from publication of this authorization in the Annexes to the Belgian Official Gazette. Such authorization shall also be valid for the acquisition or the alienation of shares of the Company by a direct subsidiary according to article 627 of the BCC.

Furthermore, by decision of the Extraordinary General Meeting of November 17th, 2016, the Board of Directors is authorized to acquire or alienate shares of the Company to a maximum of twenty percent (20 %) of the issued shares at a price which will not be less than ten (10) EUR nor more than twenty percent (20 %) during the highest closing of the last twenty trading days of the Company shares on Euronext Brussels before the acquisition or alienation. This authorization is granted for a period of five (5) years from the date of the Extraordinary General Meeting of November 17th, 2016. This authorization also applies to the acquisition of shares of the Company by a direct subsidiary according to article 627 of the BCC.

The Board of Directors has full powers to cancel the shares acquired by the company in this way, to have the cancelation certified by notarial act and to amend and coordinate the Articles of Association to bring them into line with the decisions taken.

The rules governing the appointment and replacement of Directors and the amendment of the Articles of Association shall be those provided by the Companies Code, as well as by the Corporate Governance Charter of IMMOBEL.

The terms of change of control contained in credit agreements with financial institutions were approved by the General Meeting of 22nd May 2014, pursuant to section 556 of the Companies Act.

V. OTHER CONTRIBUTORS

A. STATUTORY AUDITOR

The Statutory Auditor is Deloitte Reviseurs d'Entreprises, represented by Kurt Dehoorne, which is headquartered at 1930 Zaventem, Gateway building, Luchthaven Nationaal 1J. Flat fees of Deloitte Reviseurs d'Entreprises charged to IMMOBEL SA for the examination and review of statutory and consolidated accounts amounted to 149 KEUR (excluding VAT). His fee for the review of the statutory accounts of subsidiaries amounted to 157 KEUR (excluding VAT).

Total fees charged by the Statutory Auditor and his network in 2016 in the exercise of the mandate on Group level amounted to 735 KEUR (excluding VAT).

B. CENTRAL PAYING AGENT

BNP Paribas Fortis Bank is the Central Paying Agent of IMMOBEL for an indefinite period. The remuneration of the commission amounts up to 0.20 % of the net amount (VAT excluded) of the coupon and of the income securities presented in a securities account.

AHO Consulting bvba
represented by Alexander Hodac
Managing Director

A³ Management bvba
represented by Marnix Galle
Chairman of the Board

REMUNERATION REPORT

I. PROCEDURE APPLIED DURING THE YEAR 2016 FOR THE CREATION OF THE REMUNERATION POLICY

A. FOR THE DIRECTORS:

In 2016, the Company has continued the remuneration policy for the Directors described in Appendix 2 of the Corporate Governance Charter available on the Company's website (www.immobel.be).

- The Remuneration & Appointments Committee (which became since September 28th, 2016 the Remuneration Committee) makes detailed proposals to the Board of Directors in respect of the remuneration of Directors.
- The General Meeting of Shareholders decides about the remuneration of its Directors upon proposal of the Board of Directors.

The level and structure of the remuneration of the non-executive Directors are determined based on their general and specific responsibilities and market practice. This remuneration includes a basic fixed remuneration and a variable remuneration for the participation in the meetings of the Board, as well as for their participation to one or more Committees of the Board or for each chairmanship of a Committee.

Non-executive Directors receive no annual bonus, nor share options, nor participation in retirement plans. They are not entitled to any kind of compensation when their mandate ends.

Except the decisions related to the changes in the Director's remuneration, approved during the Extraordinary General Meeting of November 17th latest, related to, on the hand, the approval of the "*Performance Share Plan 2017-2019*" to the benefit of the Executive Chairman and of the Chief Executive Officer, and on the other hand, the reviewed remuneration of the non-executive Directors for the exercise of their functions as of November 17th, 2016, in order to take into account the effects of the merger, no changes were made to the remuneration policy for the Directors.

B. FOR THE MEMBERS OF THE EXECUTIVE COMMITTEE:

In 2016, the Company has continued the remuneration policy for the Members of the Executive Committee as described in Appendix 2 of the Corporate Governance Charter available on the Company's website (www.immobel.be).

The Board of Directors approves the appointment propositions of the Members of the Executive Committee, upon proposal by the Appointments Committee[1], and decides on their remuneration, based on the recommendations of the Remuneration Committee[2].

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[1] Further to the split of the Remuneration & Appointments Committee dated September 28th, 2016.
[2] Further to the split of the Remuneration & Appointments Committee dated September 28th, 2016.

As of January 1st, 2016, until June 29th, 2016 the Executive Committee was made up of the following persons: Messrs Valéry Autin[3], Nicolas Billen[4], Jean-Paul Buess[5], Philippe Helleputte[6], Alexander Hodac[7] and Bartlomiej Hofman[8] as well as Mrs Joëlle Micha[9]. Further to the merger with ALLFIN Group on June 29th latest, its composition has been reviewed as follows: Messrs Valéry Autin, Nicolas Billen, Marnix Galle[10] and Alexander Hodac as well as Mrs Hilde De Valck[11].

The level and structure of remuneration for the Members of the Executive Committee at IMMOBEL are reviewed annually, and are such that they allow IMMOBEL to recruit, retain and motivate qualified and competent professionals considering the nature and the extent of their individual responsibilities on an ongoing basis.

A procedure exists for the evaluation of their performances: the non-executive Directors evaluate regularly their interaction with the Members of the Executive Committee.

The final decision regarding the variable remuneration to be paid out belongs to the Board of Directors (bearing in mind that the final decision will be taken upon evaluation of the performance in view of the objectives/performances criteria). The Board of Directors analyses the competitiveness of IMMOBEL's remuneration structure on the initiative of the Remuneration Committee.

Remuneration of the Members of the Executive Committee aims to:

- enable Immobel to attract, motivate and retain first-rate, high-potential managers, bearing in mind the competitive environment in which it operates;
- encourage the achievement of ambitious performance targets by ensuring consistency between the interests of the managers and the Shareholders in the short, medium, and long term;
- stimulate, recognize, and compensate both significant individual contributions and strong collective performances.

During the year 2016, an uniformization of the principals and modalities of the variable remunerations was set up in the contracts with the, in Belgium active, Members of the Executive Committee.

II. INDIVIDUAL REMUNERATION AND PROCEDURE APPLIED IN 2016 FOR DETERMINING THIS REMUNERATION

A. FOR THE EXECUTIVE CHAIRMAN:

The Board of Directors elects a Chairman from among its Members. The Chairman is designated based on his knowledge, skills, experience, and mediation strength.

[3] As permanent representative of the company Val U Invest sprl, CFO.
[4] As permanent representative of the company Pride Rock Belgium sprl, Head of Development.
[5] As permanent representative of the company JPB Consulting sprl, Head of Technical Department (until June 29th, 2016).
[6] Head of Landbanking.
[7] As permanent representative of the company AHO Consulting sprl, CEO.
[8] Head of IMMOBEL POLAND.
[9] As permanent representative of the company JOMI sprl, Head of Legal & Corporate Affairs (until June 29th, 2016).
[10] As permanent representative of the company A³ Management sprl, Executive Chairman since June 29th, 2016.
[11] As permanent representative of the company DV Consulting, H. De Valck SCS, Head of Project Structuring & Financing since June 29th, 2016.

Since 1st January 2016, the remuneration of the Chairman of the Board amounts to 50,000 EUR per year (VAT excluded), for its non-executive responsibilities, which do, among others comprise:

- the lead of the Board of Directors. He takes the necessary measures to develop a climate of trust within the Board of Directors which contributes to open discussions, constructive criticism, and support for the Board of Directors' decisions; in this framework, he is among others in charge with
    - ensuring
        - the Directors receive accurate, timely and clear information before the meetings and, where necessary, between meetings;
        - that all Directors can make a knowledgeable and informed contribution to discussions in the Board of Directors and that there is sufficient time for consideration and discussion before deciding;
        - that the newly appointed Directors and the members of the specific Committees receive, when necessary and upon their request, an appropriate training to ensure their effective contribution to the Board of Directors and the different Committees.
    - to set – after consultation with the Chief Executive Officer – the agenda of the Board Meetings, and to ensure that procedures relating to preparatory work, deliberations, passing of resolutions and implementation of decisions are properly followed. The minutes of the meeting should provide a summary of the discussions, specify any decisions taken and state any reservations voiced by Directors;
- promotion of effective interaction between the Board of Directors and the Executive Committee.

In addition to his governance role as Chairman of the Board, he has been charged, in his capacity as Executive Chairman, among others with the task to lead and supervise (i) the establishment of a Real Estate Development strategy within the guidelines defined by the Board of Directors and (ii) together with the Chief Executive Officer, the departments "Development", "Technical" and "Communication & Marketing".

Upon proposal of an independent external expert, the Board of Directors has decided to attribute the following remuneration to the Chairman of the Board of Directors, for the exercise of its executive responsibilities within the Company (as of July 1st, 2016):

- a yearly basic remuneration amounting EUR 325,000 (monthly instalments);
- a « Short Term Incentive », variable remuneration for the second half of 2016:
    - weight of the quantitative – qualitative criteria: 80% - 20%;
    - if all the objectives (quantitative and qualitative) have been realised for 100 %: the variable remuneration will be equal to 50 % of the fixed remuneration, paid for 2016 (since July 1st, 2016);
- a « Long Term Incentive »: « Performance Share Plan 2017-2019 » approved by the Shareholders during the Extraordinary General Meeting of Shareholder of November 17th, 2016 (see detail under point V.).

More in particular, the applied criteria to fix the individual remuneration of the Executive Chairman include, on the one hand, the Return on Equity as quantitative criterion, as defined and decided by the Board of Directors. On the other hand, the qualitative criteria include (with an identical weight for each of them):

- the general qualitative criteria (applicable to all the Members of the Executive Committee) as mentioned below (point IV.A.) and which will be analysed in function of the responsibilities of each one;

- the specific qualitative criteria (specific to the function of Executive Chairman):
    - "develop and implement new IMMOBEL strategy;
    - acquisition of new opportunities;
    - define new development strategy for IMMOBEL Poland; and
    - supervision and enhancement of business development initiatives".

The Remuneration Committee will assess whether the predefined criteria have been met. Finally, the Ordinary General Meeting of Shareholders will pronounce itself on the Remuneration Report, and approve it or not.

B. FOR THE CHIEF EXECUTIVE OFFICER:

For the 1st half of 2016, the remuneration of the Chief Executive Officer is composed as follows:

- a yearly basic remuneration amounting EUR 225,000 (monthly instalments);
- a variable remuneration « Short Term Incentive »:
    - weight of the quantitative – qualitative criteria: 50% - 50%;
    - if all the objectives (quantitative and qualitative) have been realised for 100 %: the variable remuneration will be equal to 40 % of the fixed remuneration, paid for the 1st half of 2016.

For the remuneration as from July 1st, 2016, the Board of Directors has decided, upon proposal of the independent external expert, to attribute the following remuneration to the Chief Executive Officer:

- a yearly basic remuneration amounting EUR 310,000 (monthly instalments);
- a « Short Term Incentive », variable remuneration for the second half of 2016:
    - weight of the quantitative – qualitative criteria: 80% - 20%;
    - if all the objectives (quantitative and qualitative) have been realised for 100 %: the variable remuneration will be equal to 50 % of the fixed remuneration, paid for 2016 (since July 1st, 2016);
- a « Long Term Incentive »: « Performance Share Plan 2017-2019 » approved by the Shareholders during the Extraordinary General Meeting of Shareholder of November 17th, 2016 (see detail under point V.).

More in particular, the applied criteria to fix the individual remuneration of the Chief Executive Officer include, on the one hand, the Return on Equity as quantitative criterion, as defined and decided by the Board of Directors. On the other hand, the qualitative criteria include (with an identical weight for each of them):

- the general qualitative criteria (applicable to all the Members of the Executive Committee) as mentioned below (point IV.A.) and which will be analysed in function of the responsibilities of each one;
- the specific qualitative criteria (specific to the function of Chief Executive Officer) including:
    - "develop and implement new IMMOBEL strategy in coordination with the Executive Chairman;
    - develop and implement IMMOBEL strategy (Landbanking);
    - analyse and optimize organisational structure and cost;
    - enhance exchanges and integration of IMMOBEL Poland; and
    - supervision and enhancement of company organisation & post-merger integration."

The Remuneration Committee will assess whether the predefined criteria have been met. Finally, the Ordinary General Meeting of Shareholders will pronounce itself on the Remuneration Report, and approve it or not.

C. FOR THE OTHER DIRECTORS:

Under reserve of the revision of the remuneration approved by the Shareholders during the Extraordinary General Meeting of Shareholders of November 17th, 2016, the principle of the remuneration allocated to the (non-executive) Directors for the execution of their missions until November 16th, 2016 is the same as the one decided by the Board of Directors of March 27th, 2015, in line with the recommendations of Guberna, as approved by the Shareholders during the Ordinary General Meeting of May 2016, being:

- attribution of a fixed gross annual fee of 10,000 EUR for each Member of the Board of Directors;
- attribution of a fixed gross annual fee of 50,000 EUR for the Chairman of the Board of Directors and for the Chairman of the Audit & Finance Committee;
- attribution of 1,500 EUR (for the physically attended Meetings) for each Member of the Board of Directors, of the Audit & Finance Committee, of the Remuneration and Appointments Committee and of the Investment and Asset Management Committee;
- attribution of 2,250 EUR (for the physically attended Meetings) for the Members of the Audit & Finance Committee (since January 1st, 2016);
- attribution of 1,700 EUR (for the physically attended Meetings) for the Chairman of the Remuneration and Appointments Committee (since January 1st, 2016);
- attribution of 750 EUR (for the Meetings attended by conference-call) per Member of the Board of Directors, of the Audit & Finance Committee, of the Remuneration and Appointments Committee and of the Investment and Asset Management Committee.

Below you will find a summary table containing the remunerations applicable since the decision of the Extraordinary General Meeting of November 17th, 2016 and the coming years:

	Estimated frequency of meetings	Remuneration & Attendance fee
Board of Directors	Basic remuneration	Chairman : 50.000 EUR Director : 14.000 EUR
Board of Directors	4	Chairman = Nihil Director : ▪ 2.100 EUR / physical meeting ▪ 1.050 EUR / phone meeting
Audit & Finance Committee	4	Chairman : 2016 = 50.000 EUR (all in) 2017 : ▪ 3.100 EUR / physical meeting ▪ 1.050 EUR / phone meeting Members : ▪ 2.100 EUR / physical meeting ▪ 1.050 EUR/ phone meeting
Investment Committee	4 (+ 6 – in function of the necessities, over the phone)	Chairman = CEO - Nihil Members : ▪ 2.100 EUR / physical meeting ▪ 1.050 EUR / phone meeting
Appointments Committee	2	Chairman = Nihil Members : ▪ 1.050 EUR / physical meeting ▪ 525 EUR / phone meeting
Remuneration Committee	2	Chairman : ▪ 1.200 EUR / physical meeting ▪ 525 EUR / phone meeting Members : ▪ 1.050 EUR / physical meeting ▪ 525 EUR/ phone meeting

The Company reimburses the Directors' travel and accommodation expenses for attendance at the meetings and the exercise of their functions in the Board of Directors and its Committees. Furthermore, the Company ensures it takes the usual insurance policies to cover the activities that the Members of the Board of Directors carry out within the scope of their mandates.

D. FOR MEMBERS OF THE EXECUTIVE COMMITTEE:

The remuneration of the Members of the Executive Committee and the quantitative and qualitative criteria of their variable remuneration are fixed by the Board of Directors, on recommendation of the Remuneration Committee.

III. THE AMOUNT OF REMUNERATION AND OTHER BENEFITS ACCORDED, DIRECTLY OR INDIRECTLY, TO NON-EXECUTIVE DIRECTORS AND TO THE CHAIRMAN OF THE BOARD IN THE EXECUTION OF ITS NON-EXECUTIVE RESPONSIBILITIES, BY IMMOBEL OR BY AN ASSOCIATED COMPANY.

The individual sums of remuneration given directly or indirectly to (non-executive) Directors and to the Chairman of the Board in the execution of its non-executive responsibilities, for 2016 are shown in the table below. All the amounts shown are gross, i.e. before the deduction of tax.

	Attendances						Basic remuneration (VAT excl.)
	BoD	AFC	RAC	RC	AC	IC (IAMC)	
A³ MANAGEMENT bvba[12]	9		4		1	6	50,000
Astrid DE LATHAUWER[13]	4	2	2				15,666
ADL Comm.V[14]	4	1	2	1	1		20,225
ARFIN sprl[15]	9	4	2				50,000
ARSEMA sprl[16]	1		2				4,339
ZOU2 sprl[17]	9					7	34,192
DV CONSULTING, H. DE VALCK Comm. V[18]	7	2					18,445
Piet VERCRUYSSE	9	2	1	1			29,992
Jacek WACHOWICZ	7					5	22,803
A.V.O.-MANAGEMENT bvba[19]	2			1	1		8,787
Karin KOKS-van der SLUIJS	1	1				1	4,871
GROSS TOTAL REMUNERATION							**259,321**

[12] Represented by its permanent representative Mr Marnix GALLE. Non-executive mandate until June 29th, 2016.
[13] Until May 26th, 2016. As from that date the mandate was taken over by the company ADL Comm.V, represented by Mrs Astrid DE LATHAUWER.
[14] Represented by its permanent representative Mrs Astrid DE LATHAUWER.
[15] Represented by its permanent representative Mr Pierre NOTHOMB.
[16] Represented by its permanent representative Mr Didier BELLENS. Has resigned with effect on February 18th, 2016.
[17] Represented by its permanent representative Mrs Sophie LAMBRIGHS.
[18] Represented by its permanent representative Mrs Hilde DE VALCK. Has resigned with effect on June 29th, 2016.
[19] Represented by its permanent representative Mrs Annick van OVERSTRAETEN.

IV. REMUNERATION OF THE EXECUTIVE CHAIRMAN, OF THE CHIEF EXECUTIVE OFFICER AND THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE RELATED TO FINANCIAL YEAR 2016

A. THE PRINCIPLES OF REMUNERATION AND THE LINK BETWEEN REMUNERATION AND PERFORMANCE:

Remuneration of the Members of the Executive Committee (Executive Chairman and Chief Executive Officer included, cfr. infra) is divided into a fixed part and a variable part; the latter includes:

- a variable quantitative remuneration exclusively based on the level of Return on Equity;
- a measurable variable qualitative remuneration determined in function of the general criteria applicable to all the Members of the Executive Committee. These general criteria include:
    - "sense of urgency and optimal management of priorities;
    - respecting general/ internal deadlines;
    - ownership of the projects;
    - added-value business partner for other departments;
    - team work; and
    - leadership."
- a measurable variable qualitative remuneration determined in function of the responsibilities, the missions and the targets to be achieved, on an individual basis by each of the Members of the Executive Committee, during the reviewed financial year.

B. THE RELATIVE IMPORTANCE OF THE VARIOUS COMPONENTS OF REMUNERATION:

The Members of the Executive Committee do benefit from a weighted remuneration, at 50 % for quantitative aspects, and at 50 % for qualitative aspects, compared to total variable remuneration.

Further to the Board decision from December 7th, 2016, the same weight (50/50) will be applied in 2017. The objective being to reach, in the future, a weight attributed to each of the two criteria amounting respectively 80% and 20%.

Based on the global performance of the Company during 2016 and on the realization of the individual targets of the Members of the Executive Committee between January 1st and December 31st, 2016, the variable part of the global remuneration (qualitative and quantitative) paid for 2016, represented 33,14 % of the basic remuneration for the Members of the Executive Committee (with exclusion of the one of the Executive Chairman and of the Chief Executive Officer, detailed below).

The variable remuneration of the Executive Chairman, of the Chief Executive Officer and of some Members of the Executive Committee amounts more than 25% of their respective remuneration per year. Further to the Extraordinary General Meeting of November 17th, 2016 it was expressly foreseen in article 16 of the articles of association that the Company may derogate from the provisions of article 520ter paragraph 1 and 2 as well as of article 525 last paragraph of the Belgian Company Law, for each person falling within the scope of these provisions. Thus, their remuneration is not spread over time. However, IMMOBEL has introduced a long-term incentive plan to the benefit of the Executive Chairman and of the Chief Executive Officer (cfr. Infra).

In the future, it may be extended to other Members of the Executive Committee.

V. REMUNERATION AND OTHER BENEFITS ACCORDED, DIRECTLY OR INDIRECTLY, TO THE EXECUTIVE CHAIRMAN, TO THE CHIEF EXECUTIVE OFFICER AND TO THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

(01.01.2016-30.06.2016)	CEO	Executive Committee[20]
Basic remuneration	112,500	651,605
Variable remuneration	55,919	204,507
Individual pension commitment	0	29,391[21]
Company car	0	10,562

(01.07.2016-31-12-2016)	Executive Chairman	CEO	Executive Committee[22]
Basic remuneration	162,500[23]	155,000[24]	330,000
Variable remuneration	79,300	76,232	120,776
LTI	p.m.	p.m.	0

The Board of Directors has decided the variable remuneration (« *Short Term Incentive* ») will be paid to the Members of the Executive Committee after the Board of Directors of March 2017 establishing the Annual Accounts per December 31st, 2016, subject to final approval by the General Meeting of May 2017.

It is reminded that the Extraordinary General Meeting of November 17th, 2016 has decided to approve a performance share plan « *Performance Share Plan 2017-2019* ». This plan will yearly grant, under certain conditions, performance shares to the Executive Chairman and to the Chief Executive Officer. These "Performance Shares", offered free of charge to the beneficiaries, will vest definitively after a period of 3 full calendar years, if they meet the predefined performance targets based on the average return on equity over 3 years and the average net income per share over 3 years. The objectives are set annually by the Board of Directors, in accordance with the Company's strategy.

The exact degree to which the Performance Shares will be definitively acquired, will depend on the level of performance of the objectives achieved:

- no definitive acquisition when the performance is below or equal to the defined minimum threshold;

[20] See composition of the Executive Committee above (point I.B.).
[21] An outgoing Member of the Executive Committee has an individual pension commitment type "defined contribution and defined benefit plan" paid by the Company which includes life insurance, death insurance, disability insurance and a waiver of premium.
[22] See composition of the Executive Committee above (point I.B.).
[23] 325,000 EUR on year basis.
[24] 310,000 EUR on year basis.

- the full implementation of the objectives will lead to a nominal acquisition of 100% of the allocated Performance Shares;
- a maximum definitive acquisition of 150% of the Performance Shares awarded when the performance is equal to or greater than the agreed upper limit;
- between these values, the final acquisition will be proportional.

Upon the final vesting, the beneficiaries will not receive the dividend value of the last three years to which the acquired Performance Shares relate.

There will be an allotment of Performance Shares in each of the years 2017 to 2019 and the total number of Performance Shares will be 25% (target) per year of the base compensation. In 2017, a total of 3,528 shares will be granted subject to the achievement of the 100% performance objectives, broken down as follows (based on the value of the IMMOBEL share as at June 29th, 2016):

Executive Chairman : $\frac{25\% * 325{,}000 \text{ EUR}}{45 \text{ EUR}}$ = 1,806 Performance Shares

Chief Executive Officer : $\frac{25\% * 310{,}000 \text{ EUR}}{45 \text{ EUR}}$ = 1,722 Performance Shares.

VI. PERFORMANCE EVALUATION

The Corporate Governance Charter provides the Board of Directors regularly examines and evaluates its own performance and that of its Committees, as well as the efficacy of IMMOBEL's governance structure, including the number, role and responsibilities of the various Committees set up by the Board of Directors, under the leadership of its Chairman.

A periodic evaluation of the contribution made by each Director is carried out with a view to fine-tuning the composition of the Board of Directors to consider changing circumstances. Individual Directors' performance is evaluated as part of the re-election procedure.

Each year, at the proposal of the Remuneration Committee, the Board of Directors decides on the objectives of the Executive Chairman and of the Chief Executive Officer for the coming financial year and evaluates their performance for the period ending, in conformity with the procedure currently in place. This performance evaluation is also used to fix the variable part of their annual remuneration.

VII. NUMBER AND MAIN FEATURES OF (OPTIONS ON) SHARES/WARRANTS – INCENTIVES

The shareholders have, on November 17th latest, accepted a performance share plan ("*Performance Share Plan 2017-2019*") for the benefit of the Executive Chairman and the Chief Executive Officer for the years 2017, 2018 and 2019. Furthermore, the mandate of the other Members of the Executive Committee currently does not include any right to shares, stock options or any other right to acquire shares.

VIII. INFORMATION REGARDING REMUNERATION POLICY FOR THE FINANCIAL YEARS TO COME

The remuneration policy has been reviewed during 2016 for the coming years (cfr. above, point II).

IX. THE MOST IMPORTANT TERMS OF THEIR CONTRACTUAL RELATIONSHIP WITH IMMOBEL AND/OR A RELATED COMPANY, INCLUDING THE TERMS CONCERNING REMUNERATION IN CASE OF EARLY DEPARTURE

A. APPOINTMENT

The Members of the Executive Committee fulfil their duties to the Company based on a service provision contract. These contracts are like those generally agreed to with Members of their Executive Committee by other listed companies.

B. DEPARTURE

Any indemnity due to a Member of the Executive Committee by the IMMOBEL Group in the event of the termination of his service provision contract, will vary in function of the terms and conditions of the contract concerned, as specified hereafter, increased, if appropriate, by part of the variable remuneration linked to IMMOBEL's results.

The table below shows the periods of notice or compensatory severance payment due by the Group[25] in case of termination of contracts with the Members of the Executive Committee, active within the Group per December 31st, 2016:

Marnix Galle	: 12 month
Alexander Hodac	: 6 month
Hilde De Valck	: 6 month
Valéry Autin	: 3 month[26]
Nicolas Billen	: 3 month

C. RIGHT OF RECOVERY

There is no specific right to recover the variable remuneration awarded on the basis of incorrect financial information, except in the above-mentioned Performance Share Plan which contains a Claw Back Clause. As indicated above (point V.), the Board of Directors has decided that the variable remuneration ("Short Term Incentive") will be paid to the Members of the Executive Committee after the Board of Directors of March 2017 which draws up the Annual Accounts as at December 31st, 2016, subject to final approval by the Shareholders' Meeting of May 2017.

ADL Comm.V (represented by Astrid De Lathauwer) Chairwoman of the Remuneration Committee	A³ MANAGEMENT bvba (represented by Marnix Galle) Chairman of the Board of Directors

[25] On the date of establishment of the present report, being March, 22nd, 2017.
[26] te vermeerderen met één maand na elk gepresteerd jaar, zonder echter 5 maand te overschrijden.

CONSOLIDATED ACCOUNTS AND CONDENSED STATUTORY ACCOUNTS

I. CONSOLIDATED ACCOUNTS

A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN THOUSANDS €)

	NOTES	31/12/2016	31/12/2015 ALLFIN GROUP Published	31/12/2015 IMMOBEL SA Published
OPERATING INCOME		**298 634**	**93 824**	**60 641**
Turnover	2	262 174	87 963	53 926
Other operating income	3	36 460	5 861	6 715
OPERATING EXPENSES		**-238 657**	**-62 034**	**-53 113**
Cost of sales	4	-220 132	-52 844	-33 695
Administration and Marketing	5	-7 338	-1 688	-6 796
Amortisation, depreciation and impairment of assets	5	- 965	- 548	-2 638
Change in the fair value of investment property	14	45	-	115
Other operating expenses	7	-10 267	-6 954	-10 099
JOINT VENTURES AND ASSOCIATES		**7 719**	**5 574**	**- 445**
Gain (loss) on sales of joint ventures and associates	8	8 249	-	-
Share in the net result of joint ventures and associates	8	- 530	5 574	- 445
OPERATING RESULT		**67 696**	**37 364**	**7 083**
Interest income		1 951	3 426	2 271
Interest expense		-4 793	-8 103	-8 281
Other financial income		1 507	850	135
Other financial expenses		-2 539	-1 655	- 556
FINANCIAL RESULT	9	-3 874	-5 482	-6 431
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		63 822	31 882	652
Income taxes	10	-10 183	-6 245	52
RESULT FROM CONTINUING OPERATIONS		53 639	25 637	704
RESULT OF THE YEAR		**53 639**	**25 637**	**704**
Share of non-controlling interests		1 165	1 275	- 34
SHARE OF IMMOBEL		**52 474**	**24 362**	**738**

RESULT OF THE YEAR		**53 639**	**25 637**	**704**
Other comprehensive income - items subject to subsequent recycling in the income statement		**27**	**2**	**54**
Currency translation		27	2	54
Other comprehensive income - items that are not subject to subsequent recycling in the income statement		**158**	**53**	**178**
Actuarial gains and losses (-) on defined benefit pension plans		158	53	178
Deferred taxes		-	-	-
TOTAL OTHER COMPREHENSIVE INCOME		**185**	**55**	**232**
COMPREHENSIVE INCOME OF THE YEAR		**53 824**	**25 692**	**936**
Share of non-controlling interests		1 165	1 275	- 34
SHARE OF IMMOBEL		**52 659**	**24 417**	**970**
NET RESULT PER SHARE (€) (DILUTED AND BASIC)	**11**	**5,99**	**4,15**	**0,18**
COMPREHENSIVE INCOME PER SHARE (€) (DILUTED AND BASIC)	**11**	**6,01**	**4,16**	**0,24**

B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN THOUSANDS €)

ASSETS	NOTES	31/12/2016	31/12/2015 ALLFIN GROUP Published	31/12/2015 IMMOBEL SA Published
NON-CURRENT ASSETS		**88 346**	**108 165**	**67 538**
Intangible assets	12	142	25	169
Property, plant and equipment	13	898	296	730
Investment property	14	2 874	2 715	2 829
Investments in joint ventures and associates	15	70 215	66 122	63 373
Other non-current financial assets		3 730	28 328	-
Deferred tax assets	16	7 042	1 531	186
Other non-current assets		3 445	9 149	251
CURRENT ASSETS		**627 886**	**283 186**	**379 607**
Inventories	17	443 115	175 414	334 541
Trade receivables	18	12 112	6 712	6 037
Tax receivables		837	332	178
Other current assets	19	32 471	8 311	10 370
Advances to joint ventures and associates		17 641	-	11 529
Other current financial assets		1 072	5 730	-
Cash and cash equivalents	20	120 638	86 687	16 952
TOTAL ASSETS		**716 232**	**391 351**	**447 145**

EQUITY AND LIABILITIES	NOTES	31/12/2016	31/12/2015 ALLFIN GROUP Published	31/12/2015 IMMOBEL SA Published
TOTAL EQUITY	21	**314 949**	**165 466**	**194 358**
EQUITY SHARE OF IMMOBEL		**311 032**	**156 347**	**194 375**
Share capital		97 189	60 302	60 302
Retained earnings		213 248	95 989	133 596
Reserves		595	56	477
NON-CONTROLLING INTERESTS		**3 917**	**9 119**	**- 17**
NON-CURRENT LIABILITIES		**286 685**	**160 547**	**145 534**
Employee benefit obligations	22	102	-	264
Deferred tax liabilities		2 803	6 702	-
Provisions		-	52	4
Financial debts	20	281 578	152 191	143 757
Derivative financial instruments	20	1 699	1 570	-
Trade payables	24	503	-	1 509
Other non-current liabilities		-	32	-
CURRENT LIABILITIES		**114 598**	**65 338**	**107 253**
Provisions	23	1 780	-	3 728
Financial debts	20	40 532	26 560	62 267
Derivative financial instruments	20	90	88	140
Trade payables	24	33 763	14 319	18 894
Tax liabilities		11 934	6 149	163
Other current liabilities	25	26 499	18 222	22 061
TOTAL EQUITY AND LIABILITIES		**716 232**	**391 351**	**447 145**

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

	NOTES	31/12/2016	31/12/2015 ALLFIN GROUP Published	31/12/2015 IMMOBEL SA Published
Operating income		298 634	93 823	60 641
Non-cash items resulting from the merger :				
Badwill		-14 940	-	-
Fair value of IMMOBEL shares - treasury shares		-2 832	-	-
Operating expenses		-238 657	-56 460	-53 113
Amortisation, depreciation and impairment of assets	6	965	52	2 638
Change in the fair value of investment property	14	- 45	131	- 115
Change in provisions	23	-1 173	51	239
Disposal of joint ventures and associates	15	14 025	-3 122	134
Repayment of capital and advances by joint ventures	15	18 724	229	16 541
Acquisitions, capital injections and loans to joint ventures and associates	15	-7 209	-2 359	-7 133
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		**67 492**	**32 345**	**19 832**
Change in working capital	27	26 106	-7 415	-4 369
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		**93 598**	**24 930**	**15 463**
Paid interests	9	-9 693	-6 399	-9 688
Interest received	9	1 951	-	2 271
Other financing cash flows	9	-1 246	-	- 421
Paid taxes	10	-9 323	-2 340	- 79
CASH FROM OPERATING ACTIVITIES		**75 287**	**16 191**	**7 546**
Acquisitions of intangible, tangible and other non-current assets		- 335	-	- 150
Cash and cash equivalents from reverse acquisition[1]		16 116	-	-
CASH FROM INVESTING ACTIVITIES		**15 781**	**0**	**- 150**
Increase in financial debts	20	107 009	14 996	16 711
Repayment of financial debts	20	-133 627	-	-29 327
Dividends received		-	984	-3 298
Gross dividends paid		-30 499	-7 632	-3 298
Other cash flow		-	4 536	-3 298
CASH FROM FINANCING ACTIVITIES		**-57 117**	**12 884**	**-22 510**
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		**33 951**	**29 075**	**-15 114**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**86 687**	**57 612**	**25 470**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**120 638**	**86 687**	**10 356**

Acquisitions and sales of projects, either directly or indirectly through the acquisition or the sale of project company (subsidiaries, joint venturesand associates), are not considered as investing activities and are directly included in the cash flows from the operating activities, mainly "Operating income / Operating expenses and change in working capital".

[1] see prior note to the merger by absorption of ALLFIN GROUP

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN THOUSANDS €)

	CAPITAL	RETAINED EARNINGS	ACQUISI-TION RESERVE	CURRENCY TRANSLA-TION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROL-LING INTERESTS	TOTAL EQUITY
2015 ALLFIN GROUP								
Balance as at 01-01-2015	37 054	102 372	-	54	0	139 480	7 825	147 305
Comprehensive income for the year	-	24 362	-	2	53	24 417	1 275	25 692
Dividendes paids	-	-7 632	-	-	-	-7 632	-	-7 632
Other changes	-	82	-	-	-	82	19	101
Changes in the year	-	16 812	-	2	53	16 867	1 294	18 161
Balance as at 31-12-2015	37 054	119 184	-	56	53	156 347	9 119	165 466
2015 IMMOBEL SA								
Balance as at 01-01-2015	60 302	136 156	-	- 57	302	196 703	8	196 711
Comprehensive income for the year	-	738	-	54	178	970	- 34	936
Dividendes paids	-	-3 298	-	-	-	-3 298		-3 298
Other changes	-		-	-	-	-	9	9
Changes in the year	-	-2 560	-	54	178	-2 328	- 25	-2 353
Balance as at 31-12-2015	60 302	133 596		- 3	480	194 375	- 17	194 358

	CAPITAL	RETAINED EARNINGS	ACQUISI-TION RESERVE	CURRENCY TRANSLA-TION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROL-LING INTERESTS	TOTAL EQUITY
2016								
Balance as at 01-01-2016	60 302	119 184	-23 248	56	53	156 347	9 119	165 466
Comprehensive income for the year	-	52 474	-	27	158	52 659	1 165	53 824
Merger IMMOBEL / ALLFIN GROUP	37 054		148 117	- 126	480	185 525	- 36	185 489
Dividendes paids[2]	-	-27 979	-	-	-	-27 979	-4 200	-32 179
Other changes	- 167	15	9 855	-	-	9 703	-2 131	7 572
Changes in the year	36 887	24 510	157 972	- 99	638	219 908	-5 202	214 706
Treasury shares held :								
Fair value as of 29-06-2016	-	-	-55 368	-	-	-55 368	-	-55 368
Adjustment based on the share price of 31-12-2016	-	-	-9 855	-	-	-9 855	-	-9 855
Value of treasury shares held	-	-	-65 223	-	-	-65 223	-	-65 223
Balance as at 31-12-2016	97 189	143 694	69 501	- 43	691	311 032	3 917	314 949

Following the merger by absorption of ALLFIN GROUP on June 29, 2016, the share capital of IMMOBEL SA is represented by 9,997,356 ordinary shares, including 1,230,398 treasury shares, compared with 4,111,987 at December 31, 2015.

A gross dividend of € 2.00 per share (excluding treasury shares) was proposed by the Board of Directors on 22 March 2017.

It will be submitted to shareholders for approval at the general meeting. The allocation of the result has not been recognized in the financial statements as of December 31, 2016.

[2] Dividends paid prior to the reverse acquisition to ALLFIN GROUP shareholders.

E. ACCOUNTING PRINCIPLES AND METHODS

1) GENERAL INFORMATION

IMMOBEL (hereafter named the "Company") is a limited company incorporated in Belgium. The address of its registered office is Rue de la Régence 58 at 1000 Brussels.

2) STATEMENT OF COMPLIANCE WITH IFRS

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union. The Board of Directors settled the consolidated financial statements and approved their publication on 22nd March 2017.

STANDARDS AND INTERPRETATIONS APPLICABLE TO THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2016

- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015)
- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 and IAS 38 Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 19 Employee Benefits – Employee Contributions (applicable for annual periods beginning on or after 1 February 2015)
- Amendments to IAS 27 Separate Financial Statements – Equity Method (applicable for annual periods beginning on or after 1 January 2016)

The application of these standards does not have a significant impact on the consolidated accounts of the group.

STANDARDS AND INTERPRETATIONS PUBLISHED BUT NOT YET APPLICABLE IN THE PERIOD BEGINNING ON 1 JANUARY 2016

The group did not apply early the following standards and interpretations, application of which was not mandatory at 31 December 2016.

- IFRS 9 Financial Instruments and subsequent amendments (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)

- Improvements to IFRS (2014-2016) (applicable for annual periods beginning on or after 1 January 2017 or 2018, but not yet endorsed in the EU)
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- Amendments to IFRS 4 Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed)
- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 40 Transfers of Investment Property (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)

The potential impacts of these standards and interpretations on the consolidated accounts of the group are being determined. The Group does not expect these changes to have a significate impact on the Group's financial statements, except for IFRS 15 and IFRS 16.

The IASB published a new standard IFRS 15 Revenue from contracts with customers. This standard will replace IAS 18 Revenue and IAS 11 Construction contracts. IFRS 15 defines how and when a company applying IFRS standards should recognise revenues from its activities. An additional explanatory disclosure will have to be provided.

As a consequence, the recognition of revenue from contracts with customers will be ruled by one standard based on a five-step model.

The rule will be applicable from January 1st, 2018. To determine the impact of the implementation of the standard, the ongoing contracts will be analysed to identify the performance obligations as defined by IFRS 15. Although the financial impact from the implementation of IFRS 15 cannot be estimated at this point in time.

The group expects that revenue recognition can still be based on the principle of the percentage of completion. Timing of revenue recognition could however differ for a limited number of contracts.

IFRS 16 Leases was published in January 2016. This standard, not yet endorsed in EU, defines how a company applying IFRS will account, measure and disclose leases in financial statements. The standard requires from the lessee to account in the statement of financial position all assets and liabilities related to leases with a duration higher than 12 months, except for leased assets having a very low value.

The Group's obligations relating to non-cancellable operating leases are disclosed in note 7.

3) PREPARATION END PRESENTATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements are presented in thousands of EUR.

They are prepared on the historical cost basis, except for investment property, securities held for trading, available-for-sale securities and derivative financial instruments which are measured at fair value.

4) CONSOLIDATION RULES

The consolidated financial statements include the financial statements of the Company and its subsidiaries, as well as interests in joint ventures and in associated companies accounted for using the equity method.

All intragroup balances, transactions, revenue and expenses are eliminated.

SUBSIDIARIES

Subsidiaries are companies controlled by the Group.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date when control begins until the date when control ends.

INTERESTS IN JOINT VENTURES

A joint venture is a contractual agreement whereby the Group and one or several parties agree to undertake an economic activity under joint control. The joint venture agreement generally results in the creation of one or more distinct jointly controlled entities.

Since 1st January 2014, joint ventures, which were previously consolidated using the proportional method, are included in the consolidated financial statements using the equity method.

INTERESTS IN ASSOCIATES

Associates are entities over which the Group has significant influence through its participation in their financial and operating policy decisions. They are neither subsidiaries, nor joint ventures of the Group.

Significant influence is presumed if the Group, directly or indirectly, holds 20 % or more but less than 50 % of the voting rights through its subsidiaries.

Interests in associates are accounted for in the consolidated financial statements using the equity method, from the date when significant influence begins until the date when it ends. The book value of interests is decreased, if applicable, so as to record any impairment of individual interests.

DIFFERENT REPORTING DATES

The financial statements of subsidiaries, joint ventures and associates with reporting dates other than 31 December (reporting date of the Company) are adjusted so as to take into account the effect of significant transactions and events that occurred between the reporting date of the subsidiary, joint venture or associate and 31 December.

The difference between 31 December and the reporting date of the subsidiary, joint venture or associate never exceeds 3 months.

BUSINESS COMBINATIONS AND GOODWILL

GOODWILL

Goodwill represents the excess of the price of the business combination over the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity at the date of acquisition. Goodwill is reported as an asset and is not amortised but annually subject to an impairment in value test at reporting date (or more frequently if there are indications of loss in value). Impairment losses are recognised immediately under income and are not reversed in subsequent periods.

Goodwill resulting from the acquisition of an associate is included in the book value of the associate. Goodwill resulting from the acquisition of subsidiaries and joint ventures is presented separately in the balance sheet.

On disposal of a subsidiary, a joint venture or an associate, the book value of the goodwill is included so as to determine the profit or loss on the disposal.

NEGATIVE GOODWILL

Negative goodwill represents the excess of the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, a joint entity or an associate over the price of business combination at the date of acquisition. To the extent that a surplus subsists after review and re-evaluation of the values, the negative goodwill is immediately recognised in profit and loss.

5) FOREIGN CURRENCIES

TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN ENTITIES

The balance sheets of foreign companies are translated in EUR at the official year-end exchange rate and income statements are translated at the average exchange rate for the financial year.

Translation differences resulting therefrom are included under shareholders' equity under "translation differences". Upon disposal of an entity, translation differences are recognised in profit and loss.

TRANSACTIONS IN FOREIGN CURRECIES IN GROUP COMPANIES

Transactions are first recorded at the exchange rate prevailing on the transaction date. At each end of the financial year, monetary assets and liabilities are converted at the exchange rates on the balance sheet date. Gains or losses resulting from this conversion are recorded as financial result.

6) INTANGIBLE ASSETS

Intangible assets are recorded in the balance sheet if it is likely that the expected future economic benefits which may be allocated to assets will flow to the entity and if the cost of the assets can be measured reliably.

Intangible assets are measured at cost less accumulated amortisation and any impairment losses.

Intangible assets are amortised using the straight-line method on the basis of the best estimate of their useful lives. The amortisation period and method are reviewed at each reporting date.

7) TANGIBLE ASSETS

Tangible assets are measured at cost less accumulated depreciation and any impairment losses. Fixed assets are depreciated prorata temporis on a straight-line basis over their useful lives. Useful lives have been determined as follows:

- buildings: 20 to 50 years,
- furniture and equipment: 3 to 10 years,
- right of building, emphyteutic lease or long lease: according to the duration of the right or the life span of the related asset, whichever is shorter,
- installations, complexes, machinery and specific equipment's: 5 to 20 years.

Land has an unlimited useful life and therefore it is not depreciated.

Subsequent expenses related to tangible assets are only capitalised if it is likely that future economic benefits associated with the item will flow to the entity and if the cost of the item can be measured reliably.

Buildings under construction for manufacturing, leasing or administrative purposes are recorded at cost less any impairment loss. Depreciation of these assets begins when the assets are ready to be used.

8) INVESTMENT PROPERTY

Investment property is measured in accordance with the fair value model of IAS 40 - Investment property. It represents real property (land and/or buildings under construction or available) held by the Group so as to earn rent and/or create value for property rather than use or sell it. Investment property (under construction) is initially measured at cost and subsequently carried at fair value. Any change in fair value is directly recognised in the income statement.

9) LEASES

The Group distinguishes finance leases and operating leases by determining if objective criteria indicate that the major part of the value of the asset will be used by the group:

- because the present value of the lease payments approximates the majority of the fair value of assets,
- because the lease period covers the major part of the useful life of the asset
- because the Group has a purchase option for a price lower than the estimated value of the asset at the exercise date
- based on other indicators

FINANCE LEASE

Assets held by the Group under finance lease are initially recognised at their fair value or at the present value of the minimum lease payments, whichever is lower. The corresponding obligation to the lessor regarding this asset is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between financial expenses and the decrease in lease obligation at a constant interest rate with respect to the remaining debt balance. Financial expenses are directly recognised in profit and loss. Assets held under finance leases are depreciated on a straight-line basis over their expected useful lives or the lease term, whichever is shorter.

OPERATING LEASE

Lease payments under an operating lease are recognised as expenses in the income statement on a straight-line basis over the lease term.

10) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

TRADE RECEIVABLES

Short term trade receivables are measured at nominal value less appropriate allowances for estimated irrecoverable amounts. An assessment of the permanent character of doubtful trade receivables is carried out and any write-downs are recorded.

CASH AND CASH EQUIVALENTS

Cash includes cash on hand and demand deposits (deposits of less than 3 months). Cash equivalents are very short term, highly liquid investments that are subject to an insignificant risk of change in value.

Cash and cash equivalents are carried in the balance sheet at amortized cost.

CASH FLOWS

Cash flows are inflows and outflows of cash and cash equivalents.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. Acquisitions and sales of projects, either directly through the purchase of sale of assets, or indirectly through the acquisition or sale of project companies, are considered as operating activities and are presented as part of the cash flows from operating activities.

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

SHAREHOLDER'S EQUITY

Issue costs that may be directly allocated to an equity transaction are recorded as a deduction from equity. As a consequence, capital increases are recorded at the proceeds received, net of issue costs. Similarly, equity transactions on own participation are recognised directly under shareholders' equity.

BANK BORROWINGS AND OVERDRAFTS

Interest-bearing bank borrowings and overdrafts are recorded at the cash amount, less any transaction costs. After the initial recording, they are measured at amortised cost. Any difference between the received consideration and the expected exit value is recognised under income over the term of the borrowing using the effective interest rate.

TRADE PAYABLES

Short-term trade payables are recorded at their nominal value.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

Derivative financial instruments are initially measured at cost and subsequently carried at their fair values. The method of recognising the unrealised result from derivatives depends on the nature of the hedged item. On the date a derivative contract is entered into, the instrument is designated either as a hedge of the fair value of recognised assets or liabilities (fair value hedge) or as a hedge of future cash flows (cash flow hedge). Changes in the fair value of derivative financial instruments designated as fair value hedge are recorded in profit and loss, in addition to the changes in the fair value of the hedged asset or liability. With respect to cash flow hedges, the changes in the fair value are recognised in the other elements of comprehensive income. The ineffective hedging portion is recorded directly in profit and loss.

The changes in the fair value of derivative instruments that do not meet the hedge accounting requirements are recognised directly under income.

11) INVENTORIES

Inventories are measured at cost or net realisable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, less estimated completion costs and costs to sell.

The acquisition cost of purchased goods includes acquisition cost and incidental expenses. For finished goods and work in progress, the cost price takes into account direct expenses and a portion of production overhead without including administrative and financial expenses.

Interests during construction are capitalised, for the projects started after 1 January 2009.

When specific identification is not possible, cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale. The impairment in value or loss on inventories to bring them to their net realisable value is recognised as an expense in the year when the impairment in value or loss occurs.

From 1st July 2016, the rents received or to be received on projects awaiting for development are capitalized as a reduction of the purchase price of the inventories heading. As of December 31, 2016, these are the rents for the projects Centre Etoile in Luxembourg and Lebeau Sablon in Brussels.

The costs of borrowings are activated depending on the nature of the funding. The cost of funding "project financing" are fully allocated to projects funded. The costs of "Corporate" and "Bonds" financing are partially allocated based on an allocation key taking into account the projects under development and the amounts invested. The activation of the borrowing costs stops at the provisional acceptance of the project or at the receipt of an advance which would be greater than the value of the stock

12) PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is likely that an outflow of resources will be necessary to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation if necessary.

WARRANTIES

A provision for warranties is made when underlying products or services are sold. The measurement of the provision is based on historical data and by weighing all possible outcomes to which probabilities are associated (expected value method).

CONTINGENT LIABILITIES AND CONTRINGENT ASSETS

Contingent liabilities, which occurrence is not probably, are not recognized as a provision and are mentioned in the notes to the financial statements, provided that the risk is significant.

Contingent assets are not recognized in the financial statements.

13) EMPLOYEE BENEFITS

Post-employment benefits

The Group operates a defined-benefit pension plan and a defined-contribution pension plan.

- « Defined-contribution » pension plan

Contributions to these pension plans are recognized as an expense in the income statement when incurred.

- « Defined-benefit » pension plan

For such a plan, the cost of corresponding commitments is determined using the Projected Unit Credit Method, with present values being calculated at year end.

The amount recognised in the balance sheet represents the present value of commitments in terms of the defined benefit pension plans, less the fair value of plan assets and costs of rendered services not yet recognised. Any asset resulting from this calculation is limited to the present value of possible payments for the Group and the decreases in future contributions to the plan.

Actuarial gains and losses are directly recorded in the other elements of comprehensive income and are presented in the statement of comprehensive

Bonuses

Bonuses granted to company employees and senior executives are based on targets relating to key financial indicators. The estimated amount of bonuses is recognized as an expense in the year to which they relate.

14) GRANTS RELATED TO ASSETS OR INVESTMENT SUBSIDIES

Received government grants related to assets or investment subsidies are recognised in the balance sheet (presented under other long-term liabilities or other short-term liabilities) as deferred income. They are recognised as income in the same way as the asset margin to which they relate

15) REVENUE FROM ORDINARY OPERATION

Group revenue comes mainly from Real Estate Development activities (including Project Management services) and also from lease agreements.

Revenue from Real Estate Development activities is measured at the fair value of the consideration received or receivable.

To the extent that the sale contract contains several distinct parts and whose delivery is separate, the different parts are recognised separately for the proceeds of the sale.

To the extent that the contract of sale of a property development (or part of this contract) qualifies as a construction contract, the proceeds of the sale is recognized at the advancement of the project.

To the extent that the sale contract of a property development (or part of this contract) does not qualifies as a construction contract, the proceeds of the sale is recognised at delivery, unless the contract states that there is continuing transfer of ownership in order to be possible to recognise the revenue of the sale over the period of the transfer of ownership, or at the advancement of the project.

For projects "Residential - Breyne law", revenues and costs are recognized in the income statement as follows:

- margin on the land: revenues and costs are recorded at the deed
- construction margin: revenues and costs are accounted for using the percentage of completion method.

With respect to operating leases, rent is recognised under income on a straight-line basis over the term of the lease, even if payments are not made on this basis. Lease incentives granted by the Group in negotiating or renewing an operating lease are recognised as a reduction of the lease income on a straight-line basis over the term of the lease. Rent income are presented as other operating income in the consolidated statement of comprehensive income.

16) IMPAIRMENT ON VALUE ASSETS

The carrying amount of non-current assets (other than financial assets in the scope of IAS 39, deferred taxes and non-current assets held for sale) is reviewed at the end of each reporting period in order to determine if an indication exists that an asset has impaired. If such indication exists, the recoverable amount is then determined. Regarding intangible assets with indefinite useful lives and goodwill, the recoverable amount is estimated at the end of each reporting period. An impairment loss is recognized if the carrying amount of the asset or the cash-generating unit exceeds its recoverable amount. Impairment losses are presented in the income statement.

When the recoverable amount cannot be individually determined for an asset, including goodwill, it is measured at the level of the cash generating unit to which the asset belongs.

The revoverable amount of receivables and investments of the company held to maturity is the present value of the future cash flows, discounted at the original effective interest rate inherent to those assets.

The recoverable amount of other assets or cash-generating unit is its fair value less selling costs or its use value, whichever is higher. The latter is the present value of expected future cash flows from the asset or the respective cash generating unit. In order to determine the value in use, the future cash flows are discounted using a pre-tax discount rate which reflects both the current market rate and the specific risks of the asset.

A reversal of impairment loss is recognised under income if the recoverable amount exceeds the net book value. However, the reversal may not lead to a higher book value than the value that would have been determined if no impairment loss had been initially recorded on this asset (cash-generating unit). No reversal of impairment loss is recognized on goodwill.

17) BORROWING COSTS

Borrowing costs include interests on bank overdrafts and short- and long-term borrowings, amortisation of share premiums or repayment of borrowings, amortisation of accrued incidental borrowing costs. The costs are capitalised into the cost of qualifying assets. The fair value adjustments of financial derivatives associated to financial debts related to specific projects are capitalised, even if the derivative is not accounted as hedging instrument.

18) TAXES

Income tax for the year includes current and deferred tax. Current and deferred income taxes are recognised in profit and loss only if they relate to items recognised directly under shareholders' equity, in which case they are also recognised under shareholders' equity.

Current tax is the amount of income taxes payable (or recoverable) on the profit (or loss) in a financial year and the adjustments to tax charges of previous years.

Deferred tax is recognised using the liability method of tax allocation, based on timing differences between the book value of assets and liabilities in the consolidated accounts and their tax basis.

Deferred tax liabilities are recognised for all taxable timing differences.

Deferred tax assets are only recognised for deductible timing differences if it is likely that in the future they may be charged against taxable income. This criterion is re-evaluated at each reporting date.

19) DISCONTINUED OPERATIONS

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale. Such component represents a separate major line of business or geographical area of operations that can be clearly distinguished, operationally and for financial reporting purposes. The net result of discontinued operations (including possible results on disposal and taxes) is presented separately from the continued operations in the income statement.

20) MAIN SOURCES OF UNCERTAINTIES RELATED TO THE ESTIMATIONS AND MAIN JUDGEMENTS

The deferred tax assets are only recorded as far that they may be in the future used against taxable income.

The tangible and intangible assets with a fixed useful live are straight line depreciated based on the estimation of the live time of these fixed assets.

The fair value of the investment properties is estimated by independent experts in accordance with the principles as described under note 14 of the financial statements.

As part of the impairment tests, the recoverable value of an asset is estimated based on the present value of the expected cash flows generated by this asset.

For the provisions, the book value fits with the best estimation of the expense necessary to pay off the present obligation (legal or implicit) at closing date.

The projects in inventory and construction contracts are subject to feasibility studies used in determining the net realisable value and any required write down, and if applicable for the release of margin and the computation of the rate of completion. At each closing date, the expenses to be incurred are estimated.

21) TEMPORARY JOINT VENTURES

The accounts of the temporary joint venture are accounted for in the financial statements using the proportionate consolidation method, each heading of the balance sheet and of the income statement is included in proportion to the share held by the partner in the temporary joint venture.

22) SEGMENT REPORTING

A segment is a distinguishable component of the company, which generates revenues and costs.

The operating results are regularly reviewed by the Management Committee in order to monitor the performance of the various segments in terms of strategic goals , plans and budgets.

The company is composed of 3 segments: "offices", "residential development" and "land development".

F. PRIOR NOTE REGARDING THE MERGER BY ABSORPTION OF ALLFIN GROUP

The year 2016 has been marked by the merger between the companies ALLFIN GROUP and IMMOBEL, approved by the Extraordinary General Meeting of 29 June 2016, the "transaction".

In accordance with IFRS, the "transaction" is considered for accounting purposes as a reverse acquisition, operation by which IMMOBEL SA legally absorbed the assets and liabilities of ALLFIN GROUP, by issuing, in compensation for the transfer, an adequate number of shares entitled to vote, so the shareholders of the absorbed company legally obtained the control of IMMOBEL merged.

In a consequence, the legal acquirer (IMMOBEL) should be considered as the accounting acquiree and the legal acquiree (ALLFIN GROUP) should be considered the accounting acquirer

Therefore, the consolidated financial statements prepared in accordance with IFRS represent the continuation of the financial statements of the company legally acquired (ALLFIN GROUP).

1) CONSOLIDATED FINANCIAL STATEMENTS REFLECT :

- The assets and liabilities of the legal subsidiary (the accounting acquirer ALLFIN GROUP) recognized and measured at their pre-combination carrying amounts;
- The identifiable assets and liabilities of the legal parent (the accounting acquiree IMMOBEL) recognized and measured in in accordance with IFRS 3 – Business combination
- The retained earnings of the legal subsidiary (the accounting acquirer ALLFIN GROUP) before the business combination;
- The consolidated statement of comprehensive income, which, the transaction being completed on 29 June 2016, represents the consolidated results of the company legally acquired (ALLFIN GROUP) for the first half of 2016 to which must be add the elements described below (Step & acquisition Badwill) and the result for the second half of 2016 of the merged entity;

Equity: the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the issued equity interest of the legal subsidiary (the accounting acquirer) outstanding immediately before the business combination to the fair value of the legal parent (accounting acquiree) determined in accordance with this IFRS. However, the equity structure (ie the number and type of equity interests issued) reflects the equity structure of the legal parent (the accounting acquiree), including the equity interests the legal parent issued to effect the combination. Accordingly, the equity structure of the legal subsidiary (the accounting acquirer) is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of the legal parent (the accounting acquiree) issued in the reverse acquisition.

IFRS 3 B19-B27 requires that comparative figures for the previous year included on the financial statements (Statement of comprehensive income - Statement of financial position - Statement of cash flows and statement of changes in equity) are the consolidated figures of the acquired legally, ALLFIN GROUP, retroactively adjusted to reflect the legal capital of IMMOBEL.

In addition, before the merger, Allfin proceeded to a 'carve-out' of its non-core assets, generating a gain of € 13.3 million, and distributed a dividend of € 30.5 million to its shareholders. At the balance sheet, this carve-out resulted in Allfin to a decrease in current assets of € 26.9 million (mainly on inventories, investments in joint ventures and cash) and its non-current liabilities € 28.9 million (repayment of bank debt).

In accordance with IFRS, the following steps have been applied as part of the business combination:

- Step acquisition: ALLFIN GROUP has remeasured its interest in IMMOBEL at fair value using the stock price at 29 June 2016, and recognized a gain of € 2 832 thousand records in the statement of comprehensive income – Other operating income;
- Treasury shares: the shares held by ALLFIN GROUP in IMMOBEL before the merger, 1 230 398 shares, have become treasury shares and have therefore been presented as a deduction from equity at the amount remeasured (€ 55 368 thousand);
- Adjustment for accounting policies: valuation rules of both merging entities have been compared to ensure comparability of the figures without identifying significant differences;
- The direct transaction costs related to the capital increase were recorded deducted from the issued capital (€ 200 thousand). The costs related to the study of the proposed merger are included in the consolidated statement of comprehensive income - Other operating expenses for € 3 170 thousand (see note 7).
- Net assets of IMMOBEL have been remeasured at fair Value and the resulting difference with the consideration transferred has been accounted for in accordance with IFRS3 Business Combinations:
    - The fair value of the consideration transferred has been measured at acquisition date, i.e. the market value of IMMOBEL as of 29 June 2016, € 185 490 thousand;
    - All assets and liabilities acquired of IMMOBEL have been measured at fair value, € 197 052 thousand, after a net revaluation of € 8 763 thousand of its assets and liabilities
    - The resulting difference between these two fair values (badwill) has been recognized into the consolidated statement of comprehensive income, for € 11 562 thousand. Badwilll represents the difference between market expectations reflected in the stock price taken as fair value of the consideration transferred in application of IFRS 3 and the fair value of assets and liabilities measured individually.

However, the net revaluation of € 8 763 thousand was revised in the context of the closing of the financial year 2016, due to the non-recognition of a deferred tax liability for € 3 378 thousand.

As a result, the net revaluation of IMMOBEL SA's assets and liabilities amounted to € 12 141 thousand and the badwill recognized in the consolidated statement - other operating income - amounted € 14 940 thousand.

The tables below present:

- An overview of the assets and liabilities as of the date of the merger, June 29, 2016;
- A "pro forma" information as of 1 January 2016.

2) OVERVIEW OF ASSETS AND LIABILITIES AS OF THE MERGER OF 29 JUIN 2016

	ALLFIN GROUP	IMMOBEL SA	SUBTOTAL	ADJUST-MENTS	TOTAL
NON-CURRENT ASSETS	**78 044**	**68 279**	**146 323**	**-36 168**	**110 155**
Investments in joint ventures and associates	66 040	64 586	130 626	-42 681	87 945
Other non-current assets	12 004	3 693	15 697	6 513	22 210
CURRENT ASSETS	**291 229**	**339 804**	**631 033**	**3 633**	**634 666**
Inventories	203 935	294 789	498 724	3 633	502 357
Trade receivables and other current assets	18 637	28 899	47 536		47 536
Cash and cash equivalents	68 657	16 116	84 773		84 773
TOTAL ASSETS	**369 273**	**408 083**	**777 356**	**-32 535**	**744 821**
TOTAL EQUITY	**146 166**	**188 289**	**334 455**	**-40 395**	**294 060**
NON-CURRENT LIABILITIES	**174 178**	**118 921**	**293 099**	**4 336**	**297 435**
Financial debts	164 348	118 154	282 502	2 310	284 812
Other non-current liabilities	9 830	767	10 597	2 026	12 623
CURRENT LIABILITIES	**48 929**	**100 873**	**149 802**	**3 524**	**153 326**
Financial debts	13 252	47 563	60 815	3 524	64 339
Trade payables and other current liabilities	35 677	53 310	88 987		88 987
TOTAL EQUITY AND LIABILITIES	**369 273**	**408 083**	**777 356**	**-32 535**	**744 821**

THE ADJUSTMENTS ARE RELATING TO:	
Investments in joint ventures and associates	
Revaluation of IMMOBEL shares held prior to the reverse acquisition	2 832
Fair value adjustments resulting from the business combination (IFRS3)	9 855
Presentation in deduction from the shareholders' equity of the IMMOBEL shares became treasury shares following the reverse acquisition	-55 368
	-42 681
Other assets :	
Recognition of deferred tax assets following fair value adjustments	6 513
Inventories - Fair value adjustments resulting from the business combination (IFRS3)	3 633
Other liabilities :	
Non-current financial debts - Fair value adjustments resulting from the business combination (IFRS3)	2 310
Current financial debts - Fair value adjustments resulting from the business combination (IFRS3)	3 524
Recognition of deferred tax liabilities following fair value adjustments	2 026
Total equity :	
Net fair value adjustments resulting from the business combination (IFRS3)	12 141
Revaluation of IMMOBEL shares held prior to the reverse acquisition	2 832
Presentation in deduction from the shareholders' equity of the IMMOBEL shares became treasury shares following the reverse acquisition	-55 368
	-40 395

CASH FLOWS RESULTING FROM THE REVERSE ACQUISITION

Fair value of acquired assets and liabilities resulting from the reverse acquisition:

Inventories	298 422
Investments in joint ventures and associates	74 441
Other assets	39 105
Cash and cash equivalents	16 166
TOTAL ASSETS	**428 134**
Non-current financial debts	120 464
Current financial debts	51 087
Other liabilities	56 103
TOTAL LIABILITIES	**227 654**
FAIR VALUE OF ACQUIRED ASSETS AND LIABILITIES	**200 480**
Badwill recognized in the consolidated statement of comprehensive income	**-14 940**
ACQUISITION PRICE OF THE REVERSES ACQUISITION (value of IMMOBEL SA as at June 29, 2016)	**185 540**

"PRO FORMA" INFORMATION

The following table compares the consolidated statement of income, on the one hand, as published, and on the other hand, as it would have been if the "transaction" had occurred on 1 January 2016, based on the same rates and hypothesis on 29 June 2016.

	31/12/2015 Published	31/12/2016 Pro forma	Variation
OPERATING INCOME	**346 058**	**409 765**	**63 707**
Turnover	307 391	370 928	63 537
Other operating income	38 667	38 837	170
OPERATING EXPENSES	**-273 371**	**-341 087**	**-67 716**
Cost of sales	-253 601	-315 237	-61 636
Administration and Marketing	-7 338	-9 193	-1 855
Amortisation, depreciation and impairment of assets	- 978	-1 050	- 978
Change in the fair value of investment property	45	45	45
Other operating expenses	-11 499	-15 652	-4 153
JOINT VENTURES AND ASSOCIATES	**-2 007**	**-2 007**	**- 908**
OPERATING RESULT	**70 680**	**67 770**	**-2 910**
Interest income	893	2 146	1 253
Interest expense	-5 043	-8 911	-3 868
Other financial income / expenses	-1 271	-1 387	- 116
FINANCIAL RESULT	**-5 421**	**-8 152**	**-2 731**
Income taxes	-11 620	-11 925	- 305
RESULT OF THE YEAR	**53 639**	**47 693**	**-5 946**
Share of non-controlling interests	1 165	1 146	- 19
SHARE OF IMMOBEL	**52 474**	**46 547**	**-5 927**
Other comprehensive income	185	62	- 123
COMPREHENSIVE INCOME OF THE YEAR	**53 824**	**53 824**	**47 755**
Share of non-controlling interests	1 165	1 146	- 19
SHARE OF IMMOBEL	**52 659**	**46 609**	**-6 050**

The published consolidated statement of comprehensive income, represents the consolidated results of the company legally acquired (ALLFIN GROUP) for the first half of 2016 to which must be add the result for the second half of 2016 of the merged entity.The first 6 months of results of IMMOBEL "before merger" are incorporated directly in the equity and are note published in the income statement. The consolidated income statement "pro forma" represents the total result for the year of the merged entity. The variation of € -6 050 thousand illustrate the taking into account in the result of the year for the loss of IMMOBEL not taken into account on 29 june 2016.

G. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (IN THOUSANDS €)

1) 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 Luxemburg and Poland.

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 amends the strong readings 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 INTERNAL CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT	31/12/2016
OPERATING INCOME	**346 058**
Turnover	307 391
Other operating income	38 667
OPERATING EXPENSES	**-273 371**
Cost of sales	-253 601
Administration and Marketing	-7 338
Amortisation, depreciation and impairment of assets	- 978
Change in the fair value of investment property	45
Other operating expenses	-11 499
JOINT VENTURES AND ASSOCIATES	**-2 007**
Gain (loss) on sales of joint ventures and associates	-
Share in the net result of joint ventures and associates	-2 007
OPERATING RESULT	**70 680**
Interest income	893
Interest expense	-5 043
Other financial income / expenses	-1 271
FINANCIAL RESULT	**-5 421**
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	**65 259**
Income taxes	-11 620
RESULT FROM CONTINUING OPERATIONS	**53 639**
RESULT OF THE YEAR	**53 639**
Share of non-controlling interests	1 165
SHARE OF IMMOBEL	**52 474**

SUMMARY OF THE INTERNAL CONSOLIDATED FINANCIAL STATEMENTS

	TURNOVER	OPERATING RESULT
	31/12/2016	31/12/2016
OFFICES		
Belgium	125 642	17 694
Grand-Duchy of Luwemburg	-	- 517
Poland	-	- 593
SUBTOTAL OFFICES	**125 642**	**16 584**
RESIDENTIAL		
Belgium	165 565	22 389
Grand-Duchy of Luwemburg	-	- 503
Poland	-	- 220
SUBTOTAL RESIDENTIAL	**165 565**	**21 666**
LANDBANKING		
Belgium	16 184	4 302
SUBTOTAL LANDBANKING	**16 184**	**4 302**
NON ALLOCATED		
Belgium	-	28 128
SUBTOTAL NON ALLOCATED	**-**	**28 128**
TOTAL CONSOLIDATED	**307 391**	**70 680**
Belgium	307 391	72 513
Grand-Duchy of Luwemburg	-	-1 020
Poland	-	- 813

STATEMENT OF FINANCIAL POSITION	31/12/2016
NON-CURRENT ASSETS	**18 477**
Investments in joint ventures and associates	- 36
Other non-current assets	18 513
CURRENT ASSETS	**767 915**
Inventories	584 001
Trade receivables and other current assets	55 059
Cash and cash equivalents	128 855
TOTAL ASSETS	**786 392**
TOTAL EQUITY	**314 949**
NON-CURRENT LIABILITIES	**324 121**
Financial debts	319 014
Other non-current liabilities	5 107
CURRENT LIABILITIES	**147 322**
Financial debts	68 356
Trade payables and other current liabilities	78 966
TOTAL EQUITY AND LIABILITIES	**786 392**

SUMMARY OF THE INTERNAL CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL POSITION ITEMS	OFFICES	REDISENTIAL	LANDBANKING	CONSOLIDATED
Segment assets	200 338	335 102	105 589	641 029
Unallocated items[3]				145 363
TOTAL ASSETS				**786 392**
Segment liabilities	28 494	30 290	6 772	65 556
Unallocated items[3]				405 887
TOTAL LIABILITIES				**471 443**
	BELGIUM	GRAND-DUCHY OF LUXEMBURG	POLAND	CONSOLI-DATED
Segment assets	447 161	122 354	71 514	641 029
Non-current segment assets	3 696	145	37	3 878

INVENTORIES	31/12/2016
Allocation of inventories by segment is as follows:	
Offices	192 120
Residential Development	294 989
Land Development	96 892
TOTAL INVENTORIES	**584 001**
Allocation of inventories by geographical area is as follows:	
Belgium	402 365
Grand-Duchy of Luxemburg	112 036
Poland	69 600
TOTAL INVENTORIES	**584 001**

RECONCILIATION TABLE

	31/12/2016		
	Operating Segment	Adjustments	Published Information
Turnover	307 391	-45 217	262 174
Operating Result	70 680	-2 984	67 696
Total Balance Sheet	786 392	-70 160	716 232

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

[3] 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: Deferred tax liabilities - Financial debts - Tax liabilities – Derivative financial instruments. Intangible assets, property plan and equipment are allocated to segments based on an allocation formula.

The synthetic financial statements of ALLFIN GROUP on 31 December 2015 are presented below for information purposes.

FINANCIAL INFORMATION BY SEGMENT

CONSOLIDATED INCOME STATEMENT	RESIDEN-TIAL	OFFICES	NON ALLOCATED	ELIMINA-TIONS	TOTAL
OPERATING INCOME	**69 238**	**23 668**	**3 026**	**-2 109**	**93 823**
Turnover	64 088	23 641	2 436	-2 202	87 963
Other operating income	890	4 647	590	94	6 221
OPERATING EXPENSES	**-47 732**	**10 260**	**6 152**	**-2 110**	**62 034**
Cost of sales	-44 369	-10 112	- 265	1 902	-52 844
Administration and Marketing	-1 026	- 21	- 325	-	1 372
Amortisation, depreciation and impairment of assets	-		- 548	-	- 548
Other operating expenses	-2 337	- 127	-5 014	208	-7 270
JOINT VENTURES AND ASSOCIATES	**-2 249**	**3 105**	**220**	**-**	**5 574**
Share in the net result of joint ventures and associates	2 249	3 105	220	-	5 574
OPERATING RESULT	**23 755**	**16 513**	**-2 906**	**1**	**37 363**
Financial income	138	77	4 061	-	4 276
Financial expenses	-5 603	-1 182	-2 973	-	-9 758
FINANCIAL RESULT	**-5 465**	**-1 105**	**1 088**		**-5 482**
RESULT BEFORE TAXES	**18 290**	**15 408**	**-1 818**		**31 880**
Income taxes	-4 467	-1 308	- 470	-	-6 245
RESULT OF THE YEAR	**13 823**	**14 100**	**-2 288**	**2**	**25 635**
Share of non-controlling interests	1 292	-	- 17	-	1 275
SHARE OF ALLFIN GROUP	**12 531**	**14 100**	**-2 271**	**1**	**24 361**

CONSOLIDATED FINANCIAL STATEMENT	RESIDEN-TIAL	OFFICES	NON ALLOCATED	ELIMINA-TIONS	TOTAL
NON-CURRENT ASSETS	**16 406**	**1 134**	**90 626**		**108 166**
Investments in joint ventures and associates	3 905	1 134	61 083	-	66 122
Other non-current assets	12 501	-	29 543	-	42 044
CURRENT ASSETS	**211 187**	**32 872**	**39 521**	**- 393**	**283 187**
Inventories	152 981	22 434	-	- 1	175 414
Trade receivables and other current assets	12 588	543	8 347	- 392	21 086
Cash and cash equivalents	45 618	9 895	31 174	-	86 687
TOTAL ASSETS	**227 593**	**34 006**	**130 147**	**- 393**	**391 353**
NON-CURRENT LIABILITIES	**95 025**	**10 107**	**55 414**		**160 546**
Financial debts	88 845	10 107	54 809	-	153 761
Other non-current liabilities	6 180	-	605	-	6 785
CURRENT LIABILITIES	**44 509**	**13 140**	**8 059**	**- 391**	**65 317**
Financial debts	17 375	9 273	-	-	26 648
Trade payables and other current liabilities	27 134	3 867	8 059	- 391	38 669
TOTAL EQUITY AND LIABILITIES	**139 534**	**23 247**	**63 473**	**- 391**	**225 863**

FINANCIAL INFORMATION BY GEOGRAPHICAL AREA

CONSOLIDATED INCOME STATEMENT	BELGIUM	GRAND-DUCHY OF LUXEMBURG	ELIMINATIONS	TOTAL
OPERATING INCOME	**84 916**	**8 907**	**-**	**93 823**
Turnover	79 211	8 752	-	87 963
Other operating income	5 705	155	1	5 861
OPERATING EXPENSES	**60 347**	**1 687**	**-**	**62 034**
Cost of sales	-52 756	- 88	-	-52 844
Administration and Marketing	- 918	- 455	1	1 372
Amortisation, depreciation and impairment of assets	- 502	- 45	1	- 548
Other operating expenses	-6 172	-1 099	- 1	-7 270
JOINT VENTURES AND ASSOCIATES	**5 574**	**-**	**-**	**5 574**
Share in the net result of joint ventures and associates	5 574	-	-	5 574
OPERATING RESULT	**30 143**	**7 220**	**-**	**37 363**
Financial income	4 369	215	- 308	4 276
Financial expenses	9 755	310	- 307	-9 758
FINANCIAL RESULT	**-5 386**	**- 95**	**- 1**	**-5 482**
RESULT BEFORE TAXES	**24 758**	**7 124**	**- 1**	**31 881**
Income taxes	-6 069	- 176	-	-6 245
RESULT OF THE YEAR	**18 689**	**6 948**	**-**	**25 637**
Share of non-controlling interests	1 280	- 5	-	1 275
SHARE OF ALLFIN GROUP	**17 409**	**6 952**	**-**	**24 361**

CONSOLIDATED FINANCIAL STATEMENT	BELGIUM	GRAND-DUCHY OF LUXEMBURG	ELIMINATIONS	TOTAL
NON-CURRENT ASSETS	**103 941**	**7 018**	**-2 794**	**108 165**
Investments in joint ventures and associates	66 122	-	-	66 122
Other non-current assets	37 819	7 018	-2 794	42 043
CURRENT ASSETS	**259 602**	**28 638**	**-5 054**	**283 187**
Inventories	154 038	21 375	-	175 414
Trade receivables and other current assets	23 733	2 407	-5 054	21 086
Cash and cash equivalents	81 831	4 856	-	86 687
TOTAL ASSETS	**363 543**	**35 656**	**-7 848**	**391 352**
NON-CURRENT LIABILITIES	**159 527**	**3 814**	**-2 794**	**160 547**
Financial debts	152 746	1 015	-	153 761
Other non-current liabilities	6 781	2 799	-2 795	6 785
CURRENT LIABILITIES	**62 095**	**8 279**	**-5 056**	**65 318**
Financial debts	26 560	-	-	26 560
Trade payables and other current liabilities	35 446	8 280	-5 057	38 669
TOTAL EQUITY AND LIABILITIES	**221 622**	**12 093**	**-7 850**	**225 865**

2) TURNOVER

Turnover is allocated as follows per segment:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Offices	103 200	23 641	13 566
Residential	142 790	64 322	22 852
Land Development	16 184	-	17 508
TOTAL TURNOVER	**262 174**	**87 963**	**53 926**

The total turnover mentioned above has been realised in Belgium. The diversification of the Group's "customers' portfolio guarantees its independence in the market.

The "Offices" turnover is mainly influenced by the sale of the projects Black Pearl and Gateway which represent respectively 19% and 20% of the total turnover.

The promotions Chambon in Brussels, Lake Front in Knokke-Heist, Riverview in Nieuwpoort, Flint en Vesalius in Leuven contribue in particular to the "Residential Development" turnover.

As regards landbanking activities, total sales for the year 2016 involved 14.5 hectares of land comprising, among others, 198 building plots situated in landbanks in Uccle, Bredene, Geel, Eghezée, Grivegnée, Landenne, Selles, Waremme and Gingelom.a totalité du chiffre d'affaires ci-dessus est réalisée en Belgique.

3) OTHER OPERATING INCOME

Break down as follows :

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Rental income on properties available for sale or awaiting for development	2 832	4 122	5 187
Gain on disposal of "non-core (carve-out)" activities	13 326	-	1 057
Badwill resulting from the merger IMMOBEL / ALLFIN GROUP	14 940	-	-
Revaluation of IMMOBEL shares held prior to the reverse acquisition	2 832	-	-
Other income (recoveries of taxes and withholdings, miscellaneous reinvoicing…)	2 530	1 739	471
TOTAL OTHER OPERATING INCOME	**36 460**	**5 861**	**6 715**

From 1st July 2016, rental income from projects awaiting for developement are capitalized as a reduction of the purchase price of the inventories heading. For the year 2016, these are the projects Lebeau in Brussels, acquired in 2014 and Etoile in Luxembourg, acquired in 2016. The amounts capitalized for the second half of 2016 amounted to € 2 874 thousand. This change of rule was desirable in order to adapt to market changes and the greater share of buildings to be renovated.

Badwill resulting from the merger IMMOBEL / ALLFIN GROUP	
Fair value of the assets and liabilities of IMMOBEL on 29 June 29	200 430
Market value of IMMOBEL share price on 29 June 2016	185 490
BADWILL RESULTING FROM THE MERGER IMMOBEL / ALLFIN GROUP	**14 940**

Gain on disposal of "non-core (carve-out)" activities	
Proceeds from sale of activities	42 181
Inventory value of discontinued operations	-28 855
GAIN ON DISPOSAL OF "NON-CORE (CARVE-OUT)" ACTIVITIES	**13 326**

Further information on the "Carve Out" and the badwill are given in the note relating to the merger IMMOBEL / ALLFIN GROUP.

4) COST OF SALES

Cost of sales is allocated as follows per segment:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Offices	-91 649	-10 112	-5 025
Land Development	-120 032	-42 732	-20 113
Lotissement	-8 451	-	-8 557
TOTAL COST OF SALES	**-220 132**	**-52 844**	**-33 695**

and are related to the turnover and the projects mentioned in note 2.

5) ADMINISTRATION AND MARKETING

This heading includes salaries and fees of personnel, members of the Executive Committee and non-executive Directors.

They break down as follows : :

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Salaries and fees of personnel and members of the Executive Committee	-9 127	-1 043	-6 249
Severance pay of Executive Committee members	-	-	-2 495
Project monitoring costs capitalized under "Inventories"	2 633	-	2 990
Salaries of the non-executive Directors	- 122	-	- 342
Social security charges	- 534	- 221	- 456
Pension costs	- 79	-	- 199
Other	- 109	- 424	- 45
PERSONNEL EXPENSES	**-7 338**	**-1 688**	**-6 796**

The number of full time equivalents on 31 December 2016 amounted 44.4 compared to 14 in 2015.

6) AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS

Break down as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Amortisation of intangible and tangible assets	- 234	- 225	- 278
Write down on inventories	- 5	-	- 747
Write down on trade receivables	- 726	-	- 57
Write down on other current assets	-	- 323	-1 556
AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	**- 965**	**- 548**	**-2 638**

7) OTHER OPERATING EXPENSES

Break down as follows :

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Services and other goods	-9 172	-6 903	-8 012
Other expenses	-2 268	-	-1 862
Provisions	1 173	- 51	- 225
OTHER OPERATING EXPENSES	**-10 267**	**-6 954**	**-10 099**

Main components of services and other goods:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Rent and service charges, including mainly rent and service charges for the registered office	- 688	- 526	- 518
Third party payment, including in particular the fees paid to third parties and related to the turnover	-3 647	-3 084	-3 795
Costs related to the study of the proposed merger IMMOBEL / ALLFIN GROUP	-3 170	-1 862	-2 031
Other services and other goods, including company supplies, advertising, maintenance and repari expense of properties available for sale or awaiting for development	-1 667	-1 431	-1 668
TOTAL SERVICES AND OTHER GOODS	**-9 172**	**-6 903**	**-8 012**

Operating lease obligations:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Total amount of payments recognised under expenses for the year	- 628	- 377	- 357
Total minimum payments to be made:			
- within one year	- 794	- 393	- 339
- after one year but within 5 years	-1 113	-1 212	- 403
- more than 5 years	- 131	-	-

These amounts correspond mainly to the rent for the registered office and cars.

Amount of fees allocated during the year to **SC s.f.d. SCRL Deloitte Reviseurs d'Entreprises and its network**:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Audit fees at consolidation level	-306	-152	-227
Fees for extraordinary services and special missions accomplished within the Group /	-429		-141
- Missions of legal advice	-243	-	-
- Tax advice and other missions	-45	-	-25
- Other missions outside the audit mission	-141	-	-116

The missions outside the audit mission were approved by the Audit & Finance Committee.

The **other expenses** of € -2 268 thousand mainly concern taxes (property withholding taxes, regional and municipal taxes) not capitalised on assets included in inventory.

Main components of variations in provisions:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Provisions related to the sales	1 167		- 237
Other provisions	6	- 51	12
TOTAL VARIATIONS IN PROVISIONS	**1 173**	**- 51**	**- 225**
Increase	- 603	- 51	- 422
Use	1 776		197

8) JOINT VENTURES AND ASSOCIATES

Gains on sales of joint ventures and associates relate to the sale of the 40% interest held in tne company RAC2, owner of the second phase of the Bel-Air project, to the sale of the 50% interest held in the company Espace Trianon and the sale of the 50% interest held in the company Argent Office.

These gains can be summarized as follows:

Sale price of joint ventures	14 025
Book value of sold investments	-5 776
	8 249

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

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Operating result	3 982		2 963
Financial result	-2 936		-2 791
Income taxes	-1 576		- 617
RESULT OF THE PERIOD	**- 530**		**- 445**

Further information related to joint ventures and associates are described in note 15.

9) FINANCIAL RESULT

The financial result breaks down as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Cost of gross financial debt at amortised cost	-11 643	-7 871	-10 118
Activated interests on projects in development	2 589		1 897
Fair value changes	3 591	-2 237	- 60
Interest income	1 951	4 829	2 271
Other financial charges & income	- 362	- 203	- 421
FINANCIAL RESULT	**-3 874**	**-5 482**	**-6 431**
Cost of gross financial debt at amortised costs	-11 643		-10 118
Amortization of loan expenses	339		430
Change in interest paid / unpaid	1 611		-
PAID INTERESTS (STATEMENT OF CASH FLOW)	**-9 693**		**-9 688**

Amounts relating to the change in fair value arise from:

- financial instruments acquired for hedging purposes, but which were not designated as hedging for hedge accounting under IAS 39. These instruments are detailed in note 20	136
- the reversal of the fair value adjustment recorded in the merger ALLFIN GROUP / IMMOBEL relating to the "Bond 2011-2016" issue due December 2016	3 524
- fair value adjustments to bonds and shares held in portfolio	- 69
VARIATION OF FAIR VALUE	**3 591**

10) INCOME TAXES

Income taxes are as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Current income taxes for the current year	-13 003	-2 340	- 48
Current income taxes for the previous financial years	-1 600	45	59
Deferred taxes	4 420	-3 950	41
TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME	**-10 183**	**-6 245**	**52**
Current taxes	-14 603		11
Change in tax receivables	- 505		- 104
Change in tax liabilities	5 785		14
PAID INCOME TAXES (STATEMENT OF CASH FLOW)	**-9 323**		**- 79**

The reconciliation of the actual tax charge with the theoretical tax charge is summarised as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Result before taxes	63 822	31 882	652
Share in the net result of joint ventures and associates	530	-5 574	445
RESULT BEFORE TAXES AND SHARE IN THE RESULT OF JOINT VENTURES AND ASSOCIATES	**64 352**	**26 308**	**1 097**
THEORETICAL INCOME TAXE CHARGE AT 33.99%	**-21 873**	**-8 942**	**- 373**
Tax impact:			
- non-taxable income	14 454	3 408	-
- non-deductible expenses	- 662	-1 295	- 303
- use of taxes losses and notional interests deduction carried forward on which no DTA was recognised in previous years	1 503	483	3 460
- losses on which no DTA is recognised	-2 005	- 392	-2 791
- differences in taxation	-	493	-
Income taxes for the previous financial years	-1 600	-	59
TAX CHARGE	**-10 183**	**-6 245**	**52**
EFFECTIVE TAX RATE OF THE YEAR	**15,82%**	**23,74%**	**NA**

11) 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.
Basic earnings and diluted earnings per share are determined using the following information:

		31/12/2016	
IMMOBEL's share in the result of the year		52 474	
IMMOBEL's share in the comprehensive income of the year		52 659	
		Net earnings per share €	
Average number of shares considered for basic earnings and diluted earnings		Net result	Comprehen-sive income
- Outstanding shares on 31 december 2016	9 997 356	5,25	5,27
- Outstanding shares excluding treasury shares on 31 December 2016	8 766 958	5,99	6,01

12) INTANGIBLE ASSETS

Intangible assets evolve as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	**64**	**58**	**357**
Acquisitions	10	6	60
Merger IMMOBEL / ALLFIN GROUP	400		
ACQUISITION COST AT THE END OF THE YEAR	**474**	**64**	**417**
AMORTISATION AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	**- 40**	**- 33**	**- 203**
Amortisation	- 35	- 7	- 45
Merger IMMOBEL / ALLFIN GROUP	- 258		
AMORTISATION AND IMPAIRMENT AT THE END OF THE YEAR	**- 333**	**- 40**	**- 248**
NET CARRYING AMOUNT AS AT 31 DECEMBER	**142**	**25**	**169**

13) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment evolve as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	**1 199**	**1 185**	**2 149**
Acquisitions	298	14	90
Merger IMMOBEL / ALLFIN GROUP	2 386		
Disposals	- 228	-	-
ACQUISITION COST AT THE END OF THE YEAR	**3 655**	**1 199**	**2 239**
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	**- 903**	**- 830**	**-1 276**
Merger IMMOBEL / ALLFIN GROUP	-1 688		
Depreciations	- 166	- 73	- 233
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	**-2 757**	**- 903**	**-1 509**
NET CARRYING AMOUNT AS AT 31 DECEMBER	**898**	**296**	**730**

Property, plant and equipment consist primarily of installation costs of the headquarters, amortized over the lease term, or 9 years.

14) INVESTMENT PROPERTY

Investment property is measured by independent experts in accordance with the fair value model of the IAS 40 standard.

Investment property evolve as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
FAIR VALUE ON 1 JANUARY	**2 715**	**2 817**	**2 714**
Merger IMMOBEL / ALLFIN GROUP	2 829		
Acquisitions		29	-
Disposals	-2 715	-	-
Change in the fair value recognized in the statement of comprehensive income	45	-131	115
FAIR VALUE ON 31 DECEMBER	**2 874**	**2 715**	**2 829**

This account contains a land under leasehold of an office building with a long lease expiring October 31, 2025.

The fair value of this asset is estimated considering the transfer charges to be on charge of the purchaser.

Key assumptions used to determine fair value:

	31/12/2016
Rental price (€) per m^2 of residential	115
Discount rate	6,75%

15) 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 a:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Investments in associates	- 36	54 305	384
Investments in joint ventures	70 251	11 817	62 989
TOTAL INVESTMENTS INCLUDED IN THE STATEMENT OF FINANCIAL POSITION	**70 215**	**66 122**	**63 373**

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

	31/12/2016
VALUE AS AT 1 JANUARY	**66 122**
Share in result	- 530
Assets from the reverse acquisition	64 586
Revaluation of IMMOBEL shares held prior to the reverse acquisition	2 832
Presentation in deduction from the shareholders' equity of the IMMOBEL shares became treasury shares following the reverse acquisition	-55 368
Fair value adjustments resulting from the business combination	9 855
Acquisitions, capital injections and loans to joint ventures and associates	7 209
Disposals of joint ventures and associates	-5 776
Repayment of capital and advances by joint ventures and associates	-18 724
Currency translation	9
CHANGES FOR THE YEAR	**4 093**

VALUE AS AT 31 DECEMBER	**70 215**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**31/12/2016**
Share in the net result of joint ventures	1 476
Share in the net result of associates	-2 007
SHARE OF JOINT VENTURES AND ASSOCIATES IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**- 530**

STATEMENT OF CASH FLOW	**31/12/2016**
Gain on sales of joint ventures and associates	8 249
Book value of sold investments	5 776
CASH FLOW FROM DISPOSAL OF JOINT VENTURES AND ASSOCIATES	**14 025**

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

	% INTEREST		BOOK VALUE OF THE INVESTMENTS		SHARE IN THE COMPREHENSIVE INCOME	
NAME	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Argent Office	-	50,0%	-	85	91	- 58
Bella Vita	50,0%	50,0%	5 924	-	284	-
CBD International	50,0%	50,0%	- 988	-	- 194	-
Château de Beggen	50,0%	50,0%	312	-	83	-
Fanster Enterprise	50,0%	50,0%	1 285	-	33	-
Foncière du Parc	50,0%	50,0%	172	-	- 1	-
Gateway	50,0%	50,0%	572	-	- 31	-
Ilot Ecluse	50,0%	50,0%	188	-	- 1	-
Immo Keyenveld 1	50,0%	50,0%	- 5	125	- 13	- 14
Immo Keyenveld 2	50,0%	50,0%	- 17	111	- 10	- 10
Immo PA 33 1	50,0%	50,0%	5 457	4 907	1 912	2 363
Immo PA 33 2	-	-	-	-	-	3 214
Immo PA 44 1	50,0%	50,0%	1 445	1 447	- 118	- 19
Immo PA 44 2	50,0%	50,0%	4 314	4 355	- 334	- 52
Pef Kons Investment	33,3%	33,3%	21 614	-	- 304	-
Les Deux Princes Developement	50,0%	50,0%	33	787	- 2	- 71
M1	33,3%	33,3%	4 808	-	- 71	-
M7	33,3%	33,3%	682	-	- 18	-
RAC 2	-	40,0%	0	-	164	-
RAC 3	40,0%	40,0%	3 597	-	287	-
RAC 4	40,0%	40,0%	7 226	-	- 197	-
RAC 5	40,0%	40,0%	4 922	-	15	-
Société Espace Léopold	-	50,0%		-	- 21	-
Universalis Park 2	50,0%	-	3 888	-	- 27	-
Universalis Park 3	50,0%	-	4 931	-	- 35	-
Universalis Park 3AB	50,0%	-	- 239	-	- 7	-
Universalis Park 3C	50,0%	-	18	-	- 4	-
Vilpro	50,0%	50,0%	111	-	- 5	-
TOTAL JOINT VENTURES			**70 251**	**11 817**	**1 476**	**5 354**
DHR Clos du Château	33,3%	33,3%	36	-	- 84	-
Graspa Development	25,0%	25,0%	- 72	-	- 153	-
Immobel	-	29,9%		54 305	-1 769	220
TOTAL ASSOCIATES			**- 36**	**54 305**	**-2 007**	**220**
TOTAL JOINT VENTURES AND ASSOCIATES			**70 215**	**66 122**	**- 530**	**5 574**

The table below presents condensed financial information of joint ventures and associates of the Group. The amounts reported are the amounts determined in accordance with IFRS, before elimination of intercompanies.

AS AT 31 DECEMBER 2016	FIGURES 100%					TOTAL EQUITY ALLOCA-TED TO THE GROUP	SHARE-HOLDER LOANS BY THE GROUP	BOOK VALUE OF THE INVEST-MENTS
	TURN-OVER	COMPRE-HENSIVE INCOME	TOTAL ASSETS	TOTAL LIABILI-TIES	TOTAL EQUITY			
Argent Office	-	181	-	-	-	-	-	-
Bella Vita	9 941	567	16 306	4 459	11 847	5 924	-	5 924
CBD International	-	- 388	21 692	23 667	-1 975	- 988	-	- 988
Château de Beggen	-	167	2 144	1 521	623	312	-	312
Fanster Enterprise	-	66	2 609	39	2 571	1 285	-	1 285
Foncière du Parc	-	- 2	346	3	344	172	-	172
Gateway	-	- 62	1 205	61	1 144	572	-	572
Ilot Ecluse	-	- 2	385	9	376	188	-	188
Immo Keyenveld 1	-	- 26	581	592	- 11	- 5	-	- 5
Immo Keyenveld 2	-	- 20	553	586	- 33	- 17	-	- 17
Immo PA 33 1	31 710	3 823	17 483	6 568	10 914	5 457	-	5 457
Immo PA 44 1	-	- 236	5 814	5 400	414	207	1 238	1 445
Immo PA 44 2	-	- 668	17 472	15 841	1 630	815	3 499	4 314
Pef Kons Investment	-	- 912	156 029	125 287	30 742	10 246	11 368	21 614
Les Deux Princes Developement	-	- 3	5 105	5 039	66	33	-	33
M1	-	- 212	47 076	48 284	-1 208	- 402	5 210	4 808
M7	-	- 55	4 248	4 149	99	33	649	682
RAC 2	2 200	- 110	-	-	-	-	-	-
RAC 3	4 874	719	9 092	1 773	7 319	2 928	670	3 597
RAC 4	-	- 493	26 930	8 866	18 064	7 226	-	7 226
RAC 5	12 267	4 395	12 305	0	12 305	4 922	-	4 922
Société Espace Léopold	-	- 41	-	-	-	-	-	-
Universalis Park 2	-	- 54	20 332	22 895	-2 563	-1 282	5 170	3 888
Universalis Park 3	-	- 70	28 790	32 413	-3 624	-1 812	6 743	4 931
Universalis Park 3AB	-	- 15	6 227	7 008	- 782	- 391	152	- 239
Universalis Park 3C	-	- 9	1 712	1 931	- 219	- 110	128	18
Vilpro	-	- 10	1 084	863	221	111	-	111
TOTAL JOINT VENTURES	**60 992**	**6 531**	**405 521**	**317 257**	**88 265**	**35 424**	**34 827**	**70 251**
DHR Clos du Château	-	- 253	1 594	1 485	109	36	-	36
Graspa Development	-	- 612	23 377	23 667	- 290	- 72	-	- 72
TOTAL ASSOCIATES	**-**	**- 865**	**24 971**	**25 152**	**- 181**	**- 36**	**-**	**- 36**
TOTAL JOINT VENTURES AND ASSOCIATES	**60 992**	**5 666**	**430 492**	**342 409**	**88 084**	**35 387**	**34 827**	**70 215**

Main components of assets and liabilities :				INVENTORIES	FINANCIAL DEBTS
Inventories	379 219		CBD International	21 060	-
Cash and cash equivalents	18 180		Pef Kons Investment	154 451	83 240
Receivables and other assets	33 093		M1 M7	49 932	34 048
Non-current financial debts		85 956	RAC(s)	26 330	
Current financial debts		94 719	Universalis Park	57 025	40 000
Shareholder's loans		137 131	Immo Keyenveld / PA	39 013	12 139
Other liabilities		24 603	Autres	31 408	11 248
TOTAL	**430 492**	**342 409**	**Total**	**379 219**	**180 675**

In case of financial debts towards credit institutions, the shareholder's loans reimbursements (reimbursement of cash to the mother company) are subordinated to the reimbursements towards credit institutions.

Book value of assets pledged for debt securities	314 308
Amount of debts guaranteed by above securities	180 675

For the main debts towards credit institutions mentioned above, the company IMMOBEL SA has engaged itself to provide the necesary financial means in order to bring the differents projects to a good end ("cash deficiency" and "cost overrun" engagements).

There are no significant restrictions which limit the Group's ability to access the assets of joint ventures and and associates, nor specific risks or commitments other than those relating to bank loans.

16) DEFERRED TAX

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		
	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Tax losses	700	2 230	186	-	-	-
Inventories	4 988	262	-	2 544	7 166	-
Financial debts	785	-	-		8	-
Derivative financial instruments	568	-	-	32	-	-
Other assets and liabilities	-	-	-	227	489	-
Netting of deferred tax assets and liabilities	-	- 961	-	-	- 961	-
TOTAL	7 042	1 531	186	2 803	6 702	-

VALUE AS AT 1 JANUARY	1 531			6 702		
Assets / Liabilities from the reverse acquisition	6 538			2 026		
Disposals	-			- 478		
Deferred tax recognised in the consolidated statement of comprehensive income	-1 027			-5 447		
VALUE AS AT 31 DECEMBER	7 042			2 803		

TEMPORARY DIFFERENCES OR TAX LOSSES FOR WHICH NO DEFERRED TAX ASSETS ARE RECOGNISED IN THE BALANCE SHEET, FROM WHICH:	47 841
Expiring at the end of 2017	207
Expiring at the end of 2018	1 742
Expiring at the end of 2019	9 610
Expiring at the end of 2020	794
Expiring at the end of 2021	687
Not time-limited	34 801

17) INVENTORIES

Inventories consist of buildings and land acquired for development and resale. Allocation of inventories by segment is as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Offices	120 842	22 434	189 722
Residential Development	225 381	152 980	54 108
Land Development	96 892	-	90 711
TOTAL INVENTORIES	**443 115**	**175 414**	**334 541**

Allocation of inventories by geographical area is as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Belgium	340 144	154 038	235 844
Grand-Duchy of Luxemburg	43 901	21 376	34 500
Poland	59 070	-	64 197
TOTAL INVENTORIES	**443 115**	**175 414**	**334 541**

Break down of the movements of the year per segment:	31/12/2016
INVENTORIES AS AT 1 JANUARY	**175 414**
Purchases and developments of the year	222 222
Assets from the reverse acquisition	294 789
Fair value adjustments resulting from the business combination	3 633
Disposals of the year	-219 902
Capitalization of rents received and to be received	-18 424
Changes in scope of consolidation	-17 201
Borrowing costs	2 589
Write-offs recorded	- 5
CHANGES FOR THE YEAR	**267 701**
INVENTORIES AS AT 31 DECEMBER	**443 115**

Break down of the movements of the year per segment:	Purchases and Develop-ments	Disposals	Rents capitaliz-ation	Changes in scope	Merger IMMOBEL / ALLFIN	Borrowing costs	Net write-offs	Net
Offices	50 221	-114 465	-4 481		167 625	- 487	- 5	98 408
Residential Development	148 941	-96 635	-13 943	-17 201	48 406	2 833		72 401
Land Development	23 060	-8 802			82 391	243		96 892

Total	222 222	-219 902	-18 424	-17 201	298 422	2 589	- 5	267 701
Break down of the movements of the year per geographical area :	Purchases and Develop-ments	Disposals	Rents capitaliz-ation	Changes in scope	Merger IMMOBEL / ALLFIN	Borrowing costs	Net write-offs	Net
Belgium	180 401	-217 201	-13 943	-3 032	239 086	800	- 5	186 106
Grand-Duchy of Luxemburg	42 949	-2 701	-4 481	-14 169	260	667		22 525
Poland	-1 128				59 076	1 122		59 070
Total	**222 222**	**-219 902**	**-18 424**	**-17 201**	**298 422**	**2 589**	**- 5**	**267 701**

MARKET RISKS AND UNCERTAINTIES

With the exception of the risks and uncertainties inherent in the activities carried out by the Group (in particular a significant increase in interest rates and credit margins, a downturn in the real estate market, changes in global economic trends, loss of interest by investors in the real estate market, a tightening of credit conditions by the banks,...) and in view of the building permits already obtained, the Board of Directors is confident that it will obtain the necessary permits to develop the Group's existing projects and is not aware, on the basis of the information currently available, of any major risks or uncertainties that could significantly damage the Group's future results.

The main risks and uncertainties are described in the Director's report.

18) TRADE RECEIVABLES

Trade receivables refer to the following segments:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Offices	1 163	-	2 532
Residential Development	5 642	6 712	573
Land Development	5 307	-	2 932
TOTAL TRADE RECEIVABLES	**12 112**	**6 712**	**6 037**

The analysis of the delay of payment arises as follows:			
Due < 3 months	6 088	5 954	1 060
Due > 3 months < 6 months	401	-	498
Due > 6 months < 12 months	386	-	27
Due > 1 year	2 672	-	99

CREDIT RISK

The credit risk is related to the possible failure of the customers in respecting their commitments towards the Group.

Due to the nature of the customers, being mainly known investors, public clients or equivalent, the Group does not use instruments to cover the customer credit risk.

The customers are closely followed up and adequate impairments are recorded as to cover the amounts that are considered being not recoverable.

At 31 December 2016 there was no concentration of credit risk with a sole third party. The maximum risk amounts to the book value of the receivables.

The recorded impairments of trade receivables is as follows:	31/12/2016
BALANCE AT 1 JANUARY	**22**
Additions	65
Merger IMMOBEL / ALLFIN	214
MOVEMENTS OF THE YEAR	**279**
BALANCE AT 31 DECEMBER	**301**

19) OTHER CURRENT ASSETS

The components of this line item are:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Other receivable	29 053	3 770	9 392
of which : advances and guarantees paid acomptes et garanties versées	3 600	-	2 203
taxes (other than income taxes) and VAT receivable	5 307	2 123	1 385
advances and guarantees paid	-	-	2 050
receivable on sale (escrow account)	1 066	-	1 617
grants and allowances receivable	16 311	-	-
other	2 769	1 647	2 137
Deferred charges and accrued income	3 418	4 541	978
of which: on projects in development	3 082	1 774	663
other	336	2 767	315
TOTAL OTHER CURRENT ASSETS	**32 471**	**8 311**	**10 370**

and are related to the following segments:	31/12/2016
Offices	3 052
Residential Development	26 712
Land Development	2 707
TOTAL OTHER CURRENT ASSETS	**32 471**

20) 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 € -201 472 thousand as at 31 December 2016 compared to € -92 064 thousand as at 31 December 2015.

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Cash and cash equivalents	**120 638**	**86 687**	**16 952**
Non current financial debts	281 578	152 191	143 757
Current financial debts	40 532	26 560	62 267
NET FINANCIAL DEBT	**-201 472**	**-92 064**	**-189 072**

The Group's gearing ratio (net financial debt / equity) is 64% as at 31 December 2016.

CASH AND CASH EQUIVALENTS

Cash deposits and cash at bank and in hand amount to € 120 638 thousand compared to € 86 687 thousand at the end of 2015, representing an increase of € 33 951 thousand.

The available cash are as follows:	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Term deposits with an initial duration of maximum 3 months	-	-	-
Cash at bank and in hand	120 638	86 687	16 952
AVAILABLE CASH AND CASH EQUIVALENTS	**120 638**	**86 687**	**16 952**

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 different companies.

FINANCIAL DEBTS

Financial debts increase with € 143 359 thousand, from € 178 751 thousand at 31 December 2015 to € 322 110
thousand at 31 December 2016. The components of financial debts are as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Bond issue maturity 28-03-2018 at 5.50% - nominal amount 60 MEUR	59 666	-	59 396
Bond issue maturity 28-03-2018 at 5.50% - fair value adjustment	2 310	-	-
Bond issue maturity 27-06-2019 at 6.75% - nominal amount 36.65 MEUR	35 425	35 298	-
Credit institutions	184 177	116 893	84 361
NON CURRENT FINANCIAL DEBTS	**281 578**	**152 191**	**143 757**
Bond issue maturity 21-12-2016 at 7% - nominal amount 40 MEUR	-	-	39 843
Credit institutions	36 581	26 560	19 817
Bonds - not yet due interest	3 951	-	2 607
CURRENT FINANCIAL DEBTS	**40 532**	**26 560**	**62 267**
TOTAL FINANCIAL DEBTS	**322 110**	**178 751**	**206 024**
Financial debts at fixed rates	97 401	89 823	99 239
Financial debts at variable rates	220 758	88 928	104 178
Bonds - not yet due interest	3 951	-	2 607
Amount of debts guaranteed by securities	220 758		104 178
Book value of Group's assets pledged for debt securities	402 374		308 524

Financial debts evolve as follows:	31/12/2016
FINANCIAL DEBTS AS AT 1 JANUARY	**178 751**
Contracted debts	107 009
Repaid debts	-133 627
Liabilities from the reverse acquisition	165 717
Fair value adjustments resulting from the business combination	5 834
Change in the fair value recognized in the statement of comprehensive income	-3 524
Bons - paid interest	-2 340
Bonds - not yet due interest	3 951
Amortization of deferred debt issue expenses	339
CHANGES FOR THE YEAR	**143 359**
FINANCIAL DEBTS AS AT 31 DECEMBER	**322 110**

All the financial debts are denominated in €.

Except 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.

IMMOBEL disposes at December 31, 2016 of 2 Corporate credit lines, one of 60 MEUR, unused at December 31, 2016,

the other of 30 MEUR, fully used by 31 December. These two credit lines are due in June 2017.

Moreover, IMMOBEL disposes at December 31, 2016 of confirmed bank credit lines for € 234 million of which € 195 million used at end of December 2016.

These credit lines (project financing credits) are specific for certain projects in development.

At December 31, 2016, the book value of Group's assets pledged to secure the corporate credit and the project financing credits amounts to € 402 million.

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

DUE IN	2017	2018	2019	2020	2022	2024	Total
Bonds	-	62 310	35 650	-	-	-	97 960 *
Bonds - Interest	3 951	-	-	-	-	-	3 951
Corporate credit	30 000	-	-	-	-	-	30 000
Project Financing Credits	6 581	73 930	58 747	31 750	8 600	11 150	190 758
TOTAL AMOUNT OF DEBTS	**40 532**	**136 240**	**94 397**	**31 750**	**8 600**	**11 150**	**322 669**

* The amount on the balance sheet, € 97 401 thousand, includes € 559 thousand charges to be amortized until maturity in 2018 and 2019.

INTEREST RATE RISK

On the basis of the situation as per 31 December 2015, each change in interest rate of 1% involves an annual increase or decrease of the interest charge on debts at variable rate of € 2 208 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 31 December 2016, the derivative financial instruments have been concluded to hedge future risks and are the following:

Period	Instru-ments	Strike	Notional amounts
09/2015 - 09/2018	IRS bought	0,10%	26 000
09/2014 - 12/2019	IRS bought	0,86%	53 122
07/2014 - 07/2017	CAP bought	2,00%	16 000
07/2014 - 07/2017	CAP bought	2,00%	10 000
07/2014 - 07/2017	CAP bought	2,00%	10 000
		Total	**115 122**

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 thos have not been designated as cash flow hedges.

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
FAIR VALUE OF FINANCIAL INSTRUMENTS			
Hedging instruments:			
- Bought CAP Options	0	-	0
- Bought IRS Options	1 789	1 658	140
TOTAL	**1 789**	**1 658**	**140**
CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS			
SITUATION AT 1 JANUARY	**1 658**		
Changes during the period:	268		
Merger IMMOBEL / ALLFIN GROUP	- 137		
SITUATION AT 31 DECEMBER	**1 789**		

No instrument has been documented as hedge accounting at 31 December 2016.

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 analyzed by their measurement category.

The fair value of financial instruments is determined as follows:

- If their maturities 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.

			Amounts recognized in balance sheet in accordance with IAS39		
	Level of the fair value	Carrying amount 31-12-2016	Amortized cost	Fair value trough profit or loss	Fair value 31-12-2016
ASSETS					
Cash and cash equivalents	Niveau 1	120 638	120 638		120 638
Other non-current financial assets	Niveau 2	3 730	3 730		3 730
Other non-current assets	Niveau 2	3 445	3 445		3 445
Trade receivables	Niveau 2	12 112	12 112		12 112
Other operating receivables	Niveau 2	50 112	21 899		21 899
Other current financial assets	Niveau 2	1 072	1 072		1 072
TOTAL		**191 109**	**162 896**		**162 896**

LIABILITIES					
Interest-bearing debt	Niveaux 1 et 2	315 849	315 849		318 159
Trade payables	Niveau 2	34 266	34 266		34 266
Other operating payables	Niveau 2	30 450	30 450		30 450
Derivative financial instruments	Niveau 2	1 789		1 789	140
TOTAL		**382 354**	**380 565**	**1 789**	**383 015**

LIQUIDITY RISK

The Company starts only new projects in case of appropriate financing by corporate, specific financing or pre-sale.

As a consequence, the cash risk related to the progress of a project is very limited.

FINANCIAL COMMITMENTS

The Group is, for the majority of the mentioned financial debts, subject to a number of financial commitments.

These commitments are taking into account the equity, the net financial debt and its relation with the equity and the

inventories. At 31 December 2016, as for the previous years, the Group was in conformity with all these financial commitments.

RISK OF FLUCTUATION IN FOREIGN CURRENCIES

The Group does not currently hedge the foreign exchange rates risks on its development activities. However, the functional currency of the offices activity currently developped in Poland has been determined to be the EUR, reducing significantly the exchange risk.

21) EQUITY

The equity amounts to € 314 949 thousand compared to € 165 466 thousand as at 31 December 2015, representing an increase of € 149 483 thousand.

The explanation of the change in equity is given in the consolidated statement of changes in equity.

RISK MANAGEMENT RELATED TO THE CAPITAL

IMMOBEL is optimising the structure of its permanent capital through a balance between capital and long term debts.

The target is to maximise the value for the shareholder while maintaining the required flexibility to achieve the development projects. Other elements, like the expected return on each project and the respect of a number of balance sheet ratios, influence the decision taking.

22) PENSIONS AND SIMILAR OBLIGATIONS

The pensions and similar obligations cover the obligations of the Company as far as the group insurance is concerned.

The amount recognised in the balance sheet represents the present value of obligations in terms of defined benefit pension plans less the fair value of plan assets.

	31/12/2016
STATEMENT OF FINANCIAL POSITION	
Present value of the defined benefit obligations	2 899
Fair value of plan assets at the end of the period	-2 797
NET LIABILITY ARISING FROM DEFINED BENEFIT OBLIGATION	**102**
SATEMENT OF COMPREHENSIVE INCOME	
Current service cost	- 81
Interest cost on the defined benefit obligation	- 43
Interest income on plan assets	40
Administration costs	- 6
DEFINED BENEFIT COSTS RECOGNIZED IN PROFIT OR LOSS	**- 90**
Actuarial (gains) / losses on defined benefit obligation arising from	
- changes in financial assumptions	- 134
- return on plan assets (excluding interest income)1	97
- experience adjustments	195
REMEASUREMENTS OF NET DEFINED BENEFIT LIABILITY RECOGNISED	
IN OTHER COMPREHENSIVE INCOME	**159**
DEFINED BENEFIT COSTS	**69**

PRESENT VALUE OF THE OBLIGATIONS AS AT 1 JANUARY	**3 749**
Current service cost	81
Interest cost	43
Contributions from plan participants	16
Actuarial (gains) losses	- 61
Benefits paid	- 928
PRESENT VALUE OF THE OBLIGATIONS AS AT 31 DECEMBER	**2 899**

FAIR VALUE OF THE PLAN ASSETS AS AT 1 JANUARY	**3 486**
Interest income	40
Contributions from employer	92
Contributions from plan participants	16
Benefits paid	- 928
Return on plan assets (excluding interest income)[4]	97
Administration costs	- 6
FAIR VALUE OF THE PLAN ASSETS AS AT 31 DECEMBER	**2 797**
CONTRIBUTION OF THE EMPLOYER EXPECTED FOR 2017	**66**

ACTUARIAL ASSUMPTIONS USED TO DETERMINE OBLIGATIONS	**31/12/2016**
Discount rate	1,30%
Future salary increases	3,50%
Inflation rate	2,00%
Mortality Table	MR/FR-3

SENSITIVITY ANALYSIS OF THE DBO 31-12-2016			
Discount rate	0,60%	1,10%	0,10%
Amount of the DBO	2 899	2 781	3.029

The pension plans are funded through a group insurance. The underlying assets of the insurance contracts are primarily invested in bonds. The actuarial loss recognized in the statement of other comprehensive income equals € 158 thousand. The accumulated amount of actuarial gains and losses recognized in other comprehensive income equals € 691 thousand.

Belgian pension plan with guaranteed return: 20 employees benefit from contribution plans subject to Belgian law on supplementary pensions (minimum guaranteed return). The law of 18 December 2015 set the mininum guaranteed rate as follows:

- For contributions paid until 31 December 2015, the rates applied since 2004 continue to be apply (3.25% and 3.75% respectively on the contributions paid by the employer and the employee)
- For contributions paid from 1 January 2016: guaranteed minimum rate based on the OLO rate with a minimum of 1.75% and a maximum of 3.75%.

EMPLOYER CONTRIBUTIONS IN THE DEFINED CONTRIBUTION PLAN (DBC)	**35**

[4] The return on plan assets (excluding interest income) for the year 2015 is explained, on the one hand, by the valuation of the fair value of plan assets value of based on the present the discounted capital insurance group and, on the other hand, by the decrease in the discount rate below the technical interest rate guaranteed by the insurance company.

23) PROVISIONS

The components of provisions are as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Provisions related to the sales	1 776	-	3 715
Other provisions	4	52	17
TOTAL PROVISIONS	**1 780**	**52**	**3 732**

	Related to the sales	Other	
PROVISIONS AS AT 1 JANUARY	**0**	**52**	**52**
Increase	603		603
Use	-1 769	- 7	-1 776
Reversal		- 52	- 52
Merger IMMOBEL / ALLFIN GROUP	2 942	11	2 953
CHANGES FOR THE YEAR	**1 776**	**- 48**	**1 728**
PROVISIONS AS AT 31 DECEMBER	**1 776**	**4**	**1 780**

Allocation of this position by segment is as follows:

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Offices	1 466		3 459
Residential Development	219	52	178
Land Development	95		95
TOTAL	1 780	52	3 732

These provisions made correspond to the best estimate of outgoing resources considered as likely by the Board of Directors. The Group has no indication on the final amount of disbursement or the timing of the disbursement, it depends on court decisions. The provisions are made up based on the risks related to the sales and to the litigations, in particular when the recognition conditions of those liabilities are met.

The provisions related to the sales mainly consist of rental guarantees, good end of execution…

No provision has been recorded for the other litigations that mainly concern:

- problems of decennial guarantee for which the Group has recourse on the contractor who is generally covered by an insurance of "decennial liability coverage" for this purpose,
- pure administrative recourses concerning planning and environmental permits introduced by third parties at the without any financial consequence for the Group.

24) TRADE PAYABLES

This account is allocated by segment as follows:

	31/12/2016
Offices	13 637
Residential Development	16 276
Land Development	4 353
TOTAL TRADE PAYABLES	**34 266**
OF WHICH CURRENT TRADE PAYABLES	**33 763**

25) OTHER CURRENT LIABILITIES

The components of this account are:

	31/12/2016
Personnel debts	749
Taxes (other than income taxes) and VAT payable	5 804
Advance on sales	1 610
Advances from joint ventures and associates	9 220
Accrued charges and deferred income	1 086
Operating grants	4 711
Other	3 319
TOTAL OTHER CURRENT LIABILITIES	**26 499**

Other current liabilities are related to the following segments:	31/12/2016
Offices	12 674
Residential Development	11 291
Land Development	2 534
TOTAL OTHER CURRENT LIABILITIES	26 499

26) MAIN CONTINGENT ASSETS AND LIABILITIES

	31/12/2016	31/12/2015 ALLFIN GROUP	31/12/2015 IMMOBEL SA
Guarantees from third parties on behalf of the Group with respect to:			
- inventories	126 176	133 149	48 249
- other assets	111	-	111
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	**126 287**	**133 149**	**48 360**
These guarantees consist of:			
- guarantees "Real estate trader" (acquisitions with registration fee at reduced rate)	31 409	14 320	13 166
- guarantees "Law Breyne" (guarantees given in connection with the sale of houses or apartments under construction)	71 513	117 650	22 761
- guarantees "Good end of execution" (guarantees given in connection with the execution of works)	21 317	-	10 813
- guarantees "Payment" and "Other" (successful completion of payment, rental...)	2 048	1 179	1 620
TOTAL	**126 287**	**133 149**	**48 360**
Mortgage power - Amount of inscription	593 139	336 406	138 025
Book value of Group's assets pledged for debt securities related to investment property and inventory as a whole	402 374	138 989	308 524
Pledges on shares of related companies	-	66 752	-
Pledges on other assets	-	27 401	-
BOOK VALUE OF PLEDGED GROUP'S ASSETS	**402 374**	**138 989**	**308 524**
Amount of debts guaranteed by above securities			
- Non current debts	184 177	116 541	84 361
- current debts	36 581	26 650	19 817
TOTAL	**220 758**	**143 191**	**104 178**

Following restitution requests for parcels adjacent to ours, the start of the CBD ONE project in Warsaw is postponed and the company can not estimate at this stage the financial consequences of these procedures.

On November 17, 2016, the Shareholders accepted a performance share plan ("Performance Share Plan 2017-2019") for the benefit of the Executive Chairman and the Chief Executive Officer for the years 2017, 2018 and 2019.

This plan has no impact on the financial statements for 2016.

27) CHANGE IN WORKING CAPITAL

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

	31/12/2016
Inventories, including acquisition and sales of entities that are not considered as business combinations	13 371
Trade receivables & Other current assets	33 550
Trade payables & Other current liabilities	-20 815
CHANGE IN WORKING CAPITAL	**26 106**

28) INFORMATION ON RELATED PARTIES

RELATIONS AVEC LES ACTIONNAIRES - PRINCIPAUX ACTIONNAIRES	
	31/12/2016
A^3 Capital NV + Vemaco NV + A^3 Management BVBA	58,77%
Capfi Delen Asset Management n.v.	4,12%
IMMOBEL (treasury shares)	12,30%
Number of representative capital shares	9 997 356

RELATIONSHIPS WITH SENIOR EXECUTIVES

These are the remuneration of members of the Executive Committee and of the Board of Directors.

	31/12/2016
Salaries	2 015
Post-employment benefits	29
Other Benefits	11
TOTAL	2 055

RELATIONSHIPS WITH JOINT VENTURES AND ASSOCIATES

are recorded in the balance sheet in the following accounts:

	31/12/2016
Investments in joint ventures and associates - shareholder's loans (note 15)	34 827
Other current assets	17 788
Other current liabilities	9 220
Interest income	1 184
Interest expense	72

See note 15 for further information on joint ventures and associates.

29) EVENTS SUBSEQUENT TO REPORTING DATE

No significant event that may have an impact on the financial statements occurred from the reporting date on 31st December 2015 up to 19th April 2017 when the financial statements were approved by the Board of Directors.

30) COMPANIES OWNED BY THE IMMOBEL GROUP

Companies forming part of the Group as at 31 December 2016 :

SUBSIDIARIES - fully consolidated

NAME	COMPANY NUMBER	HEAD OFFICE	GROUPE INTEREST (%) (Economic interest)
ALLFIN NV	0475 729 174	Brussels	100,00
ARGENT RESIDENTIAL NV	0837 845 319	Brussels	100,00
BEYAERT NV	0837 807 014	Brussels	100,00
BOITEUX RESIDENTIAL NV	0837 797 314	Brussels	100,00
BRUSSELS EAST REAL ESTATE SA	0478 120 522	Brussels	100,00
BULL'S EYE PROPERTY LUX SA	B 138 135	Luxemburg	100,00
CEDET Sp. z.o.o.	0000 30 58 51	Warsaw	100,00
CEDET DEVELOPMENT Sp. z.o.o.	0000 31 88 63	Warsaw	100,00
CENTRE ETOILE SARL	B 204 563	Luxemburg	100,00
CHAMBON NV	0837 807 509	Brussels	100,00
CLUSTER CHAMBON NV	0843 656 906	Brussels	100,00
COMPAGNIE IMMOBILIÈRE DE PARTICIPATIONS FINANCIÈRES (CIPAF) SA	0454 107 082	Brussels	100,00
COMPAGNIE IMMOBILIÈRE DE WALLONIE (CIW) SA	0401 541 990	Brussels	100,00
COMPAGNIE IMMOBILIÈRE LUXEMBOURGEOISE SA	B 29 696	Luxemburg	100,00
EMPEREUR FROISSART NV	0871 449 879	Brussels	100,00
ENTREPRISE ET GESTION IMMOBILIÈRES (EGIMO) SA	0403 360 741	Brussels	100,00
ESPACE NIVELLES SA	0472 279 241	Brussels	100,00
FLEX PARK	CZ 262 09 691	Prague	100,00
FLINT CONSTRUCT NV	0506 899 135	Brussels	65,00
FLINT LAND NV	0506 823 614	Brussels	65,00
FONCIÈRE JENNIFER SA	0464 582 884	Brussels	100,00
FONCIÈRE MONTOYER SA	0826 862 642	Brussels	100,00
GARDEN POINT Sp. z.o.o.	0000 38 84 76	Warsaw	100,00
GRANARIA DEVELOPMENT GDANSK Sp. z.o.o.	0000 51 06 69	Warsaw	90,00
GRANARIA DEVELOPMENT GDANSK BIS Sp. z.o.o.	000,48 02 78	Warsaw	90,00
GREEN DOG SA	0897 498 339	Brussels	100,00
HERMES BROWN II NV	0890 572 539	Brussels	100,00
HOTEL GRANARIA DEVELOPMENT Sp. z.o.o.	0000 51 06 64	Warsaw	90,00
IMMOBEL HOLDING LUXEMBOURG SARL	B 138 090	Luxemburg	100,00
IMMOBEL LUX SA	B 130 313	Luxemburg	100,00
IMMOBEL POLAND Sp. z.o.o.	0000 37 22 17	Warsaw	100,00
IMMOBILIËN VENNOOTSCHAP VAN VLAANDEREN NV	0403 342 826	Brussels	100,00
IMMO-PUYHOEK NV	0847 201 958	Brussels	100,00
INFINITY LIVING SA	-	Luxemburg	100,00
INFINITY WORKING & SHOPPING SA	-	Luxemburg	100,00
LAKE FRONT NV	0562 818 447	Brussels	100,00
LEBEAU SABLON SA	0551 947 123	Brussels	100,00

LES JARDINS DU NORD SA	0444 857 737	Brussels	96,20
LOTINVEST DEVELOPMENT SA	0417 100 196	Brussels	100,00
MÖBIUS I SA	0662 473 277	Brussels	100,00
MÖBIUS II SA	0662 474 069	Brussels	100,00
MONTAGNE RESIDENTIAL NV	0837 806 420	Brussels	100,00
MOULIN SA	B 179 263	Luxemburg	100,00

SUBSIDIARIES - fully consolidated

NAME	COMPANY NUMBER	HEAD OFFICE	GROUPE INTEREST (%) (Economic interest)
OD 214 Sp. z.o.o.	0000 53 59 20	Warsaw	100,00
OKRAGLAK DEVELOPMENT Sp. z.o.o.	0000 26 74 81	Warsaw	100,00
PERCIPI NV	0478 273 940	Brussels	100,00
POLVERMILLENSARL	B 207 813	Luxemburg	100,00
QUOMAGO SA	0425 480 206	Brussels	100,00
RIGOLETTO NV	0536 987 545	Brussels	100,00
PRINCE ROYAL CONSTRUCT NV	0633 872 927	Brussels	100,00
t ZOUT CONSTRUCT NV	0656 754 831	Brussels	100,00
TORRES INVESTMENT Sp. z.o.o.	0000 34 75 83	Warsaw	100,00
TRACTIM SARL	B 98 174	Luxemburg	90,00
VAARTKOM NV	0656 758 393	Brussels	100,00
VAL D'OR CONSTRUCT NV	0656 752 257	Brussels	100,00
VELDIMMO SA	0430 622 986	Brussels	100,00
VESALIUS CONSTRUCT NV	0543 851 185	Brussels	100,00
ZIELNA DEVELOPMENT Sp. z.o.o.	0000 52 76 58	Warsaw	100,00

JOINT VENTURES - accounted for under the equity method

NAME	COMPANY NUMBER	HEAD OFFICE	GROUPE INTEREST (%) (Economic interest)
BELLA VITA SA	0890 019 738	Brussels	50,00
CBD INTERNATIONAL Sp. z.o.o.	0000 22 82 37	Warsaw	50,00
CHÂTEAU DE BEGGEN SA	B 133 856	Luxemburg	50,00
FANSTER ENTERPRISE Sp. z.o.o.	0000 39 60 31	Warsaw	50,00
FONCIÈRE DU PARC SA	0433 168 544	Brussels	50,00
GATEWAY SA	0501 968 664	Brussels	50,00
ILOT ECLUSE SA	0441 544 592	Gilly	50,00
IMMO KEYENVELD 1 NV	0845 714 096	Brussels	50,00
IMMO KEYENVELD 2 NV	0845 714 492	Brussels	50,00
IMMO PA 33 1 NV	0845 710 336	Brussels	50,00
IMMO PA 44 1 NV	0845 708 257	Brussels	50,00
IMMO PA 44 2 NV	0845 709 049	Brussels	50,00
LES 2 PRINCES DEVELOPMENT NV	0849 400 294	Brussels	50,00

M1 SA	B 197 932	Strassen	33,33
M7 SA	B 197 934	Strassen	33,33
PEF KONS INVESTMENT SA	B 288 48	Luxemburg	33,33
RAC 3 NV	0819 588 830	Antwerp	40,00
RAC 4 NV	0819 593 481	Brussels	40,00
RAC5 NV	0665 775 535	Antwerp	40,00
UNIVERSALIS PARK 2 SA	0665 921 529	Brussels	50,00
UNIVERSALIS PARK 3 SA	0665 921 133	Brussels	50,00
UNIVERSALIS PARK 3AB SA	0665 922 420	Brussels	50,00
UNIVERSALIS PARK 3C SA	0665 921 430	Brussels	50,00
VILPRO NV	0437 858 295	Brussels	50.00

ASSOCIATES - accounted for under the equity method

NAME	COMPANY NUMBER	HEAD OFFICE	GROUPE INTEREST (%) (Economic interest)
DHR CLOS DU CHÂTEAU SA	0895 524 784	Brussels	33,33
GRASPA DEVELOPMENT Sp. z.o.o.	0000 37 38 66	Warsaw	25,00

Except the mentioned elements on note 15, there are no significant restrictions that limit the Group's ability to access assets and settle the liabilities of subsidiaries.

In case of financial debts towards credit institutions, the shareholder’s loans reimbursements (reimbursement of cash to the mother company) are subordinated to the reimbursements towards credit institutions.

H. STATEMENT FROM THE RESPONSIBLE PERSONS

The undersigned persons state that, to the best of their knowledge:

- the Consolidated Financial Statements of IMMOBEL SA and its subsidiaries as of 31st December 2015 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), and give a true and fair view of the assets and liabilities, financial position and results of the whole of the companies of the IMMOBEL Group as well as the subsidiaries included in the consolidation;
- the Director's Report on the financial year ended at 31st December 2015 gives a fair overview of the development, the results and of the position of the IMMOBEL Group as well as the subsidiaries included in the consolidation, as well as a description of the principal risks and uncertainties faced by the IMMOBEL Group.

On behalf of the Board of Directors:

Alexander Hodac[5]	Marnix Galle[6]
Chief Executive Officer	Chairman of the Board of Directors

[5] Permanent representative of AHO Consulting bvba

[6] Permanent represetatvie of A3 Management bvba

I. STATUTORY AUDITOR'S REPORT

Statutory auditor's report to the shareholders' meeting of Immobel SA on the consolidated financial statements for the year ended 31 december 2016

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 december 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Immobel SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. The consolidated statement of financial position shows total assets of 716,232 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 52,474 (000) EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted in Belgium. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Immobel SA give a true and fair view of the group's net equity and financial position as of 31 December 2016, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Zaventem, 19 April 2017

The statutory auditor

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

II. STATUTORY CONDENSED FINANCIAL STATEMENTS

The financial statements of the parent company, IMMOBEL SA, are presented below in a condensed form.

In accordance with Belgian company law, the Directors' Report and Financial Statements of the parent company, IMMOBEL SA, together with the Statutory Auditor's Report, have been filed at the National Bank of Belgium.

They are available on request from:

IMMOBEL SA
Rue de la Régence 58
BE-1000 Brussels
Belgium
www.immobel.be

The statutory auditor issued an unqualified report on the financial statements of IMMOBEL SA.

STATEMENT OF FINANCIAL POSITION (IN THOUSANDS €)

ASSETS	31/12/2016	31/12/2015
FIXED ASSETS	**240 386**	**99 237**
Start-up costs	726	761
Intangible fixed assets	142	168
Tangible fixed assets	925	945
Financial fixed assets	238 593	97 363
CURRENT ASSETS	**342 811**	**322 903**
Amounts receivable after one year	5 367	-
Stocks and contracts in progress	92 906	133 742
Amounts receivable within one year	116 934	173 028
Treasury shares	55 000	-
Cash equivalents	67 229	10 828
Deferred charges and accrued income	5 375	5 305
TOTAL ASSETS	**583 197**	**422 140**

LIABILITIES	31/12/2016	31/12/2015
SHAREHOLDERS' EQUITY	**307 530**	**207 452**
Capital	97 357	60 302
Reserves	107 076	10 076
Accumulated profits	103 097	137 074
PROVISIONS AND DEFERRED TAXES	**1 486**	**3 166**
Provisions for liabilities and charges	1 486	3 166
DEBTS	**274 181**	**211 522**
Amounts payable after one year	204 603	131 809
Amounts payable within one year	63 975	71 921
Accrued charges and deferred income	5 603	7 792
TOTAL LIABILITIES	**583 197**	**422 140**

STATEMENT OF COMPREHENSIVE INCOME (IN THOUSANDS €)

	31/12/2016	31/12/2015
Operating income	28 045	20 914
Operating charges	-18 785	-13 715
OPERATING RESULT	**9 260**	**7 199**
Financial income	27 078	9 217
Financial charges	-12 093	-9 384
FINANCIAL RESULT	**14 985**	**- 167**
PROFIT OF THE FINANCIAL YEAR BEFORE TAXES	**24 245**	**7 032**
Taxes	-2 772	10
PROFIT OF THE FINANCIAL YEAR	**21 473**	**7 042**
PROFIT OF THE FINANCIAL YEAR TO BE APPROPRIATED	**21 473**	**7 042**

APPROPRIATION ACCOUNT (IN THOUSANDS €)

	31/12/2016	31/12/2015
PROFIT TO BE APPROPRIATED	**176 156**	**137 074**
Profit for the financial year available for appropriation	21 473	7 042
Profit carried forward	154 683	130 032
APPROPRIATION TO EQUITY	**55 000**	**-**
To other reserves	55 000	-
RESULT TO BE CARRIED FORWARD	**103 097**	**137 074**
Profit to be carried forward	103 097	137 074
PROFIT AVAILABLE FOR DISTRIBUTION	**18 059**	**0**
Dividends	17 534	0
Other beneficiaries	525	0

A. SUMMARY OF ACCOUNTING POLICIES

Tangible assets are recorded as assets net of accumulated depreciation, at either their cost price or contribution value (value at which they were brought into the business), including ancillary costs and non-deductible VAT. Depreciation is calculated by the straight-line method. The main depreciation rates are the following:

- Buildings	3%
- Buildings improvements	5%
- Office furniture and equipment	10%
- Computer equipment	33%
- Vehicles	20%

Financial Fixed Assets are entered either at their purchase price, after taking into account any amounts still not paid up and any write-offs made. They are written down if they suffer a capital loss or a justifiable long-term loss in value.

Amounts Receivable within one year and those receivable after one year are recorded at their nominal value. Write-downs are applied in case of permanent impairment or if the repayment value at the closing date is less than the book value.

Stocks are recorded at their purchase price or contribution value, including, in addition to the purchase price, the ancillary costs, duties and taxes relating to them. The infrastructure costs are recorded at their cost price. Realisation of stocks is recorded at the weighted average price. Work in progress is valued at cost price. Profits are, in principle, recorded on the basis of the percentage of completion of the work. Write-downs are applied as appropriate, according to the selling price or the market value.

The sales and the purchases of properties are recorded at the signature of the notarial act in so far as the eventual conditions precedents are lifted and a clause of deferred property transfer is foreseen in the compromise under private signature

Short term investments are recorded as assets at their purchase price (ancillary costs excluded) or contribution value. Their values are adjusted, provided that the depreciation is lasting.

Cash at bank and in hand are recorded at their nominal value. Values are adjusted if the estimated value at the end of the financial year is lower than the book value.

At the close of each financial year, the Board of Directors, acting with prudence, sincerity and in good faith, examines the provisions to be set aside to cover the major repairs or major maintenance and the risks arising from completion of orders placed or received, advances made, technical guarantees after sale or delivery and current litigations.

Amounts Payable are recorded at their nominal value.

GENERAL INFORMATION

Company name

IMMOBEL

Registered office

Rue de la Régence, 58 - 1000 Brussels – Belgium
RPM / RPR (Legal Entitites Register) - VAT BE 0405.966.675

Form of the Company

Belgian registered joint stock company, constituted on 9 July 1863, authorised by the Royal Decree of 23 July 1863.

Term

Indefinite

Crossing statutory thresholds

(Art. 12 of the Articles of Association – excerpt)

Any physical or moral person who acquires securities in the Company, whether representative of capital or not, conferring the right to vote, must declare to the Company and to the Belgian Banking, Finance and Insurance Commission the number of securities she/he holds, when the voting rights pertaining to these securities reach the level of three percent or more of the total voting rights that exist.

She/he must make the same declaration in the event of an additional acquisition of securities referred to in paragraph 1, if when this acquisition is completed, the voting rights pertaining to the securities that she/he possesses reach the level of five, ten, fifteen percent, and so on in, tranches of five points, of the total number of existing voting rights.

He must make the same declaration in the event of disposal of securities when, following the disposal, his voting rights are reduced to below one of the thresholds referred to in paragraph 1 or paragraph 2.

When a physical or moral person acquires or transfers control, be it direct or indirect, de jure or de facto, of a company which possesses three percent at least of the voting power of the company, she/he must declare this to the company and to the Banking, Financial and Insurance Commission. The aforementioned declarations must be addressed to the Banking, Financial and Insurance Commission, as well as to the Company, at the latest on the second work day after the completion of the acquisition or transfer concerned, without prejudice to the special legal provisions regarding securities acquired by succession.

Website

www.immobel.be

Financial calendar

Publication of annual accounts 2016:	23 March 2017
Ordinary General Meeting 2016:	24 May 2017
Publication of 2016 half-year results:	1 September 2017
Publication of 2017 annual accounts:	March 2018
Ordinary General Meeting 2018:	24 May 2018

Financial services

- BNP Paribas Fortis
- KBC Bank
- ING Belgique
- Banque Degroof

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IMMOBEL

since 1863