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 m² 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 ALLOCATED TO THE GROUP	SHAREHOLDER LOANS BY THE GROUP	BOOK VALUE OF THE INVESTMENTS
	TURNOVER	COMPREHENSIVE INCOME	TOTAL ASSETS	TOTAL LIABILITIES	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	-

	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
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.