IMMOBEL
1863 - 2013
150 years

Half-yearly Financial Report for the period ended June 30, 2014

Contents

INTERMEDIATE MANAGEMENT REPORT

On 30th June 2014 IMMOBEL records operational results of 26.09 MEUR, to be compared with operational results of 3.02 MEUR as at 30th June 2013.

This operational result is mainly influenced by the Offices activity with the sale of the 40 % share in the company RAC 1, which holds the first phase of the Belair project.

The net financial costs amount to -3.70 MEUR against -2.85 MEUR in 2013.

The net result of the period is 22.30 MEUR against 0.12 MEUR on 30th June 2013.

ACTIVITIES OF THE IMMOBEL GROUP

a) BELGIUM

Acquisitions:

In the context of the Landbanking department, the acquisitions of land are approximately 12 ha from which 10 ha under conditions precedent.

Sales:

The IMMOBEL group has finalised the sale of its share in RAC 1, holder of the first phase of the Belair project in Brussels (almost 80 000 m^2 of office spaces, archives and collective equipment) to Hannover Leasing and its partner; the effective transfer of the shares property was made on 10 March 2014.

IMMOBEL has sold 34 apartments and houses in the following projects: BellaVita, Lindepark, Espace Midi, Uccle and Bredene.

In the Landanking department the sales regarded 68 700 m^2 of land including 51 building plots in the Landbanking projects of Bredene, Uccle, Waterloo, Olne, Eupen, Chastre, Rhisnes, Hoeilaart and Soumagne.

Permits and work:

In June 2014, Universalis Park, 50 % affiliate of Immobel, obtained a town planning permit for the installation of the roads in the first housing phase (140 units) on the Plaine Site (Bvd du Triomphe in Ixelles).

In the RAC1 1 project, the provisional receipt of 681 parking spaces was granted.

The work on the Gateway project started in April 2014.

The works on the Black Pearl project continue in view of delivery at the end of the year.

The permit for the Phase 2 of the Lindepark project was deposited in February 2014.

Road works are ongoing in Chastre, Clavier, Eupen, Thiméon, Soumagne, Geel, Waremme and Eghezée.

The landbanking/town planning permits in Sart Bernard, Chastre, Soumagne, Waremme, Oostduinkerke for a surface of 37,739 m^2 were delivered and represent 30 plots for houses and 3 plots for 39 apartments.

b) GRAND DUCHY OF LUXEMBOURG

Sales:

IMMOBEL has transferred its share in the company holder of the « Galerie Kons » project in Luxembourg (14,600 m^2 office space, 2,400 m^2 shops and 3,500 m^2 accommodation and 235 parking spaces), to Axa Belgium; this transfer occurred subject to delivery and acceptance of the building ; the latter are planned for the second half of 2016.

The sales of apartments in the Green Hill project (50 % share) continue. 13 sales were achieved since 1st January 2014 which brings the total number of sales to 166 out of a total of 174.

Letting:

The occupancy level of the Westside project is 77 %.

c) POLAND

Acquisition:

IMMOBEL has acquired 25 % of shares (with the possibility to increase its share up to 50 %) in the company that develops the residential project OSIEDLE WILANOW in Warsaw (174 houses).

Sales:

IMMOBEL has sold a plot suitable for the development of commercial spaces located at Al. Krakowska (Warsaw) to Adepte Invest on 10th April.

Letting:

The Okrąglak project in Poznań reaches occupancy levels of 87 %.

Permits and work:

On 17th June, IMMOBEL obtained an executive town planning permit for the re-development of the Cedet project in Warsaw including 22,000 m^2 of offices and retail premises.

FINANCES

During the 1st semester, Immobel negotiated the renewal of its Corporate Credit with its banks for a total amount of 85 MEUR for a period of 3 years; it also obtained or renewed, alone or with its partners, credit lines for approximately 185 MEUR (at 100 % share) for 7 projects.

2.1 Consolidated Statement of Comprehensive Income

in thousands of EUR

	Notes	30-06-2014	30-06-2013 Restated (*)
OPERATING INCOME		21 890	17 813
Turnover	6	15 768	11 565
Other operating income	7	6 122	6 248
OPERATING EXPENSES		-19 748	-13 405
Cost of sales	8	-12 207	-5 916
Personnel expenses	9	-3 763	-3 443
Amortisation, depreciation and impairment of assets (including reversals)		- 146	- 138
Other operating expenses	10	-3 632	-3 908
JOINT VENTURES AND ASSOCIATES	11	23 945	-1 386
Gain (loss) on sales of joint ventures and associates		24 086	-
Share in the net result of joint ventures and associates		- 141	-1 386
OPERATING RESULT		26 087	3 022
Interest income		1 141	1 740
Interest expense		-4 777	-4 227
Other financial income		154	16
Other financial expenses		- 218	- 383
FINANCIAL RESULT	12	-3 700	-2 854
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		22 387	168
Income taxes	13	- 84	- 48
RESULT FROM CONTINUING OPERATIONS		22 303	120
RESULT OF THE PERIOD		22 303	120
Share of non-controlling interests		-1	- 4
SHARE OF IMMOBEL		22 304	124
RESULT OF THE PERIOD		22 303	120
Other comprehensive income - items subject to subsequent recycling in the income statement		9	167
Currency translation		9	167
Other comprehensive income - items that are not subject to subsequent recycling in the income statement		0	0
Actuarial gains and losses (-) on defined-benefit plans		0	0
TOTAL OTHER COMPREHENSIVE INCOME		9	167
COMPREHENSIVE INCOME OF THE PERIOD		22 312	287
Share of non-controlling interests		- 1	- 4
SHARE OF IMMOBEL		22 313	291
NET RESULT PER SHARE (EUR) (DILUTED AND BASIC)	14	5,41	0,03
COMPREHENSIVE INCOME PER SHARE (EUR) (DILUTED AND BASIC)		5,41	0,07

(*) Amounts amended in accordance with the change in accounting principle related to IFRS 11 Joint Arrangements , as explained in note 2.1.

2.2 Consolidated Statement of Financial Position

in thousands of EUR

ASSETS	Notes	30-06-2014	31-12-2013 Restated (*)
NON-CURRENT ASSETS		77 154	73 805
Intangible assets		89	95
Property, plant and equipment		948	1 022
Investment property		2 603	2 603
Investments in joint ventures and associates	15	72 699	69 238
Deferred tax assets	16	564	595
Other non-current assets		251	252
CURRENT ASSETS		353 737	329 604
Inventories	17	291 460	284 632
Trade receivables	18	8 448	7 225
Tax receivables		58	389
Other current assets	19	26 405	20 872
Cash and cash equivalents	20	27 366	16 486
TOTAL ASSETS		430 891	403 409

EQUITY AND LIABILITIES	Notes	30-06-2014	31-12-2013 Restated (*)
TOTAL EQUITY		205 489	183 177
EQUITY SHARE OF IMMOBEL		205 481	183 168
Share capital		60 302	60 302
Retained earnings		145 014	122 710
Reserves		165	156
Non-controlling interests		8	9
NON-CURRENT LIABILITIES		117 673	139 325
Employee benefit obligations		916	916
Provisions	21	30	30
Financial debts	20	115 218	138 379
Trade payables	22	1 509	0
CURRENT LIABILITIES		107 729	80 907
Provisions	21	3 375	1 156
Financial debts	20	78 810	54 738
Trade payables	22	13 397	12 214
Tax liabilities		42	14
Derivative financial instruments	20	123	269
Other current liabilities	23	11 982	12 516
TOTAL EQUITY AND LIABILITIES		430 891	403 409

(*) Amounts amended in accordance with the change in accounting principle related to IFRS 11 Joint Arrangements , as explained in note 2.1.

2.3 Consolidated Statement of Cash Flow

in thousands of EUR

	Notes	30-06-2014	30-06-2013 Restated (*)
Operating income		21 890	17 813
Operating expenses		-19 748	-13 405
Amortisation, depreciation and impairment of assets		146	138
Change in provisions	21	- 3	5
Disposal of joint ventures and associates	24	31 536	1 300
Acquisition and advances to joint ventures and associates	25	-12 013	-10 010
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		21 808	-4 159
Change in working capital	26	-8 080	-33 249
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		13 728	-37 408
Paid interests		-5 133	-2 033
Interest received		1 141	867
Paid income taxes		306	- 120
CASH FROM OPERATING ACTIVITIES		10 042	-38 694
Acquisitions of intangible, tangible and other non-current assets		- 60	- 48
CASH FROM INVESTING ACTIVITIES		- 60	- 48
Increase in financial debts		3 162	61 337
Repayment of financial debts		-2 200	-12 704
Other financing cash flows		- 64	- 368
Gross dividend paid		-	-5 771
CASH FROM FINANCING ACTIVITIES		898	42 494
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		10 880	3 752
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		16 486	20 177
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		27 366	23 929

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

(*) Amounts amended in accordance with the change in accounting principle related to IFRS 11 Joint Arrangements ,
as explained in note page 2.1.

2.4 Consolidated Statement of Changes in Equity

in thousands of EUR

	Capital	Retained earnings	Currency translation	Reserve for defined benefit plans	Equity to be allocated to the Group	Non Controlling interests	Total equity
2013							
Balance as at 01-01-2013	60 302	127 010	409	54	187 775	- 44	187 731
Restatement IFRS11 Joint Arrangements	-	-	-	-	-	-	-
Restated Balance as at 01-01-2013	60 302	127 010	409	54	187 775	- 44	187 731
Total comprehensive income for the year		124	167		291	- 4	287
Dividends paid		-5 771			-5 771		-5 771
Changes in the period		-5 647	167		-5 480	- 4	-5 484
Balance as at 30-06-2013	60 302	121 363	576	54	182 295	- 48	182 247

	Capital	Retained earnings	Currency translation	Reserve for defined benefit plans	Equity to be allocated to the Group	Non Controlling interests	Total equity
2014							
Balance as at 01-01-2014	60 302	122 710	310	- 154	183 168	9	183 177
Restatement IFRS11 Joint Arrangements	-	-	-	-	-	-	-
Restated Balance as at 01-01-2014	60 302	122 710	310	- 154	183 168	9	183 177
Total comprehensive income for the year		22 304	9	0	22 313	- 1	22 312
Changes in the period		22 304	9	0	22 313	- 1	22 312
Balance as at 30-06-2014	60 302	145 014	319	- 154	205 481	8	205 489

2.5 Notes to the interim condensed consolidated financial statements

(in thousands of EUR)

1. Preparation basis

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

2. Accounting principles and methods

The interim condensed consolidated financial statements have been prepard 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.

The accounting principles and methods used for the interim financial statements are the same as for the annual financial statements of the accounting year 2013 except for the following standards and interpretations applicable for the annual period beginning on 1 January 2014 :

- IFRS 10 Consolidated Financial Statements (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 Joint Arrangements (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 Disclosures of Interests in Other Entities (applicable for annual periods beginning on or after 1 January 2014)
- IAS 27 Separate Financial Statements (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 Investments in Associates and Joint Ventures (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 39 Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual periods beginning on or after 1 January 2014)

Those standards did not have a material impact on the interim condensed consolidated financial statements, except for IFRS11 - see note 2.2

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2014 :

- IFRS 9 Financial Instruments and subsequent amendments (not yet endorsed in the EU)
- 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 2017, but not yet endorsed in EU)
- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the EU)
- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in the EU)
- 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, but not yet endorsed in EU)
- 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, but not yet endorsed in EU)
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in EU)
- Amendments to IAS 19 Employee Benefits - Employee Contributions (applicable for annual periods beginning on or after 1 July 2014, but not yet endorsed in EU)
- IFRIC 21 Levies (applicable for annual periods beginning on or after 1 January 2014)

The Group is still investigating the impact of those standards, in particular IFRS 9 and IFRS 15.

2.5 Notes to the interim condensed consolidated financial statements

(in thousands of EUR)

2.1. Change in accounting method due to the application of the standard IFRS 11 Joint Arrangements

The Group applies the new IFRS 11 from 1st January 2014. This involves the publication of the Internal financial information further to the retrospective application of the new standard.

The main impact of the application of IFRS 11 is the application of the equity method for the joint ventures of the Group which were previously consolidated proportionally. This reclassification consists in isolating the contribution of the joint ventures on a specific line in the statements of comprehensive income and financial position, without impact on the result of the period and shareholders' equity.

The impact on the past consolidated financial statements is presented below:

STATEMENT OF INCOME	30-06-2013 Published	Impact IFRS 11	30-06-2013 Restated
OPERATING INCOME	21 098	-3 285	17 813
Turnover	14 680	-3 115	11 565
Other operating income	6 418	- 170	6 248
OPERATING EXPENSES	-16 804	3 399	-13 405
Cost of sales	-8 115	2 199	-5 916
Personnel expenses	-3 467	24	-3 443
Amortisation, depreciation and impairment of assets	- 142	4	- 138
Other operating expenses	-5 080	1 172	-3 908
SHARE IN THE RESULT OF JOINT VENTURES AND ASSOCIATES	0	-1 386	-1 386
OPERATING RESULT	4 294	-1 272	3 022
Interest income	1 192	548	1 740
Interest expense	-5 050	823	-4 227
Other financial income and expenses	- 408	41	- 367
FINANCIAL RESULT	-4 266	1 412	-2 854
Share in the net result of investments in associates	67	- 67	
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	95	73	168
Income taxes	25	- 73	- 48
RESULT FROM CONTINUING OPERATIONS	120		120
RESULT OF THE PERIOD	120		120
Share of non-controlling interests	- 4	0	- 4
SHARE OF IMMOBEL	124	0	124

2.5 Notes to the interim condensed consolidated financial statements

(in thousands of EUR)

ASSETS	31-12-2013 Published	Impact IFRS 11	31-12-2013 Restated
NON CURRENT ASSETS	6 517	67 288	73 805
Investments in joint ventures and associates	1 097	68 141	69 238
Other non-current assets	5 420	- 853	4 567
CURRENT ASSETS	520 447	-190 843	329 604
Inventories	464 655	-180 023	284 632
Trade receivables and other current assets	24 398	4 088	28 486
Cash and cash equivalents	31 394	-14 908	16 486
TOTAL ASSETS	526 964	-123 555	403 409

EQUITY AND LIABILITIES	31-12-2013 Published	Impact IFRS 11	31-12-2013 Restated
TOTAL EQUITY	183 177	0	183 177
NON-CURRENT LIABILITIES	152 396	-13 071	139 325
Financial debts	151 450	-13 071	138 379
Other non-current liabilities	946	0	946
CURRENT LIABILITIES	191 391	-110 484	80 907
Financial debts	148 757	-94 019	54 738
Trade payables and other current liabilities	42 634	-16 465	26 169
TOTAL EQUITY AND LIABILITIES	526 964	-123 555	403 409

STATEMENT OF CASH FLOW	30-06-2013 Published	Impact IFRS 11	30-06-2013 Restated
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	26 918	-6 741	20 177
Cash from operating activities	-68 414	29 720	-38 694
Cash from investing activities	1 246	-1 294	- 48
Cash from financing activities	72 783	-30 289	42 494
Net increase or decrease (-) in cash and cash equivalents	5 615	-1 863	3 752
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	32 533	-8 604	23 929

(in thousands of EUR)

3. Main accounting judgments and estimates

Main accounting judgments and estimates are identical to those given on page 96 (paragraph 21) of the 2013 Annual Report. They mainly concern the deferred tax assets, depreciation and impairment of assets, provisions, projects in inventory and construction contracts.

4. Scope of consolidation

The number of entities included in the scope of consolidation evolves as follows:

	30-06-2014	31-12-2013 Restated	31-12-2013 Published
Subsidiaries - Global method of consolidation	23	23	23
Joint Ventures & Associates - Equity method	21	21	-
Joint ventures - Proportionate method of consolidation	-	-	18
Associates - Equity method	-	-	3
Total	44	44	44

During the first half year of 2014, the consolidation scope noted following changes :

Incoming companies :

GRASPA Development sp. Z.o.o. (Poland) - acquisition of 25% of shares of the company

Outgoing companies :

Sale of the participation interets of 40% in the company RAC 1

5. Operating segments

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.

2.5 Notes to the interim condensed consolidated financial statements

(in thousands of EUR)

6. Financial information by business segment [1]

Segment information is presented on the basis of "internal" financial statements. Such adjustments involve integrating the financial statements of joint ventures using the proportionate consolidation method.

	IFRS		Internal			
STATEMENT OF INCOME	TURNOVER				OPERATING RESULT	
	30-06-2014	30-06-2013 Restated	30-06-2014	30-06-2013	30-06-2014 Internal	30-06-2013 Internal
Offices						
Belgium	- 90	-	114 865	-	22 743	- 230
Grand-Duchy of Luxemburg	-	-	-	-	949	868
Poland	-	-	-	-	- 567	- 74
Subtotal offices	- 90	0	114 865	0	23 125	564
Residential						
Belgium	10 308	5 708	13 156	5 945	2 027	2 240
Grand-Duchy of Luxemburg	-	-	7 002	2 387	1 118	598
Poland	-	-	852	491	407	- 359
Subtotal residential	10 308	5 708	21 010	8 823	3 552	2 479
Landbanking						
Belgium	5 550	5 857	5 550	5 857	1 253	1 251
Subtotal landbanking	5 550	5 857	5 550	5 857	1 253	1 251
Total consolidated	15 768	11 565	141 425	14 680	27 930	4 294
Belgium	15 768	11 565	133 571	11 802	26 023	3 261
Grand-Duchy of Luxemburg	-	-	7 002	2 387	2 067	1 466
Poland	-	-	852	491	- 160	- 433
Financial result					-5 098	-4 266
Share in the result of investments in associates					- 2	67
Income taxes					- 527	25
Result from continuing operations					22 303	120
Net result					22 303	120

The 2014 half-year result is positively impacted by the sale of the participation interests of 40% in the company RAC1, owner of the first phase of the Belair project.

[1] In accordance with IFRS, the Company applied since 1 st 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 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.

2.5 Notes to the interim condensed consolidated financial statements

(in thousands of EUR)

FINANCIAL POSITION ITEMS	Offices	Residential Develop-ment	Land Develop-ment	Consolida-ted
30-06-2014 Internal				
Segment assets	240 043	110 496	94 252	444 791
Unallocated items [1]				35 955
Total assets				480 746
Segment liabilities	15 307	21 049	5 488	41 844
Unallocated items [1]				233 413
Total liabilities				275 257
31-12-2013 Internal				
Segment assets	292 013	109 037	91 334	492 384
Unallocated items [1]				34 580
Total assets				526 964
Segment liabilities	20 233	19 276	5 896	45 405
Unallocated items [1]				298 382
Total liabilities				343 787

[1]. Unallocated items: Assets: Deferred tax assets - Other non-current assets - Tax receivables - Cash and cash equivalent
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.

7. Other operating income
Break down as follows :

	30-06-2014	30-06-2013 Restated
Rental income on properties available for sale or awaiting for development	3 488	3 521
Result from the sale of real estate certificates	-	646
Grants received in connection with the sale of a residential project	1 011	-
Other income (recoveries of taxes and withholdings, miscellaneous reinvoicing...)	1 623	2 080
Total other operating income	6 122	6 248

8. Costs of sales
Cost of sales is allocated as follows per segment :

	30-06-2014	30-06-2013 Restated
Offices	227	816
Residential Development	-9 364	-3 589
Land Development	-3 070	-3 143
Total cost of sales	-12 207	-5 916

(in thousands of EUR)

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

10. Other operating expenses
Break down as follows :

	30-06-2014	30-06-2013 Restated
Services and other goods	-3 329	-3 554
Provisions	3	- 5
Other expenses	- 306	- 349
Other operating expenses	-3 632	-3 908

11. Joint ventures and associates
The gain on sales of joint ventures and associates is related to the sale of the participation interests of 40% in the companhy RAC1, owner of the first phase of the Belair project.

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

	30-06-2014	30-06-2013 Restated
Operating result	1 795	- 38
Financial result	-1 470	-1 419
Income taxes	- 466	71
Result of the period	- 141	-1 386

12. Financial result
The financial result breaks down as follows :

	30-06-2014	30-06-2013 Restated
Cost of gross financial debt at amortised cost	-5 082	-4 259
Fair value changes on financial instruments	146	874
Net financial costs activated on projects in development	159	31
Financial income from cash and cash equivalents	95	73
Financial income from advances granted to joint ventures and associates	1 046	794
Other financial charges	- 218	- 383
Other financial income	154	16
Financial result	-3 700	-2 854

13. Income taxes
Income taxes are as follows :

	30-06-2014	30-06-2013 Restated
Current income taxes	- 53	- 145
Deferred taxes	- 31	97
Total of tax expenses recognized in the statement of comprehensive income	- 84	- 48

(in thousands of EUR)

14. 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 :

	30-06-2014	30-06-2013 Restated
Average number of shares considered for basic earnings and diluted earnings	4 121 987	4 121 987
Net result from continuing operations	22 303	120
Group's share in the net result for the year	22 304	124
Net per share (in EUR) :		
- Result of the continuing operations	5,41	0,03
- Group's share in the net result of the year	5,41	0,03

Seasonal character of the results

Due to intrinsic character of its activity, Real Estate Development, the results of the first half year 2014 can not be extrapolated over the whole year. These results depend from the final transactions before 31st December 2014.

15. Investments in joint ventures and associates

Investments in joint ventures and associates evolve as follows :

	30-06-2014	31-12-2013 Restated
Value as at 1 january	69 238	56 901
Share in result	- 141	805
Acquisitions and advances to joint ventures and associates	12 013	11 931
Disposals of joint ventures and associates	-8 412	-
Repayment of capital and advances by joint ventures and associates	-	- 247
Impairment loss on investments in joint ventures and associates	-	- 120
Currency translation	1	9
Reclassifications	-	- 41
Changes for the period	3 461	12 337
Value as at 30 june / 31 december	72 699	69 238

The condensed financial statements of these entities are as follows

Property, plant and equipment	4	2
Inventories	111 151	180 818
Trade receivables & other current assets	15 809	19 030
Cash and cash equivalents	7 715	15 636
Total Assets	134 679	215 486
Equity	26 117	33 790
Shareholders' loans	46 582	35 448
Non-current financial debts	14 604	13 071
Current financial debts	24 131	94 185
Trade payables and other current liabilities	23 245	38 992
Total Equity and Liabilities	134 679	215 486

(in thousands of EUR)

16. Deferred tax assets

	30-06-2014	31-12-2013 Restated
On 1 january	595	105
Recognition of deferred tax assets	- 31	490
Value as at 30 june / 31 december	564	595

17. Inventories

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

Allocation of inventories by segment is as follows :

	IFRS		Internal	
	30-06-2014	31-12-2013 Restated	30-06-2014	31-12-2013
Offices	159 105	149 790	216 797	278 720
Residential Development	44 847	49 448	98 306	100 541
Land Development	87 508	85 394	87 508	85 394
Total inventories	291 460	284 632	402 611	464 655

Allocation of inventories by geographical area is as follows :

	IFRS		Internal	
	30-06-2014	31-12-2013 Restated	30-06-2014	31-12-2013
Belgium	198 594	192 177	276 920	336 718
Grand-Duchy of Luxemburg	36 180	36 205	58 554	60 901
Poland	56 686	56 250	67 137	67 036
Total inventories	291 460	284 632	402 611	464 655

The book value of inventories is as follows :

	IFRS		Internal	
	30-06-2014	31-12-2013 Restated	30-06-2014	31-12-2013
Inventory as at 1 january	284 632	248 609	464 655	359 924
Purchases for the year	19 159	50 232	39 107	130 275
Disposals of the year	-12 485	-14 317	-101 661	-27 210
Borrowing costs	159	119	517	1 680
Write-offs recorded	- 5	- 11	- 7	- 14
Movements during the period	6 828	36 023	-62 044	104 731
Inventory as at 30 june / 31 december	291 460	284 632	402 611	464 655

(in thousands of EUR)

Break down of the movements of the period per segment :

IFRS	Purchases	Disposals	Borrowing costs	Net write-offs	Net
Offices	9 161		159	- 5	9 315
Residential Development	4 229	-8 830			-4 601
Land Development	5 769	-3 655			2 114
Total	19 159	-12 485	159	- 5	6 828

Internal	Purchases	Disposals	Borrowing costs	Net write-offs	Net
Offices	18 379	-80 575	279	- 6	-61 923
Residential Development	14 959	-17 431	238	- 1	-2 235
Land Development	5 769	-3 655			2 114
Total	39 107	-101 661	517	- 7	-62 044

Break down of the movements of the period per geographical area :

IFRS	Purchases	Disposals	Borrowing costs	Net write-offs	Net
Belgium	18 748	-12 485	159	- 5	6 417
Grand-Duchy of Luxemburg	- 25				- 25
Poland	436				436
Total	19 159	-12 485	159	- 5	6 828

Internal	Purchases	Disposals	Borrowing costs	Net write-offs	Net
Belgium	35 100	-95 408	517	- 7	-59 798
Grand-Duchy of Luxemburg	3 481	-5 828			-2 347
Poland	526	- 425			101
Total	39 107	-101 661	517	- 7	-62 044

18. Trade receivables

Trade receivables refer to the following segments :

	IFRS		Internal	
	30-06-2014	31-12-2013 Restated	30-06-2014	31-12-2013
Offices	3 275	2 906	3 475	2 577
Residential Development	1 672	1 472	4 088	3 639
Land Development	3 501	2 847	3 501	2 847
Total trade receivables	8 448	7 225	11 064	9 063

(in thousands of EUR)

19. Other current assets

The components of this line item are :

	30-06-2014	31-12-2013 Restated
Other receivables	23 132	17 642
of which : advances to joint ventures, associates and on projects in participation	13 645	12 711
taxes (other than income taxes) and VAT receivable	1 294	1 438
receivable on sale (escrow account)	5 212	-
grants and allowances receivable	1 617	2 255
other	1 364	1 238
Deferred charges and accrued income	3 273	3 230
of which : on projects in developement	2 651	2 756
other	622	474
Total other current assets	26 405	20 872

and are related to the following segments :	IFRS		Internal	
	30-06-2014	31-12-2013 Restated	30-06-2014	31-12-2013
Offices	17 054	11 790	16 380	7 599
Residential Development	6 534	6 405	6 298	4 668
Land Development	2 817	2 677	2 817	2 677
Total other current assets	26 405	20 872	25 495	14 944

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 - 166,662 KEUR as at 30 June 2014 compared to - 176,631 KEUR as at 31 December 2013.

	30-06-2014	31-12-2013 Restated
Cash and cash equivalents (+)	27 366	16 486
Non current financial debts (-)	115 218	138 379
Current financial debts (-)	78 810	54 738
Net financial debt	166 662	176 631

The Group's gearing ratio (net financial debt / equity) is 81 % as at 30 June 2014 compared to 96% at the end of 2013.

Available cash and cash equivalents

Cash deposits and cash at bank and in hand amount to 27,366 KEUR compared to 16,486 KEUR at the end of 2013, representing an increase of 10,880 KEUR.

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.

(in thousands of EUR)

Financial debts

Financial debts increase with 911 KEUR, from 193,117 KEUR at 31 December 2013 to 194,028 KEUR at 30 June 2014. The components of financial debts are as follows :

	30-06-2014	31-12-2013 Restated
Bond issue maturity 21-12-2016 at 7% - nominal amount 40 MEUR	39 603	39 523
Bond issue maturity 28-03-2018 at 5,50% - nominal amount 60 MEUR	58 991	58 856
Credit institutions	16 624	40 000
Non current financial debts	115 218	138 379
Credit institutions	76 469	52 131
Current financial debts	76 469	52 131
Subtotal	191 687	190 510
Bonds - not yet due interest	2 341	2 607
Total financial debts	194 028	193 117
Amount of debts guaranteed by securities	93 093	92 131
Book value of Group's assets pledged for debt securities	288 192	277 851

Financial debts evolve as follows :

	30-06-2014	31-12-2013 Restated
Financial debts as at 1 january	193 117	128 118
Contracted debts	3 162	74 730
Repaid debts	-2 200	-12 704
Bonds - not yet due interest	- 266	2 607
Amortization of deferred debt issue expenses	215	366
Financial debts as at 30 june / 31 december	194 028	193 117

All the financial debts are denominated in EUR.

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 June 30, 2014 of confirmed bank credit lines (Corporate and Project Financing) of 137 MEUR whereof 93 MEUR was used at end of June 2014.

These amounts do not include credit lines granted to joint ventures.

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

Due in	2014	2015	2016	2017	2018	Total
Bonds *			40 000		60 000	100 000
Corporate credit				15 000		15 000
Project financing credits	22 491	56 319		1 624		80 434
Total financial debt	22 491	56 319	40 000	16 624	60 000	195 434

* The amount on the balance sheet, 98,594 KEUR, includes 1,406 KEUR charges to be amortized until maturity in 2016 and 2018.

2.5 Notes to the interim condensed consolidated financial statements

(in thousands of EUR)

Interest rate risk

In the frame of the availability of long term credits, corporate or project financing, the Group uses financial instruments mainly for the hedging of interest rates.

At 30 June 2014, the derivative financial instruments have been concluded as to hedge future risks and are the following:

Period	Instruments	Strike	Notional amounts
07/2014 - 07/2017	CAP bought	2,00%	36 000
07/2012 - 07/2015	IRS bought	0,75%	26 000
		TOTAL	62 000

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

	30-06-2014	31-12-2013 Restated
Fair value of financial instruments		
Hedging instruments :		
- Bought CAP Options	28	100
- Bought IRS Options	- 151	- 369
Total	- 123	- 269

	30-06-2014	31-12-2013 Restated
Change in fair value of the derivative financial instruments		
Situation at 1 january	- 269	-1 443
Changes during the period :		
Change in the fair value recognised in the consolidated income statement	146	1 174
Situation at 30 june / 31 december	- 123	- 269

No instrument has been documented as hedge at 30 June 2014.

(in thousands of EUR)

Disclosure 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 30-06-2014	Amortized cost	Fair value through profit or loss	Fair Value 30-06-2014
Assets					
Cash and cash equivalents	Level 1	27 366	27 366		27 366
Other non-current assets	Level 2	251	251		251
Trade receivables	Level 2	8 448	8 448		8 448
Other operating receivables	Level 2	26 405	26 405		26 405
Total		62 470	62 470		62 470
Liabilities					
Interest-bearing debt	Levels 1 and 2	191 687	191 687		193 093
Trade payables	Level 2	13 397	13 397		13 397
Other operating payables	Level 2	13 491	13 491		13 491
Derivative financial instruments	Level 2	123		123	123
Total		218 698	218 575	123	220 104

(in thousands of EUR)

21. Provisions

The components of provisions are as follows :

	30-06-2014	31-12-2013 Restated
Provisions related to the sales	3 372	1 151
Other provisions	33	35
Total provisions	3 405	1 186

Provisions as at 1 january	1 186	1 631
Increase	2 222	179
Use	- 3	- 6
Reversal	-	- 618
Provisions as at 30 june / 31 december	3 405	1 186

22. Trade payables

This account is allocated by segment as follows :

	IFRS		Internal	
	30-06-2014	31-12-2013 Restated	30-06-2014	31-12-2013
Offices	7 250	5 116	6 796	11 861
Residential Development	3 943	3 023	7 747	4 793
Land Development	3 713	4 075	3 713	4 075
Total Trade payables	14 906	12 214	18 256	20 729

23. Other current liabilities

The components of this account are :

	30-06-2014	31-12-2013 Restated
Personnel debts	338	522
Taxes (other than income taxes) and VAT payable	393	91
Advances on sales (mainly related to residential projects)	1 804	2 388
Advances from joint ventures and associates	3 890	3 879
Accrued charges and deferred income	1 194	785
Operating grants	1 810	3 459
Other	2 553	1 392
Total other current liabilities	11 982	12 516

Other current liabilities are related to the following segments :

	IFRS		Internal	
	30-06-2014	31-12-2013 Restated	30-06-2014	31-12-2013
Offices	4 219	4 170	4 569	5 089
Residential Development	6 282	7 239	12 977	13 632
Land Development	1 481	1 107	1 481	1 107
Total	11 982	12 516	19 027	19 828

(in thousands of EUR)

Trade receivables and payables and other receivables and payables	IFRS		Internal	
	30-06-2014	31-12-2013 Restated	30-06-2014	31-12-2013
Trade receivables	8 448	7 225	11 064	9 063
Other current assets	26 405	20 872	25 495	14 944
Total of trade receivables and other current assets	34 853	28 097	36 559	24 007
Trade payables	14 906	12 214	18 256	20 729
Other current liabilities	11 982	12 516	19 027	19 828
Total of trade payables and other current liabilities	26 888	24 730	37 283	40 557
Net situation of receivables and payables	7 965	3 367	- 724	-16 550

24. Disposal of joint ventures and associates
Sale of the participation interets of 40% in the compagny RAC 1

25. Acquisition and advances to joint ventures and associates
Except advances to joint ventures and associates, this item includes the acquisition of 25% of shares of the company GRASPA Development sp. Z.o.o. (Poland)

26. Change in working capital

	30-06-2014	30-06-2013 Restated
Inventories	-6 674	-15 843
Trade receivables & Other current assets	-1 535	-7 744
Trade payables & Other current liabilities	129	-9 662
Change in working capital	-8 080	-33 249

27. Main commitments

	30-06-2014	31-12-2013 Restated
Commitments for the acquisition of inventories	8 736	13 141
Commitments for the disposal of inventories	41 079	138 407

28. Related parties
There were no other related parties transactions oçf changes that could materially affect the financial position or results of the Group.

29. Events subsequent to interim reporting date
No significant event that may change the financial statements occured from the reporting date on 30 June 2014 up to 28 August 2014 when the financial statements were approved by the Board of Directors.

3. Statement from the responsible persons

M. Paul Buysse, in his capacity of President of the Board of Directors, Gaëtan Piret SPRL, represented by M. Gaëtan Piret, in his capacity of Managing Director and M. Philippe Opsomer, in his capacity of Head of Finance, declare that, as far as they are aware :

- the interim report contains a true representation of the major events and, where appropriate, of the main transactions between the parties involved that took place during the first 6 months of the financial year and of their impact on the set of summarised accounts, as well as a description of the main risks and uncertainties for the remaining months of the financial year.

- the set of summarised financial statement, which have been drawn up in accordance with applicable accounting regulations, and which have been the subject of a limited review by the auditor, give a true representation of the financial situation and profits and losses of the IMMOBEL Group and of its subsidiaries.

Immobel SA

Report on review of the consolidated interim financial information for the six-month period ended 30 June 2014

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the condensed consolidated statement of financial position as at 30 June 2014, the condensed consolidated statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the period of six months then ended, as well as selective notes 1 to 29.

Report on the consolidated interim financial information

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

The condensed consolidated statement of financial position shows total assets of 430.891 (000) EUR and the condensed consolidated income statement shows a consolidated profit (group share) for the period then ended of 22.304 (000) EUR.

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

Scope of review

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

Conclusion

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

Diegem, 28 August 2014

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Laurent Boxus